

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

**2500 Pittsburg-Antioch Highway | Antioch, CA 94509**  
**WEDNESDAY, JUNE 12, 2019**  
**5:30 P.M.**

Persons who wish to address the Board during Public Comments or with respect to an item on the Agenda will be limited to three (3) minutes. The Board Chair may reduce the amount of time allotted per speaker at the beginning of each Item or Public Comments period depending on the number of speakers and the business of the day. Your patience is appreciated. A break may be called, or an item may be taken out of order, at the discretion of the Board Chair.

**A. ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. PUBLIC COMMENTS**

**D. PUBLIC HEARING**

- 1) **Conduct** Public Hearing On Fiscal Year 2019/2020 Through 2023/2024 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** No Majority Protests Exists; **Adopt** Ordinance Establishing Charges; **Adopt** Resolution Approving Final Engineer's Report and **Directing** Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll (Carol Margetich)

**E. CONSENT CALENDAR**

- 1) **Approve** Minutes of Regular Board of Directors Meeting, May 8, 2019 (Cecelia Nichols-Fritzler)
- 2) **Receive** Meeting Notes from Personnel Committee Meeting, May 29, 2019 (Cecelia Nichols-Fritzler)
- 3) **Receive** Meeting Notes from Finance Committee Meeting, June 5, 2019 (Cecelia Nichols-Fritzler)
- 4) **Approve** District Monthly Check Register, April 2019 (Eka Ekanem)

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 at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal working business hours.



- 5) **Receive** Third Quarter Fiscal Year 2018/2019 District Investment Report (Eka Ekanem)
- 6) **Authorize** Issuance of the following Purchase Orders for One Year Beginning July 1, 2019: in an Amount Not to Exceed \$228,000, Univar USA, Inc., Supply and Deliver Sodium Bisulphite; and in an Amount Not to Exceed \$210,000, Kemira, Inc., Supply and Deliver Ferrous Chloride, and in an Amount Not to Exceed; \$400,000, Chemtrade Chemicals-US, LLC Supply and Deliver of Aluminum Sulfate; and in an Amount Not to Exceed \$342,000, Univar USA, Inc., Supply and Deliver Sodium Hypochlorite; and in an Amount Not to Exceed \$300,000, Polydyne, Inc., Supply and Deliver Dry Polymer; and in an Amount Not to Exceed \$170,000, Polydyne, Inc. Supply and Deliver Liquid Polymer (Eka Ekanem)
- 7) **Approve** Project, Contract Documents, and Design; **Waive** Minor Irregularities in Bid Documents and Award and Authorize General Manager to Execute Construction Services Contract in an Amount Not to Exceed \$2,885,174, Ranger Pipelines, Inc.; **Authorize** General Manager or His Designee to Execute Change Orders Up to 25% of the Contract Amount; and **Authorize** General Manager to Execute Amendment No. 2 to Consulting Services Contract in an Amount Not to Exceed \$90,000, Design Services, Fraxia Engineering, Bay Point Sewer Repairs – Phase IV, Project No. 18119 (Patricia Chapman)
- 8) **Authorize** General Manager or His Designee to Approve Contract Change Orders Up to 18% of Contract Amount, for a New Total Contract Authorization of \$3,206,060, W.M. Lyles, Primary Clarifier Area Improvements, Project No. 17140 (Sean Williams)
- 9) **Adopt** Resolution Establishing Fiscal Year 2019/2020 Appropriations (GANN) Limit for Expenditures that can be funded from Proceeds of Taxes (Eka Ekanem)
- 10) **Authorize** General Manager to **Execute** Amendment No. 3 to Consulting Services Contract in an Amount Not to Exceed \$106,092, LEE&RO, Inc., Engineering Services, Treatment Plant Switchgear Replacement, Project No. 17120 (Irene O’Sullivan)
- 11) **Authorize** General Manager to **Execute** Amendment No. 6 to Street Sweeping Services Agreement, Extending the Term for Three Years, July 1, 2019 through June 30, 2022, and **Authorizing** Payment in an Amount Not to Exceed \$315,000 Per Year, City of Pittsburg, Street Sweeping Services (Dean Eckerson)

**F. DELIBERATION ITEMS:** *The Board will consider and take action on the following:*

- 1) **Adopt** Resolution Approving Budget Appropriations for Fiscal Year 2019/2020 (Carol Margetich)
- 2) **Approve** Side Letter Agreement (SLA) with the Operations and Maintenance (O&M) Representation Unit/Public Employees Union Local One, Modifying Language in Memorandum of Understanding (MOU), Section II.2, Work Periods (Cheryl Rhodes Alexander)
- 3) **Review** Proposed Recycled Water Service Charges and **Set** Public Hearing for July 10, 2019 (Carol Margetich)

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**G. PRESENTATIONS AND REPORTS:** *The Board may consider and take action on the following:*  
None.

**H. MANAGER'S COMMENTS**

**I. DIRECTOR'S COMMENTS**

**J. CORRESPONDENCE**

**Receive** Monthly Lobbyist Report dated May 2019, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024 (Jayne Strommer)

**K. CLOSED SESSION**

None.

**L. ADJOURNMENT**

The next regular meeting of the Board of Directors will be Wednesday, July 10, 2019, at 4:30 p.m.

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June 12, 2019

CONDUCT PUBLIC HEARING ON FISCAL YEAR 2019/2020 THROUGH 2023/2024 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

RECOMMENDATION

1. Conduct a public hearing on the Fiscal Year 2019/2020 – 2023/2024 (FY19/20 – FY23/24) Capital Improvement Program (CIP).
2. Close public hearing and consider any testimony received.
3. Adopt Resolution approving the FY19/20 – FY23/24 CIP.
4. Authorize the General Manager to file a California Environmental Quality Act (CEQA) Notice of Exemption.

Background Information

At its April 10, 2019 meeting, the Board received a report on the draft FY19/20 – FY23/24 CIP and set June 12, 2019 at 5:30 p.m. as the date and time for the public hearing on the CIP. The draft CIP consisted of approximately \$102 million in planned improvements, including 17 new capital projects with an estimated total value of \$12.4 million. These projects were identified to ensure timely renewal and replacement of critical District capital assets to maintain operational effectiveness and reliability. A copy of the draft CIP document was provided to the Board under separate cover and was available for public review at the District's offices prior to the April 10, 2019 Board meeting.

Analysis

The draft CIP was distributed to the cities of Antioch and Pittsburg, and Contra Costa County for review in April 2019 to confirm consistency with respective General Plans. The cities of Antioch and Pittsburg, and Contra Costa County did not notify the District of any CIP finding. Therefore, by statute, the proposed CIP is considered to be consistent with their General Plans. Statutes also require the Board to conduct a public hearing on the CIP before it considers its adoption. As of the date of the Board Agenda posting, no written or oral comments have been received. Since the April 10, 2019 Board meeting, staff has incorporated the following changes to the draft CIP:

*Advance Treatment Fund (Fund 125):* Staff has added a \$6 million project to upgrade the aging tower trickling filters (TTFs) with \$2 million and \$4 million in Years 4 (FY22/23) and 5 (FY23/24) of the proposed CIP. The recent secondary process upset event at the Wastewater Treatment Plant identified the TTFs as critical in meeting the District's effluent discharge permit requirements. In addition, recent discussions with engineering consultants have identified the potential to modify and upgrade the TTFs as part of the future treatment process expansion to meet effluent nutrient removal requirements. Because the District will likely need to upgrade the aging TTF infrastructure prior to implementing full nutrient removal process upgrades, staff will confirm the best approach to rehabilitating or replacing the TTFs as part of the upcoming Resource Recovery Facility Master Plan, which will also include development of an update to the current \$6 million "placeholder" estimate. This project addition should not impact current rate assumptions because the cost is split evenly between the Advance Treatment Fund and debt financing in the Wastewater Capital Asset Replacement Fund.



*Recycled Water Capital Asset Fund (Fund 220):* Staff reallocated the Recycled Water Master Plan Update budget of \$300,000 from FY21/22 to FY22/23. This action was taken to coordinate master plan development with a requirement in the 2000 Purchase and Return of Recycled Water Agreement with Calpine to evaluate the Recycled Water Facility between April 2023 and April 2024 to determine rehabilitation and/or replacement needs. This reallocation has a net zero impact to the overall budget within this fund.

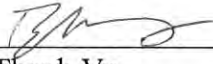
*Recycled Water Expansion Fund (Fund 240):* Staff reduced the budget appropriation for the Recycled Water Distribution System Expansion Project from \$1 million to \$150,000 to reflect the expected available collected reserves by FY23/24. This reduction has no impact on rates. Expansion is solely funded by new recycled water customers.

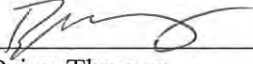
The final revised FY19/20 – FY23/24 CIP includes approximately \$108 million in planned improvements. The CIP now includes 18 new projects with an estimated combined total cost of \$18.4 million. Attachment 1 provides a program summary of the proposed five-year CIP with the new projects highlighted. These new projects are largely required to address aging infrastructure in the District’s wastewater conveyance and treatment system. This continued investment is necessary to ensure operational reliability and avoid unanticipated infrastructure and equipment failures leading to costly repairs and potential public health impacts.

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 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 final revised FY19/20 – FY23/24 CIP includes approximately \$108 million for planned projects over five years with over \$44 million funded with low-interest State Revolving Fund and IBank loans. Approval of this program establishes the basis for the proposed FY19/20 budget appropriation of approximately \$20.8 million, as summarized in Attachment 4, which will be presented to the Board for consideration in a separate Board action.

Prepared by:   
FOR Thanh Vo  
Senior Engineer

Reviewed by:   
Brian Thomas  
Engineering Services Director/  
District Engineer

