

AGENDA
SPECIAL BOARD OF DIRECTORS MEETING
DELTA DIABLO
(a California Special District)

2500 Pittsburg-Antioch Highway | Antioch, CA 94509
(Note: There will be no in-person meeting at the District.)
THURSDAY, JUNE 25, 2020
4:30 P.M.

To slow the spread of COVID-19, the Contra Costa County Health Officer's Order of June 16, 2020 restricts governmental functions. In lieu of a public gathering, the Board of Directors meeting will be accessible via ZOOM 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 meetings.

The Special Board of Directors Meeting on June 25, 2020 will not be physically open to the public and all Board Members will be teleconferencing into the meeting. Members of the public can observe the meeting by following the steps listed below to view and listen to the Board Meeting.

Persons who wish to address the Board during the Public Comment period or with respect to an item on the Agenda will be limited to two (2) minutes. The Secretary to the Board will call on members of the public alphabetically by last name (A-H), (I-P), and (Q-Z) at the beginning of the meeting to establish a speaking order. Please indicate whether you wish to speak during the Public Comment period or on a specific Agenda item at that time.

The Board Chair may reduce or eliminate the amount of time allotted to provide comments at the beginning of each item or public comment period depending on the number of comments and the business of the day. Your patience is appreciated.

Presentations will be made available online at <https://www.deltadiablo.org/board-meetings> approximately one hour prior to the start of the Board meeting.

How to view, listen to, and provide a Public Comment during the meeting via ZOOM:
Using your computer, access the Zoom meeting at <https://us02web.zoom.us/j/86139442504>

How to listen and provide a Public Comment during the meeting via ZOOM:
Using your telephone, access the Zoom meeting by dialing (669) 900 6833
Meeting ID: 861 3944 2504

The District will provide reasonable accommodations for persons with disabilities who plan to participate in Board (or committee) meetings by contacting the Secretary to the Board 24-hours prior to the scheduled meeting at (925) 756-1927. Disclosable public records related to an open session item on a regular meeting agenda and distributed by the District to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspection on the District website at www.deltadiablo.org

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. PUBLIC HEARINGS

- 1) **Conduct** Public Hearing on Fiscal Year 2020/2021 through 2024/2025 Capital Improvement Program; **Close** Public Hearing and **Consider** Any Testimony Received; **Adopt** Resolution Approving the Program; and **Authorize** Filing of Notice of Exemption in Compliance with Public Resources Code Section 21152 (Thanh Vo)
- 2) **Conduct** Public Hearing on Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; **Determine** Whether Majority Protests Exists; **Adopt** Ordinance Establishing Charges; **Adopt** Resolution Approving Final Written Report and **Directing** Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll (Carol Margetich)

E. CONSENT CALENDAR

- 1) **Approve** Minutes of Board of Directors Meeting, June 10, 2020 (Cecelia Nichols-Fritzler)
- 2) **Approve** Rescheduling of Regular Board of Directors Meeting from July 8, 2020 to July 16, 2020 (Cecelia Nichols-Fritzler)
- 3) **Authorize** General Manager to Execute Amendment No. 5 to Consulting Services Contract in the Amount of \$73,020, Lee & Ro, Inc., Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120 (Irene O'Sullivan)
- 4) **Determine** the Pape Machinery Proposal Provides the Best Overall Value to the District and Authorize General Manager to Execute Purchase Order in the Amount of \$382,217.80, The Pape Group DBA: Pape Machinery, Truck-Mounted Hydraulic Combination Sewer Cleaning Unit (Dustin Bloomfield)

F. DELIBERATION ITEMS

None.

G. PRESENTATIONS AND REPORTS

None.

H. MANAGER'S COMMENTS

I. DIRECTORS' COMMENTS

J. CORRESPONDENCE

None.

K. CLOSED SESSION

None.

L. ADJOURNMENT

The next Special Board of Directors meeting will be July 16, 2020 at 4:30 p.m.

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ITEM D/1

June 25, 2020

CONDUCT PUBLIC HEARING ON FISCAL YEAR 2020/2021 THROUGH 2024/2025 CAPITAL IMPROVEMENT PROGRAM; CLOSE PUBLIC HEARING AND CONSIDER ANY TESTIMONY RECEIVED; ADOPT RESOLUTION APPROVING THE PROGRAM; AND AUTHORIZE FILING OF NOTICE OF EXEMPTION IN COMPLIANCE WITH PUBLIC RESOURCES CODE SECTION 21152 (THANH VO)

RECOMMENDATIONS

1. Conduct a public hearing on the Fiscal Year 2020/2021 – 2024/2025 (FY20/21 – FY24/25) Capital Improvement Program (CIP).
2. Close public hearing and consider any testimony received.
3. Adopt Resolution approving the FY20/21 – FY24/25 CIP.
4. Authorize the General Manager to file a California Environmental Quality Act (CEQA) Notice of Exemption.

Background Information

At its May 13, 2020 meeting, the Board received a report on the draft FY20/21 – FY24/25 CIP and set June 25, 2020 at 4:30 p.m. as the date and time of the public hearing on the program. The CIP is developed to guide planning, design, construction, and financing of prioritized capital projects in the District's wastewater conveyance, collection, and treatment systems and recycled water system. These critical projects are necessary to ensure the continued effective and reliable operation of existing infrastructure, address future service needs, and meet current and future regulatory requirements. Staff prepares an updated 5-year CIP each year to reflect current priorities, address new project needs, and adjust estimated project costs and implementation schedules. In addition, this process assists in identifying long-term financial and resource needs, and budget appropriations required to support project implementation.

Supporting documentation used during CIP development includes city and county General Plans, city collection system master plans, and detailed master plans prepared by the District for its wastewater treatment, recycled water, and conveyance system facilities. The District completed a Conveyance System Master Plan update in April 2010 and a Recycled Water Master Plan in August 2013, and is currently preparing a Resource Recovery Facility Master Plan (RRFMP) that will supersede the District's 2011 Treatment Plant Master Plan.

Analysis

Since the May 13, 2020 Board meeting, staff has reviewed the draft CIP and no revisions are recommended. The draft FY20/21 – FY24/25 CIP includes approximately \$81.3 million in infrastructure investment needs. Key CIP highlights include the following:

- *Addressing New Infrastructure Needs:* Based on new capital investment priorities, 14 new projects were added to the CIP with an estimated total project cost of \$20.3 million. This includes \$8.3 million for the Antioch Pump Station and Conveyance System



Improvements Project, which was developed in response to the failure of Antioch Force Main 102 and the associated sanitary sewer overflow on December 3, 2019.

- *Investing in Existing Wastewater Infrastructure Renewal:* Approximately 70% of the CIP total is allocated to support rehabilitation and/or replacement of existing critical wastewater infrastructure, including Antioch Pump Station and Conveyance System Improvements (\$8.3 million), Headworks Improvements (\$8.0 million), Cogeneration System Improvements (\$5.0 million), Electrical Switchgear Replacement (\$3.8 million), and Pump Station Facility Repair (\$3.5 million).
- *Adapting to Shifting Project Priorities and Changes*
 - East County Bioenergy Project (ECBP): As reported to the Board on March 11, 2020 and May 13, 2020, the District is no longer pursuing implementation of this project, which included a total cash flow in the current CIP of \$28.3 million, most of which was neutral relative to SSC impacts as project costs were to be paid through project revenues. However, staff has included \$6.5 million in the proposed CIP to address ECBP-related infrastructure investment needs that were placed on hold pending integration with ECBP.
 - Nutrient Management: As reported to the Board on March 11, 2020, April 23, 2020 and May 13, 2020, the implementation timeline and initial capital cost estimate for nutrient removal have been extended and reduced, respectively, while preliminary master planning findings indicate that continued major capital investment in the existing tower trickling filters does not support flexibility for future nutrient removal. In addition, staff now anticipates integration of future secondary capacity and nutrient removal plant upgrades. In response, staff has renamed the “Tower Trickling Filter Improvements Project” that was included in the current CIP to “Capacity Expansion with Nutrient Management” in the proposed CIP.
- *Driving Organizational Improvement*
 - Asset Management Program (AMP): In FY19/20, staff has completed significant efforts to build the foundation of a formalized AMP with a plan to continue program development over the next few years. The proposed CIP includes \$1.7 million to support continued development of an AMP to support effective, efficient, and prioritized management of critical District infrastructure assets through implementation of enhanced business practices, data metrics, engagement throughout the organization.
 - Information Technology (IT): In FY19/20, staff initiated an IT Assessment to identify prioritized business needs and implementation plans to enhance business processes and use of IT to support organizational effectiveness and efficiency. The proposed CIP includes \$0.75 million in continued IT investment in support of this initiative.
- *Planning for the Future:* The proposed CIP identifies funding for multiple master planning efforts, including the current RRFMP (\$1.0 million), Electrical System Master Plan (\$0.4 million in FY22/23), Supervisory Control and Data Acquisition Master Plan (\$0.5 million in FY22/23), Biosolids Management Master Plan (\$0.4 million in FY23/24), and Recycled Water Master Plan Update (\$0.3 million in FY 23/24).

The draft 5-year CIP is provided in the CIP Program Summary (Attachment 1), which includes a summary of capital projects by major fund.




It is requested that the Board open the public hearing on the CIP, receive testimony, close the public hearing, and, if no substantive comments are received, adopt a resolution (Attachment 2) approving the CIP. The Board must also determine that the CIP is exempt from the CEQA and authorize the General Manager to file a Notice of Exemption with the County Recorder. The attached Notice of Exemption (Attachment 3) describes the justification for the exemption.

Financial Impact

The draft FY20/21 – FY24/25 CIP includes approximately \$81.3 million in capital investment needs. As recommended at the Board meeting on April 23, 2020, staff is recommending that the majority of the District's capital spending be cash funded (versus debt financed) to provide the highest overall value to the District's customers. The draft CIP has been incorporated into the current FY20/21 SSC analysis, which would provide funding required to support capital spending needs in FY20/21.

Attachments

1. CIP Program Summary
2. Draft CIP Resolution
3. Notice of Exemption

Reviewed by:  for
Brian Thomas
Engineering Services Director/District Engineer

cc: District File CORP.09-CORRES-9788



Attachment 1
Delta Diablo Five Year Capital Improvement Program
FY2020/2021 - FY2024/2025

ITEM D/1
Attachment 1

						Anticipated Budgets						Anticipated Budget By Fund									
Page	Project Name	Project No.	Priority	Lead Dept. *	Estimated FY19/20 Year-End Budget	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	5-Year Total	WW CA	WW CAR	WW Exp	AT	RW CA	RW CAR	RW Exp	BP Coll.	HHW	
Wastewater Capital Asset (Fund 120)																					
CA-4	Recycled Water Facility and Treatment Plant Intertie	TBA	1	ES					\$500,000	\$1,200,000	\$1,700,000	\$850,000					\$850,000				
CA-5	Asset Management Program	19109	3	ES		\$700,000	\$300,000	\$300,000	\$200,000	\$200,000	\$1,700,000	\$1,700,000									
CA-6	Conveyance and Treatment Systems Reliability Improvements	18107	3	RRS	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$250,000									
CA-7	Energy and Water Efficiency Improvements	18908	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$125,000	\$125,000								
CA-8	Small District Capital Asset Project	18908	3	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$250,000	\$250,000								
FY19/20	Permanent Brine Transfer Facility	18109	1	ES																	
FY19/20	East County Bioenergy Project	16117	1	ES	\$4,555,784																
Wastewater Capital Asset Fund Total						\$4,755,784	\$900,000	\$500,000	\$500,000	\$900,000	\$1,600,000	\$4,400,000	\$3,175,000	\$375,000			\$850,000				
Wastewater Capital Asset Replacement (Fund 130)																					
CAR-3	Aboveground Fuel Storage Tank Rehabilitation	TBA	1	ES	\$50,000	\$200,000					\$200,000		\$200,000								
CAR-5	BHPS Sewage Diversion Pump Rebuilds	TBA	1	RRS		\$60,000	\$60,000				\$120,000		\$120,000								
CAR-6	Chlorine Contact Influent Gates Replacement	TBA	1	RRS				\$500,000	\$1,500,000		\$2,000,000		\$2,000,000								
CAR-8	District Office Building Rehabilitation	18113	1	ES	\$1,045,381		\$400,000	\$1,000,000	\$2,000,000	\$2,082,837	\$5,482,837	\$5,482,837									
CAR-10	Headworks Improvements	17117	1	ES	\$700,109	\$5,000,000	\$3,000,000				\$8,000,000		\$8,000,000								
CAR-11	IT Equipment Replacement	TBA	1	IT		\$325,000	\$50,000	\$400,000	\$50,000	\$50,000	\$875,000		\$875,000								
CAR-12	Lab Equipment Replacement	TBA	1	RRS		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000		\$250,000								
CAR-13	Site Security Improvements	TBA	1	ES		\$400,000	\$600,000				\$1,000,000		\$700,000						\$200,000	\$100,000	
CAR-14	Manhole, Gravity Interceptor, and Easement Road Improvements	TBA	1	ES		\$600,000	\$1,500,000	\$900,000			\$3,000,000		\$2,100,000						\$900,000		
CAR-15	On-Site Fueling Station Replacement	19112	1	ES	\$290,749																
FY19/20	Aeration Basin Area Rehabilitation	TBA	1	RRS																	
FY19/20	District Office Building Roofing and Sheet Metal Replacement	18112	1	ES																	
FY19/20	PPS Raw Sewage Pump Rebuilds	TBA	1	RRS																	
FY19/20	Primary Clarifier Area Improvements	17140	1	ES																	
FY19/20	SAPS Sewage Pump Replacement	17120	1	RRS																	
FY19/20	Pittsburg Recycled Water Meter Standardization	15120	1	RRS																	
CAR-18	Primary Clarifier Nos. 1 - 4 Coating	TBA	1	ES			\$400,000	\$500,000	\$500,000		\$1,400,000		\$1,400,000								
CAR-19	Pump Station Facilities Repair	80008	1	ES	\$6,813,678	\$3,500,000					\$3,500,000		\$3,500,000								
CAR-20	Pump Station Grinder Replacements	TBA	1	RRS		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000		\$500,000								
CAR-21	Resource Recovery Facility Master Plan	18120	1	ES		\$1,000,000					\$1,000,000	\$350,000	\$500,000		\$100,000			\$50,000			
CAR-22	SCADA Communication Network/PLC Processor Upgrade	18114	1	RRS	\$367,585		\$253,145				\$253,145		\$227,831				\$25,315				
CAR-23	SCADA Master Plan Update	TBA	1	ES				\$500,000			\$500,000		\$450,000				\$50,000				
CAR-24	Sodium Bisulfite Tank Replacement	13105	1	ES	\$106,261																
CAR-25	Tower Mixing Chamber & Overflow Structure Rehabilitation	TBA	1	ES				\$550,000	\$870,000		\$1,420,000		\$1,420,000								
CAR-26	Treatment Plant Switchgear Replacement	17117	1	ES	\$1,862,058	\$750,000	\$3,000,000				\$3,750,000		\$3,750,000								
CAR-27	Treatment Plant Roadway Maintenance Project	TBA	1	BS	\$79,641					\$1,461,028	\$1,461,028		\$1,461,028								
CAR-28	Triangle Pump Station Replacement	19111	1	ES	\$250,000																
CAR-29	Unanticipated WW Treatment & Conveyance Infrastructure Repairs	20109	1	ES		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000		\$1,000,000								
CAR-30	Biosolids Management Master Plan	TBA	2	ES					\$400,000		\$400,000		\$400,000								
CAR-31	Electrical System Master Plan	TBA	2	ES				\$400,000			\$400,000		\$400,000								
CAR-32	Emergency Retention Basin Improvements	19110	2	RRS	\$50,000				\$750,000		\$750,000		\$750,000								
CAR-33	ERB Pump Rebuilds	TBA	2	RRS		\$80,000	\$80,000	\$80,000			\$240,000		\$240,000								
CAR-34	PFM 2401 Dresser Coupler Removal	TBA	2	ES		\$250,000					\$250,000		\$250,000								
CAR-35	RAS Pump Rehabilitation	TBA	2	ES				\$300,000			\$300,000		\$300,000								
CAR-36	Sewer Permit Software Replacement	18107	2	IT																	
CAR-37	Vehicle Replacements	TBA	2	RRS		\$400,000	\$100,000	\$100,000	\$100,000	\$100,000	\$800,000		\$800,000								
New	Remote Sites Connectivity Improvements	TBA		ES		\$300,000					\$300,000		\$300,000								
New	Digester No. 1 Cleaning & Repair	TBA		ES		\$200,000	\$200,000				\$400,000		\$400,000								
New	Digester No. 3 Cleaning & Repair	TBA		ES			\$200,000	\$200,000			\$400,000		\$400,000								
New	Digester Gas Handling and Compressors Replacement	TBA		ES	\$100,000	\$600,000					\$700,000		\$700,000								
New	Cogen System Improvements	TBA		ES			\$800,000	\$3,000,000	\$1,200,000		\$5,000,000		\$5,000,000								
New	Secondary Clarifier Area Improvements	TBA		ES					\$350,000	\$650,000	\$1,000,000		\$1,000,000								
New	Primary Clarifiers Area Control System Upgrade	TBA		ES				\$150,000			\$150,000		\$150,000								
New	Primary Service Water Filter Replacement	TBA		RRS		\$100,000					\$100,000		\$100,000								
New	Antioch Pump Station and Conveyance System Improvements	TBA		ES	\$350,000	\$300,000	\$3,000,000	\$5,000,000			\$8,300,000		\$8,300,000								
Wastewater Capital Asset Replacement Fund Total						\$11,965,462	\$13,915,000	\$14,593,145	\$13,930,000	\$8,070,000	\$4,693,865	\$55,202,010	\$350,000	\$53,426,696		\$100,000		\$75,315	\$50,000	\$1,100,000	\$100,000
Wastewater Expansion (Fund 140)																					
E-3	Bridgehead Phase IV Expansion - Force Main Completion	10178	3	ES					\$700,000	\$3,300,000	\$4,000,000			\$4,000,000							
Wastewater Expansion Fund Total									\$700,000	\$3,300,000	\$4,000,000			\$4,000,000							

