



Wastewater  
Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled  
Water



Energy  
Production



Biosolids  
Reuse

# FY22/23 Strategic Initiatives and Annual Performance Report

Board of Directors Special Meeting  
August 17, 2023

# Overview

## Strategic Planning Activities



Staff identified eight **FY22/23 Strategic Initiatives** to support Strategic Plan

- Good overall progress with **6 of 8** to be completed by September 2023

Staff developed a **District FY22/23 Annual Performance Report**

### Strategic Plan Goal Areas

- ❶ Infrastructure Investment
- ❷ Environmental Stewardship
- ❸ Fiscal Responsibility
- ❹ Organizational Change
- ❺ Workforce Development
- ❻ Customer Services and Engagement

# FY22/23 Strategic Initiatives

## Strategic Initiatives

① Ensure prioritized, integrated, and effective development of **Asset Management Program (AMP)**, consistent with established AMP Development Roadmap



### Completed

Good progress on planned AMP Roadmap activities

② Apply formalized **risk-based criteria** and project evaluation methodology to all capital projects during preparation of new **5-year Capital Improvement Program**



### Completed

Integrated risk methodology into CIP project prioritization process

③ Evaluate **alternative project delivery** methods for **large-scale capital projects** to support cost-effective, timely, and high-quality infrastructure improvements



### Completed

- Prepared summary memo; legal is completing associated analysis
- Monitoring peer agency experience
- Integrating into major capital projects

Supports Strategic Goal(s): ① Infrastructure Investment ② Environmental Stewardship ③ Fiscal Responsibility

# FY22/23 Strategic Initiatives



## Strategic Initiatives

- ④ Ensure effective integration of **financial planning and budgeting activities** to support Board approval of proposed Sewer Service Charges, CIP, and Budget for two fiscal years (FY23/24-FY24/25) (currently one-year cycle)



### Completed/In Progress

- Incorporated FY24/25 budget forecast (second year) into FY23/24 Budget
- No SSC increase in FY23/24, on track for multi-year rate-setting process next year

**Supports Strategic Plan Goal(s):** ④ Organizational Change ③ Fiscal Responsibility

- ⑤ Develop an **IT Program Implementation Roadmap** to guide effective investment in prioritized IT enhancements that drive organizational efficiency, support workforce development, and address potential vulnerabilities



### Completed/In Progress

- Significant progress on suite of IT initiatives in FY22/23
- IT Roadmap—finalize by Sep 2023

- ⑥ Encourage **engagement with peer agency** counterparts and applicable **industry associations at all levels** in the organization to support **workforce development**, technological innovation, continuous improvement, and information sharing



### Completed

Key focus area this year in support of workforce development

**Supports Strategic Goal(s):** ④ Organizational Change ⑤ Workforce Development ⑥ Customer Services and Engagement

# FY22/23 Strategic Initiatives

## Strategic Initiatives

- 7 Develop recommended updates to the District's **Capital Facilities Capacity Charges** to ensure effective cost recovery and appropriate allocation to customers



### Not Completed

Delayed, include as FY23/24 Strategic Initiative; negotiating consultant contract

Supports Strategic Plan Goal(s): 3 Fiscal Responsibility

- 8 Implement a streamlined, effective approach to the **performance planning and appraisal process** that supports supervisor-employee engagement and aligns with District needs, behavioral values, and strategic goals and objectives



### Not Completed

- Gathered multiple examples from peer agencies; assimilating best practices
- Delayed, include as FY23/24 Strategic Initiative

Supports Strategic Plan Goal(s): 5 Workforce Development 6 Customer Services and Engagement

# FY22/23 Annual Performance Report



## Highlights Key Resource Recovery Attributes

## Summarizes Regulatory Compliance Outcomes


- Significant regulatory compliance issues with self-monitoring program
  - Implemented multiple management actions to address issues
  - Engaged with Regional Water Board
  - Considering IT solution
- New Year's Eve storm event SSOs

### District FY22/23 Annual Performance Report


**MISSION: Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner**

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#### Resource Recovery




**14.2** MGD of wastewater treated (5,199 MG total)




**37%** of WWTP power needs met via on-site renewable energy production (lower than 50-55% due to gas line repairs)



**7.0** MGD of recycled water produced (2,565 MG total)



**38** tpd of biosolids produced (13,926 tons total)



**100%** beneficial use via land application and composting


The District continues effectively "Transforming Wastewater to Resources" by **reducing local potable water demand** via water recycling, **generating on-site renewable energy** via biogas utilization, and **recovering valuable nutrients** to improve soil health via biosolids reuse.