#### Attachments

1. Program Summary
2. Draft CIP Resolution
3. Notice of Exemption
4. Proposed FY19/20 Budget Appropriation

cc: District File CORP.09-CORRES-9788



Page	Project Name	Project No.	Priority	Lead Dept.	*Approved Budget through FY18/19	Anticipated Budgets						Fund Distribution								
						FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Estimated Total Project Cost	WW CA	WW CAR	WW Exp	AT	RW CA	RW CAR	RW Exp	BP Coll	HHW
<b>Wastewater Capital Asset (Fund 120)</b>																				
CA-3	Permanent Brine Transfer Facility	18109	1	ES	808,741	\$191,259					\$1,000,000	100%								
CA-5	Recycled Water Facility and Treatment Plant Intertie	TBA	1	ES					\$500,000	\$1,200,000	\$1,700,000	50%				50%				
CA-6	Asset Management Program	19109	3	ES	300,000		\$100,000	\$100,000	\$100,000		\$600,000	100%								
CA-7	Conveyance and Treatment Systems Reliability Improvements	18107	3	RRS		\$50,000	\$50,000	\$50,000	\$350,000		\$500,000	100%								
CA-9	East County Bioenergy Project	16117	3	ES	5,634,606		\$12,500,000	\$13,545,529	\$2,319,865		\$34,000,000	79%	14%		7%					
CA-10	Energy and Water Efficiency Improvements	18908	3	ES		\$50,000	\$50,000	\$50,000	\$450,000		\$600,000	50%	50%							
CA-12	Small District Capital Asset Project	19100	3	ES		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	100%								
<b>Wastewater Capital Asset Fund Total</b>					<b>6,743,347</b>	<b>\$391,259</b>	<b>\$12,800,000</b>	<b>\$13,845,529</b>	<b>\$3,819,865</b>	<b>\$1,300,000</b>	<b>\$38,900,000</b>									
<b>Wastewater Capital Asset Replacement (Fund 130)</b>																				
CAR-3	Chlorine Contact Influent Gates Replacement	TBA	1	RRS				\$400,000	\$1,100,000		\$1,500,000	100%								
CAR-4	Conveyance System Improvements - Sewer Main Blowoffs	TBA	1	ES					\$200,000		\$200,000	100%								
CAR-7	District Office Building Roof Replacement	18112	1	ES	2,400,000						\$2,400,000	100%								
CAR-8	District Office Building Rehabilitation	18113	1	ES	817,163	\$700,000	\$5,000,000	\$2,482,837			\$9,000,000	100%								
CAR-9	Headworks Improvements	17117	1	ES	1,524,286	\$2,475,714	\$5,000,000	\$3,000,000			\$12,000,000	100%								
CAR-10	On-Site Fueling Station Replacement	19112	1	ES	200,000	\$300,000					\$500,000	100%								
CAR-11	Primary Clarifier Area Improvements	17140	1	ES	3,238,070	\$961,930					\$4,200,000	100%								
CAR-12	Primary Clarifier Nos. 1 - 4 Coating	TBA	1	ES				\$400,000	\$500,000	\$500,000	\$1,400,000	100%								
CAR-13	Pump Station Facilities Repair	80008	1	ES	4,726,234	\$5,773,766	\$3,500,000				\$14,000,000	100%								
CAR-14	SCADA Communication Network/PLC Processor Upgrade	18114	1	RRS	646,855	\$100,000	\$100,000	\$153,145			\$1,000,000	90%				10%				
CAR-15	SCADA Master Plan	TBA	1	ES					\$500,000		\$500,000	90%				10%				
CAR-16	Sodium Bisulfite Tank Replacement	13105	1	ES	290,443	\$409,557					\$700,000	100%								
CAR-17	Treatment Plant Electrical Switchgear Replacement	17120	1	ES	2,006,272	\$1,243,728	\$1,250,000				\$4,500,000	100%								
CAR-18	Treatment Plant Roadway Maintenance Project	18115	1	ES	248,972	\$40,000			\$1,461,028		\$1,750,000	100%								
CAR-19	Triangle Pump Station Replacement	19111	1	ES	200,000	\$300,000					\$500,000	100%								
CAR-22	Emergency Retention Basin Improvements	19110	2	ES		\$50,000	\$50,000	\$50,000	\$750,000		\$900,000	100%								
CAR-24	RAS Pump Rehabilitation	TBA	2	RRS					\$300,000		\$300,000	100%								
CAR-25	Sewer Permit Software Replacement	18107	2	ES		\$50,000					\$50,000	100%								
TBD	Resource Recovery Facility Master Plan	18120	1	ES	200,000	\$600,000	\$700,000				\$1,500,000	35%	50%		10%		5%			
New	New Combined Project #2			ES			\$200,000	\$600,000			\$800,000	100%								
New	New Combined Project #3			ES			\$600,000	\$1,500,000	\$900,000		\$3,000,000	100%								
New	Biosolids Management Master Plan			ES						\$400,000	\$400,000	100%								
New	Electrical System Master Plan			ES					\$300,000		\$300,000	100%								
New	Tower Mixing Chamber & Overflow Structure Rehabilitation			ES			\$550,000		\$870,000		\$1,420,000	100%								
New	PFM 2401 Dresser Coupler Removal			ES			\$250,000				\$250,000	100%								
New	Aboveground Fuel Storage Tank Rehabilitation			ES		\$100,000					\$100,000	100%								
New	Aeration Basin Area Rehabilitation			RRS		\$90,000	\$100,000	\$100,000			\$290,000	100%								
New	Pump Station Grinder Replacements			RRS		\$100,000	\$100,000	\$100,000	\$100,000		\$400,000	100%								
New	BHPS Sewage Diversion Pump Rebuilds			RRS			\$60,000	\$60,000			\$120,000	100%								
New	ERB Pump Rebuilds			RRS			\$77,000	\$77,000	\$77,000		\$231,000	100%								
New	PPS Raw Sewage Pump Rebuilds			RRS		\$215,000					\$215,000	100%								
New	Vehicle Replacements			RRS		\$645,000	\$400,000				\$1,045,000	100%								
	Unanticipated Wastewater Treatment and Conveyance Infrastructure Repairs			RRS		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000	100%								
	Lab Equipment Replacement			LAB		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	100%								
	IT Equipment Replacement			IT		\$70,000	\$325,000	\$85,000	\$400,000	\$100,000	\$980,000	100%								
<b>Wastewater Capital Asset Replacement Fund Total</b>					<b>16,498,295</b>	<b>\$14,449,695</b>	<b>\$17,937,000</b>	<b>\$9,782,982</b>	<b>\$7,683,028</b>	<b>\$1,225,000</b>	<b>\$67,576,000</b>									
<b>Wastewater Expansion (Fund 140)</b>																				
E-3	Bridgehead Phase IV Expansion - Force Main Completion	10178	3	ES					\$700,000	\$3,300,000	\$4,000,000				100%					
<b>Wastewater Expansion Fund Total</b>					<b>0</b>				<b>\$700,000</b>	<b>\$3,300,000</b>	<b>\$4,000,000</b>									
<b>Advanced Treatment (Fund 125)</b>																				
AT-3	Nutrient Technology Research and Innovation	17123	1	ES	100,000				\$250,000	\$250,000	\$600,000				100%					
New	Tower Trickling Filters Improvements		3	1					\$2,000,000	\$4,000,000	\$6,000,000		50%		50%					
<b>Advanced Treatment Fund Total</b>					<b>100,000</b>				<b>\$2,250,000</b>	<b>\$4,250,000</b>	<b>\$6,600,000</b>									
<b>Recycled Water Capital Asset (Fund 220)</b>																				
Existing	Existing Combined Project #2	TBD	3	ES					\$250,000	\$850,000	\$1,100,000					100%				
RWA-13	Recycled Water Master Plan Update	TBD	3	ES					\$300,000		\$300,000				50%	50%				
RWA-14	Small Recycled Water Facility Capital Asset Project	19103	3	ES		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000					100%				
RWA-15	Treatment Plant Flow Equalization Improvements - Emergency Storage Basin	TBA	3	ES					\$125,000		\$125,000					100%				
<b>Recycled Water Capital Asset Fund Total</b>					<b>0</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$725,000</b>	<b>\$900,000</b>	<b>\$1,775,000</b>									

Recycled Water Capital Asset Replacement (Fund 230)															
Existing	Existing Combined Project #1			ES						\$225,000	\$375,000	\$600,000			100%
Existing	Recycled Water Distribution System Improvements	19114	3	ES							\$500,000	\$500,000			100%
New	DEC Storage Tank Rehabilitation			ES						\$250,000	\$750,000	\$1,000,000			100%
New	New Combined Project #1			RRS		\$75,000				\$500,000	\$582,000	\$1,157,000			100%
New	Unanticipated Recycled Water Infrastructure Repairs	19104	3	RRS		\$100,000	\$50,000	\$50,000		\$25,000	\$25,000	\$250,000			100%
<b>Recycled Water Capital Asset Replacement Fund Total</b>					<b>0</b>	<b>\$175,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$1,000,000</b>	<b>\$2,232,000</b>	<b>\$3,507,000</b>				
Recycled Water Expansion (Fund 240)															
RWE-3	Recycled Water Distribution System Expansion	18110	3	ES							\$150,000	\$150,000			100%
<b>Recycled Water Expansion Fund Total</b>					<b>0</b>						<b>\$150,000</b>	<b>\$150,000</b>			
Bay Point Collection (Fund 520)															
BP-3	Bay Point Rehabilitation Phase IV	18119	1	ES	798,473	\$4,051,527	\$1,250,000					\$6,100,000			100%
New	Bay Point Overlay Manhole Adjustments			ES		\$250,000						\$250,000			100%
New	River Watch Settlement Compliance			ES		\$670,000	\$720,000					\$1,390,000	45%		55%
TBD	Facility Condition Assessment	18121	1	ES	617,048	\$682,952						\$1,300,000	35%		65%
	Unanticipated Bay Point Repairs			ES		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$500,000	25%		75%
<b>Bay Point Collections Fund Total</b>					<b>1,415,521</b>	<b>\$5,754,479</b>	<b>\$2,070,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$9,540,000</b>				
Household Hazardous Waste (Fund 310)															
HHW-3	Household Hazardous Waste Improvements	18105	3	ES		\$25,000	\$25,000	\$25,000	\$25,000	\$300,000	\$400,000				100%
<b>Household Hazardous Waste Fund Total</b>					<b>0</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$300,000</b>	<b>\$400,000</b>				
					<b>24,757,163</b>	<b>\$20,845,433</b>	<b>\$32,932,000</b>	<b>\$23,853,511</b>	<b>\$16,302,893</b>	<b>\$13,757,000</b>	<b>\$132,448,000</b>				

Revised 6/4/2019

\* Does not include carry forward budget for completed projects within FY18/19.

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

**Re: Approving Fiscal Year            )  
2019/2020 - 2023/2024            )  
Capital Improvement Program    )**

**RESOLUTION NO. X/2019**

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 2019/2020 – 2023/2024 Capital Improvement Program on April 10, 2019; and

WHEREAS, the draft Capital Improvement Program was circulated to the cities of Antioch and Pittsburg, and Contra Costa County for review on April 11, 2019, and the cities of Antioch and Pittsburg, and Contra Costa County did not notify the District of any Capital Improvement Program finding; and

WHEREAS, Government Code §65403 provides that if an agency does not take action within forty (40) days of transmittal of the proposed program, it is “conclusively deemed” to constitute a finding that the Capital Improvement Program is consistent with the General Plan; and

WHEREAS, the District did, on June 12, 2019, 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 2019/2020 – 2023/2024 Capital Improvement Program, attached by reference.

PASSED AND ADOPTED on June 12, 2019, by the following vote:

AYES:  
NOES:

ABSENT:  
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 12, 2019.

ATTEST: Federal Glover  
Board Secretary

By: \_\_\_\_\_



**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 2019/2020 through 2023/2024

**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

**Delta Diablo**  
**FY19/20 - FY23/24 Capital Improvement Program**  
**FY19/20 Budget Appropriation**

Page	Project Name	Project No.	Priority	Lead Dept.	*Approved Budget through FY18/19	Anticipated Budgets FY19/20
<b>Wastewater Capital Asset (Fund 120)</b>						
CA-3	Permanent Brine Transfer Facility	18109	1	ES	808,741	\$191,259
CA-4	Resource Recovery Facility Master Plan	18120	1	ES	200,000	\$600,000
CA-5	Facility Condition Assessment	18121	1	ES	617,048	\$682,952
CA-7	Conveyance and Treatment Systems Reliability Improvements	18107	3	RRS		\$50,000
CA-10	Energy and Water Efficiency Improvements	18908	3	ES		\$50,000
CA-12	Small District Capital Asset Project	19100	3	ES		\$100,000
<b>Wastewater Capital Asset Fund Total</b>					<b>7,560,395</b>	<b>\$1,674,211</b>
<b>Wastewater Capital Asset Replacement (Fund 130)</b>						
CAR-8	District Office Building Rehabilitation	18113	1	ES	817,163	\$700,000
CAR-9	Headworks Improvements	17117	1	ES	1,524,286	\$2,475,714
CAR-10	On-Site Fueling Station Replacement	19112	1	ES	200,000	\$300,000
CAR-11	Primary Clarifier Area Improvements	17140	1	ES	3,238,070	\$961,930
CAR-13	Pump Station Facilities Repair	80008	1	ES	4,726,234	\$5,773,766
CAR-14	SCADA Communication Network/PLC Processor Upgrade	18114	1	RRS	646,855	\$100,000
CAR-16	Sodium Bisulfite Tank Replacement	13105	1	ES	290,443	\$409,557
CAR-17	Treatment Plant Electrical Switchgear Replacement	17120	1	ES	2,006,272	\$1,243,728
CAR-18	Treatment Plant Roadway Maintenance Project	18115	1	ES	248,972	\$40,000
CAR-19	Triangle Pump Station Replacement	19111	1	ES	200,000	\$300,000
CAR-22	Emergency Retention Basin Improvements	19110	2	ES		\$50,000
CAR-25	Sewer Permit Software Replacement	18107	2	ES		\$50,000
New	Aboveground Fuel Storage Tank Rehabilitation			ES		\$100,000
New	Aeration Basin Area Rehabilitation			RRS		\$90,000
New	Pump Station Grinder Replacements			RRS		\$100,000
New	PPS Raw Sewage Pump Rebuilds			RRS		\$215,000
New	Vehicle Replacements			RRS		\$645,000
TBD	Unanticipated Wastewater Treatment and Conveyance Infrastructure Repairs			RRS		\$200,000
TBD	Lab Equipment Replacement			LAB		\$25,000
TBD	IT Equipment Replacement			IT		\$70,000
<b>Wastewater Capital Asset Replacement Fund Total</b>					<b>16,298,295</b>	<b>\$13,849,695</b>
<b>Recycled Water Capital Asset (Fund 220)</b>						
RWA-14	Small Recycled Water Facility Capital Asset Project	19103	3	ES		\$50,000
<b>Recycled Water Capital Asset Fund Total</b>					<b>0</b>	<b>\$50,000</b>
<b>Recycled Water Capital Asset Replacement (Fund 230)</b>						
New	New Combined Project #1			RRS		\$75,000
TBD	Unanticipated Recycled Water Infrastructure Repairs	19104	3	RRS		\$100,000
<b>Recycled Water Capital Asset Replacement Fund Total</b>					<b>0</b>	<b>\$175,000</b>
<b>Bay Point Collection (Fund 520)</b>						
BP-3	Bay Point Rehabilitation Phase IV	18119	1	ES	798,473	\$4,051,527
New	Bay Point Overlay Manhole Adjustments			ES		\$250,000
New	River Watch Settlement Compliance			ES		\$670,000
TBD	Unanticipated Bay Point Repairs			ES		\$100,000
<b>Bay Point Collections Fund Total</b>					<b>798,473</b>	<b>\$5,071,527</b>
<b>Household Hazardous Waste (Fund 310)</b>						
HHW-3	Household Hazardous Waste Improvements	18105	3	ES		\$25,000
<b>Household Hazardous Waste Fund Total</b>					<b>0</b>	<b>\$25,000</b>
					<b>24,757,163</b>	<b>\$20,845,433</b>