Attachment 1
Delta Diablo Five Year Capital Improvement Program
FY2020/2021 - FY2024/2025

						Anticipated Budgets						Anticipated Budget By Fund								
Page	Project Name	Project No.	Priority	Lead Dept.*	Estimated FY19/20 Year-End Budget	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	5-Year Total	WW CA	WW CAR	WW Exp	AT	RW CA	RW CAR	RW Exp	BP Coll.	HHW
Advanced Treatment (Fund 125)																				
AT-3	Nutrient Technology Research and Innovation	17123	1	ES	\$57,000				\$250,000	\$250,000	\$500,000			\$500,000						
AT-4	Secondary Treatment Upgrades with Nutrient Management	TBA	1	ES					\$2,000,000	\$4,000,000	\$6,000,000		\$3,000,000		\$3,000,000					
Advanced Treatment Fund Total					\$57,000				\$2,250,000	\$4,250,000	\$6,500,000		\$3,000,000	\$500,000	\$3,000,000					
Recycled Water Capital Asset (Fund 220)																				
RWA-3	RWF IPS, Process Line Modification, and Blowdown	TBA	3	ES				\$250,000	\$850,000		\$1,100,000					\$1,100,000				
RWA-4	Recycled Water Master Plan Update	TBA	3	ES					\$300,000		\$300,000				\$150,000	\$150,000				
RWA-5	Small Recycled Water Facility Capital Asset Project	19103	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000					\$250,000				
RWA-6	Treatment Plant Flow Equalization Improvements - Emergency Storage Basin	TBA	3	ES					\$125,000		\$125,000					\$125,000				
Recycled Water Capital Asset Fund Total					\$50,000	\$50,000	\$50,000	\$300,000	\$1,325,000	\$50,000	\$1,775,000				\$150,000	\$1,625,000				
Recycled Water Capital Asset Replacement (Fund 230)																				
RWR-3	DEC and CCT Vavles Replacement	TBA	1	ES				\$225,000	\$375,000		\$600,000						\$600,000			
RWR-4	DEC Storage Tank Rehabilitation	TBA	2	ES					\$250,000	\$750,000	\$1,000,000						\$1,000,000			
RWR-5	Sand Filter and Filter Cover Improvements	TBA	2	RRS				\$500,000	\$582,000		\$1,082,000						\$1,082,000			
RWR-6	Recycled Water Distribution System Improvements	19114	3	ES					\$500,000		\$500,000						\$500,000			
RWR-6	Unanticipated Recycled Water Infrastructure Repairs	19114	3	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000						\$500,000			
New	Sand Filter Intermittent Backwash System	TBA		RRS		\$750,000					\$750,000						\$750,000			
New	DEC Tank Isolation Valves Replacement	TBA		RRS			\$100,000				\$100,000						\$100,000			
New	Sand Filter Air Compressor Replacement	TBA		RRS		\$90,000					\$90,000						\$90,000			
New	RWF Clarifier Liner Rehabilitation	TBA		RRS				\$50,000			\$50,000						\$50,000			
Recycled Water Capital Asset Replacement Fund Total					\$100,000	\$940,000	\$200,000	\$875,000	\$1,807,000	\$850,000	\$4,672,000						\$4,672,000			
Recycled Water Expansion (Fund 240)																				
RWE-3	Recycled Water Distribution System Expansion	18110	3	ES						\$150,000	\$150,000							\$150,000		
Recycled Water Expansion Fund Total										\$150,000	\$150,000							\$150,000		
Bay Point Collection (Fund 520)																				
BP-3	Bay Point Overlay Manhole Adjustments	TBA	1	ES	\$250,000															
FY19/20	Bay Point Rehabilitation Phase 4	18119	1	ES																
FY19/20	Facility Condition Assessment	18121	1	ES																
BP-5	River Watch Settlement Compliance	TBA	1	ES	\$670,000	\$720,000					\$720,000							\$720,000		
BP-7	Unanticipated Bay Point Repairs	TBA	1	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000							\$500,000		
New	Bay Point Sewer Repairs - Phase 5	18119	1	ES						\$3,000,000	\$3,000,000							\$3,000,000		
Bay Point Collections Fund Total					\$1,020,000	\$820,000	\$100,000	\$100,000	\$100,000	\$3,100,000	\$4,220,000								\$4,220,000	
Household Hazardous Waste (Fund 310)																				
HHW-3	Household Hazardous Waste Improvements	18105	3	ES	\$25,000	\$25,000	\$25,000	\$25,000	\$300,000	\$25,000	\$400,000									\$400,000
Household Hazardous Waste Fund Total					\$25,000	\$25,000	\$25,000	\$25,000	\$300,000	\$25,000	\$400,000									\$400,000
Total					\$17,973,246	\$16,650,000	\$15,468,145	\$15,730,000	\$15,452,000	\$18,018,865	\$81,319,010	\$3,525,000	\$56,801,696	\$4,500,000	\$3,250,000	\$2,475,000	\$4,747,315	\$200,000	\$5,320,000	\$500,000

Note: It is anticipated that approximately \$6 million of the Estimated FY19/20 Year-End Budget will not be carried forward in FY20/21.

**BEFORE THE BOARD OF DIRECTORS OF
DELTA DIABLO**

Re: Approving Fiscal Year)
2020/2021 – 2024/2025)
Capital Improvement Program)

RESOLUTION NO. X/2020

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, the District finds that it is in its best interest to prepare a Five-Year Capital Improvement Program that conforms with Government Code §65403 regarding preparation of programs by special districts and other government agencies; and

WHEREAS, Government Code §65403 requires an annual review and revision of the program to include an extension of the program for an additional year; and

WHEREAS, the Board of Directors of Delta Diablo was presented with a draft Fiscal Year 2020/2021 – 2024/2025 Capital Improvement Program on May 13, 2020; and

WHEREAS, the District did, on June 25, 2020, conduct a public hearing for purposes of receiving input with regard to the revised program, and did consider the direct inclusion of appropriate changes.

NOW THEREFORE, the Board of Directors of Delta Diablo DOES HEREBY RESOLVE AND ORDER that it approves the Fiscal Year 2020/2021 – 2024/2025 Capital Improvement Program, attached by reference.

PASSED AND ADOPTED on June 25, 2020, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the Board of Directors of Delta Diablo on June 25, 2020.

By: _____
Sean Wright, Board Secretary

NOTICE OF EXEMPTION

To: County Clerk
County of Contra Costa
555 Escobar Street
Martinez, CA 94553

From: Vince De Lange, General Manager
Delta Diablo
2500 Pittsburg-Antioch Highway
Antioch, CA 94509-1373
Telephone: (925) 756-1900

Signature

Date

SUBJECT: FILING OF NOTICE OF EXEMPTION, CALIFORNIA ENVIRONMENTAL
QUALITY ACT IN COMPLIANCE WITH PUBLIC RESOURCES CODE 21152

PROJECT TITLE: Five-Year Capital Improvement Program, Fiscal Years 2020/2021 through
2024/2025

STATE CLEARANCE HOUSE NUMBER: N/A

PROJECT LOCATION: 2500 Pittsburg-Antioch Highway, Antioch, CA 94509-1373

LEAD AGENCY APPROVING AND CARRYING OUT PROJECT: Delta Diablo, 2500 Pittsburg-
Antioch Highway, Antioch, CA 94509

CONTACT PERSON: Thanh Vo, Senior Engineer

EXEMPT STATUS: The Board of Directors of Delta Diablo finds that this project qualifies for
categorical and statutory exemptions from the provisions of CEQA under California Code of
Regulations, Title 14, Section 15061 (b)(3) and Section 15262.

REASONS WHY PROJECT IS EXEMPT: This project is a planning study, which does not approve
or adopt the specific projects, and preparation of this document has no adverse environmental impacts.

AFFIDAVIT OF POSTING

I declare that on _____, I received and posted this Notice as required by Public Resources
Code 21152(c). It will remain posted for thirty (30) days.

Signature

Title

June 25, 2020

CONDUCT PUBLIC HEARING ON SEWER SERVICE AND DELINQUENCY CHARGES AND COLLECTION SYSTEM CHARGES AND SURCHARGES; DETERMINE WHETHER MAJORITY PROTESTS EXISTS; ADOPT ORDINANCE ESTABLISHING CHARGES; ADOPT RESOLUTION APPROVING WRITTEN REPORT AND DIRECTING COLLECTION OF CERTAIN SEWER SERVICE AND DELINQUENT CHARGES ON COUNTY TAX ROLL

RECOMMENDATIONS

1. Conduct a public hearing on Fiscal Year 2020/2021 (FY20/21) Sewer Service Charges (SSCs) and Delinquency Charges and Collection System Charges and Surcharges;
2. Receive and consider any testimony and protests received;
3. Determine whether majority protest exists within the meaning of Article XIII D, Section 6 of the California Constitution and Health and Safety Code Section 5473.2;
4. Adopt Ordinance (Attachment 1) establishing SSCs and Surcharges to be effective in FY20/21;
5. Adopt Resolution (Attachment 2) approving Written Report and directing collection of SSCs and delinquent charges on the County Tax Roll.

Summary

The proposed SSC increases include:

- Applying a 3.5% SSC rate increase for Antioch (District Zone 3) and Pittsburg (District Zone 2) residential and non-residential customers in FY20/21. The proposed rate increase (does not include wastewater collection services, which are provided by the respective cities) equates to an SSC increase of \$13.63 per year or approximately \$1.14 per month for residential customers.
- Applying a 3.0% SSC rate increase to Bay Point (District Zone 1) residential and non-residential customers in FY20/21. The proposed rate increase (includes wastewater collection services provided by the District) equates to an SSC increase of \$16.21 per year or approximately \$1.35 per month for residential customers.

No Proposed Street Sweeping Charge Increase

- Annual street sweeping charges, which vary by community, are not proposed to increase.
 - Annual single-family residential: \$4.58 for Bay Point, \$10.26 for Pittsburg, \$5.60 for Antioch
 - Annual non-residential unit: \$45.80 for Bay Point, \$51.35 for Pittsburg, \$56.00 for Antioch

Background Information

Delta Diablo is a California special district that provides wastewater conveyance and treatment, recycled water production and distribution, renewable energy production, pollution prevention, street sweeping, and household hazardous waste (HHW) collection services to over 213,000 customers in Antioch, Pittsburg, and Bay Point. As a progressive “Utility of the Future,” the District embraces innovative approaches, sustainable solutions, and community engagement in



achieving its core mission of protecting public health and the environment, while maintaining reasonable rates and serving as responsible stewards of the public's resources and trust. For Bay Point, the District also provides wastewater collection services, and only Bay Point customers are charged for those additional services through a separate SSC component to recover wastewater collection system operating, maintenance, and rehabilitation costs (Bay Point Collections). SSC revenues are not used to pay for any capital costs related to growth, which is funded through the District's Capital Facilities Capacity Charges (CFCCs). The District's SSC revenue is allocated to several key funds to support ongoing operations, as well as capital investment in existing and future infrastructure, as described below.