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#### Regulatory Compliance/Safety

- 6** NPDES WWTP effluent permit violations
  - 2 - failed BOD QA/QC tests
  - 2 - BOD test analytical errors
  - 2 - missed compliance sample
- 1** NPDES WWTP SSO permit violation (New Year's Eve storm)
- 0** Recycled Water Facility Title 22 permit violation
- 0** Air permit violations
- 5** SSOs in WW conveyance system
  - 4 - New Year's Eve storm
  - 1 - Bay Point gravity sewer

- Experienced six non-serious NPDES WWTP effluent permit violations due to deficiencies in meeting monitoring and reporting program requirements. Staff engaged with the SF Regional Water Board and does not expect any discretionary enforcement actions based on nature of violations, planned corrective actions, and past regulatory compliance record. Multiple management actions have been implemented to effectively address issues.
- Received NACWA Silver Peak Performance Award for regulatory compliance record in 2022.
- Despite unprecedented rainfall intensity and duration, implemented effective actions, decisions, and mitigating measures to minimize the number and magnitude of SSOs during the New Year's Eve extreme storm event. Staff does not expect any enforcement actions from the SF Regional Water Board based on extreme magnitude and duration of storm event. Staff expects to receive \$200,000 from FEMA for cost reimbursement to replace assets that were damaged during the event.
- Developed and implemented Spill Emergency Response Plan (SERP) and other measures to ensure compliance with new Waste Discharge Requirements (WDR) at the state level.
- Laboratory Division staff completed a successful ELAP accreditation renewal (via third-party audit) and progressed toward TNI standard compliance.
- Effectively responded to multiple critical events in the wastewater conveyance system with only one SSO in Bay Point and no disruption of service to customers.
- Established Safety Program Steering Committee to guide program enhancements, corrective actions, training, and safety directive updates.



District's Wastewater Resource Recovery Facility, includes:

- Wastewater Treatment Plant
- Recycled Water Facility

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TRANSFORMING WASTEWATER TO RESOURCES

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# FY22/23 Annual Performance Report

## Provides Overview of Infrastructure Investments

- Completed six construction projects with significant progress on four others
- New 5-year CIP = \$139.1M
- Pursuing significant federal tax credit (40% of capital cost) under Inflation Reduction Act for \$18M Cogeneration System Improvements Project
- Executed Project Labor Agreement with CCCBTC

### District FY22/23 Annual Performance Report

#### Infrastructure Investment

##### Infrastructure Investment Goal (Strategic Plan, dated August 2021):

**“Ensure the long-term effectiveness and reliability of critical District infrastructure through prioritized, cost-effective capital investment and maintenance”**



District's Wastewater Treatment Plant



Camp Stoneman Interceptor Repair



Delivery of New Electrical Switchgear

- Made significant progress toward completing construction of critical projects (bold = completed, total project cost in parenthesis):
  - Pump Station Facilities Repair (\$14.3M, 95% complete)
  - Electrical Switchgear Replacement (\$12.2M, 70% complete)
  - Bridgehead Pipeline Replacement (\$4.8M, 90% complete)
  - Onsite Fueling Station Replacement (\$1.2M, 95% complete)
  - RWF Sand Filter Intermittent Backwash System (\$1.0M)**
  - Camp Stoneman Interceptor Force Main Repair (\$0.3M)**
  - POC Chiller Replacement (\$0.4M)**
  - POC Conduit and Generator Repair (\$0.2M)**
  - Willow Pass Interceptor Point Repair (\$0.2M)**
  - TP Methane Gas Leak Repair (\$0.1M)**
- Adopted new 5-year CIP (FY23/24-FY27/28) totaling \$139.1 million to continue effectively guiding prioritized capital infrastructure investment, including the \$60M Secondary Process Improvements Project.
- Completed the Resource Recovery Facility Master Plan (\$1.8M) in November 2022 to identify District's near- and long-term strategies, needs, and priorities.
- Intensified focus on addressing significant gravity sewer condition vulnerabilities in the Shore Acres Interceptor and Willow Pass Interceptor systems via multiple capital projects (\$9.5M).
- Initiated the Cogeneration System Improvements Project (updated to \$18.0M, only \$10.0M in 5-year CIP) to replace the existing cogeneration system to allow continued onsite renewable energy production. This fast-track project requires construction to be initiated by December 2024 to receive a significant federal tax credit (up to 40% of capital cost) under the Inflation Reduction Act.
- In March 2023, executed a Project Labor Agreement (PLA) with the Contra Costa Construction and Building Trades Council, which requires District capital project (>\$1M) contractors and subcontractors to utilize union labor and apprenticeship programs while supporting a local hire preference and employment programs for military veterans.
- Enhanced RWF reliability by proactively replacing Actiflo lamella tubes, installing new turbidimeters, and initiating a project to replace microsand pump piping.
- Evaluated alternative project delivery methods for large-scale capital projects to support cost-effective, timely, and high-quality infrastructure improvements.
- Restored and enhanced ESRI ArcGIS functionality to support effective management of linear assets in the District's wastewater conveyance system.
- Continued a cross-divisional team to engage in effective management of key challenges with active construction projects, and identification, prioritization, and implementation of capital project delivery process improvements.
- Continued development of an Asset Management Program (AMP) consistent with the AMP Development Roadmap, including assigning internal "champions" for major sections of the wastewater conveyance system, progressing toward a Mainsaver CMMS upgrade, and developing a reliability-centered maintenance (RCM) pilot for critical infrastructure at the Antioch Pump Station.