June 12, 2019

CONDUCT PUBLIC HEARING ON SEWER SERVICE AND DELINQUENCY CHARGES AND COLLECTION SYSTEM CHARGES AND SURCHARGES; ADOPT ORDINANCE ESTABLISHING CHARGES; ADOPT RESOLUTION APPROVING FINAL ENGINEER'S REPORT AND DIRECTING COLLECTION OF CERTAIN SEWER SERVICE AND DELINQUENT CHARGES ON COUNTY TAX ROLL

RECOMMENDATION

1. Conduct a public hearing on Fiscal Year 2019/2020 (FY19/20) Sewer Service Charges (SSCs) and Delinquency Charges and Collection System Charges and Surcharges;
2. Receive and consider any testimony and protests received;
3. Determine that no 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 FY19/20;
5. Adopt Resolution (Attachment 2) approving Final Engineer's Report and providing for the Collection of SSCs on the County Tax Roll.

Summary Statement

The proposed rate increases include:

- Applying a 4.5% SSC rate increase for Antioch and Pittsburg customers in FY19/20. The proposed rate increase (does not include wastewater collection) equates to an estimated SSC increase of \$16.79 per year or approximately \$1.40 per month.
- Applying a 3.5% SSC rate increase to Bay Point customers in FY19/20. The proposed rate increase (includes wastewater collection) equates to an estimated SSC increase of \$18.13 per year or approximately \$1.51 per month.

No Proposed Street Sweeping 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, and \$5.60 for Antioch
- Annual non-residential unit: \$45.80 for Bay Point, \$51.35 for Pittsburg, and \$56.00 for Antioch

Background Information

Delta Diablo (District) is a California special district that provides wastewater, street sweeping, and household hazardous waste collection services to the City of Antioch (Zone 3), the City of Pittsburg (Zone 2), and the unincorporated community of Bay Point (Zone 1). For the community of Bay Point, the District also provides wastewater collection services, and Bay Point customers are charged for those additional services through Collection System operating and rehabilitation components added to their SSCs. SSCs do not pay for any capital costs related to growth, which is funded through the District's Capital Facilities Capacity Charges (CFCCs). Serving approximately 213,000 residents and encompassing 54 square miles, the District is an award-winning agency with a mission to protect public health and the environment. Public ownership of these services allows customers the benefit of reliable service, while maintaining rates amongst the lowest in the region.



Each year, the District submits required information to Contra Costa County to place SSCs on the property tax roll for most customers. The current rate analysis includes a 5-year financial planning horizon from fiscal years FY19/20 through FY23/24. The analysis meets the legal requirement for setting rates that are proportionate to the cost of services provided. This cost includes utility operations, collections, capital renewal and rehabilitation, state and federal regulatory compliance, household hazardous waste collection, street sweeping services, and adherence to fiscal policies. The proposed single-year rate implementation will meet the financial goals of generating sufficient revenues given the current assessment of future expenses and the minimum balance in the Wastewater Operations and Maintenance Fund.

Based on the financial analysis, staff is recommending adjustments to SSCs rates to remain fiscally sound by:

- Collecting revenues sufficient to meet expenses
- Complying with Proposition 218, which stipulates that:
  - 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
  - Fairness in apportionment of total costs of service amongst ratepayer classes (avoidance of subsidization within the rates)
- Maintaining a minimum balance of 40% of annual budgeted operating expenses in the Wastewater Operations and Maintenance Fund
- Meeting commitments made in loan agreements
- Planning for future capital needs necessary to ensure ongoing, reliable service into the future

The Board last adopted an SSC adjustment in June 2018. The adjustment consisted of a single-year increase of 6.0% for customers in Antioch and Pittsburg and 5.0% for customers in Bay Point, effective FY18/19.

### **Analysis**

The process to establish rates that support fiscal stability relies on long-term financial planning and sound fiscal policies. The District continues to be subject to increases in regulatory, operational, and rehabilitation costs. General cost increases include:

- Growth. Because the District uses a multi-year rate model to evaluate and project future costs and revenue requirements, projected growth is one of the key assumptions. To the extent growth is robust, fixed costs are spread over more services and rate adjustments may be lower; to the extent growth is slow, fixed costs are spread over fewer services resulting in marginally higher SSC adjustments. Beginning with the FY12/13 rate analysis, the growth assumption was reduced from 600 to 400 equivalent residential units (ERUs) annually. The average growth rate over the past five years (FY13/14 – FY17/18) has been 429 ERUs, so the assumption of an additional 400 ERUs annually has been maintained for the FY19/20 analysis.
- Operating Expenses. The District has seen costs increase in general. The assumption used for increases in annual operating expenses is 3.0% in the 5-year rate model forecast.



- Salaries. Labor cost inputs were based on salaries in existing negotiated contracts. Salary and benefits were increased by 4.0% annually based on estimated cost-of-living adjustment (COLA) increases. Per the terms of the District’s current labor Memoranda of Understanding (MOUs), COLA impacts are reviewed each year and adjusted as necessary.
- Regulatory Requirements. Wastewater utilities are highly regulated. New requirements, such as unfunded mandated programs, increasingly stringent reporting requirements, or compliance with updated standards, are routine.
- Wastewater Rehabilitation Costs. The District has over \$140 million in wastewater infrastructure assets (net of depreciation) and is currently conducting an assessment of its wastewater conveyance and treatment system infrastructure. The results of this study will better inform the District’s need for long-term infrastructure rehabilitation. An effective rehabilitation program includes evaluations of facilities and proactive repairs and replacements, thus avoiding expenses associated with unexpected infrastructure failure. Alternatively, the District would be obligated to seek bond financing or emergency loan funds to pay for the repairs, with associated high-interest rates.
- Fund Balance. In addition to revenue collected from SSCs, the District SSC’s support maintaining a minimum fund balance of 40% of annual budgeted operating expenses in the Wastewater Operations and Maintenance Fund over the 5-year rate analysis period to meet unanticipated operating costs, maintain services during unforeseen economic events and unanticipated emergencies, and address other urgent and unusual items. Available funds beyond the 40% minimum balance in the Wastewater Operations and Maintenance Fund are used to supplement SSCs because projected revenues alone are not sufficient to cover the projected operating and capital needs of the District. Maintaining sufficient fund balances is an essential part of the District’s operating procedures and ensures the continued ability to provide services during budget shortfalls, or unforeseen circumstances.
- Debt Service Coverage. The District is obligated to meet debt service coverage requirements related to long-term debt as part of various loan agreements. The typical rate covenant for debt issued on wastewater capital improvement projects requires a minimum debt service coverage ratio of 1.20 (ratio of net revenues to debt service). Maintaining debt service coverage requirements is crucial to maintaining the District’s good credit rating.

The District’s revenues and expenditures have been calculated for the next fiscal year based on the adopted FY18/19 Operating Budget, future advanced treatment needs, and the draft FY19/20 through FY23/24 capital improvement program (CIP), which have resulted in projected SSC adjustments to ensure that total revenues, including use of fund balances, cover the cost of providing service. The core components of SSCs are: Regional Treatment and Conveyance, which funds wastewater operations and maintenance (O&M) costs, Capital Asset (CA) for new wastewater reliability capital projects, and Capital Asset Replacement (CAR) for rehabilitation and replacement capital projects. Based on these projected expenditures, the SSCs need to increase for FY19/20, as reflected in Table 1. The projected increases are due to increases in core wastewater service operating and capital needs over the 5-year financial planning horizon.

**Table 1 – Example Annual Single Family Residential SSC on Property Tax Bills for FY19/20**

Residential Service	Current FY18/19	Proposed FY19/20	Annual Change
4.5% SSC Increase for Customers in Antioch (Zone 3*) and Pittsburg (Zone 2*)	\$372.68	\$389.47	\$16.78
3.5% SSC Increase for Customers in Bay Point (Zone 1*) (includes wastewater collection services)	\$522.13	\$540.26	\$18.13

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



As presented at the March 13, 2019 Board meeting, staff intends to develop a Resource Recovery Facility Master Plan that will help define the scope, budget, and implementation schedule associated with future advanced treatment expansion of the Wastewater Treatment Plant to meet future nutrient removal regulatory requirements. The proposed FY19/20 SSC maintains the same rate component funding for the Advanced Treatment (AT) Reserve Fund as in FY18/19.

#### Inter-fund Transfers

In FY17/18, an additional \$4.1 million transfer was planned from the AT fund to fund the first year of the CAR fund-related CIP. However, as actuals were realized for FY17/18, it was determined the transfer was no longer required.

Other inter-fund transfers are planned within FY19/20 to ensure each “ratepayer”-based fund remains positive. As these funds share the same funding source, loans with interest are not required. However, as documented in the proposed CIP and SSC analysis, these transfers are part of the financing plan needed to address funding needs for each fund. Although inter-fund transfers net to zero organization-wide, the total amount planned to be transferred within funds (in and out) is up to \$384,028.

#### 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 (LAIF) interest rates. The first repayments to the CAR fund and O&M fund began in FY17/18, because the existing bonded debt was retired in FY16/17. In FY19/20, repayments in the amount up to \$1.0 million to the CAR fund and \$0.5 million to the O&M fund are planned.

#### 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 Outreach**

Pursuant to Proposition 218, a California law since 1996, notices on proposed rate increases were sent to all utility customer accounts by April 19, 2019 (a minimum of 45 days prior to the June 12, 2019 Public Hearing). Proposition 218 provides the opportunity for District customers to protest proposed rate adjustments. In the event protests are received representing more than 50% of customers, adjustments could not be implemented. To date, seven 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. At the close of the public hearing, the Board Secretary will announce the total number of protest responses. A public notice announcing the date and time of this public hearing was published on both May 29, 2019 and June 3, 2019 in the East County Times newspaper, in accordance with state law.

In addition, a resident notified the District of concerns about the sufficiency of the Proposition 218 notices, the District’s long-term planning for an Advanced Treatment project, and the adequacy of available cash (see Attachment 3 for email and District response). The District has



conducted a legal review of its SSCs and has received confirmation that the District's SSCs are appropriate and comply with Proposition 218.