1. Regional Treatment and Conveyance: Funds facility operation and maintenance (O&M) costs associated with regional wastewater conveyance and treatment, as well as the District's share of the Delta HHW facility expenses.
2. Capital Asset: Funds new wastewater capital projects that are not related to new growth (the District charges separate CFCCs for growth-related capital costs).
3. Capital Asset Replacement: Funds capital infrastructure renewal and replacement projects.
4. Advanced Treatment Reserve: This fund is designed to minimize significant future rate increases by providing dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment (i.e., removal of nutrients from treated wastewater prior to discharge).
5. Bay Point Collections: This SSC rate component is only collected for Bay Point customers and funds operation and maintenance/rehabilitation of the Bay Point collection system.

Each year, the District submits required information to Contra Costa County to place SSCs on the property tax roll for most customers. The wastewater sector is heavily regulated with new and emerging issues competing with aging infrastructure needs, operating budget challenges (e.g., chemical, energy, hauling costs) regulatory compliance obligations, and limited state and federal funding support. Staff endeavors to meet these challenges while ensuring the District's SSCs are amongst the lowest when compared to its peer agencies in the Bay Area region.

Analysis

In order to determine annual revenue requirements to meet operating cost and capital investment needs, the District utilizes a long-term financial plan model that considers a 10-year planning horizon while focusing on balancing revenues and costs by fund over the next 5 years through application of SSC adjustments, operating cost reductions, prioritization of capital investment needs, and financing assumptions (i.e., cash funding versus debt financing). Key model inputs include the preliminary FY20/21 operating budget with estimated increases in subsequent years and the draft FY20/21-FY24/25 Capital Improvement Program (CIP), which was presented to the Board for consideration in draft form on May 13, 2020. The Board will consider adoption of the final CIP at its June 25, 2020 meeting. In developing the proposed FY20/21 SSCs, staff worked with an experienced financial planning consultant to refine the District's rate modeling approach to effectively support dynamic scenario planning and sensitivity analyses across a range of operating cost, capital investment, existing cash balance use, and financing assumptions, while meeting the District's fiscal policy requirements. This financial planning approach ensures the District is charging rates that are appropriate to recover costs of providing service and in



compliance with California law, including Proposition 218. Staff has determined that the proposed FY20/21 SSCs are necessary and meet the following requirements:

- Collects sufficient revenue to meet current and long-term projected costs of operations and maintenance, fund capital investment in aging infrastructure necessary to maintain effective and reliable services, and maintain overall financial stability
- Complies with state-mandated regulatory requirements
- Meets and complies with annual debt service requirements
- Avoids generating operational deficits and depleting reserves
- Complies with California Constitution Article XIII D, Section 6, which includes the following requirements:
 - An agency cannot collect revenue beyond what is necessary to provide service
 - No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property
 - Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed
 - The amount of the charge must be proportional to the cost of the service, and the apportionment of total costs of service amongst ratepayer classes must be reasonable (e.g., avoidance of subsidization within the rates)
- Meets District fiscal policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (Wastewater O&M) Fund
- Meets commitments made in loan agreements

In June 2019, the Board adopted an FY19/20 SSC increase of 4.5% for Antioch/Pittsburg customers and 3.5% for Bay Point customers. At that time, staff projected a future FY20/21 SSC increase of 4.5% for Antioch/Pittsburg customers (current proposed SSC increase = 3.5%) and 3.5% for Bay Point customers (current proposed SSC increase = 3.0%). The proposed FY20/21 SSC increase is presented in Table 1 below.

Table 1 – Example Annual Single-Family Residential SSC on Property Tax Bills for FY20/21

Residential Service	Current FY19/20	Proposed FY20/21	Annual Change
3.5% SSC Increase for Customers in Antioch (Zone 3*) and Pittsburg (Zone 2*)	\$389.47	\$403.10	\$13.63
3.0% SSC Increase for Customers in Bay Point (Zone 1*) (includes wastewater collection services)	\$540.26	\$556.47	\$16.21

*As shown on Map of Zones 1, 2, and 3 on file with the Board Clerk.

The following key considerations and assumptions were used in completing the SSC analysis:

- Growth: Although the current rate of growth in the District's service area is relatively low (i.e., 5-year average of 400 equivalent residential units per year), the District factors in this growth in calculating SSCs each year to ensure equitable cost allocation across all District customers.
- Operating Expenses: The District continues to experience progressive increases in annual operating costs over time due to escalations in chemical, energy, materials, supplies, equipment, hauling, and services costs, as well as increasingly more stringent regulatory requirements. When specific cost forecasts were not available, an annual operating expense



increase of 3.1% was assumed based on the Bureau of Labor Statistics Consumer Price Index 5-year average for the San Francisco Bay Area region.

- Salaries and Benefits. The labor cost assumption was based on budgeted salaries and benefits based on positions included in existing labor agreements. Total salary and benefits costs were increased by 3.2% annually.
- Wastewater Infrastructure Investment Costs. As presented to the Board on March 11, 2020 and May 13, 2020, the District continues to implement major capital improvements to ensure the continued reliability of its wastewater conveyance, collection, and treatment infrastructure. The draft FY20/21-FY24/25 Capital Improvement Program (CIP) totals \$82 million and includes approximately \$71 million of prioritized wastewater conveyance and treatment system infrastructure investment needs to be funded by SSCs. In addition, a facility condition assessment effort at the District's Wastewater Treatment Plant (WWTP) will be conducted later this year as part of the current Resource Recovery Facility Master Plan (RRFMP) scope, which will likely identify additional capital needs for future prioritization. It should be noted that the draft CIP also includes \$8.3 million for the new Antioch Pump Station and Conveyance System Improvements Project, which was not included in the current FY19/20-FY23/24 CIP. This project was initiated following Board approval on January 15, 2020, and was developed in response to failure of Antioch Force Main 102 on December 3, 2019.
- Financing Assumptions: Because the Clean Water State Revolving Fund is oversubscribed, the District will likely have significantly less access to low-interest loans (i.e., ~2.0% for wastewater projects, ~1.0% for recycled water projects). In response, the District will prioritize cash funding the majority of its CIP to provide the lowest cost of capital to its customers, while maintaining future debt capacity for secondary process capacity expansion and long-term nutrient removal (Advanced Treatment) projects, as described below.
- Advanced Treatment (AT) Reserve Fund: The District continues to modify its original approach to collecting revenues for the AT Fund, which was proactively established in 2011 to avoid sharp rate increases to customers due to implementation of nutrient removal upgrades at the District's Wastewater Treatment Plant. In recent years, the District has successfully collaborated with regulators, the scientific community, and other Bay Area Clean Water Agencies members to focus on nutrient impact analyses and water quality modeling in San Francisco Bay rather than the future imposition of regional nutrient removal permit limits. The key outcome of this collaborative effort has been an approximate 10-year extension in the originally-anticipated implementation timeline. In response to the implementation timeline extension, the Board has taken actions to reduce and eliminate planned AT Fund SSC component increases in June 2018 and June 2019, respectively. As presented at the Board Meeting on March 11, 2020, in addition to the timeline extension, staff has estimated that the initial capital cost for nutrient management is lower than originally anticipated and will most likely be combined with a secondary treatment capacity plant expansion. Based on this new information and the anticipated timeline for using these funds, staff has suspended the SSC rate component contribution in the 5-year rate model analysis. Suspension of the AT Fund SSC component has allowed staff to increase revenue to the CAR Fund, which has eliminated approximately \$20 million in assumed debt financing from last year's 5-year rate analysis. Staff anticipates a future inter-fund loan from the AT Fund to the CAR Fund (see discussion below) to further support cash funding infrastructure improvement projects. The inter-fund loan term will be consistent with the new timeline for



planned use of AT Reserve Fund monies. The timing of this loan will correspond with the current RRFMP analysis to identify additional priority capital improvements not included in the current CIP (based on facility condition assessment findings) and refined timelines and schedules associated with nutrient management needs.

- Regulatory Requirements. Because the wastewater sector is highly regulated, the District is subject to new requirements, such as unfunded mandated programs, increasingly stringent process monitoring and reporting requirements, and/or compliance with updated testing standards.
- Economic Reserves. Maintaining sufficient economic reserves is an essential part of the District's ability to ensure reliable and cost-effective services now and in the future. As referenced above, the District has established a policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (Wastewater O&M) Fund. In addition, all fund balances are considered in the 5-year financial plan that resulted in the proposed SSC increases. A number of these funds are designated to support multiple District services (beyond wastewater operations) and are constrained as to their use, applicability, and consideration as "available cash." Maintaining economic reserves supports the District's efforts to meet unanticipated operating costs, continue services during unforeseen economic events and emergencies, and address other urgent and/or unusual items. Future capital planning is a cost of current service, because current service does not just include providing wastewater conveyance and treatment service today, but also ensuring ongoing, reliable service into the future.
- Debt Service Coverage. The District is obligated to meet debt service coverage requirements related to long-term debt as part of various loan agreements. On November 13, 2019, the Board adopted a Debt Management and Continuing Disclosure Policy, which included a minimum debt service coverage ratio (ratio of net revenues to debt service) of 1.80, which helps maintaining the District's good credit rating, reduce future borrowing costs, and ensure long-term financial sustainability.

In FY20/21, the SSC component for the CAR Fund has been increased to support cash funding (versus debt financing) of critical wastewater infrastructure projects. This approach provides the highest overall value to District ratepayers, because it eliminates approximately \$20 million in new debt issuances that would have doubled the total project cost when accounting for interest payment over the debt term and the lack of available Clean Water State Revolving Fund low-interest loans. Cash funding current infrastructure improvements also preserves future debt management capacity for long-term treatment process upgrade and expansion improvements.

In addition, a facility condition assessment will be completed for the District's WWTP later this year. It is anticipated that this assessment will likely identify additional priority wastewater infrastructure investment needs not included in the current CIP. Staff would then consider the extent to which any needed improvements could be funded with contributions to the CAR Fund component of the SSCs rather than through long-term debt financing.

Inter-fund Loans

Inter-fund loan repayments are also planned from the Capital Expansion Fund to the CAR Fund to repay funds previously borrowed to cover anticipated shortfalls in CFCC revenue and CFCC-funded debt service. Because the Capital Expansion Fund is funded by new development through CFCCs, the loan payments include interest based on Local Agency Investment Fund interest



rates. The first repayments to the CAR Fund and Regional Treatment and Conveyance System (Wastewater O&M) Fund began in FY17/18, because the existing bonded debt was retired in FY16/17. Inter-fund loan repayments of up to \$0.9 million to the CAR fund are planned in FY20/21.

Although no additional inter-fund loans are planned for FY20/21, the 5-year SSC analysis anticipates a significant loan from (e.g., \$4-5 million) from the AT Reserve Fund to the CAR Fund largely in FY22/23 to further support cash funding of major capital improvement projects in the near term. Based on the extended timeline for AT Reserve Fund use, no loan repayment was included within the 5-year SSC analysis period.

Street Sweeping Services

Street sweeping service charges are not proposed to increase next year, as they are sufficient to cover the costs of providing these services.

Public Communication and Outreach

Pursuant to Proposition 218, a California law since 1996, notices on proposed rate increases were sent to all utility customer accounts by May 1, 2020 (meets minimum of 45 days prior to the June 25, 2020 Public Hearing) (Attachment 4). Proposition 218 provides the opportunity for District customers to protest proposed rate adjustments. In the event protests are received representing more than 50% of parcel owners, adjustments could not be implemented. To date, 26 written protests have been received and are provided in Attachment 3. Protests may be received until the closing of the public hearing by the Board of Directors.

In accordance with the Governor's Executive Order N-29-20, and the County Health Officer's Order requiring social distancing, in lieu of a public gathering, the Special Board of Directors Meeting and public hearing on June 25, 2020 will be held via Zoom. A public notice announcing the date and time of this public hearing was published on June 10, 2020 and June 15, 2020 in the East County Times newspaper, in accordance with state law. Members of the public may participate in the public hearing using the Zoom meeting access information provided on the agenda for the June 25, 2020 Board Meeting, which was posted to the District's website on Monday, June 22, 2020. At the close of the public hearing, the Secretary to the Board will announce the total number of protests received.

In addition to distributing Proposition 218 Notices, the District also prepared two fact sheets—"Proposed Sewer Service Charge Increases" (Attachment 5) and "Investing in Critical Wastewater Infrastructure" (Attachment 6)—as well as a "Frequently Asked Questions" (Attachment 7) document to enhance public communications regarding the proposed SSC increases during the current COVID-19 pandemic.

The Governor's Executive Order No. N-61-20 provides a process that a taxpayer can utilize to seek a waiver of penalties and interest on delinquent property tax payments through May 6, 2021, as long as the taxpayer meets certain requirements, including that taxes have not been delinquent on March 4, 2020, the taxpayer demonstrates an economic hardship due to the COVID-19 emergency or emergency response, and the taxpayer does not pay the property tax bill through an impound account. This waiver is only available for owner-occupied residential properties and small businesses. Staff will highlight this information during the presentation to



the Board on June 25, 2020, along with advising that customers should contact the Contra Costa County Treasurer-Tax Collector for more information.

Financial Impacts

If the Board approves the proposed SSC increases after the June 25, 2020 public hearing, Pittsburg and Antioch residential customers would see an estimated increase of \$13.63 per year or approximately \$1.14 per month, an approximate increase of 3.5%. Bay Point residential customers would see an estimated annual increase of \$16.21 or approximately \$1.35 per month, an approximate increase of 3.0%. The proposed SSC increases for Pittsburg, Antioch, and Bay Point customers in FY20/21 would result in additional annual SSC revenue of approximately \$1.09 million to recover increased costs of providing wastewater service in FY20/21.

Following implementation of the proposed SSC increase, the District's cost for providing wastewater conveyance and treatment services would remain amongst the lowest when compared to peer agencies in the San Francisco Bay Area region. A comparison of total rates for wastewater collection and treatment services, including District SSCs and wastewater collection rates for Antioch and Pittsburg, to regional peer agencies will be included in the presentation.