# FY22/23 Annual Performance Report



## Highlights Key Workforce Development Activities

- Developed “Classification Control Plan”
- Multiple staffing/positions adjustments to meet District needs in FY23/24
- Ten new employees, three internal promotions, two retirements
- New labor MOUs with bargaining units

## Five Industry Recognition Awards (GFOA, NACWA)

### District FY22/23 Annual Performance Report

Workforce Development

**FY22/23 Strategic Initiative:**  
 “Encourage engagement with peer agency counterparts and applicable industry associations at all levels in the organization to support workforce development, technological innovation, continuous improvement, and information sharing”

Employee Years of Service Percentile Distribution  
(as of June 30, 2023)

**66 Positions Filled, 9 Vacancies**  
(as of June 30, 2023)

10 New Employees   3 Promotions   2 Retirements

- Developed “Classification Control Plan” to consolidate approved classifications, maximum staffing levels, and position funding plans, support Workforce Development goal, and reinforce effective internal communications (promotional opportunities, flexibly-staffed positions, career paths, succession planning efforts).
- Incorporated multiple staffing/position adjustments in FY23/24 Budget to address succession planning, supervisory span of control, capital project delivery, and technical leadership needs.
- Three staff members earned well-deserved promotions to continue supporting critical work functions and succession planning needs.
- Executed new labor MOUs with three bargaining units to better align benefits, work practices, and internal processes with peer agencies, while supporting long-term financial sustainability, retention and recruitment efforts, and workforce development.
- Developed formalized professional development and training program that leverages outside training (Lorman, Vector Solutions, DKF) and industry associations to meet workforce development needs; provided targeted training for managers and supervisors.
- Utilized “stackable” intern program via BAYWORK for Maintenance Assistant and Operations Assistant positions, and supported development of a similar effort for electrical/instrumentation.
- Maintained staff certification levels, complied with mandatory training requirements, and enhanced tracking of specific training needs for new and existing staff members (Mapistry).
- Continued utilizing Operations Support-Construction Coordinator/ Retired Annuitant and Finance Professional/Retired Annuitant positions to support staff training/development.
- Developed new Laboratory Management Professional/Retired Annuitant position to oversee critical laboratory functions.
- Initiated GM quarterly meetings at the department level and bi-monthly Information Sharing Lunch Presentations to facilitate information sharing and staff engagement; and held multiple Staff Appreciation Events to celebrate team achievements.

Industry Association Awards (Regulatory Compliance, Financial Reporting)

**Silver**  
Peak Performance

**Distinguished Budget Presentation Award**

**Certificate of Recognition for Budget Preparation**

**Certificate of Achievement for Excellence in Finance Reporting**

**Award of Financial Reporting Achievement**

NACWA  
National Association of Clean Water Agencies

GFOA  
Government Finance Officers Association

▪ NACWA 2022 Silver Peak Performance Award

▪ GFOA Distinguished Budget Presentation Award for FY22/23

▪ GFOA Certificate of Recognition for Budget Preparation for FY22/23

▪ GFOA Certificate of Achievement for Excellence in Finance Reporting for FY20/21