Finally, as it has done in the past, the District proposes to collect the SSCs on the tax roll. Pursuant to Health and Safety Code section 5473.1, the District published notice of this public hearing, the District's intention to collect SSCs on the tax roll, and the availability of a related report and information pertaining to the collection of SSCs. Protests or objections against collection of SSCs on the tax roll may be submitted. If a majority protest to this manner of collection is found to exist, the District would need to collect SSCs by another means. To date, the District has received seven protests objecting to collection of SSCs on the tax roll, which is insufficient to constitute a majority protest.

#### Fiscal Impact

Without a rate increase, the remaining fund balance in the Wastewater Operations and Maintenance Fund (expressed as a percent of annual budgeted operating expenses) would decline rapidly from 65.4% in FY19/20 to 53.5% in FY20/21, and 38.6% in FY21/22. At the end of 5-year rate analysis period (FY23/24), the fund balance would be nearly depleted at 2.3% of annual budgeted operating expenses, which would not be consistent with the District's practice of maintaining a minimum balance of 40% of annual budgeted operating expenses.

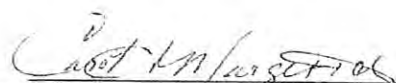
The proposed adjustment would increase SSCs for Pittsburg and Antioch residential customers by an estimated \$16.79 per year or approximately \$1.40 per month, an increase of 4.5%. Bay Point residential customers would see an estimated annual increase of \$18.13 or approximately \$1.51 per month, an increase of 3.5%. The proposed SSC adjustments in Pittsburg and Antioch will result in additional revenue of approximately \$1.3 million to the District. There are separate surcharges for service to Bay Point for operation and rehabilitation of that community's Collection System. The proposed rate adjustments will result in additional revenue of about \$10,499 for these services.

The proposed SSC adjustment maintains the District's position as one of the lower overall cost service providers in the region; strengthens the District's capital infrastructure investment program; and supports the established fund balance minimum level, helping to ensure fiscal integrity and resiliency. A comparison of District rates, including rates for collections in the cities of Antioch and Pittsburg, with the rates of other regional peer agencies will be provided as part of the Board presentation.

#### Attachments

- 1) Proposed Ordinance
- 2) Proposed Resolution
- 3) Written Protests Email Received and District Response

Prepared by:



Carol S. Margetich  
Business Services Director

cc: District File CORP.07-CORRES-XXX



## **ORDINANCE NO. 116**

### **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 2019/2020 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 2019/2020, 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 2019/2020, 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 12, 2019 by the following vote:

AYES:  
NOES:

ABSENT:  
ABSTAIN:

---

Sean Wright, 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 12, 2019

---

Cecelia Nichols-Fritzler  
Secretary to the Board of Directors

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

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

**Re: Approving Final Engineer's Report and Sewer )  
Service Rates; and Directing Collection of )  
Certain Sewer Service Charges, Surcharges )  
And Delinquencies on the County Tax Roll )      **RESOLUTION NO. X/2019****

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, in accordance with Health and Safety Code Sections 5471, 5473 and 5473.1, it is necessary to adopt Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2019/2020; and

WHEREAS, on April 10, 2019, in accordance with Health and Safety Code Sections 5471, 5473 and 5473.1, the Board of Directors directed staff to notify property owners of the proposed Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2019/2020; and

WHEREAS, the Board set June 12, 2019, at 5:30 p.m., in the Board Room, as the time and place for a public hearing on the written report filed by the General Manager for Sewer Service Rates, and the method of collection of Sewer Service Charges and Delinquency Charges, and all required hearing notices have been given; and

WHEREAS, the proposed annual Sewer Service Charges, Surcharges, and Delinquency Charges are needed to fund and maintain sewer service within the District and to collect for late payment; and

WHEREAS, the Board has heard and considered all objections or protests, if any, to the written report filed by the General Manager with the Secretary of the Board, said written report containing a description of each parcel of real property receiving sewer service from said District and the amount of the charge against each parcel for Fiscal Year 2019/2020, and specifying that the charge shall continue annually until lawfully modified by action of the Board of Directors.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO DOES  
HEREBY RESOLVE THAT:**

1. Said protests were not made by the owners of a majority of separate parcels of property described in the report and subject to the notice, and overrules any such protests; and
2. The Final Engineer's Report be adopted, and makes its final determination pursuant to Health and Safety Code Section 5471, 5473 and 5473.1 upon each charge as described in the report; and

3. It is determined that Proposition 218 notification and process requirements were satisfied; and
4. Ordinance No. 116 be adopted; and
5. The adoption of Ordinance No. 116 determines that certain annual charges beginning in Fiscal Year 2019/2020 can be collected by placing them on the Contra Costa County Property Tax Roll for the respective fiscal years; and
6. In accordance with the provisions of Health & Safety Code Sections 5471, 5473 and 5473.1, directs the Secretary of the Board to file a copy of the written report with the County Auditor-Controller.

PASSED AND ADOPTED on June 12, 2019 by the following vote:

AYES:  
NOES:

ABSENT:  
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 12, 2019.

ATTEST: Federal Glover  
Board Secretary

By: \_\_\_\_\_

ITEM D/2  
ATTACHMENT 3

SEWER SERVICE CHARGE  
PROTEST LETTERS



Orill J. Fountain  
1731 Peachwillow St.  
Pittsburg, CA 94565-7303  
[lefontaine@hotmail.com](mailto:lefontaine@hotmail.com)  
APN 097-401-008-4 00

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

Ref: Your letter "Notice of Proposed Sewer Charge Rate Increases for Fiscal Year 2019/2020"

Dear Board of Directors.

Absolutely "No" on any rate increases. Approval of any rate increases would result in an excessive financial burden on already financially strapped customers.

Our poverty rate in California is the highest in the country at 20.5%. Over 50% of us live payday to payday and decent housing is unaffordable to all but the wealthy. Any rate increase would exacerbate an already dire financial situation for your customers and is therefore just plain wrong.

For me personally, I'm a retired man who still has to support an adult son with up to \$30,000 per year and I'm sick and tired of seeing all these increases in my cost of living that keep intruding into my limited income. I can truly tell you that I and your other customers would greatly appreciate a "No" decision on any rate increase.

Do the right thing and decide "No!"

A handwritten signature in blue ink that reads "Orill J. Fountain". The signature is written in a cursive style.

Orill J. Fountain



May 18, 2019

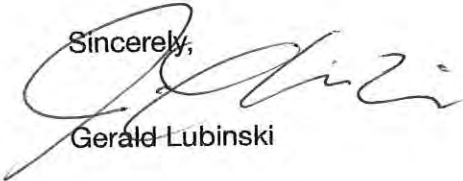
ASSESSOR PARCEL NUMBER: 0523900306

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

Dear Sir/Madam,

We respectfully object to the Proposed Sewer Service Charge Rate Increases for Fiscal Year 2019/2020.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Lubinski".

Gerald Lubinski



May 18, 2019

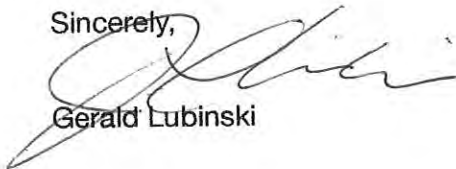
ASSESSOR PARCEL NUMBER: 0744210162

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

Dear Sir/Madam,

We respectfully object to the Proposed Sewer Service Charge Rate Increases for Fiscal Year 2019/2020.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Lubinski".

Gerald Lubinski

4-29-19

RECEIVED BY  
DELTA DIARLO

MAY 02 2019

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. TA

KEN TATUM

1509 ROLLINGWOOD PL.

PITTSDALE, CALIF.

APN: 0883240194



To whom it may concern

4-23-19

I mark Hood at 164 Russell Dr. Antioch CA 94509 (parcel # 067-301-011-2) Protest any rate increase! The city of Antioch does absolutley nothing. There is no street sweeping or code enforcement or police work for that matter in these neighborhoods.

mark hood



April 26, 2019

Delta Diablo District

2500 Pittsburg-Antioch Highway

Antioch, CA. 94509



Delta Diablo Board of Directors:

We hereby protest the adoption of the proposed 4.5% rate increases for wastewater utility services for Antioch/Pittsburg customers for the Fiscal Year 2019/2020. People who got a cost of living adjustment in their wages or retirement only got 2-2.5%, so why is it necessary that this service get a 4.5% increase? We as residential customers would like to maintain financial integrity and ensure long-term fiscal sustainability also and asking us to fund a 4.5% increase isn't helping us. These kinds of increases contribute to the lack of affordable housing in the area.

*Shari B. Rogers*

*Robert B. Rogers*

Robert B & Shari B Rogers, TRE

819 W. Second St. Antioch, CA 94509

APN: 0660920091

May 6, 2019

To whom it may concern  
Delta Diablo Board of Directors  
2500 Pittsburg-Antioch Highway  
Antioch, Calif. 94509



Reference: My letter dated May 24TH. 2016, Attached

I received the notification of the meeting on June 12, 2019 to increase the sewer service charges. I will be out of town and cannot make the meeting. I wrote a letter in 2016 that I still feel is appropriate. It is attached. That letter was for multiple charge increases. Even though this is for One, I think we need to look at our services and see if we are managing in an effective way.

I never received any information on my last letter as to weather it was brought up at that meeting.

I still believe an independent group should come in and due an audit to assure the residents that the District is being run in an efficient manner.

Looking forward to your response.

Richard Haver  
3501 Hemingway Drive  
Antioch. California 94509

May 24, 2016

Business Services Director  
2500 Pittsburg-Antioch Way  
Antioch California 94509

Reference: Proposed Sewer Service Charge Increase

Dear Business Services Director

I am writing this letter to express some of my concerns and some suggestions that i feel are important.

At this time a residence in Antioch pays:

\$2.62 cents per tier 1 usage

\$4.28 cents per tier 2 usage

\$17.50 for Maintance fee

\$11.50 for Sewer fee

What this means is if I did not use any water I would have a charge of \$29.00

Last year the rates were raised from

\$2.51 cents per tier 1 usage to the \$2.62 cents or 4.38% increase

\$15.60 for Water Maintenance fee went to the \$17.50 or 12.8% increase

\$\$11.06 for Sewer fee went to \$11.60 or 5.97 increase

Now you are proposing another increase of \$1.68 cents for 2016- 2017 or 14.6% increase

My goal to reduce my water usage per your request for last year was 125 units and I used 97 for a 22.4 % decrease from what you asked me to get to. This year , January through May I am down 29,4 % over last year.

I believe most of the residents are trying to conserve as much water as possible. and all that is happening is the services rates are being increased to compensate for the lower usage.I am sure I am not the only one.

To relieve my concerns and other residents of the City of Antioch, I believe that an independent group should come in and due an audit to assure the residents that the water district is being run efficient manner. This independent group should be picked by a group of three city members and three Antioch citizens.not involved with the water district.

Maybe we do need to have an increase but it would be nice to feel it is really needed and the district is be run in efficient manner.

I believe that this should be done prior to any increase.

Please read this letter at the Public Hearing

Looking forward to your response.

Thank You for listening to me.

Sincerely,

A handwritten signature in black ink that reads "Richard Haver". The signature is written in a cursive, flowing style.

Richard Haver  
3501 Hemingway Drive  
Antioch, California 94509

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**Contact Info**

<b>First Name</b>	Katherine	<b>Last Name</b>	Chang
<b>City</b>	ANTIOCH	<b>Email Address</b>	<a href="mailto:gogetter999@gmail.com">gogetter999@gmail.com</a>

**Message**

3005 TERRACE VIEW AVE  
APN 052-352-010

Dear Mr. Glover,

I am a new resident in Antioch. I have some questions on the Prop 218 notice (the Notice):

1) Per the Prop 218 implementation guidelines, the wastewater (or any property related) charge may not be imposed for a service unless the service is actually used by, or immediately available to, the owner of the property subject to the fee. The Notice includes Advanced Treatment Reserve as part of the sewer service charges. The explanation of which is that the reserve provides dedicated funding to meet a FUTURE advanced wastewater treatment (plant?), which is estimated to cost over \$150 million. The FY 2018-19 Capital Improvement Project Budget, however, does not include the \$150 million project in the five-year horizon. Please investigate the legality of charging Advanced Treatment fee to defray the future construction costs, and what remedies can be provided for the current and past property owners who have paid into the reserve fund.