Attachments

- 1) Proposed Ordinance
- 2) Proposed Resolution
- 3) Written Protests Received
- 4) Proposition 218 Notice – Proposed FY20/21 SSC Increases
- 5) “Proposed Sewer Service Charge Increases” Fact Sheet (posted on District website)
- 6) “Investing in Critical Wastewater Infrastructure” Fact Sheet (posted on District website)
- 7) “FY20/21 Proposed Sewer Service Charge Increases Frequently Asked Questions” (posted on District website)

Prepared by:  for
Carol S. Margetich
Business Services Director

cc: District File CORP.07-CORRES



ORDINANCE NO. 118

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

AN ORDINANCE ESTABLISHING SEWER SERVICE AND DELINQUENCY CHARGES AND COLLECTION SYSTEM CHARGES AND SURCHARGES

The Board of Directors of DELTA DIABLO (District) ordains as follows:

SECTION 1. The District's Board of Directors hereby establishes the annual Sewer Service Charges applicable to Zone 1 (Bay Point), Zone 2 (Pittsburg), and Zone 3 (Antioch), and the Zone 1 Surcharge and Collection System Charges for Fiscal Year 2020/2021 and each fiscal year thereafter, until lawfully modified by action of the Board of Directors:

- A. All of the above charges and surcharges are established as set forth in the SCHEDULE OF USER CHARGES, attached hereto as Exhibit A (Residential User Charges) and Exhibit B (Non-Residential User Charges) and incorporated herein by this reference.

SECTION 2. Residential User Charges

- A. Exhibit A (Residential User Charges) of this Ordinance specifies the fees and charges imposed on residential properties. Beginning with Fiscal Year 2020/2021, the fees and charges identified in Section 1 of Exhibit A shall be the Annual Residential User Charges adopted.

SECTION 3. Non-Residential User Charges

- A. Exhibit B (Non-Residential User Charges) of this Ordinance specifies the fees and charges imposed on non-residential properties.
- B. Beginning with Fiscal Year 2020/2021, the formula identified in Section 1 of Exhibit B shall be used to calculate non-residential user charges. The total Sewer Service Charge for a given year, not including street sweeping, is calculated by first taking the location of the Property (i.e., Zone 1 Bay Point; Zone 2 Pittsburg; Zone 3 Antioch) and identifying the Business Class for the Property and the applicable Non-Residential Total Rate for that Business Class. The Non-Residential Total Rate for that Business Class is then multiplied by the annual water consumed by the Property, measured in hundred cubic feet (hcf), and the resulting amount is the annual Sewer Service Charge for that Property. If the annual water consumed is less than 90 hcf, the designated minimum annual charge for the Zone in which the Property is located will apply to the Property.

SECTION 4. The charges and surcharges set forth in Exhibit A and Exhibit B shall remain in effect until changed by Ordinance adopted by the District's Board of Directors.

SECTION 5. EFFECTIVE DATE. This Ordinance becomes effective 30 days after passage, and within 15 days of passage shall be published once with the names of Directors voting for and against it in the East Contra Costa County Times, a newspaper published in this county and circulated in the District.

PASSED AND ADOPTED on June 25, 2020 by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

Juan Banales, Board Chair

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Directors on the date shown.

ATTESTED: June 25, 2020

Cecelia Nichols-Fritzler
Secretary to the Board of Directors

Attachments: Exhibit A, Residential User Charges
Exhibit B, Non-Residential User Charges

SCHEDULE OF USER CHARGES

EXHIBIT A: Residential User Charges (Sewer Service Component)
Beginning Fiscal Year 2020/2021

* Note: Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no change is proposed in that component other than a reduction of \$0.01 per parcel within the City of Pittsburgh. In order to collect street sweeping fees in an efficient manner, this fee is consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill. The combined levy is shown in the "INFO ONLY" column.

Total Residential User Charges shown are annual rates per Equivalent Residential Unit (Multi-Family Properties Multiply # Units times Total Residential User Charge).

Residential Zone	Regional Treatment & Conveyance	Capital Asset	Capital Asset Replacement	Advanced Treatment Reserve Fund	Sub-Total Residential User Charges	Collection Rehabilitation Surcharge (Bay Point)	Collections System Operations Charge (Bay Point)	Total Residential User Charge (per ERU)	*Street Sweeping (per parcel)	INFO ONLY TOTAL TAX BILL LEVY
Zone 1 - Bay Point	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ 50.61	\$ 102.76	\$ 556.47	\$ 4.58	\$ 561.05
Zone 2 - Pittsburgh	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ -	\$ -	\$ 403.10	\$ 10.26	\$ 413.36
Zone 3 - Antioch	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ -	\$ -	\$ 403.10	\$ 5.60	\$ 408.70

EXHIBIT B: Non-Residential User Charges (Sewer Service Component)
Beginning Fiscal Year 2020/2021

* Note: Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no change is proposed in that component other than a reduction of \$0.01 per parcel within the City of Pittsburgh. In order to collect street sweeping fees in an efficient manner, this fee is consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill.

Total Non-Residential Rates are per hundred cubic feet of water consumed annually, except Annual Minimum applies for use of 90 hcf or less.

BUSINESS CLASS Commercial / Industrial	Regional Treatment & Conveyance	Capital Asset	Capital Asset Replacement	Advanced Treatment Reserve Fund	Sub-Total Non-Residential User Charges	Collection Rehabilitation Surcharge (Bay Point)	Collections System Operations Charge (Bay Point)	Total Non-Residential Rate (x HCF/yr.)	*Street Sweeping (per parcel)
Zone 1 - Bay Point									
Premark Packaging	\$ 3.53	\$0.05	\$ 1.39	\$ -	\$ 4.97	\$ 0.53	\$ 1.08	\$ 6.58	\$ 45.80
Light Industrial	\$ 3.48	\$0.05	\$ 1.38	\$ -	\$ 4.91	\$ 0.53	\$ 1.08	\$ 6.52	\$ 45.80
Misc. Commercial	\$ 3.48	\$0.05	\$ 1.38	\$ -	\$ 4.91	\$ 0.53	\$ 1.08	\$ 6.52	\$ 45.80
U.S. Army	\$ 3.38	\$0.05	\$ 1.34	\$ -	\$ 4.77	\$ 0.53	\$ 1.08	\$ 6.38	\$ 45.80
Bakeries/Restaurants	\$ 5.58	\$0.08	\$ 2.20	\$ -	\$ 7.86	\$ 0.53	\$ 1.08	\$ 9.47	\$ 45.80
Annual Minimum	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ 50.61	\$ 102.76	\$ 556.47	\$ 45.80
Zone 2 - Pittsburgh									
Bakeries/Restaurants	\$ 5.68	\$0.08	\$ 2.24	\$ -	\$ 8.01	\$ -	\$ -	\$ -	\$ 51.35
Dow Chemical	\$ 3.31	\$0.05	\$ 1.31	\$ -	\$ 4.66	\$ -	\$ -	\$ -	\$ 51.35
G&K Services	\$ 3.87	\$0.06	\$ 1.53	\$ -	\$ 5.46	\$ -	\$ -	\$ -	\$ 51.35
Hotel/Motel	\$ 3.03	\$0.04	\$ 1.20	\$ -	\$ 4.27	\$ -	\$ -	\$ -	\$ 51.35
Institutional	\$ 3.47	\$0.05	\$ 1.37	\$ -	\$ 4.89	\$ -	\$ -	\$ -	\$ 51.35
Light Industrial	\$ 3.47	\$0.05	\$ 1.37	\$ -	\$ 4.89	\$ -	\$ -	\$ -	\$ 51.35
Marinas	\$ 4.47	\$0.07	\$ 1.76	\$ -	\$ 6.30	\$ -	\$ -	\$ -	\$ 51.35
Generon IGS	\$ 6.46	\$0.09	\$ 2.55	\$ -	\$ 9.11	\$ -	\$ -	\$ -	\$ 51.35
Misc. Commercial	\$ 3.47	\$0.05	\$ 1.37	\$ -	\$ 4.89	\$ -	\$ -	\$ -	\$ 51.35
Mortuaries	\$ 3.92	\$0.06	\$ 1.55	\$ -	\$ 5.53	\$ -	\$ -	\$ -	\$ 51.35
Praxair	\$ 3.28	\$0.05	\$ 1.29	\$ -	\$ 4.62	\$ -	\$ -	\$ -	\$ 51.35
Annual Minimum	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ -	\$ -	\$ -	\$ 51.35
Zone 3 - Antioch									
Bakeries/Restaurants	\$ 5.63	\$0.08	\$ 2.22	\$ -	\$ 7.94	\$ -	\$ -	\$ -	\$ 56.00
Hotel/Motel	\$ 3.29	\$0.05	\$ 1.30	\$ -	\$ 4.64	\$ -	\$ -	\$ -	\$ 56.00
Institutional	\$ 3.44	\$0.05	\$ 1.36	\$ -	\$ 4.85	\$ -	\$ -	\$ -	\$ 56.00
Light Industrial	\$ 3.44	\$0.05	\$ 1.36	\$ -	\$ 4.85	\$ -	\$ -	\$ -	\$ 56.00
Marinas	\$ 4.50	\$0.07	\$ 1.78	\$ -	\$ 6.34	\$ -	\$ -	\$ -	\$ 56.00
Misc. Commercial	\$ 3.40	\$0.05	\$ 1.34	\$ -	\$ 4.79	\$ -	\$ -	\$ -	\$ 56.00
Mortuaries	\$ 3.94	\$0.06	\$ 1.55	\$ -	\$ 5.55	\$ -	\$ -	\$ -	\$ 56.00
Annual Minimum	\$ 286.03	\$4.18	\$ 112.89	\$ -	\$ 403.10	\$ -	\$ -	\$ -	\$ 56.00

DELTA DIABLO
SPECIAL BOARD OF DIRECTORS MEETING
JUNE 25, 2020
WRITTEN PROTESTS RECEIVED

RECEIVED BY
DELTA DIABLO

MAY 12 2020

Jeanne Horgan
4905 Chismalway
Antioch, CA 94531

APN - 0560850067

Dear Board of Directors:

Please consider this a written protest letter as to the proposed sewer increase.

Due to Covid 19, only 1 member in our household of 3 adults has employment. We are hurting financially as it is. Any increase would be a hardship for us. Please NO increase!

Thank you for reading this letter and taking this response into consideration.

Jeanne Horgan

RECEIVED BY
DELTA DIABLO

MAY - 7 2020

Louise Karm

762 Chestnut St.

San Francisco, CA 94133

415.632.9500

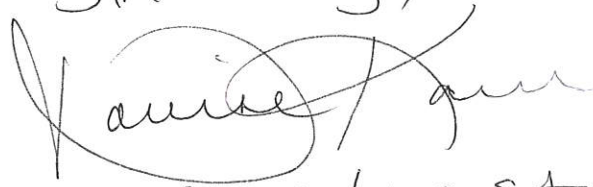
LouiseKarm@yahoo.com

RE: APN 0731240073

Dear Office Manager / Secretary to the Board,

I am writing in protest of the proposed SSC increases for fiscal year 2020/2021. This is absolutely not the time considering hardships of the citizens during our covid crisis.

Sincerely,


owner / trustee



May 4, 2020

Orill Fountain
1731 Peachwillow St.
Pittsburg, CA 94565-7303
APN 093-261-008-2 00
(925) 597-9212
lefontaine@hotmail.com

Office Manager/Secretary to the Board
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

Ref: Your letter, Notice of Proposed Sewer Service Charge Rate Increases for Fiscal Year 2020/2021

Delta Diablo Board Members,

I was totally astounded to see in your letter that you will be holding a public hearing on June 25, 2020 to consider adoption of rate adjustments during a time of required social distancing. Although I staunchly oppose a rate increase, I will not be there since I'm in the high risk group if I caught the Covid-19 virus. Nevertheless, I sincerely hope my letter will carry some weight as you make your decision.

Before the Covid-19 crisis, various sources on the internet reported the poverty rate in California at 20 percent and the number of citizens who scrapped by with barely enough money every month to buy groceries and make mortgage or rent payments at 50 percent. Now, in addition to that, possibly 40 percent of us are unemployed or our salary has been reduced. This situation is really bad so it's inappropriate for you to add to our burden by raising sewer service rates. What is appropriate is for you is to forego your rate increase request and if you truly need more money for operations you should reduce salaries of your managers and executives. In short, you should make some sacrifices just like the rest of us are doing.

Regards


Orill J. Fountain

Office Manager/Secretary to the Board
2500 Pittsburg-Antioch Highway
Antioch, CA 94509



RE: PUBLIC HEARING AND PROTEST PROCEDURES RE RATE INCREASE

To the Board of Directors:

I writing in to contest your proposed sewer service charge rate increase; at this time during COVID, may people have lost their jobs and or businesses – it is insensitive to purpose such a rate increase when people are clearly struggling as is, during a global pandemic.

Please revise when the economy and people's health are in a better place.

Thank you,

Anna Christina Sutu

1569 Limewood Pl

Pittsburg CA 94565

Apn 0883410227

Cell: 925-642-4008



To whom it might concern:

I am here to **PROTEST** this arbitrary, ridiculous, abusive, greedy and absurd rate increase.

Specially during this pandemic time. Who in their right mind is trying to increase the homeowner's rates up? **WHO?**

It is **NOT** okay to increase this rate any time you want.

It makes me so upset, I can, even begin to type.

I am totally **against** any of these increases.

Enough is enough!

This procedure is also wrong, It should be that you need the majority of votes from homeowners to implement the increase, instead of majority of protests to not implement it.

191 Manville ave. Pittsburg

APN 0871320222



To whom it might concern:

I am here to **PROTEST** this arbitrary, ridiculous, abusive, greedy and absurd rate increase.

Specially during this pandemic time. Who in their right mind is trying to increase the homeowner's rates up? **WHO?**

It is **NOT** okay to increase this rate any time you want.

It makes me so upset, I can, even begin to type.

I am totally **against** any of these increases.

Enough is enough!

This procedure is also wrong, It should be that you need the majority of votes from homeowners to implement the increase, instead of majority of protests to not implement it.

32 Water st Bay Point

APN 0930210182



Delta Diablo
Office Manager/Sec.
2500 Pitts-Ant Hwy
Antioch, CA 94509

42 Lakeview Dr.
Pittsburg, CA 94565
APN: 0985200179

Dear Delta Diablo District,

I have recently received your notice by mail of the proposed sewer service charge rate increases for Fiscal Year 2020/2021. I read the whole notice in detail. I am writing to you to inform you that I oppose the proposed rate increases. This written letter of mine serves as a protest against the rate increases. With the current pandemic crisis of the COVID-19 lockdown, and the huge job losses, it is not wise to be increasing rates at this time. It's extremely challenging hardship times right now. Moreover, property taxes are already too high to pay. Therefore, I urge you to please not increase the rates at this time.