▪ GFOA Award of Financial Reporting Achievement for FY20/21

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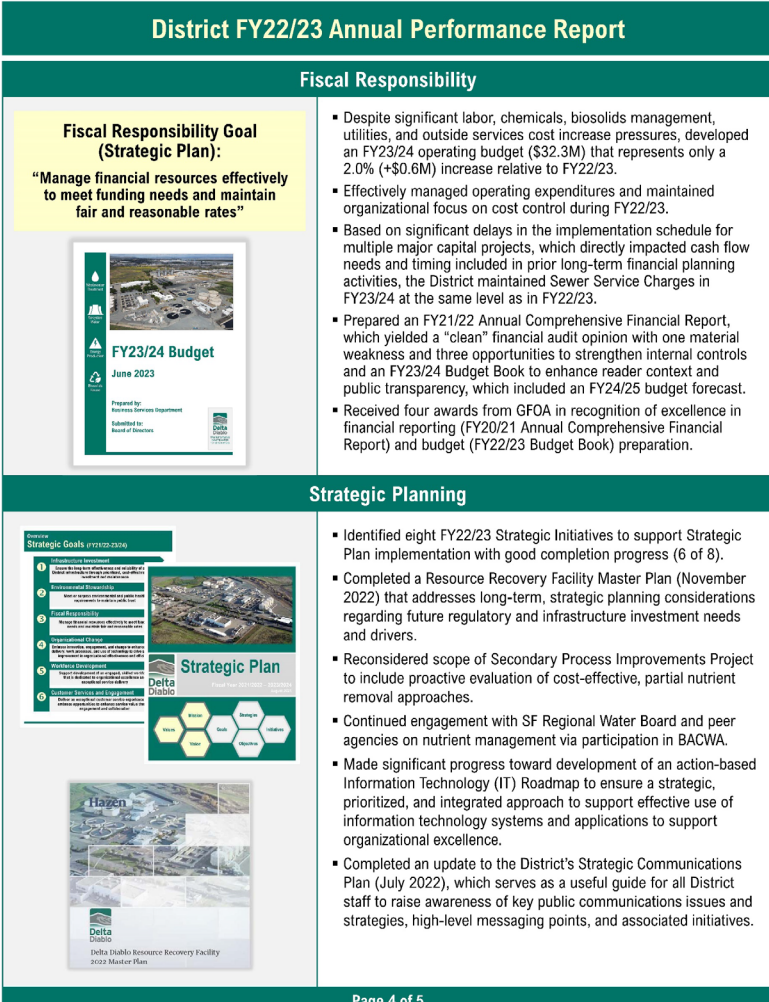
# FY22/23 Annual Performance Report

## Highlights Fiscal Responsibility Outcomes

- +2.0% (\$0.6M) increase in FY23/24 operating budget compared to FY22/23
- No SSC increase in FY23/24
- “Clean” financial audit

## Emphasizes Strategic Planning Approach

- Completed Resource Recovery Facility Master Plan
- Adjusting approach on Secondary Process Improvements Project to incorporate partial nutrient removal



**District FY22/23 Annual Performance Report**

**Fiscal Responsibility**

**Fiscal Responsibility Goal (Strategic Plan):**  
“Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates”

**FY23/24 Budget**  
June 2023

Prepared by: Resource Services Department  
Reviewed by: Board of Directors

- Despite significant labor, chemicals, biosolids management, utilities, and outside services cost increase pressures, developed an FY23/24 operating budget (\$32.3M) that represents only a 2.0% (+\$0.6M) increase relative to FY22/23.
- Effectively managed operating expenditures and maintained organizational focus on cost control during FY22/23.
- Based on significant delays in the implementation schedule for multiple major capital projects, which directly impacted cash flow needs and timing included in prior long-term financial planning activities, the District maintained Sewer Service Charges in FY23/24 at the same level as in FY22/23.
- Prepared an FY21/22 Annual Comprehensive Financial Report, which yielded a “clean” financial audit opinion with one material weakness and three opportunities to strengthen internal controls and an FY23/24 Budget Book to enhance reader context and public transparency, which included an FY24/25 budget forecast.
- Received four awards from GFOA in recognition of excellence in financial reporting (FY20/21 Annual Comprehensive Financial Report) and budget (FY22/23 Budget Book) preparation.