2) Revenues derived from the fee must not exceed the funds required to provide the property related service. Since the Notice does not come with the proposed FY 2019-20 Budget to justify the proposed fees, I reviewed the CAFR FYE 6/30/2018 to see how much money the District has:

a. The CAFR transmittal letter says the District has a comprehensive set of financial policies. However, the description for the two reserves: Economic and Advanced Treatment does not have the Board adoption date or the resolution number. Please clarify whether they are policies formally adopted by the Board or more of a management's discretion.

b. Page 24 has a table of Cash and Investment for a total of \$69.2 MM. Excluding the Restricted Cash and Investment of \$1.3 MM, Advanced Treatment reserve of \$13.3 MM and the OPEB Trust of \$13.4 MM, the District has a discretionary cash and investment of \$41.2 MM. This amount can be further adjusted down by current liabilities of \$6.6 MM to \$34.6 MM as the readily available funds. The FY 2018-19 Adopted Budget is \$52.6 MM including \$29.3 MM for Operating and \$23.3 MM for Capital. If my number is correct, the readily available funds on 6/30/2018 can cover the FY 2018-19 Operating budget, and then some. Please look into whether the District has been charging the cost recovery rates as stipulated by Prop 218.

c. One side question: On page 16 Payments to Employees increased from \$14.0 MM to \$18.8 MM, an increase of \$4.8 MM or 34.2%. Please shed light on the big ticket items making up the increase.

3) Please feel free to prove me wrong and educate me on the subject matter. However, if my interpretations and analyses are correct, I respectfully request the Board of Directors to investigate into whether there has been gross negligence in the Prop 218 implementations, causing great financial harm to the constituency for years. Prop 218 implementation guidelines have been out for decades and there has been plenty of time to correct the course.

I am also sending the same email to the other two directors. Thank you for your representation and look forward to your response.



May 29, 2019

*Sent via Electronic Mail to [gogetter999@gmail.com](mailto:gogetter999@gmail.com)  
Sent via USPS Certified Return Receipt*

Ms. Kathy Chang  
3005 Terrace View Avenue  
Antioch, California 94531

Dear Ms. Chang:

Thank you for your inquiry addressed to the Board of Directors dated April 30, 2019 and for bringing your concerns to the May 8, 2019 Board of Directors meeting. The District welcomes customer questions and feedback on its practices and procedures. This letter is provided in response to the questions and concerns you raised.

#### Advanced Treatment Fees

The District contributes to reserve funds such as the Advanced Treatment Reserve Fund for multiple purposes, including future capital planning to meet more stringent regulatory requirements. Maintaining this fund and other reserves is necessary for the financial sustainability of sewer system operations and to reduce the potential for significant rate increases associated with major capital expenditures. Future capital planning is a cost of current service, because current service does not just include providing sewer service today, but also ensuring ongoing, reliable service into the future.

#### Financial Policies

The comprehensive set of financial policies (referred to in the transmittal letter for the Comprehensive Annual Financial Report, for the Fiscal Year Ended June 30, 2018) has been established over the course of several years as the Board has considered and adopted Sewer Service Charges (SSCs). For example, in June 2009, the Board considered the policy of maintaining a minimum balance of 40% of annual budgeted operating expenses in the Wastewater Operations and Maintenance Fund and determined that amount remained appropriate. There has been no subsequent Board action to reduce the established minimum balance for the Fund and the Board has approved SSCs on an annual basis with this key financial policy in place.

#### Available Cash

All fund balances were considered in the recent long-term financial forecasting 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” in support of wastewater operations funding. The District also designs SSCs with the goal of maintaining a minimum balance of 40% of annual budgeted operating expenses in the Wastewater Operations and Maintenance Fund over the course of at least five years to meet

Ms. Kathy Chang  
May 29, 2019  
Page 2

unanticipated operating costs, maintain services during unforeseen economic events and unanticipated emergencies, and address other urgent and unusual items. In addition, available funds beyond the 40% minimum balance in the Wastewater Operations and Maintenance Fund are used to supplement SSCs because projected revenues alone are not sufficient to cover the projected operating and capital needs of the District over the five-year rate analysis period. This method of rate-setting has enabled the District to maintain smooth, stable rates and mitigate sharp rate increases from year to year.

Proposition 218

Based on your inquiry, the District has conducted a legal review of its SSCs and has received confirmation that the District's SSCs are appropriate and comply with Proposition 218.

Thank you again for your inquiry Ms. Chang. A public hearing on the proposed SSCs is scheduled for June 12, 2019 at 5:30 p.m. Additionally, please feel free to contact me at (925) 756-1935, should you have further questions.

Sincerely,



Carol S. Margetich  
Business Services Director

cc: Members, Board of Directors  
General Manager, Vince De Lange



June 12, 2019

APPROVE MINUTES OF REGULAR BOARD OF DIRECTORS MEETING, MAY 8, 2019

RECOMMENDATION

Approve Minutes of the Regular Board of Directors Meeting of May 8, 2019.

**DRAFT**

**Minutes of the Regular Board of Directors Meeting**

**DELTA DIABLO**

**May 8, 2019**

The meeting was called to order by Chair Wright on Wednesday, May 8, 2019 at 4:34 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Chair Sean Wright, Director Juan Banales, and Director Federal Glover. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Cheryl Rhodes Alexander, Human Resources and Risk Manager; Angela Lowrey, Public Information Manager/Management Association Bargaining Unit Representative; Thanh Vo, Senior Engineer; Amanda Roa, Environmental Programs Manager; Joaquin Gonzalez, Operations Manager; Jayne Strommer, Government Affairs Manager; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; and Holland White, City of Pittsburg Councilmember and Supervisor's Aide for Special Projects, Office of Supervisor Federal D. Glover.

**PUBLIC COMMENTS**

The Board received public comment from Ms. Kathy Chang, a property owner in the City of Antioch. Ms. Chang raised concerns regarding the District's Proposition 218 notice as it pertains to collecting funds for a significant Advanced Treatment project that is not included in the five-year Capital Improvement Program, and increasing rates to cover operations instead of using cash balances. She asked that the Board investigate her concerns. Director Glover responded that because the matter was not on the Board's agenda, the Board could not discuss it. He asked Mr. De Lange to look into the matter and report back to the Board.

**RECOGNITION**

Recognize and Congratulate Angela Lowrey, Public Information Manager, for Receiving the California Association of Public Information Officials 2019 Communicator of the Year Award  
Ms. Margetich acknowledged Ms. Lowrey and reviewed several of her accomplishments, while noting her dedication to public education and outreach, communications expertise, creativity, and stakeholder relationship focus. Ms. Lowrey thanked the Board for its support, while acknowledging contributions from staff who contributed to this award, and for the opportunity to serve the District. Chair Wright congratulated Ms. Lowrey on her achievement.

Recognize and Receive California Association of Public Information Officials Video Production, PSA/Promotional/Marketing Video – Short Form as a Member of the East County Regional Coalition



Ms. Lowrey highlighted that the District recently received an award for a video produced in support of a bilingual, regional public outreach campaign, entitled “No Wipes in the Pipes” in collaboration with Byron-Bethany Irrigation District, City of Brentwood, Ironhouse Sanitary District, and the Town of Discovery Bay. This coalition was formed to provide an opportunity for agencies to combine resources, target a broader audience, and collaborate with other industry professionals facing similar issues. The goal of the campaign was to help customers understand the impacts caused by wipes that are marketed as “flushable.” The video was developed in partnership with Deer Valley High School (DVHS), which included a business-education “linked-learning” opportunity for students. The Board congratulated Ms. Lowrey on the award.

### **CONSENT CALENDAR**

Direct Banales recused himself from *Item E/7, Authorize General Manager or His Designee to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$90,000, V.W. Housen & Associates, Inc., Permanent Brine Transfer Facility, Project No. 18109.* Director Glover moved approval of the Consent Calendar, excluding Item E/7, seconded by Chair Wright, and by unanimous voice vote (*Ayes, Banales, Glover and Wright, Noes: None; Absent: None*), the Board approved the following Consent Calendar items according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, April 10, 2019; Receive Notes from Finance Committee Meeting, May 1, 2019; Receive District Monthly Check Register, March 2019; Receive Second Quarter Fiscal Year 2018/2019 District Investment Report; Adopt Resolution Commending and Congratulating Gary Van Pelt, Maintenance Mechanic II, on his Retirement from the District; Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$29,219, Maze & Associates, Financial Audit Services; Approve Project, Contract Documents, and Design; Award and Authorize General Manager to Execute a Construction Services Contract in an Amount Not to Exceed \$860,469, Bayview Engineering & Construction Co., Inc.; Approve Bay Point Sewer Repairs – Phase IV Project and Determine the Project is Categorically Exempt Under California Environmental Quality Act (CEQA) Guidelines Class 1 and Class 2; and Authorize General Manager to File CEQA Notice of Exemption with Contra Costa County Recorder’s Office and State Clearinghouse, Bay Point Sewer Repairs – Phase IV, Project No. 18119.

Director Glover moved approval of the Consent Calendar, *Item E/7, Authorize General Manager or His Designee to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$90,000, V.W. Housen & Associates, Inc., Permanent Brine Transfer Facility, Project No. 18109;* seconded by Chair Wright; and by unanimous voice vote (*Ayes, Glover and Wright, Noes: None; Absent: None, Abstain: Banales*), the Board approved Consent Calendar Item E/7.

### **DELIBERATION ITEMS**

None.

### **PRESENTATIONS AND REPORTS**

Receive Report on Key Assumptions for Proposed Fiscal Year 2019/2020 Operating Budget

Ms. Margetich provided an overview of the operating budget development process, including the current single-year focus and future plans to transition to multi-year budgeting. She highlighted that staff has focused on implementing operating budget reduction strategies, which has resulted



in a reduction of \$0.6 million (preliminary estimate) for FY19/20 relative to FY18/19. Ms. Margetich reviewed a breakdown of the \$28.7 million budget by major category.

Ms. Margetich reviewed key assumptions for Salaries and Benefits, including cost-of-living adjustments (2-5%, pending in mid-May), unfunding three positions (\$0.7 million in savings), position reclassifications, reallocation of engineering labor (\$0.85 million in savings), and overlap of critical positions to support succession planning (\$0.1 million budgeted). She highlighted medical insurance premium increases (5%) and retirement program costs (CalPERS, PARS, CCCERA, OPEB). Ms. Margetich noted that staff has reduced the budget for Utilities costs (\$1.9 million or 7% of total budget) by 3.9% relative to last year. Ms. Margetich reviewed the Outside Services/Repairs and Maintenance budget (\$4.6 million or 16% of total budget), while highlighting a number of organizational improvement efforts (e.g., IT Strategic Planning, MUNIS enhancements, Cost-of-Service studies [Sewer Service Charges, Capital Facilities Capacity Charges], and total compensation studies). Ms. Margetich closed by noting that the proposed operating budget supports long-term financial sustainability and aligns with sewer service charge (SSC) assumptions presented to the Board at the April 10, 2019 meeting.

Chair Wright thanked Ms. Margetich for the report. The Board received and filed the report.

#### **MANAGER'S COMMENTS**

None.

#### **DIRECTORS' COMMENTS**

None.

#### **CORRESPONDENCE**

Receive Monthly Lobbyist Report dated April 2019, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

#### **CLOSED SESSION**

None.

#### **ADJOURNMENT**

Prior to adjourning the meeting, Chair Wright noted the June 12, 2019 Board meeting will begin at 5:30 p.m. instead of 4:30 p.m. Chair Wright adjourned the meeting at 5:05 p.m. The next regular monthly meeting will be Wednesday, June 12, 2019 at 5:30 p.m.

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Federal Glover  
Board Secretary

(Recording Secretary:

Cecelia Nichols-Fritzler)



June 12, 2019

RECEIVE NOTES FROM PERSONNEL COMMITTEE MEETING, MAY 29, 2019

RECOMMENDATION

Note receipt and file.