Thank you for taking the time to hear me out and considering my opinion.

Sincerely,

A handwritten signature in black ink, appearing to read "Ofelia Ontiveros".

Ofelia Ontiveros



May 5, 2020

APN#: 0982810053

42 Lakeview Dr.

Bay Point, CA 94565-1350

Dear Delta Diablo,

I want you to know I read your notice about your proposed rate increases of the sewer service. The reason I am writing you is because I need to let you know that I do not agree with you wanting to increase the sewer service rates. As an elderly with a fixed income, and with all the chaos that is going on, it would be a financial hardship. So I am asking you to reconsider, and please not increase the sewer service rates. I would appreciate it greatly that my protest be taken into account. Thank you kindly.

Sincerely,

A handwritten signature in brown ink that reads "Guadalupe C. Ontiveros".

Guadalupe C. Ontiveros



5-8-20

TO: Board of Directors
RE: SSC INCREASES

I AM WRITING TO PROTEST THE PROPOSED RATE INCREASES. PLEASE DO NOT INCREASE THE RATES ANY AT THIS TIME. THE RATES ARE HIGH ENOUGH ALREADY.

Sincerely,

K. TAE

KEN TATUM
1509 ROLLINGWOOD PL.
PITTSBURGH, PA.

APN: 0883240194



4901 Chism Way
Antioch, CA
94531 – 8149

May 6, 2020

District (attention of “Office Manager/Secretary of the Board”)
2500 Pittsburg – Antioch Highway
Antioch CA
94509

Dear Board of Directors:

I want to add my name and request (as follows) to those considered at the June 25, 2020 meeting of the Delta Diablo Board of Directors.

This represents my strong PROTEST AGAINST the proposed Sewer Rate increases proposed which will include Antioch, where I reside.

I am a Senior Citizen on a very limited income, barely making the expenses incurred in owning and maintaining my home and my normal cost of living each month. Read this as a BIG “NO”.

My APN is : APN 0560850075.

Yours truly,

Marie L. Brey



To whom it might concern:

I am here to firmly **PROTEST** this arbitrary, ridiculous, abusive, greedy and absurd rate increase.

Specially during this pandemic time. Who in their right mind is trying to increase the homeowner's rates up? **WHO?**

It is **NOT** okay to increase this rate any time you want.

It makes me so upset, I can, even begin to type.

I am totally **against** any of these increases.

Enough is enough!

This procedure is also wrong, It should be that you need the majority of votes from homeowners to implement the increase, instead of majority of protests to not implement it.

It is plain **WRONG**.

69 Water st Bay Point

APN 0930220173



Jeanette Del Rio
124 Hill Street
Bay Point, CA
94565-3126

May 11, 2020

Dear Office Manager/Secretary to the Board,

I am the property owner of record to the following Assessor's Parcel #:

0931130280 in Contra Costa

County. To which I opposed on all of the proposed Sewer Services Charge Rate Increases for fiscal Year 2020/2021.

Please take this letter as a protest to all of your future increases but not limited.

If you need to reach me, please do not hesitate to contact me at the above-listed address.

Respectfully,


Jeanette Del Rio



May 12, 2020

Delta Diablo District

Attn: Office Manager /Secretary to the Board

2500 Pittsburg –Antioch Highway

Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0673270039

Street address: 200 Creed Avenue, Antioch, CA 94509

Thank you,

A handwritten signature in black ink that reads "Al Mason". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Al Mason



May 12, 2020

Delta Diablo District

Attn: Office Manager /Secretary to the Board

2500 Pittsburg –Antioch Highway

Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0662040112

Street address: 405 W 8th Street, Antioch, CA 94509

Thank you,


Al Mason



May 12, 2020

Delta Diablo District
Attn: Office Manager /Secretary to the Board
2500 Pittsburg –Antioch Highway
Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0730810090

Street address: 721 Central Ave., Pittsburg \, CA 94565

Thank you,


Al Mason



May 12, 2020

Delta Diablo District

Attn: Office Manager /Secretary to the Board

2500 Pittsburg –Antioch Highway

Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0661880062

Street address: 222 W 10th Street, Antioch, CA 94509

Thank you,

A handwritten signature in black ink that reads "Al Mason". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Al Mason



May 12, 2020

Delta Diablo District

Attn: Office Manager /Secretary to the Board

2500 Pittsburg –Antioch Highway

Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0672420114

Street address: 44 W 16th Street, Antioch, CA 94509

Thank you,


Al Mason



May 12, 2020

Delta Diablo District

Attn: Office Manager /Secretary to the Board

2500 Pittsburg –Antioch Highway

Antioch, CA 94509

Dear Board Members,

I protest the Proposed Sewer Service Charge Rate Increases.

I own APN 0662210095

Street address: 1219 W 7th Street, Antioch, CA 94509

Thank you,


Al Mason



May 13, 2020

Delta Diablo
2500 Pittsburg Antioch Highway
Antioch, CA 94509

Cc: City of Antioch

Re: Proposed Sewer Service Charge rate increase

Delta Diablo,

As the property owner of several pieces of real property in Contra Costa County (Antioch) I object to the proposed rate increases.

The City of Antioch is known for making illegal transfers of Enterprise Funds including funds for sewer collection. It may be currently the case that the City of Antioch has transferred the pension liability payment for some employees away from the General Fund and to the Sewer Fund in violation of Prop 218, a California State Constitutional Amendment.

I object to the increase in total; and for any increase that would be beneficial to illegal transfers, payments, or malfeasance by the City of Antioch.

Yours very truly,

Mark Jordan

RE/MAX PREFERRED PROPERTIES

Mark Jordan Broker-Owner, REALTOR® DRE#00676018 ABR, CRS, GRI, SRES, A-REO, CDPE
Cynthia Jordan Salesperson-Owner, REALTOR® DRE#00892787 ABR, GRI, CDPE
2830 Lone Tree Antioch, CA 94509
OFFICE: (925) 757-8080 FAX: (925) 757-8582
mark@markcynthia.com
www.markcynthia.com



Each RE/MAX office is independently owned and operated.





2500 Pittsburg-Antioch Highway
Antioch, CA 94509

PRSR STD
US POSTAGE
PAID
PITTSBURG, C
PERMIT NO. 2

**NOTICE OF PUBLIC HEARING
PROPOSED SEWER SERVICE CHARGE
RATE INCREASES**

**4:30 PM
THURSDAY, JUNE 25, 2020
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**

APN 0556200509

P2 T35 B41 25564



*****ECRWSH**C 023

JORDAN MARK O & CYNTHIA L TRE
3501 DAVI PL
ANTIOCH CA 94509-5455



Delta Diablo provides wastewater conveyance and treatment services to approximately 213,000 customers in Pittsburg, Antioch, and Bay Point.

**Delta
Diablo**

Our core mission is to protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.

**Environmental
Stewardship**

In treating 13 million gallons of wastewater each day, Delta Diablo has an exemplary regulatory compliance record in meeting federal, state, and local regulatory requirements and protecting the local Delta receiving waters.

**Infrastructure
Investment**

Continued capital investment in the Wastewater Treatment Plant, 76 combined miles of sewer pipes and force mains, and five pump stations is critical to maintaining effective, reliable, and high-quality customer service.

**Fiscal
Responsibility**

Delta Diablo is committed to maintaining responsible rates by prioritizing capital investments, managing budgets through operational efficiencies, and targeting available grant and low-interest loan programs.

For more information, visit www.deltadiablo.org or call (925) 756-1900.

May 21, 2020



Delta Diablo
Attn: Office Manager/Secretary to the Board
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

RE: Board Meeting to Be Held June 25, 2020
Proposed Sewer Service Charge Rate Increase
Our Parcel No. 095-363-042-3-00

Dear Sir or Madam:

We are in receipt of your notice of the proposed Sewer charge for the fiscal year 2020-2021.

Please know that we are protesting this increase you are recommending for many reasons, but mostly during this Covid-19 pandemic where many families who are struggling with financial crisis to try and maintain not only their health but their jobs. The other reason is that we not too long ago, probably the fiscal year before had an increase and we feel this is not a good time for such increases, especially since we all just had an increase in our water bills as well.

We hope you will take this issue under consideration during your June 25, 2020 Board meeting.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Allan & Aileen Graff".

Mr. & Mrs. A. Graff

May 30, 2020



Delta Diablo Board of Directors
2500 Pittsburg-Antioch Hwy
Antioch, CA 94509

To Whom It May Concern:

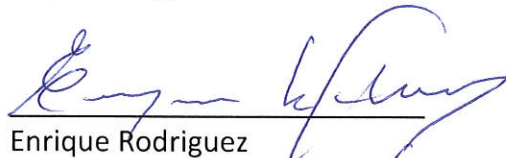
Subject: SSC Propose Rate Increase for Residential Service Customers in Antioch, Pittsburg and Bay Point.

We received notice of a proposed SSC RATE INCREASE several weeks ago. My husband & I have been long time residents of Pittsburg since 1988 and we are hereby protesting your proposed SSC rate increase because of these unsettling times.

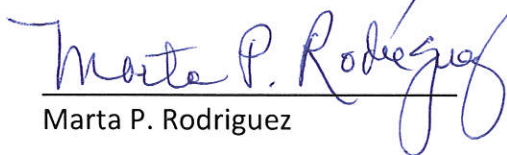
It would be a GREAT HARDSHIP because of the **vast unemployment** due to Coronavirus. Many families in these cities are having a difficult time placing food on their tables, paying their bills, let alone their mortgages. One of us is a volunteer for a Food Bank in Contra Costa County and hearing their stories is difficult to hear.

I do understand that it is your District's objective of recovering its costs for Pittsburg, Antioch & Bay Point. We feel it is unfair, and it is **NOT the time** to propose this rate increase **especially in these cities**. We strongly recommend that this issue at hand be re-visited for the welfare of these families.

Respectfully,



Enrique Rodriguez



Marta P. Rodriguez

739 Wedgewood Drive
Pittsburg, CA 94565-4667

Parcel # 095-362-026-7

Property Address: 4507 Sweet Water Street, Antioch, CA 94531
APN: 0525100228



May 30, 2020

To whom it may concern:

I am writing to protest the proposed sewer service charge rate increases.

During this pandemic time, everyone is having a difficult time trying to survive. This is Not a time to increase the service rates to add burden to the residents.

Sincerely,

A handwritten signature in dark ink, appearing to read "Miranda Hui". The signature is fluid and cursive, with a horizontal line extending from the end.

Miranda Hui



May 28, 2020

Delta Diablo Board of Directors
2500 Pittsburg-Antioch Hwy
Antioch, California

Attn: Office Manager/Secretary of the Board

Re: SSC Proposed Rate Increase

Gentlemen(women),

As a Pittsburg, CA resident, I want to give my strong protest to your proposed rate increase. After receiving and reading your notice of the upcoming public hearing (June 25th) regarding the proposed new sewer service changes (SSC) proposed for FY20/21, I feel I need to have my voice heard on the subject!

The Bay Area, and the world for that fact, is in the middle of a horrific, difficult time fighting the COVID-19 pandemic. Millions of people are unemployed and unable to pay their basic needs and feed themselves and their families. I am fortunate to be in good health, but many people are not.

I understand the District's objective of recovering its costs, but under the current COVID conditions -- This is NOT the time to be putting extra hardship on the residents of Pittsburg, Antioch and Bay Point!

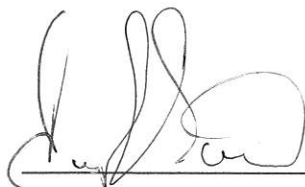
Please reconsider your actions and give your customers, many of which are on fixed incomes, time to recover healthwise and financially.

Thank you,

Henry & Imelda Senteno
2108 Seagull Ct.
Pittsburg, CA

Parcel #0953630266





Delta Diablo
Attn: Delta Diablo Board of Directors
2500 Pittsburg-Antioch Highway
Antioch, California, 94509



Re: Public Hearing on Proposed Sewer Service Charge Rate Increases for Fiscal Year 2020/2021

First, these meetings are actually a legal exercise required by law before the increases you have already decided upon go into effect. I know it is futile to protest them but I must even though I know it is just a public farce that you will be paid for holding. While I understand the cause for this increase, I still protest it as I have for several years now.

Because the increases are called fees does NOT make them any less of a tax on the public. They are called fees so the public cannot vote on them and because you are a service. The public that foot the bill actually has no true say in this in this.

I already know the current sewer fees on property tax bill will be going up as usual. What is called "pennies on the dollar" adds up in aggregate. And in this year when the new property tax bills come that aggregate will be harder on everyone.

As a retired homeowner with an income of that is about \$1800 a month, I cannot support these fees being constantly increased. I'm sure there are others in this boat with me. As you sit in your comfortable chairs and collect your fees for this and other committees you are on, remember that the ordinary people don't have your incomes, your perks, or your pensions, to live on.

Does anybody ever do a line by line audit and demand accounting for all expenses? Are economies of scale used by this agency before demanding more money is justified as effective - and can you prove that? There are still homes and businesses being created; aren't those already increasing your bottom-line even in this economy?

I have asked many times why this fee/tax could not be added to the regular water bills. It is easier on people with less income than yours to pay a prorated sum of the aggregate total in their monthly water bill.

In futile protest,

Dorothy Leah Miller

205 Dawson Ct
Pittsburg, CA 94565
925-427-5148

APN #0862600723

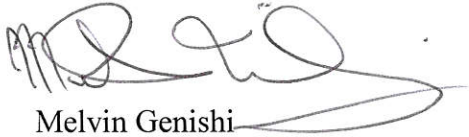
RECEIVED BY
DELTA DIABLO

JUN 05 2020

June 2, 2020

Delta Diablo Board of Directors

This is to protest the proposed increase in sewer service charges for fiscal year 2020/2021. We propose that you cut overhead costs and operating expenses instead of always automatically increasing rates as though you have no other alternative.