**Strategic Planning**

**Strategic Goals (FY22/23/24)**

1. Infrastructure Investment
2. Environmental Stewardship
3. Financial Responsibility
4. Organizational Excellence
5. Community Engagement
6. Customer Service and Experience

**Strategic Plan**

**Hazen**  
Delta Diablo Resource Recovery Facility  
2022 Master Plan

- Identified eight FY22/23 Strategic Initiatives to support Strategic Plan implementation with good completion progress (6 of 8).
- Completed a Resource Recovery Facility Master Plan (November 2022) that addresses long-term, strategic planning considerations regarding future regulatory and infrastructure investment needs and drivers.
- Reconsidered scope of Secondary Process Improvements Project to include proactive evaluation of cost-effective, partial nutrient removal approaches.
- Continued engagement with SF Regional Water Board and peer agencies on nutrient management via participation in BACWA.
- Made significant progress toward development of an action-based Information Technology (IT) Roadmap to ensure a strategic, prioritized, and integrated approach to support effective use of information technology systems and applications to support organizational excellence.
- Completed an update to the District’s Strategic Communications Plan (July 2022), which serves as a useful guide for all District staff to raise awareness of key public communications issues and strategies, high-level messaging points, and associated initiatives.


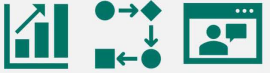
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# FY22/23 Annual Performance Report



## Highlights Activities Supporting Organizational Excellence

- Significant organizational effectiveness and efficiency improvements from expanded use of IT applications and services
- Embarking on effort to revamp purchasing and procurement policies and procedures

District FY22/23 Annual Performance Report	
Sustaining Long-term Organizational Excellence	
<p><b>VISION</b></p> <p><b>"Delta Diablo will achieve sustained organizational excellence through dedicated commitment to public service, stewardship, innovation, industry leadership, and active engagement at all levels"</b></p>  	<ul style="list-style-type: none"> <li>▪ Continued focus on expanding use of IT applications to support organizational effectiveness, workflow improvements, and data access and integration, including:                     <ul style="list-style-type: none"> <li>- Deploying a new Win911 solution, new ArcGIS infrastructure, and Bluebeam for Engineering Services</li> <li>- Expanding use of DocuSign services</li> <li>- Selecting a new warehouse inventory system (Feetio)</li> <li>- Enhancing firewalls, wireless access points, database restoration capabilities, UPS backups, SharePoint file storage space, and network security</li> <li>- Expanding use of Munis ERP functions for data reporting and consolidating financial calculations</li> <li>- Enhancing new web-based Development Permit Module</li> </ul> </li> <li>▪ Effectively updated payroll processing system to incorporate multiple new labor MOU provisions.</li> <li>▪ Identified and initiated implementation of Munis ERP system to track employee certification and license renewal.</li> <li>▪ Initiated efforts to update purchasing and procurement policies and procedures, conducted regular inventory assessments, and initiated process to reorganize warehouse.</li> <li>▪ Continued implementation of new records management technology to provide enhanced document access and storage.</li> <li>▪ Engaged with City of Pittsburg to discuss and implement potential recycled water expansion opportunities for irrigation purposes.</li> <li>▪ Actively participated in efforts to renew interest in East County Water Management Association, which includes elected officials and management from multiple water and wastewater agencies</li> </ul>
<p><b>District Value Statements (Strategic Plan)</b></p>	<ul style="list-style-type: none"> <li>↳ Serve as responsible stewards of <b>valuable public resources</b> at all levels in the organization</li> <li>↳ Foster a <b>collaborative, team-based work culture</b> that inspires <b>engagement, solutions-oriented dialogue, and sound decision-making</b> processes to achieve successful outcomes</li> <li>↳ Maintain <b>public trust and confidence</b> through excellent customer service, <b>community engagement, transparency, and responsiveness</b></li> <li>↳ Reinforce <b>accountability and ownership</b> to ensure each employee is supported in effectively contributing to the District's overall success</li> <li>↳ Ensure a <b>positive, safe, equitable, diverse, and inclusive</b> work environment that promotes <b>honest, transparent, ethical, and respectful</b> interactions</li> <li>↳ Model an <b>open, proactive, and productive</b> approach to resolving key issues to enhance organizational <b>unity and alignment</b></li> <li>↳ Communicate with <b>integrity</b> to share <b>knowledge, inspire trust and camaraderie, and maintain authentic professional relationships</b></li> <li>↳ Actively seek opportunities to <b>build a "learning" culture</b> by supporting <b>individual and peer professional development</b>; expanding <b>knowledge, skills, and abilities</b>; learning from <b>mistakes and "near misses"</b>; and <b>improving work processes and use of technology</b></li> <li>↳ Embrace and manage <b>change</b> to support implementation of <b>innovative approaches</b> that add value and drive sustained organizational improvement over time</li> </ul>

# Next Steps

- Receive comments on status of FY22/23 Strategic Initiatives and FY22/23 Annual Performance Report
- Staff will present proposed FY23/24 Strategic Initiatives in September 2023