Background Information

The Personnel Committee met on May 29, 2019. The meeting was attended by Committee Chair Federal Glover; Vince De Lange, General Manager; Dean Eckerson, Resource Recovery Services Director; Cheryl Rhodes Alexander, Human Resources and Risk Manager, and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

The purpose of the meeting was to review and comment on Operations and Maintenance (O&M) Representation/Public Employees Union Local One, Side Letter Agreement, Work Periods. Mr. Eckerson provided an overview, which is summarized in the meeting notes.

Analysis

Committee Chair Glover recommended the proposed Operations and Maintenance (O&M) Representation/Public Employees Union Local One, Side Letter Agreement, Work Periods, be submitted to the full Board for consideration at its June 12, 2019 meeting. Committee meeting notes are provided as an informational report at regular Board Meetings as part of the Consent Calendar.


Financial Impact

None

Attachment

Personnel Committee Meeting Notes, May 29, 2019

Prepared by:   
Cecelia Nichols-Fritzler  
Office Manager/Secretary to the Board

Reviewed by:   
Vince De Lange  
General Manager



MEETING NOTES

**BOARD OF DIRECTORS PERSONNEL COMMITTEE MEETING**  
**DELTA DIABLO**

WEDNESDAY, MAY 29, 2019  
11:00 A.M.

The meeting was called to order by Committee Chair Federal Glover on Wednesday, May 29, 2019 at 11:05 am in the Contra Costa County Office of District 5 Supervisor, 190 East Fourth Street, Pittsburg, California. Also present were Vince De Lange, General Manager; Dean Eckerson, Resource Recovery Services Director; Cheryl Rhodes Alexander, Human Resources and Risk Manager, and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

**PUBLIC COMMENTS**

None.

**REVIEW AND COMMENT ON OPERATIONS AND MAINTENANCE (O&M)**  
**REPRESENTATION UNIT SIDE LETTER AGREEMENT, WORK PERIODS**

Mr. Eckerson provided an overview of the current Work Periods as defined in the O&M Memorandum of Understanding (MOU). He explained that Section II.2 Work Periods of the MOU defines the start and end times for the different shifts that O&M personnel are assigned to work.

Mr. Eckerson provided background on a one-year pilot program that O&M and the District agreed to in September 2017. The pilot program evaluated the benefits and impacts associated with modifying work periods with earlier start times (i.e., 6:00 am versus current 7:00 am for Wastewater operators). Based on feedback and evaluations at the three-month and conclusion of the pilot program periods, the change in work periods met established goals with one minor outstanding concern regarding reduced opportunity for communications and interactions between the Operations Supervisor and night shift operators. This issue will be monitored going forward and does not appear to be detrimental to facility operations. Management met and conferred with O&M representatives on May 15, 2019 and is recommending that the change be implemented via a Side Letter Agreement (SLA) to Section II.2 Work Periods of the current MOU. Chair Glover asked if the Bargaining Unit is amenable to the proposed change. Mr. Eckerson affirmed that Operations staff supports the earlier 6:00 am start time.

Chair Glover thanked Mr. Eckerson for the report and recommended that the item be submitted brought to the full Board at its June 12, 2019 meeting.

**ADJOURNMENT**

The meeting was adjourned by Chair Glover at 11:12 am.

(Recording Secretary: Cecelia Nichols-Fritzler)

June 12, 2019

RECEIVE NOTES FROM FINANCE COMMITTEE MEETING, JUNE 5, 2019

RECOMMENDATION

Note receipt and file.

Background Information

The Finance Committee met on June 5, 2019. The meeting was attended by Committee Chair Sean Wright; Vince De Lange, General Manager; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

The purpose of the meeting was to review and comment on the Preliminary Recycled Water Rate Analysis, Fiscal Year 2019/2020. Ms. Margetich provided an overview, which is summarized in the meeting notes.

Analysis

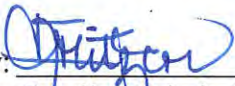
Committee Chair Wright recommended the proposed Preliminary Recycled Water Rate Analysis, Fiscal Year 2019/2020 be submitted to the full Board for consideration at its June 12, 2019 meeting. Committee meeting notes are provided as an informational report at regular Board Meetings as part of the Consent Calendar.


Financial Impact

None

Attachment

Finance Committee Meeting Notes, June 5, 2019

Prepared by:   
Cecelia Nichols-Fritzler  
Office Manager/Secretary to the Board

Reviewed by:   
Vince De Lange  
General Manager



**DRAFT MEETING NOTES**

**BOARD OF DIRECTORS FINANCE COMMITTEE MEETING**  
**DELTA DIABLO**

**WEDNESDAY, JUNE 5, 2019**  
**2:00 P.M.**

The meeting was called to order by Committee Chair Sean Wright on Wednesday, June 5, 2019 at 2:01 pm in the Plant Operations Center Conference Room at Delta Diablo, 2600 Pittsburg-Antioch Highway, Antioch, California. Also present were Vince De Lange, General Manager; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

**PUBLIC COMMENTS**

None

**REVIEW AND COMMENT ON PRELIMINARY RECYCLED WATER RATE ANALYSIS FOR FISCAL YEAR 2019/2020**

Ms. Margetich highlighted existing recycled water service agreements, existing surcharges, and the RWSC structure shift to rebalance fixed vs. variable RWSC cost recovery components. She presented usage estimates by customer, while noting District costs do not decline with reduced consumption. Ms. Margetich stated that the 5-year average consumption has been utilized this year in developing the RWSCs to smooth rate development and year-to-year comparisons.

Ms. Margetich presented the planned FY19/20 RWSC increases for irrigation (City of Antioch, City of Pittsburg, Mt. Diablo Resource Recovery Park, Pittsburg Unified School District) and industrial customers (i.e., Calpine), which equaled 8.6% and 8.5%, respectively. She noted the major cost drivers, including chemical and utilities costs, labor, office and operating expenses, and capital investment needs. Ms. Margetich noted that the District's recycled water costs are 68-71% of raw water, 25-26% of potable water, and 29-47% of recycled water provided by peer agencies. She reviewed the 5-year RWSC rate forecast for irrigation and industrial customers.

Chair Wright asked about other RW users in the City of Antioch. Mr. Eckerson replied that several city parks, median landscaping, and a Caltrans site are using RW. Chair Wright questioned how the District's recycled water costs compare to the City of Antioch's raw water costs, while noting that Lone Tree Golf Course staff have observed landscape irrigation benefits with raw water versus recycled water. Mr. Eckerson stated that recycled water costs likely compare favorably, and Mr. De Lange stated that staff would conduct outreach to golf course staff to share the nutrient and landscape benefits associated with recycled water. Staff also shared the economic limitations on extending recycled water distribution systems to small-scale users. Mr. De Lange that the District is carefully considering capital investment needs in recycled water infrastructure and will include this focus area in the upcoming master plan.

Ms. Margetich closed the presentation by noting next steps in the consideration of RWSC adjustments by the Board. Chair Wright recommended submitting the proposed RWSCs to full Board for consideration at the July 10, 2019 meeting.

**ADJOURNMENT**

The meeting was adjourned by Chair Wright at 2:24 pm.

(Recording Secretary: Cecelia Nichols-Fritzler)

June 12, 2019

RECEIVE DISTRICT MONTHLY CHECK REGISTER, APRIL 2019

RECOMMENDATION

Receive District Monthly Check Register for the month ending April 30, 2019.

Background Information

The Check Register for the month of April 2019 is attached. This report reflects payments to the District's suppliers, consultants, service providers, and contractors. A total of \$915,162.36 was disbursed in the month of April 2019, which includes 161 checks.

Financial Impact

All payments made during the month are within funding levels included in the adopted operating and capital budgets for Fiscal Year 2018/2019.

Attachment

Check Register, month ending April 30, 2019

Prepared by:



Eka Ekanem  
Senior Accountant

Reviewed by:



Carol Margetich  
Business Services Director





# CHECK REGISTER

## DELTA DIABLO

CASH DISBURSEMENTS FOR THE MONTH OF APRIL 2019

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
4/4/2019	ALTAMONT LANDSCAPE SVC, INC		31393	8,537.00
		46846	1,200.00	LANDSCAPE MAINTENANCE SERVICES
		46847	7,337.00	LANDSCAPE MAINTENANCE SERVICES
4/4/2019	ANTIOCH UNIFIED SCHOOL DIST		31394	1,280.00
		46945	1,280.00	O/S
4/4/2019	BIDSYNC		31395	7,725.00
		46934	7,725.00	SOFTWARE PACKAGE AND LICENSE A
4/4/2019	BRENTWOOD PRESS		31396	89.00
		46980	89.00	AD
4/4/2019	DARRELL CAIN		31397	39.26
		46975	39.26	T&M
4/4/2019	CALIFORNIA WATER TECHNOLOGIES,LLC		31398	5,073.40
		46796	5,073.40	FERROUS CHLORIDE
4/4/2019	CAROLLO ENGINEERS		31399	94,002.50
		46807	9,822.50	PRIMARY CLARIFIER AREA IMPROVE
		46808	84,180.00	CONSULTING SERVICES HEADWORK I
4/4/2019	CHEMTRADE CHEMICALS US LLC		31400	9,520.21
		46814	3,193.10	ALUMINUM SULFATE
		46879	3,147.43	ALUMINUM SULFATE
		46880	3,179.68	ALUMINUM SULFATE
4/4/2019	COMPRESSOR WORLD LLC		31401	6,694.84
		46954	3,347.42	RWF SURGE TANK COMPRESSOR REPL
		46955	3,347.42	REPLACEMENT RWF SURGE TANK COM
4/4/2019	VINCENT DE LANGE		31402	360.90
		46928	315.92	T&M
		46979	44.98	T&M
4/4/2019	JOSEPH PETRONIO		31403	1,317.00
		46970	1,317.00	MISCELLANEOUS CMMS SUPPORT
4/4/2019	EAST BAY TIMES		31404	130.45
		46947	130.45	SUBSCRIPTION
4/4/2019	FARMER BROS CO		31405	381.21
		46698	104.96	COFFEE SERVICE PLAN
		46841	276.25	COFFEE SERVICE PLAN
4/4/2019	FRAXIA ENGINEERING		31406	2,113.16
		46809	2,113.16	DESIGN SERVICES BP SEWER REHAB
4/4/2019	FRESCHI AIR SYSTEMS		31407	1,720.00

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		46914		1,720.00	POC ANNUAL SERVICE AGREEMENT
<b>4/4/2019</b>	<b>GOLDEN STATE WATER CO.</b>		<b>31408</b>	<b>1,037.91</b>	
		46948		1,037.91	UTILITIES
<b>4/4/2019</b>	<b>GRAINGER</b>		<b>31409</b>	<b>455.33</b>	
		46971		455.33	INVENTORY
<b>4/4/2019</b>	<b>GRAYBAR ELECTRIC COMPANY, INC.</b>		<b>31410</b>	<b>6,765.99</b>	
		46986		6,765.99	PLC PARTS PPS UPGRADE
<b>4/4/2019</b>	<b>HUNT &amp; SONS INC</b>		<b>31411</b>	<b>2,213.39</b>	
		46987		2,213.39	FUEL SERVICES FOR THE TP AND R
<b>4/4/2019</b>	<b>JOHN MUIR HEALTH</b>		<b>31412</b>	<b>1,645.10</b>	
		46930		822.60	2019 CORPORATE WELLNESS SERVIC
		46931		822.50	2019 CORPORATE WELLNESS SERVIC
<b>4/4/2019</b>	<b>MANAGED HEALTH NETWORK</b>		<b>31413</b>	<b>401.25</b>	
		46949		401.25	EAP
<b>4/4/2019</b>	<b>NELSON STAFFING</b>		<b>31414</b>	<b>1,980.00</b>	
		46961		1,980.00	O/S TEMP
<b>4/4/2019</b>	<b>PACIFIC GAS &amp; ELECTRIC COMPANY</b>		<b>31415</b>	<b>27,663.54</b>	
		46941		27,663.54	UTILITIES
<b>4/4/2019</b>	<b>PITTSBURG UNIFIED SCHOOL DISTR</b>		<b>31416</b>	<b>128.74</b>	
		46994		128.74	O/S
<b>4/4/2019</b>	<b>POLYDYNE INC</b>		<b>31417</b>	<b>8,479.24</b>	
		46811		8,479.24	LIQUID POLYMER
<b>4/4/2019</b>	<b>QUENVOLD'S</b>		<b>31418</b>	<b>228.38</b>	
		46870		228.38	SAFETY SHOES - J. ALEXANDER
<b>4/4/2019</b>	<b>STANDARD INSURANCE COMPANY</b>		<b>31419</b>	<b>4,080.29</b>	
		46962		4,080.29	INSURANCE
<b>4/4/2019</b>	<b>TECH AIR OF NORTHERN CALIFORNIA LLC</b>		<b>31420</b>	<b>13.14</b>	
		46992		6.57	WELD GAS REFILLS/ BOTTLE RENTA
		46993		6.57	WELD GAS REFILLS/ BOTTLE RENTA
<b>4/4/2019</b>	<b>UNIFIRST CORPORATION</b>		<b>31421</b>	<b>326.98</b>	
		46810		132.48	UNIFORM/ LAUNDRY SERVICE AGREE
		46817		162.75	UNIFORM/ LAUNDRY SERVICE AGREE
		46818		31.75	UNIFORM/ LAUNDRY SERVICE AGREE
<b>4/4/2019</b>	<b>UNIVAR USA INC</b>		<b>31422</b>	<b>23,113.69</b>	
		46792		3,163.86	SODIUM HYPOCHLORITE
		46793		3,166.05	SODIUM HYPOCHLORITE
		46820		2,870.37	SODIUM HYPOCHLORITE
		46821		5,111.07	SODIUM BISULFITE
		46965		5,574.24	SODIUM BISULFITE
		46966		3,228.10	SODIUM HYPOCHLORITE