Melvin Genishi



Yong Genishi

79 Hillcrest Avenue
Pittsburg, CA. 94565
Parcel Number 087-152-008-6 00

DELTA DIABLO
SPECIAL BOARD OF DIRECTORS MEETING
JUNE 25, 2020
ADDITIONAL CORRESPONDENCE RECEIVED

Lot 21 block 8
503 Texas Street
94509

RECEIVED BY
DELTA DIABLO

JUN 18 2020

Having been wastewater treatment specialist serving USAF, the significant pre requisites (added COVID viral epidemic) being the very source of virus, [bacterial accumulation into our atmosphere]

We are ALL going to pay whatever it takes rebuild the protections, facilities and chemical to combat a serious threat of malaise!

Marcus Robinson
Marcus Robinson

To: Meeting 6-25-2020
Proposed SAR SSC increase

Postscript - upon personal observation, the systems for irrigate water and potable sources appear to show no unhealthy impact.



Notice of Proposed Sewer Service Charge Rate Increases for Fiscal Year 2020/2021

Proposition 218 Notification to Property Owners of Public Hearing

NOTICE IS HEREBY GIVEN that the Delta Diablo Board of Directors will hold a public hearing on **Thursday, June 25, 2020 at 4:30 p.m. in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California**, to consider adoption of proposed rate adjustments for wastewater utility services. A summary of the proposed rates, key financial drivers, and instructions for protesting the rate increases (if desired) are provided below.

If the state and local COVID-19 emergencies remain in effect in June, the meeting agenda posted prior to the June 25, 2020 Board meeting will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor's executive orders then in effect.

WHAT IS DELTA DIABLO?

Delta Diablo ("District") provides wastewater conveyance and treatment services for over 70,000 customer accounts (residential and non-residential), representing approximately 213,000 residents in the cities of Antioch and Pittsburg, and the unincorporated community of Bay Point. As part of our core mission to protect public health and the environment, the District treats 13 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public's resources and trust.

The District has transformed its Wastewater Treatment Plant (WWTP) into a "resource recovery facility" by producing approximately 6 million gallons per day of recycled water, generating on-site renewable energy to meet over 55 percent of WWTP power needs, reusing residual biosolids as fertilizer via land application, providing household hazardous waste (HHW) collection services, and further protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems.

PROPOSED FISCAL YEAR 2020/2021 SEWER SERVICE CHARGES

For Fiscal Year 2020/2021 (FY20/21) (July 1, 2020 – June 30, 2021), the District is proposing Sewer Service Charge (SSC) increases of approximately 3.5% for residential customers in Antioch and Pittsburg, and 3.0% for residential customers in Bay Point. Non-residential customer rates have also been adjusted and vary based on customer class. The District collects SSCs from its customers each year to provide the primary revenue source needed to fund labor, energy, chemicals, regulatory compliance requirements, plant maintenance, capital infrastructure renewal and rehabilitation, and Delta HHW facility operation.

Because the District's costs in these categories will increase in the next fiscal year, SSC adjustments are required to recover the District's costs, maintain financial integrity, and ensure long-term fiscal sustainability. The SSCs are calculated based on the cost to provide service with customers typically billed on a fiscal-year basis via annual property tax bills.

Residential Customers: The impact of the proposed SSC increase on the annual property tax bill for a single-family residential customer is shown in **Table 1** below. The total annual charge for residential properties with multiple units (e.g., duplex, fourplex, apartment complex, etc.) can be calculated by multiplying the applicable per unit SSC charge in **Table 1** by the number of units.

Table 1 – Example Annual Single-Family Residential SSC on Property Tax Bills for FY20/21

Residential Service Customers	Proposed SSC Increase*	Current FY19/20	Proposed FY20/21	Annual Change
Antioch/Pittsburg	3.5%	\$389.47	\$403.10	\$13.63
Bay Point**	3.0%	\$540.26	\$556.47	\$16.21

Note: * Percentage increases are approximate.

** Delta Diablo provides wastewater collection services for Bay Point customers only, while the respective cities provide these services for Antioch and Pittsburg customers.

The property tax bills will also include an annual street sweeping service charge (no increase) that varies by community based on frequency of service.

Non-residential Customers: The District is proposing increased SSCs for commercial and industrial customers based on annual potable water consumption (i.e., SSC is per hundred cubic feet per year [HCF/y]) as presented in **Table 2** below by business class and city/community. If annual potable water consumption is less than 90 HCF/y, a minimum annual charge will be applied. The property tax bills will also include an annual street sweeping service charge (no increase) that varies by community based on frequency of service.

Table 2 – Non-residential Proposed User Charges: Total SSC per Hundred Cubic Feet per year

Business Class (Commercial/ Industrial)	Zone 1 – Bay Point		Zone 2 – Pittsburg		Zone 3 – Antioch	
	Current FY19/20	Proposed FY20/21	Current FY19/20	Proposed FY20/21	Current FY19/20	Proposed FY20/21
Bakeries/ Restaurants	\$9.19	\$9.47	\$7.74	\$8.01	\$7.67	\$7.94
Light Industrial	\$6.33	\$6.52	\$4.72	\$4.89	\$4.69	\$4.85
Hotels/Motels	N/A	N/A	\$4.13	\$4.27	\$4.48	\$4.64
Institutional	\$6.33	\$6.52	\$4.72	\$4.89	\$4.69	\$4.85
Marinas	N/A	N/A	\$6.09	\$6.30	\$6.13	\$6.34
Misc. Commercial	\$6.33	\$6.52	\$4.72	\$4.89	\$4.63	\$4.79
Mortuaries	N/A	N/A	\$5.34	\$5.53	\$5.36	\$5.55
Annual Minimum	\$540.26	\$556.47	\$389.47	\$403.10	\$389.47	\$403.10

WHAT DO SEWER SERVICE CHARGES FUND?

The District's SSC revenue is allocated to several key funds to support ongoing operations, as well as capital investment in existing and future infrastructure, as shown in **Table 3** below.

- Regional Treatment and Conveyance:** Funds facility operation and maintenance costs associated with regional wastewater conveyance and treatment, as well as the Delta HHW facility.
- Capital Asset:** Funds new wastewater capital projects that are not related to new growth (the District charges separate Capital Facilities Capacity Charges for growth-related capital costs).
- Capital Asset Replacement:** Funds capital infrastructure renewal and replacement projects.
- Advanced Treatment Reserve:** This SSC rate component has been suspended for FY20/21 based on a revised implementation schedule and capital cost estimate. This fund is designed to minimize significant future rate increases by providing dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment.
- Bay Point Collections:** This SSC rate component is only collected for Bay Point customers and funds operation, maintenance, and rehabilitation of the Bay Point collection system.

Table 3 – Example Annual Single-Family Residential SSC by Component for FY20/21

Sewer Service Charge (SSC) Component	Antioch/Pittsburg		Bay Point	
	Current FY19/20	Proposed FY20/21	Current FY19/20	Proposed FY20/21
Regional Treatment/Conveyance	\$280.58	\$286.03	\$280.58	\$286.03
Capital Asset	\$18.47	\$4.18	\$18.47	\$4.18
Capital Asset Replacement	\$33.37*	\$112.89	\$33.37*	\$112.89
Advanced Treatment Reserve Fund	\$57.05*	\$0.00	\$57.05*	\$0.00
Bay Point Collections	N/A	N/A	\$150.79	\$153.37
Total SSC per Equivalent Residential Unit	\$389.47	\$403.10	\$540.26	\$556.47
Estimated Monthly Charge	\$32.46	\$33.59	\$45.02	\$46.37

* A \$4 million loan to the Capital Asset Replacement (CAR) Fund from the Advanced Treatment (AT) Reserve Fund was executed, which yielded effective SSC components for CAR and AT Funds of \$86.37 and \$4.05, respectively, for FY19/20.

In FY20/21, the SSC component for the Capital Asset Replacement Fund has been increased to support cash funding (versus debt financing) of critical wastewater infrastructure projects. This approach provides the highest overall value to District ratepayers, because it eliminates approximately \$20 million in new debt that would have increased total project cost when accounting for interest payments over the debt term. Cash funding current infrastructure needs also preserves debt management capacity for future long-term treatment process upgrades and expansion.

More information on the District's costs can be found in the District's budget and CIP documents, which are on file at the District's offices.

PUBLIC HEARING AND PROTEST PROCEDURES

The Board of Directors will hold a public hearing on the proposed SSC increases on Thursday, June 25, 2020, at 4:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. If the state and local COVID-19 emergencies remain in effect in June, the meeting agenda posted prior to the June 25, 2020 Board meeting will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor's executive orders then in effect. After the close of the public hearing and consideration of all public comments and written protests received, the Board of Directors will be asked to take action to implement the SSC increases at this meeting.

Written protests may be sent to the District (attention of "Office Manager/Secretary to the Board", 2500 Pittsburg-Antioch Highway, Antioch, California, 94509) prior to the public hearing and **must include your property address and the Assessor Parcel Number** found on your mailing label. At the close of the public hearing, the Secretary to the Board will announce the total number of protest



Delta Diablo Wastewater Treatment Plant in Antioch, CA

responses, including any received at the public hearing. If written protests are presented by a majority of the parcel owners in the District's service area, the District cannot implement the SSC increase.



2500 Pittsburg-Antioch Highway
Antioch, CA 94509

**NOTICE OF PUBLIC HEARING
PROPOSED SEWER SERVICE CHARGE
RATE INCREASES**

**4:30 PM
THURSDAY, JUNE 25, 2020
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**



Delta Diablo provides wastewater conveyance and treatment services to approximately 213,000 customers in Pittsburg, Antioch, and Bay Point.

Our core mission is to protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.

**Environmental
Stewardship**

In treating 13 million gallons of wastewater each day, Delta Diablo has an exemplary regulatory compliance record in meeting federal, state, and local regulatory requirements and protecting the local Delta receiving waters.

**Infrastructure
Investment**

Continued capital investment in the Wastewater Treatment Plant, 76 combined miles of sewer pipes and force mains, and five pump stations is critical to maintaining effective, reliable, and high-quality customer service.

**Fiscal
Responsibility**

Delta Diablo is committed to maintaining responsible rates by prioritizing capital investments, managing budgets through operational efficiencies, and targeting available grant and low-interest loan programs.

For more information, visit www.deltadiablo.org or call (925) 756-1900.



Ensuring Long-term Financial Sustainability Proposed Sewer Service Charge Increases

May 2020

In developing its budget each year, Delta Diablo (District) carefully considers operational and capital investment needs to maintain effective and reliable wastewater collection (Bay Point only), conveyance, and treatment services for its **213,000 customers** in Antioch, Pittsburg, and Bay Point. The District's primary revenue source comes from **Sewer Service Charges (SSCs)*** charged to residential, commercial, and industrial customers on the tax roll each year.

The District continues to experience **progressive increases in annual operating costs** over time due to escalations in labor, chemical, energy, materials, supplies, equipment, hauling, and services costs, as well as **increasingly more stringent regulatory requirements**. In parallel, sustained **capital investment** is necessary to maintain the integrity of **aging wastewater system infrastructure****. The District critically reviews required SSC increases each year to ensure sufficient revenue collection, while working to minimize economic impacts to its customers. For **Fiscal Year 2020/2021** (effective July 1, 2020), the District has notified customers (via **Proposition 218 Notices***** mailed to property owners on or before May 1, 2020) of its intent to increase SSCs by **3.5% for Antioch/Pittsburg customers (+\$13.63/year** for single-family residential [SFR]) and **3.0% for Bay Point customers (+\$16.21/year** for SFR).

- **SSC Revenue Allocation:** An estimated total SSC revenue need of **\$32.7 million** is required for FY20/21, which includes \$23.2 million for operational needs and \$9.5 million for capital project funding. Other funding includes ad valorem taxes and available unallocated funds.
- **Annual Revenue Increase Drivers:** The proposed SSC increase would generate an **additional \$1.1 million in revenue** in FY20/21, which is required to offset increased operating labor and wastewater treatment biosolids management costs, as well as capital investment needs with a focus cash funding versus debt financing infrastructure projects.
- **COVID-19 Impacts:** The District understands the current **COVID-19 pandemic** and associated shelter-in-place order will likely have sustained economic impacts on customers in its service area and has **worked hard to reduce impacts associated with SSC increases**. The proposed SSC increase is the **lowest annual SSC increase** (by percent) **in the last 14 years** (since 2006). The District is monitoring COVID-19-related financial impacts on its operations.
- **Long-term Financial Planning:** The District conducts a 5-year SSC analysis to identify future SSC increases required to **maintain sustained fiscal integrity**. In recent years, the projected range of annual SSC increases has been **reduced from 6.2-6.4% (June 2018) and 4.1-4.5% (June 2019)**, to the **current projection of 3.5-4.0%****** for the next five years. Without this year's increase, annual SSC increases of 5.0-6.0% for Antioch/Pittsburg customers would be required over the next few years (compared to 4% each year). The **District continues to maintain its rates well below the average** of its Bay Area peer agencies.

As a nationally-recognized industry leader, the District values strong community engagement, serving as responsible stewards of the public's resources and trust, transparency, innovative approaches, and sustainable solutions in achieving its core mission.

* SSCs are not used for recycled water or street sweeping services, which are funded separately.

** "Investing in Critical Wastewater Infrastructure" fact sheet is available on website for more information.

*** "Notice of Proposed SSC Increases for FY20/21" is available on website for more information.

**** Data collected by the National Association of Clean Water Agencies indicates that the average annual rate increase for wastewater agencies is approximately 3.9%.

About Delta Diablo

Delta Diablo is a special district that provides wastewater conveyance and treatment services for over 213,000 residents in Antioch, Pittsburg, and Bay Point.

The District treats 13 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public's resources and trust.

The District has transformed its Wastewater Treatment Plant (WWTP) into a "water resource recovery facility" by:

- ❖ Producing 6 million gallons of recycled water per day
- ❖ Generating on-site renewable energy to meet over 55% of WWTP power needs
- ❖ Reusing residual biosolids as fertilizer through land application at farm sites
- ❖ Providing household hazardous waste (HHW) collection services
- ❖ Protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems

Our Mission

Protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.



213,000 residents



13 million gallons of wastewater per day



76 miles of sewer pipes, force mains



5 pumps stations to convey wastewater

Wastewater Treatment Plant
+
Recycled Water Facility



Proposed
FY20/21 Budget

Capital \$16.7 million
Operating \$29.6 million

Proposed SSC Increase

+\$13.63/year
(Antioch/Pittsburg residential)
+\$16.21/year
(Bay Point residential)

visit www.deltadiablo.org or call (925) 756-1900 for more information



Protecting Public Health and the Environment Investing in Critical Wastewater Infrastructure

May 2020



Delta Diablo Wastewater Treatment Plant in Antioch, CA

Delta Diablo (District) has developed an **\$81.3 million prioritized 5-year Capital Improvement Program (CIP)** to primarily address critical aging infrastructure needs. This continued investment is essential to **protecting public health and the environment** and maintaining effective and reliable wastewater collection, conveyance, and treatment services, and recycled water production. The **District's Wastewater Treatment Plant (WWTP)**, which includes a combination of physical, biological, and chemical treatment processes, is **nearly 40 years old** and requires significant rehabilitation and replacement work to address aging concrete structures, mechanical equipment, and electrical systems. Key CIP highlights include:

- **Antioch Pump Station and Conveyance System Improvements** (\$8.3 million): In response to failure of a pressurized discharge pipeline from the District's Antioch Pump Station in December 2019, a new project has been developed to restore operational reliability.
- **Investing in Wastewater Infrastructure Renewal**: Approximately 70% of the CIP supports rehabilitation and/or replacement of existing wastewater infrastructure, including Headworks Improvements (\$8.0 million), Cogeneration System Improvements (\$5.0 million), Electrical Switchgear Replacement (\$3.8 million), and Pump Station Facility Repair (\$3.5 million).
- **Ensuring Integrity of Bay Point Collection System**: Because the District owns and operates 43 miles of gravity sewers in Bay Point, the CIP includes \$4.2 million to support inspection, repair, and rehabilitation of prioritized segments over the next five years.
- **Focus on Cash Funding**: Most of the District's CIP projects are planned to be cash funded (versus debt financed) to ensure the lowest overall costs for District customers, while reserving future debt management capacity for future large-scale WWTP upgrades.

The District's primary source of revenue is **Sewer Service Charges (SSCs)**, which are charged to customers via the property tax roll each year. In order to meet revenue needs, the District has proposed an **SSC increase of 3.5%** for Fiscal Year 2020/2021 (FY20/21), which translates into a total annual revenue increase of \$1.1 million. Approximately **29% of the total SSC revenue** (\$9.5 million) for FY20/21 directly supports CIP implementation and critical infrastructure needs with the remainder of SSC revenue (\$23.2 million) funding District operation and maintenance costs. An SSC fact sheet is available on the District's website.

About Delta Diablo

Delta Diablo is a special district that provides wastewater conveyance and treatment services for over 213,000 residents in Antioch, Pittsburg, and Bay Point.

The District treats 13 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public's resources and trust.

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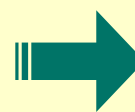
- ❖ Producing 6 million gallons of recycled water per day
- ❖ Generating on-site renewable energy to meet over 55% of WWTP power needs
- ❖ Reusing residual biosolids as fertilizer through land application at farm sites
- ❖ Providing household hazardous waste (HHW) collection services
- ❖ Protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems

Our Mission

Protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.

213,000
residents13 million gallons
of wastewater per day76 miles of sewer
pipes and force mains5 pumps stations
to convey wastewater

Wastewater
Treatment Plant
+
Recycled Water
Facility



5-year Capital
Improvement
Program
\$81.3 million

visit www.deltadiablo.org or call (925) 756-1900 for more information



FY20/21 Proposed Sewer Service Charge Increases Frequently Asked Questions

May 2020

Delta Diablo has provided **two fact sheets**—“**Proposed Sewer Service Charge Increases**” and “**Investing in Critical Wastewater Infrastructure**”—on its **website*** to respond to the question, “**Why is Delta Diablo Increasing Rates?**”

This document complements these fact sheets by addressing potential questions from our customers regarding the **proposed Sewer Service Charge (SSC) increase** for Fiscal Year 2020/2021 (FY20/21).

* The referenced Fact Sheets are available at: <https://www.deltadiablo.org/proposed-sewer-service-charge-ssc-increases>

1. Why is the District raising rates in the middle of a COVID-19 pandemic? The economic impacts of COVID-19 and the shelter-in-place (SIP) order on customers in our service area are significant and may not be fully understood for months or even years into the future. We recognize that the prospect of raising rates in the middle of a pandemic is challenging when there is so much economic uncertainty in our local communities. As summarized in the two fact sheets referenced above, the District is proposing to increase SSCs by 3.5% (Antioch/Pittsburg) and 3.0% (Bay Point) to:

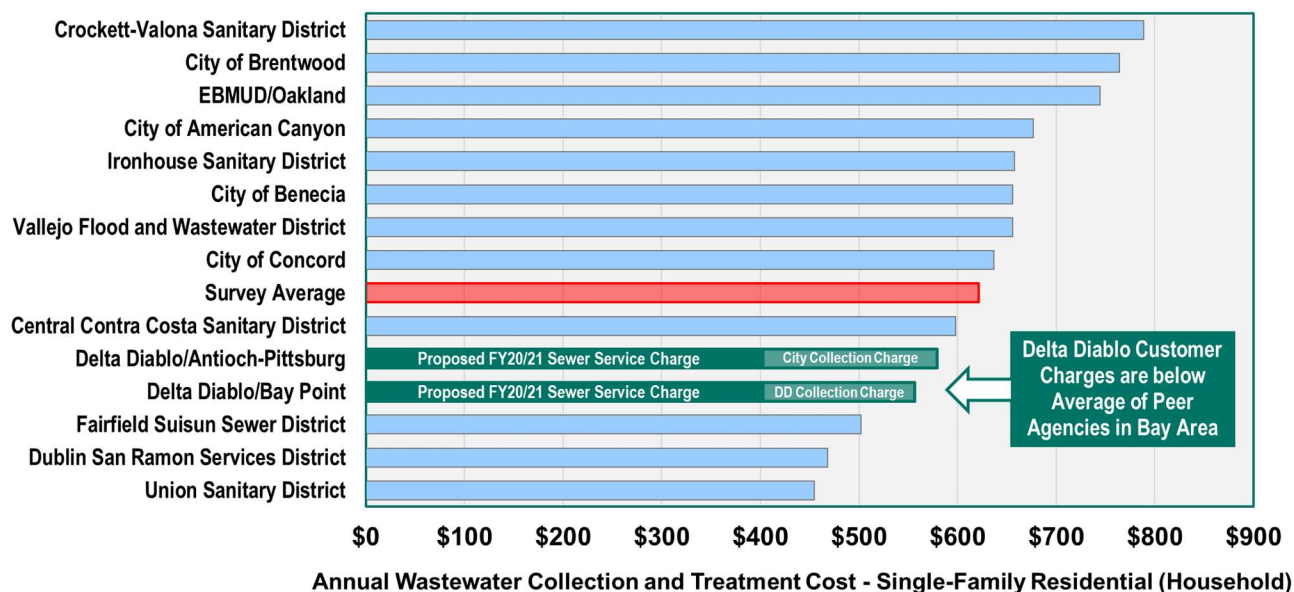
- **Meet the District’s core mission of protecting public health and the environment.** Achieving this mission requires sufficient capital investment and staffing levels to properly operate and maintain the District’s complex network of sewer pipes, pump stations, and treatment processes. Failure to do so could expose our customers to costly regulatory fines and penalties if partially-treated wastewater is discharged to the Delta or sanitary sewer overflows occur in local communities and/or residences.
- **Address aging infrastructure through prioritized capital investment.** We continue to strategically rehabilitate and replace essential elements of the District’s wastewater collection, conveyance, and treatment system to maintain effective and reliable services. Addressing these issues in a proactive manner prevents infrastructure failure, which would lead to higher costs and associated rate impacts.
- **Offset increases in operating costs.** As a regulated utility that requires employees with specialized skills to meet its mission, the District continues to experience progressive increases in annual operating costs due to escalations in labor, chemical, energy, materials, supplies, hauling, services, and regulatory compliance costs. Staffing levels are critically reviewed to meet service level needs, while ensuring cost-effective service delivery for our customers.
- **Prevent the need for more significant SSC increases in the future.** In developing its 5-year SSC projection each year, the District works hard to balance direct economic impacts to our customers and the need for sufficient revenue to cover operating costs and capital investment needs. This effort resulted in the **lowest proposed SSC increase (by percent) in 14 years**, while continuing to maintain our rates below the average of our peer agencies in the Bay Area. If an SSC increase is not implemented this year, more significant rate increases would likely be required in the next few years.
- **Focus on cash funding versus borrowing for capital improvements.** An SSC increase allows the District to continue predominantly cash funding its capital improvement program. If the District were to begin borrowing capital for these improvements, project costs to our customers could nearly double when considering loan interest repayment and the lack of available low-interest loans.

Throughout the SIP order, our core mission of protecting public health and the environment as an “essential governmental function” has remained unchanged as we continue to effectively convey and treat 13 million gallons of wastewater each day from our customers on a 24/7 basis.

2. **If I am a property owner, how much more will I have to pay in FY20/21?** The proposed SSC increase translates to approximately +\$1.13/month for Antioch and Pittsburg single-family residential (i.e., households) customers (+\$33.59 annually), and +\$1.35/month for Bay Point single-family residential customers (+\$46.37 annually). If approved, the proposed SSC increases would be included on property tax statements beginning in November 2020 with rates going into effect on July 1, 2020.
3. **What happens if the District does not raise rates in FY20/21?** In determining proposed SSC increases required to meet revenue needs, the District updates its 5-year annual SSC projection. In the absence of the proposed SSC increase this year, annual increases of 5.5-6% would likely be required over the next few years (compared to current projection of 4% each year with the FY20/21 SSC increase).
4. **Did the District consider deferring implementation of the proposed rate increase (e.g., for 6 months)?** We develop, propose, and adopt SSC increases and an associated budget on an annual, fiscal-year basis with both taking effect on July 1st each year. Because the District collects SSC revenue via the tax roll to eliminate administrative costs associated with direct billing and revenue collection, this process needs to be completed by July in order to administer these charges on property tax bills in FY20/21. If approved, the proposed SSC increases would be included on property tax statements beginning in November 2020.
5. **Why can't the District scale back its staffing levels, services, and activities to offset the need for a rate increase?** The proposed FY20/21 budget includes 78 funded staff positions to ensure the District meets its obligation to protect public health and the environment. As part of our commitment to fiscal responsibility, the District critically reviews the need for each position, in particular, when positions become vacant, and implements appropriate staffing level and position changes to continuously improve the District's services.
 - **Delivering Efficiency through a Highly-skilled Workforce:** The District requires specialized skills and experience in its operations, maintenance, engineering, business services (finance, human resources, information technology), laboratory, and administrative staff positions to ensure efficient service delivery and drive long-term organizational improvement.
 - **Meeting Staff Licensing and Certification Requirements:** Many of the District's positions require licensing and certification by the State of California and/or industry associations, years of experience in the water/wastewater sector, and specific knowledge, skills, and abilities. The District supports workforce development by encouraging staff to progressively increase license, certification, and training levels to minimize loss of institutional knowledge and capacity as experienced staff retire.
 - **Navigating a Competitive Labor Market:** Because the District and its peer agencies continue experiencing the loss of experienced staff through retirements and career advancement opportunities, we continue to maintain our focus on staff retention and recruitment in a very competitive wastewater sector labor market with limited available candidates in multiple critical disciplines.

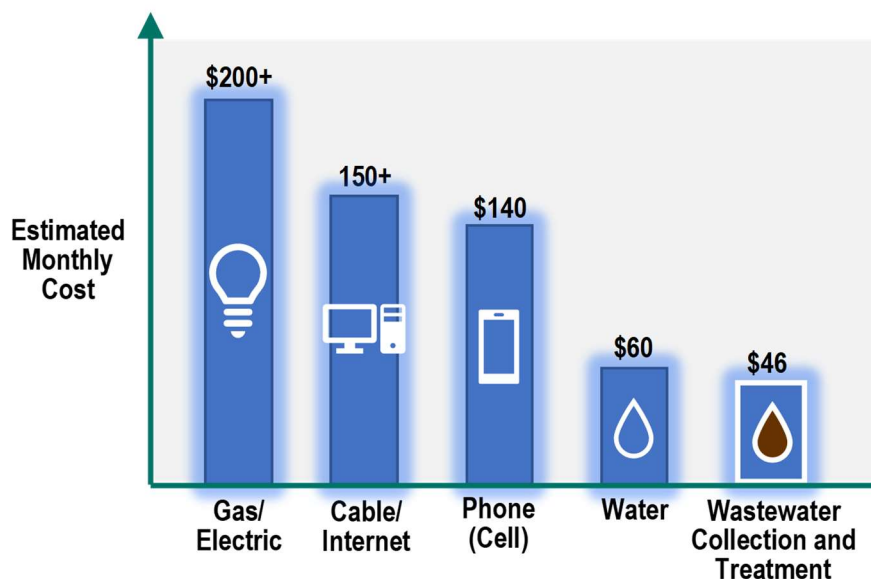
We have worked hard to ensure the safety, health, and well-being of District staff throughout the COVID-19 pandemic through social distancing and implementation of modified staffing plans to ensure our critical wastewater services workers are protected and available to provide their essential functions. The District is appropriately staffed to maintain critical staffing levels, while ensuring that we can effectively respond to unplanned and/or emergency situations that can arise periodically.

- 6. What could happen if the District's level of service declines or investment in critical wastewater infrastructure is reduced?** Potential impacts associated with the lack of available qualified and experienced personnel, coupled with failure of critical wastewater conveyance and treatment infrastructure, can be severe with significant disruptions in local communities due to sanitary sewer overflows and backups in local streets and residences, respectively, and discharge of partially treated wastewater to the local Delta receiving waters in violation of discharge permit requirements. These conditions would expose the District to significant regulatory fines and penalties (millions of dollars for sustained periods of non-compliance), as many agencies across the country have experienced in the past, with associated financial impacts on our customers. The District proactively designs its staffing levels and infrastructure investment approaches to guard against this potential scenario. Our team of dedicated wastewater professionals is critical to protecting public health and the environment both during and after the COVID-19 pandemic.
- 7. How do the District's rates compare to its peer agencies?** As shown in the graph below, the total wastewater collection and treatment charges (including collection services billed directly by the cities of Antioch and Pittsburg) for the District's residential customers remains below average when compared to our peer agencies in the Bay Area.



- 8. Are the District's peer agencies raising rates during the current COVID-19 pandemic?** Based on a review of available information, a number of the District's peer agencies are also in the process of implementing rate increases (in the range of 3.0 – 8.0%) in FY20/21.

9. **How do the District's rates compare to common utility costs?** For comparison purposes, the chart below highlights the District's rates relative to typical gas/electricity, cable/internet, phone (cell), and water service monthly costs.