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
4/4/2019	US POSTAL SERVICE-NEOPOST		31423	1,500.00	
		46964	1,500.00		POSTAGE
4/4/2019	VISION SERVICE PLAN		31424	1,889.58	
		46968	1,806.92		VISION INSURANCE
		46969	82.66		COBRA INSURANCE
4/4/2019	WEST YOST & ASSOCIATES		31425	11,354.00	
		46978	11,354.00		CONSULTING SERVICES, ASSET MGM
4/4/2019	YORKE ENGINEERING, LLC		31426	2,349.00	
		46920	2,349.00		CONSULTING SERVICES EAST COUNT
4/4/2019	TECH AIR OF NORTHERN CALIFORNIA LLC		31427	438.13	
		46991	438.13		WELD GAS REFILLS/ BOTTLE RENTA
4/11/2019	CITY OF ANTIOCH- WATER		31428	918.76	
		47058	114.57		UTILITIES
		47059	804.19		UTILITIES
4/11/2019	JUAN AREVALO		31429	2,015.87	
		47064	2,015.87		PR - DIRECT DEP
4/11/2019	AYYEKA INC.		31430	1,323.00	
		47065	1,323.00		SOFTWARE SUPPORT AND MISC. PAR
4/11/2019	BARNETT MEDICAL SERVICES, LLC		31431	5,422.00	
		47085	780.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47087	39.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47088	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47091	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47092	135.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47093	780.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47094	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47095	96.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47096	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47097	624.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47098	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47099	96.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47100	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47101	702.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47102	39.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47103	96.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47104	78.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47105	35.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47106	624.00		SHARPS/PHARMACEUTICAL DISPOSAL
		47107	152.00		SHARPS/PHARMACEUTICAL DISPOSAL

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		47108		96.00	SHARPS/PHARMACEUTICAL DISPOSAL
		47109		78.00	SHARPS/PHARMACEUTICAL DISPOSAL
		47110		312.00	SHARPS/PHARMACEUTICAL DISPOSAL
		47111		96.00	SHARPS/PHARMACEUTICAL DISPOSAL
		47112		96.00	SHARPS/PHARMACEUTICAL DISPOSAL
<b>4/11/2019</b>	<b>CALIF. ASSOC. OF SANITATION AGENCIES</b>		<b>31432</b>	<b>20,053.00</b>	
		47078		20,053.00	M&D DISTRICT-WIDE
<b>4/11/2019</b>	<b>CALIFORNIA WATER TECHNOLOGIES,LLC</b>		<b>31433</b>	<b>5,347.17</b>	
		46878		5,347.17	FERROUS CHLORIDE
<b>4/11/2019</b>	<b>CHEMTRADE CHEMICALS US LLC</b>		<b>31434</b>	<b>16,212.72</b>	
		46881		3,199.83	ALUMINUM SULFATE
		46935		3,168.93	ALUMINUM SULFATE
		46936		3,222.66	ALUMINUM SULFATE
		46937		3,233.41	ALUMINUM SULFATE
		46939		3,387.89	ALUMINUM SULFATE
<b>4/11/2019</b>	<b>CLYDE STEAGALL, INC</b>		<b>31435</b>	<b>14,363.26</b>	
		47042		14,363.26	RWF EMERGENCY BACKUP GENERATOR
<b>4/11/2019</b>	<b>CONTRA COSTA WATER DISTRICT</b>		<b>31436</b>	<b>20.87</b>	
		47031		20.87	UTILITIES
<b>4/11/2019</b>	<b>CONTRACT SWEEPING SERVICES</b>		<b>31437</b>	<b>28,489.77</b>	
		47066		28,489.77	STREET SWEEPING
<b>4/11/2019</b>	<b>CONVERGEONE INC</b>		<b>31438</b>	<b>6,497.00</b>	
		46995		6,497.00	MULTI-FACTOR AUTHENTICATION SE
<b>4/11/2019</b>	<b>COUNTY RECORDER</b>		<b>31439</b>	<b>50.00</b>	
		47089		50.00	PERMIT & REG FEE
<b>4/11/2019</b>	<b>COUNTY RECORDER</b>		<b>31440</b>	<b>50.00</b>	
		47090		50.00	PERMIT & REG FEE
<b>4/11/2019</b>	<b>DATCO</b>		<b>31441</b>	<b>258.70</b>	
		46956		154.70	O/S
		46957		104.00	PRE EMPL COST
<b>4/11/2019</b>	<b>FREMONT ANALYTICAL INC.</b>		<b>31442</b>	<b>645.00</b>	
		46984		645.00	DIGESTER GAS ANALYSIS
<b>4/11/2019</b>	<b>GOLDEN STATE WATER CO.</b>		<b>31443</b>	<b>599.09</b>	
		47049		599.09	UTILITIES
<b>4/11/2019</b>	<b>GRAINGER PARTS OPERATIONS</b>		<b>31444</b>	<b>609.21</b>	
		46960		609.21	HYPO PROJECT #19102
<b>4/11/2019</b>	<b>GRAYBAR ELECTRIC COMPANY, INC.</b>		<b>31445</b>	<b>1,064.13</b>	
		47067		324.24	PLC PARTS PPS UPGRADE
		47068		739.89	PLC PARTS PPS UPGRADE
<b>4/11/2019</b>	<b>HUNT &amp; SONS INC</b>		<b>31446</b>	<b>4,337.64</b>	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		46988		2,628.67	FUEL SERVICES FOR THE TP AND R
		46989		1,708.97	FUEL SERVICES FOR THE TP AND R
<b>4/11/2019</b>	<b>KONE. INC.</b>		<b>31447</b>	<b>1,029.22</b>	
		46990		1,029.22	MISCELLANEOUS ELEVATOR REPAIRS
<b>4/11/2019</b>	<b>MCCAMPBELL ANALYTICAL, INC.</b>		<b>31448</b>	<b>2,328.60</b>	
		46950		2,328.60	CONTRACT LAB SERVICES PLANT PR
<b>4/11/2019</b>	<b>MDRR PITTSBURG</b>		<b>31449</b>	<b>3,126.65</b>	
		47039		2,061.55	WASTE
		47050		1,065.10	WASTE
<b>4/11/2019</b>	<b>MOSS ADAMS LLP</b>		<b>31450</b>	<b>2,800.00</b>	
		46921		2,800.00	Professional Services for Purc
<b>4/11/2019</b>	<b>MRO SUPPLY</b>		<b>31451</b>	<b>782.24</b>	
		47083		391.12	INVENTORY
		47084		391.12	INVENTORY
<b>4/11/2019</b>	<b>POLYDYNE INC</b>		<b>31452</b>	<b>14,132.06</b>	
		46952		11,305.65	LIQUID POLYMER
		46953		2,826.41	LIQUID POLYMER
<b>4/11/2019</b>	<b>PUBLIC EMPLOYEES UNION</b>		<b>31453</b>	<b>1,822.02</b>	
		3163346		1,822.02	UNION DUES P&T
<b>4/11/2019</b>	<b>PUBLIC EMPLOYEES UNION</b>		<b>31454</b>	<b>4,272.70</b>	
		3163246		4,272.70	UNION DUES O&M
<b>4/11/2019</b>	<b>QUALITY ASSURANCE SOLUTIONS, LLC</b>		<b>31455</b>	<b>683.52</b>	
		46844		683.52	CONSULTING SUPPORT FOR LABORAT
<b>4/11/2019</b>	<b>QUALITY SCALE, INC</b>		<b>31456</b>	<b>440.00</b>	
		46904		440.00	MISCELLANEOUS SCALE REPAIR
<b>4/11/2019</b>	<b>RGM AND ASSOCIATES</b>		<b>31457</b>	<b>140.00</b>	
		46872		140.00	CONSULTING SERVICES RWF EMERGE
<b>4/11/2019</b>	<b>ROCKWELL SOLUTIONS INC.</b>		<b>31458</b>	<b>16,647.20</b>	
		46997		16,647.20	SUBMERSIBLE CHOPPER PUMP AT PP
<b>4/11/2019</b>	<b>CA STATE DISBURSEMENT UNIT</b>		<b>31459</b>	<b>750.00</b>	
		CS9648278		750.00	GARNISHMENT
<b>4/11/2019</b>	<b>STATE OF CALIFORNIA</b>		<b>31460</b>	<b>325.00</b>	
		4461716		325.00	INCOME TAX WITHHOLDING ORDER
<b>4/11/2019</b>	<b>STERICYCLE ENVIRONMENTAL SOLUTIONS</b>		<b>31461</b>	<b>26,413.52</b>	
		47047		26,413.52	HHW TRANSPORTATION/DISPOSAL/LA
<b>4/11/2019</b>	<b>SYNAGRO WEST, LLC</b>		<b>31462</b>	<b>34,664.37</b>	
		46905		34,664.37	BIOSOLIDS HAULING
<b>4/11/2019</b>	<b>SYSTEM 1 STAFFING</b>		<b>31463</b>	<b>2,605.90</b>	
		46998		2,605.90	O/S TEMP
<b>4/11/2019</b>	<b>UNIFIRST CORPORATION</b>		<b>31464</b>	<b>326.98</b>	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		46819	162.75	UNIFORM/ LAUNDRY SERVICE AGREE
		46850	31.75	UNIFORM/ LAUNDRY SERVICE AGREE
		46906	132.48	UNIFORM/ LAUNDRY SERVICE AGREE
<b>4/11/2019</b>	<b>UNIVAR USA INC</b>		<b>31465</b>	<b>12,010.56</b>
		46874	3,166.68	SODIUM HYPOCHLORITE
		46875	5,618.03	SODIUM BISULFITE
		46876	3,225.85	SODIUM HYPOCHLORITE
<b>4/11/2019</b>	<b>WOLLBORG MICHELSON PERSONNEL</b>		<b>31466</b>	<b>3,204.00</b>
		47041	3,204.00	O/S TEMP
<b>4/18/2019</b>	<b>CITY OF ANTIOCH- WATER</b>		<b>31467</b>	<b>6,374.57</b>
		47125	5,963.89	UTILITIES
		47126	114.57	UTILITIES
		47127	114.57	UTILITIES
		47128	66.97	UTILITIES
		47129	114.57	UTILITIES
<b>4/18/2019</b>	<b>CALTEST ANALYTICAL LABORATORY</b>		<b>31468</b>	<b>2,038.50</b>
		46893	369.00	CONTRACT LABORATORY SERVICES
		47142	378.00	CONTRACT LABORATORY SERVICES
		47143	913.50	CONTRACT LABORATORY SERVICES
		47144	378.00	CONTRACT LABORATORY SERVICES
<b>4/18/2019</b>	<b>CHEMTRADE CHEMICALS US LLC</b>		<b>31469</b>	<b>3,219.97</b>
		47032	3,219.97	ALUMINUM SULFATE
<b>4/18/2019</b>	<b>CHARLEEN B. EARLEY</b>		<b>31470</b>	<b>300.00</b>
		47175	300.00	AD
<b>4/18/2019</b>	<b>CORELOGIC INFORMATION SOLUTIONS, INC</b>		<b>31471</b>	<b>165.00</b>
		47120	165.00	REALQUEST PROPERTY INFORMATION
<b>4/18/2019</b>	<b>TIMOTHY J. CLAY</b>		<b>31472</b>	<b>5,626.20</b>
		47169	5,626.20	BOILER REPAIRS
<b>4/18/2019</b>	<b>DIABLO WATER DISTRICT</b>		<b>31473</b>	<b>548.05</b>
		47124	548.05	UTILITIES
<b>4/18/2019</b>	<b>EPIC COMPLIANCE SYSTEMS, INC.</b>		<b>31474</b>	<b>150.00</b>
		46899	150.00	MONTHLY SITE INSPECTIONS OF GA
<b>4/18/2019</b>	<b>FRESCHI AIR SYSTEMS</b>		<b>31475</b>	<b>532.00</b>
		47170	532.00	REPAIR COMPUTER SERVER ROOM HV
<b>4/18/2019</b>	<b>GRAINGER</b>		<b>31476</b>	<b>2,088.60</b>
		46972	793.49	INVENTORY
		46973	647.57	INVENTORY
		46974	647.54	INVENTORY
<b>4/18/2019</b>	<b>HACH COMPANY</b>		<b>31477</b>	<b>1,125.75</b>
		47145	1,125.75	REPAIR SAMPLER CONTROLLER