10. **Can the District collect SSC revenues based on income levels to provide assistance or discounts to fixed-income (e.g., senior citizens), lower-income, or unemployed customers to offset SSC impacts?** We understand the concern an increase in utility service rates (gas/electricity, cable, internet, phone, water, wastewater) causes for fixed-/lower-income and unemployed customers. However, the District is constrained by voter-approved Proposition 218 requirements and state laws and regulations that mandate that all customers must pay their proportional share of the cost to provide service. Because the District is barred from subsidizing one portion of its customer base by charging higher SSCs for other customers, we are unable to apply SSCs toward a fixed-/lower-income customer assistance program.

June 25, 2020

APPROVE MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING, JUNE 10, 2020

RECOMMENDATION

Approve Minutes of the Regular Board of Directors Meeting of June 10, 2020.

DRAFT

Minutes of the Regular Board of Directors Meeting

DELTA DIABLO

June 10, 2020

The meeting was called to order by Chair Banales at 4:31 p.m. on Wednesday, June 10, 2020, via Zoom. Present were Chair Juan Banales, and Directors Federal Glover and Sean Wright. Also present on the call were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Carol Margetich, Business Services Director; Dustin Bloomfield, Maintenance Supervisor; and Trevor Simpson, Maintenance Planner/Scheduler.

Chair Banales read the following statement: "To slow the spread of COVID-19, the Contra Costa County Health Officer's Shelter-in-Place Order of June 2, 2020 prevents public gatherings. In lieu of a public gathering, the Board of Directors meeting will be accessible via Zoom teleconference to all members of the public as permitted by the Governor's Executive Order 29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility of public meetings. Presentations for Item F1 are available on the District's website at www.deltadiablo.org/board-meetings."

PUBLIC COMMENTS

None.

RECOGNITION

Congratulate Trevor Simpson on His Promotion to Planner/Scheduler

Mr. Bloomfield highlighted the recent promotion of Mr. Simpson to the District's new Maintenance Planner/Scheduler position, effective May 18, 2020. Mr. Simpson was selected as the top candidate. Since joining the District in October 2007, Mr. Simpson has been a valuable member of the Maintenance Division with significant contributions toward improving service delivery. He is a well-rounded journey-level mechanic with extensive knowledge and experience. Mr. Simpson thanked the Board for the opportunity. The Board congratulated Mr. Simpson on his promotion.

CONSENT CALENDAR

Director Glover moved approval, seconded by Director Wright, and, by a roll call vote (Ayes: *Glover, Wright, and Banales*; Noes: *None*; Absent: *None*), the following consent items were approved according to staff recommendations: Approve Minutes of Board of Directors Meeting, May 13, 2020; Approve Minutes of Special Board of Directors Meeting, May 22, 2020; Receive District Monthly Check Register, April 2020; Approve and Authorize General Manager to Execute an Agreement for Biosolids Handling Services with Synagro West, LLC, to Pay Rates Specified in the Agreement for Biosolids Handling and Beneficial Use during a Two-Year Term from July 1, 2020 through June 30, 2022; Authorize General Manager or His Designee to Approve Construction Contract Change Orders up to 10% of Contract Amount, for a New Total Contract Authorization of \$10,859,200, Pump Station Facilities Repair, Project No. 80008; Authorize Issuance of a Purchase Order in an Amount Not to Exceed \$196,000, PAC Machine Company, Unanticipated Wastewater Treatment and Conveyance Infrastructure Repairs, Project No. 20109; Receive Third Quarter Fiscal Year 2019/2020 District Investment Report; Receive Notes from Personnel Committee Meeting, June 3, 2020; Adopt Resolution to Approve New Finance Professional/Retired Annuitant Classification, Job Description, and Updated District Salary Schedule; and Receive Report on Overview of Fiscal Year 2020/2021 Budget Book.

DELIBERATION ITEMS

1) Approve Actions related to District Response to COVID-19

a) Receive Report on District Response to COVID-19

Mr. Eckerson provided an overview of the District's key response actions to mitigate COVID-19 impacts in the workplace. He highlighted workforce planning efforts, including "return-to-work" planning and future restoration of public access and suspended services. Mr. Eckerson noted that no District employees have tested positive for COVID-19 to date. He reviewed recent changes to operations and maintenance staffing plans to increase resource availability, while maintaining social distancing. Last, Mr. Eckerson highlighted that the District will establish an on-line repository of COVID-19 information, directives, and communications for staff use and enhance employee communications through a proposed new Board policy, entitled "Mitigating COVID-19 Impacts in the Workplace."

Director Glover inquired if employees are being tested and are aware of available testing and site locations. Mr. Eckerson responded that the District is only notified by the County if a positive test result occurs and confirmed that employees have been made aware of the availability of testing sites in the Bay Area. Director Glover encouraged employees to get tested, as needed. Director Wright also encourage employees to get tested, because the initial limited availability of tests is no longer the case.

The Board received and filed the report.

b) Adopt Resolution to Approve "Mitigating COVID-19 Impacts in the Workplace" Policy, Board Policy No. 1080

Mr. Eckerson introduced the draft policy for Mitigating COVID-19 Impacts in the Workplace. He noted that staff is recommending adoption of the resolution, and Board policy that highlights many of the mitigative measures already implemented by the District. He noted, the policy would serve as an important reference document for all District employees as the District

continues to navigate the COVID-19 pandemic over the next few months. The General Manager would continue to administer and develop all necessary associated procedures, protocols, and communications in support of the policy. Mr. Eckerson outlined the key policy components.

In addition, Mr. Eckerson noted that the District would continue adapting current management actions and mitigation measures to evolving county and state health orders, while ensuring a thoughtful, and phased transition of District employees during “return-to-work” planning. He noted that the District is currently implementing changes to O&M staffing plans to support resource and workload needs, and reduce cumulative impacts associated with modified shift schedules. Mr. Eckerson highlighted that the District has met with bargaining unit representatives regarding the policy and will continue to do so as the District continues to develop its response to COVID-19 going forward.

Mr. Eckerson reported that the draft policy was reviewed by the Personnel Committee on June 3, 2020, which recommended consideration by the Board at the June 10, 2020 meeting.

Director Wright moved approval, seconded by Director Glover, and, by a roll call vote (Ayes: *Wright, Glover, and Banales*; Noes: *None*; Absent: *None*), the Board received Report on District Response to COVID-19, and Adopted Resolution to Approve “Mitigating COVID-19 Impacts in the Workplace” Policy, Board Policy No. 1080.

PRESENTATIONS AND REPORTS

None.

MANAGER’S COMMENTS

None.

DIRECTORS’ COMMENTS

None.

CORRESPONDENCE

Receive Monthly Lobbyist Report dated May 2020, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Banales adjourned the meeting at 5:06 p.m. The next Special Board Meeting will be at 4:30 p.m. on June 25, 2020.

Sean Wright, Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)

ITEM E/2

June 25, 2020

APPROVE RESCHEDULING OF DELTA DIABLO BOARD OF DIRECTORS MEETING
FROM JULY 8, 2020 TO JULY 16, 2020

RECOMMENDATION

Approve rescheduling of the Delta Diablo Board of Directors Meeting from July 8, 2020 at 4:30 pm to July 16, 2020 at 4:30 pm.

Background Information

The Brown Act requires public agencies to provide the time and place for holding regular meetings. The regular Board of Directors meetings are held monthly on the second Wednesday of each month at 4:30 p.m. at the District offices with certain exceptions. The 2020 meeting schedule was approved by the Board of Directors at its December 11, 2019 meeting.

Analysis

Due to the timing of the Special Board of Directors meeting scheduled on June 25, 2020 and the holiday on July 4, 2020, staff is recommending that the regularly scheduled Board Meeting on July 8, 2020 be rescheduled to July 16, 2020.

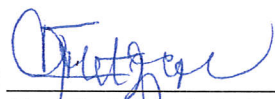
Financial Impact

None

Attachments

None

Prepared by:



Cecelia Nichols-Fritzler
Office Manager/Secretary to the Board

Reviewed by:



Vince De Lange
General Manager



June 25, 2020

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 5 TO CONSULTING SERVICES CONTRACT IN THE AMOUNT OF \$73,020, LEE & RO, INC., ENGINEERING SERVICES, TREATMENT PLANT ELECTRICAL SWITCHGEAR REPLACEMENT, PROJECT NO. 17120

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 5 to the Consulting Services Contract with LEE & RO, Inc. (LEE & RO) to provide additional engineering services in the amount of \$73,020, for a new total contract amount not to exceed \$783,851, for the Treatment Plant Electrical Switchgear Replacement Project.

Background Information

In March 2018, the Board authorized the General Manager to execute a Consulting Services Contract with LEE & RO for design services to prepare construction contract documents to replace the existing main electrical switchgear at the District's Wastewater Treatment Plant. The District has executed four contract amendments with LEE & RO for engineering services beyond the original scope of work. These additional services include design modifications to retrofit the backup diesel generator system and address phased comments from Pacific Gas and Electric Company (PG&E); preparation of the PG&E Rule 21 application and submittals for the existing cogeneration engine; and development of responses to findings from an external project biddability and constructability (B/C) review and Failure Mode and Effects Criticality Analysis (FMECA) workshops.

Analysis

The B/C and FMECA workshops resulted in numerous comments that need to be addressed to improve the overall project design and reduce the potential for substantial change orders and delays during construction. Additional efforts are necessary to modify the front-end construction contract specifications related to construction sequencing requirements, project milestones, and other conditions related to contractor qualifications and constraints. The design documents will also be updated to reflect continued coordination to incorporate specific PG&E infrastructure requirements.

It is recommended that the Board authorize the General Manager to execute Amendment No. 5 in an amount of \$73,020 to address B/C and FMECA comments, contract specification updates, and PG&E coordination. A summary of the Amendment No. 5 scope of work and estimated cost is attached. This project is anticipated to be advertised for public bidding in fall 2020 after the design documents are updated as noted above.

Financial Impact


The adopted Fiscal Year 2019/2020 – Fiscal Year 2023/2024 (FY19/20 – FY23/24) Capital Improvement Program (CIP) budget includes an appropriation of \$3.25 million through FY19/20 for the Treatment Plant Electrical Switchgear Replacement Project in the Wastewater Capital



Asset Replacement Fund. Sufficient funding is available in the CIP budget to complete this additional work.

Attachment

Scope of Work and Cost Estimate Summary, Amendment No. 5

Reviewed by:  for
Brian Thomas
Engineering Services Director/District Engineer

cc: LEE & RO, Inc.
District File No. P.17120.01.03



June 25, 2020

DETERMINE THE PAPE MACHINERY PROPOSAL PROVIDES THE BEST OVERALL VALUE TO THE DISTRICT AND AUTHORIZE GENERAL MANAGER TO EXECUTE PURCHASE ORDER IN THE AMOUNT OF \$382,217.80, THE PAPE GROUP DBA: PAPE MACHINERY, TRUCK-MOUNTED HYDRAULIC COMBINATION SEWER CLEANING UNIT

RECOMMENDATION

Determine the Pape Machinery proposal provides the best overall value to the District and authorize the General Manager to execute a purchase order with the Pape Group DBA: Pape Machinery for purchase of a truck-mounted, hydraulic Combination Sewer Cleaning Unit in the amount of \$382,217.80.

Background Information

The District currently owns one Combination Sewer Cleaning Unit, which includes a sewer cleaner with a large vacuum. This vehicle is essential for the District's sewer cleaning program, because it is utilized to clean sewer lines that range from six inches to forty inches in diameter. This unit is used at the District's Wastewater Treatment Plant and pumping stations for both cleaning with high pressure water and vacuuming of wastewater and related debris. Additionally, this vehicle is necessary for responding to sanitary sewer overflows (SSOs).

The existing combination sewer cleaning unit is 14 years old and needs to be replaced because it has recently experienced mechanical failures rendering the unit inoperative for extended periods of time requiring use of a temporary rental unit while repairs are made to restore operability. The existing unit will be declared surplus based upon age and condition after procuring a replacement unit. The proposed replacement unit meets the functionality and reliability requirements that are essential in providing the necessary means to properly maintain the District's sewer system.

The District's Sewer System Management Plan (SSMP) is required to comply with State Water Resources Control Board General Waste Discharge Requirements for Sanitary Sewer Systems (GWDR). These requirements include protecting public health and the environment and performing regular cleaning of the system to reduce the potential for SSOs.

Analysis

A request for proposals (RFP) for a replacement Combination Sewer Cleaning Unit and purchase of the existing sewer cleaning unit as surplus were sent to eight vendors. On December 30, 2019, proposals were received from the following four vendors: Pape Machinery, Terry Equipment Incorporated, Sewer Equipment of America, and MME. Staff reviewed the four proposals and concluded Pape Machinery, Sewer Equipment of America, and MME successfully complied with the RFP as specified, and were accepted as responsive. The proposal submitted by Terry Equipment Incorporated was incomplete and contained significant irregularities, and was found non-responsive and could not be considered.



The three responsive proposals were evaluated and ranked by staff using the evaluation criteria described in the RFP. In addition, the proposers provided demonstration units for inspection by the District. The Pape Machinery proposal received the highest score by offering a unit that met all critical specifications, and included the most favorable warranty provisions. The MME and Sewer Equipment of America proposals did not provide the best overall value and scored lower.

Based on the results of the initial proposal review, MME requested the opportunity to submit a best and final proposal for follow-up consideration by the District, as allowed for in the RFP process. This request was approved and MME submitted a second offer which was accepted as responsive and evaluated by staff. In completing this evaluation, MME's final proposal was not selected as the preferred proposal based upon several factors. One key factor included the truck design and height of the on-board equipment requiring staff to repeatedly reach above their heads for retrieval with associated ergonomic concerns. Additionally, the warranty terms were less favorable than the highest ranked proposal. Upon completing this review, MME was informed their best and final offer did not provide the best overall value and was not selected as the preferred proposal.

Based on a thorough evaluation of the responsive proposals, staff determined the Pape Machinery proposal provides the best overall value and recommends the Board authorize the General Manager to execute a purchase order with Pape Machinery in the amount of \$382,217.80.

Financial Impact

The adopted Fiscal Year 2019/2020 – 2023/2024 (FY19/20 – FY23/24) Capital Improvement Program (CIP) includes an approved budget appropriation of \$400,000 for this purchase.

Attachments

None.

Reviewed by: _____

 for

Dean Eckerson
Resource Recovery Services Director

cc: District File No. COL-06-XXXX