<b>CHECK DATE</b>	<b>VENDOR NAME</b>	<b>INVOICE NO.</b>	<b>CHECK NO.</b>	<b>CHECK AMOUNT</b>	<b>DESCRIPTION</b>
<b>4/18/2019</b>	<b>HAWKINS DELAFIELD &amp; WOOD LLC</b>		<b>31478</b>	<b>15,103.34</b>	
		47037	15,103.34		LEGAL SERVS DESIGN-BUILD & FEE
<b>4/18/2019</b>	<b>HUNT &amp; SONS INC</b>		<b>31479</b>	<b>4,150.04</b>	
		47163	1,306.54		FUEL SERVICES FOR THE TP AND R
		47164	1,672.60		FUEL SERVICES FOR THE TP AND R
		47165	1,170.90		FUEL SERVICES FOR THE TP AND R
<b>4/18/2019</b>	<b>IN SHAPE HEALTH CLUBS</b>		<b>31480</b>	<b>993.00</b>	
		47132	993.00		GYM
<b>4/18/2019</b>	<b>LEGAL SHIELD</b>		<b>31481</b>	<b>139.65</b>	
		47146	139.65		LEGAL MEMB
<b>4/18/2019</b>	<b>JACQUELINE MCDUFFIE</b>		<b>31482</b>	<b>261.41</b>	
		47183	261.41		T&M
<b>4/18/2019</b>	<b>MSC INDUSTRIAL SUPPLY CO. INC.</b>		<b>31483</b>	<b>1,114.99</b>	
		47160	1,114.99		INVENTORY
<b>4/18/2019</b>	<b>JEFF NAVARRETE</b>		<b>31484</b>	<b>903.37</b>	
		47157	903.37		T&M
<b>4/18/2019</b>	<b>NELSON STAFFING</b>		<b>31485</b>	<b>3,960.00</b>	
		47133	1,980.00		O/S TEMP
		47156	1,980.00		O/S TEMP
<b>4/18/2019</b>	<b>PACIFIC GAS &amp; ELECTRIC COMPANY</b>		<b>31486</b>	<b>27,388.31</b>	
		47122	345.15		UTILITIES
		47123	58.09		UTILITIES
		47150	26,985.07		UTILITIES
<b>4/18/2019</b>	<b>POLYDYNE INC</b>		<b>31487</b>	<b>11,305.65</b>	
		46932	11,305.65		LIQUID POLYMER
<b>4/18/2019</b>	<b>REPUBLIC SERVICES #210</b>		<b>31488</b>	<b>5,431.39</b>	
		47139	950.25		WASTE
		47140	4,481.14		WASTE
<b>4/18/2019</b>	<b>SYSTEM 1 STAFFING</b>		<b>31489</b>	<b>5,280.80</b>	
		47135	2,640.40		O/S TEMP
		47176	2,640.40		O/S TEMP
<b>4/18/2019</b>	<b>TERRYBERRY</b>		<b>31490</b>	<b>130.37</b>	
		47161	130.37		EMPLOYEE RECOGNITION
<b>4/18/2019</b>	<b>TURBO MACHINERY, INC</b>		<b>31491</b>	<b>21,891.61</b>	
		47172	13,914.91		SERVICE WATER PIPING REHABILIA
		47173	7,976.70		SERVICE WATER PIPING REHABILIA
<b>4/18/2019</b>	<b>UNIFIRST CORPORATION</b>		<b>31492</b>	<b>326.98</b>	
		46907	162.75		UNIFORM/ LAUNDRY SERVICE AGREE
		46908	31.75		UNIFORM/ LAUNDRY SERVICE AGREE
		47073	132.48		UNIFORM/ LAUNDRY SERVICE AGREE

<b>CHECK DATE</b>	<b>VENDOR NAME</b>	<b>INVOICE NO.</b>	<b>CHECK NO.</b>	<b>CHECK AMOUNT</b>	<b>DESCRIPTION</b>
4/18/2019	UNIVAR USA INC		31493	3,230.70	
		46896		3,230.70	SODIUM HYPOCHLORITE
4/18/2019	WOLLBORG MICHELSON PERSONNEL		31494	2,736.00	
		47153		2,736.00	O/S TEMP
4/25/2019	AFLAC		31495	893.50	
		47258		893.50	INSURANCE
4/25/2019	JEFF ALEXANDER		31496	46.00	
		47043		46.00	MED REIMB
4/25/2019	JUAN AREVALO		31497	10.00	
		47044		10.00	MED REIMB
4/25/2019	MICHAEL BAKALDIN		31498	209.45	
		47188		209.45	REIMBURSEMENT
4/25/2019	BINDER INC		31499	3,811.16	
		47217		3,811.16	LABORATORY OVEN
4/25/2019	BRENTWOOD INDUSTRIES		31500	5,509.62	
		47198		5,509.62	RWF SETTLING TUBE REPLACEMENT
4/25/2019	BRENTWOOD PRESS		31501	699.00	
		47200		699.00	AD - HHW
4/25/2019	DARRELL CAIN		31502	29.00	
		45431		9.00	MED REIMB
		47130		20.00	MED REIMB
4/25/2019	CALTEST ANALYTICAL LABORATORY		31503	378.00	
		46946		378.00	CONTRACT LABORATORY SERVICES
4/25/2019	CALTRANS		31504	17,500.00	
		47213		17,500.00	REIMBURSEMENT
4/25/2019	CAROLLO ENGINEERS		31505	13,352.50	
		47077		13,352.50	PRIMARY CLARIFIER AREA IMPROVE
4/25/2019	CHEMTRADE CHEMICALS US LLC		31506	16,111.76	
		47033		3,219.97	ALUMINUM SULFATE
		47034		3,224.01	ALUMINUM SULFATE
		47035		3,253.56	ALUMINUM SULFATE
		47148		3,190.24	ALUMINUM SULFATE
		47149		3,223.98	ALUMINUM SULFATE
4/25/2019	COMMUNITY CONCERNS FOR CATS INC		31507	566.00	
		47186		566.00	Trapping and sterilization of
4/25/2019	CONCENTRA/OCCUPATIONAL HEALTH CENT		31508	49.00	
		47194		49.00	PRE EMPL COSTS
4/25/2019	DETECTION INSTRUMENTS CORPORATION		31509	4,179.24	
		46976		4,179.24	AcruLog H2S Gas Monitor
4/25/2019	DISCOVERY BENEFITS, INC.		31510	136.50	



CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		47000	136.50	FSA MARCH
<b>4/25/2019</b>	<b>JOSEPH PETRONIO</b>		<b>31511</b>	<b>2,125.00</b>
		47201	2,125.00	MISCELLANEOUS CMMS SUPPORT
<b>4/25/2019</b>	<b>EPIC COMPLIANCE SYSTEMS, INC.</b>		<b>31512</b>	<b>2,412.60</b>
		46981	1,146.45	MONTHLY SITE INSPECTIONS OF GA
		46982	593.70	MONTHLY SITE INSPECTIONS OF GA
		46983	672.45	MONTHLY SITE INSPECTIONS OF GA
<b>4/25/2019</b>	<b>EVOQUA WATER TECHNOLOGIES, LLC</b>		<b>31513</b>	<b>288.00</b>
		47057	288.00	DI WATER FOR THE LABORATORY
<b>4/25/2019</b>	<b>FREMONT ANALYTICAL INC.</b>		<b>31514</b>	<b>560.00</b>
		47246	560.00	DIGESTER GAS ANALYSIS
<b>4/25/2019</b>	<b>HDR ENGINEERING, INC.</b>		<b>31515</b>	<b>4,845.07</b>
		47038	4,845.07	EAST COUNTY BIOENERGY PROJECT
<b>4/25/2019</b>	<b>HIRERIGHT, INC.</b>		<b>31516</b>	<b>46.35</b>
		46996	46.35	PRE EMPL COSTS
<b>4/25/2019</b>	<b>HUNT &amp; SONS INC</b>		<b>31517</b>	<b>64.70</b>
		47250	64.70	INVENTORY LUBRICANTS
<b>4/25/2019</b>	<b>JOHN MUIR HEALTH</b>		<b>31518</b>	<b>822.50</b>
		47232	822.50	2019 CORPORATE WELLNESS SERVIC
<b>4/25/2019</b>	<b>JOHNSON CONTROLS FIRE PROTECTION LF</b>		<b>31519</b>	<b>5,214.50</b>
		47069	5,214.50	PROVIDE FIRE ALARM MAINTENANCE
<b>4/25/2019</b>	<b>KEY ADVOCATES INC.</b>		<b>31520</b>	<b>7,250.00</b>
		46977	7,250.00	FEDERAL ADVOCACY FOR WRWC PN
<b>4/25/2019</b>	<b>KONE. INC.</b>		<b>31521</b>	<b>106.67</b>
		47171	106.67	ELEVATOR SERVICE AGREEMENT
<b>4/25/2019</b>	<b>LARRY WALKER ASSOCIATES</b>		<b>31522</b>	<b>1,885.00</b>
		47214	1,885.00	NPDES PERMIT REISSUANCE ASSIST
<b>4/25/2019</b>	<b>ANGELA LOWREY</b>		<b>31523</b>	<b>143.39</b>
		47216	143.39	T&M
<b>4/25/2019</b>	<b>MESSER LLC</b>		<b>31524</b>	<b>639.11</b>
		47061	639.11	LIQUID OXYGEN
<b>4/25/2019</b>	<b>SUE THOMASON</b>		<b>31525</b>	<b>265.00</b>
		46940	265.00	INDOOR PLANT MAINTENANCE
<b>4/25/2019</b>	<b>MSC INDUSTRIAL SUPPLY CO. INC.</b>		<b>31526</b>	<b>124.86</b>
		47187	124.86	INVENTORY
<b>4/25/2019</b>	<b>NELSON STAFFING</b>		<b>31527</b>	<b>1,980.00</b>
		47205	1,980.00	O/S TEMP
<b>4/25/2019</b>	<b>NWN CORPORATION</b>		<b>31528</b>	<b>3,909.18</b>
		47204	3,909.18	PHONE EXPENSE
<b>4/25/2019</b>	<b>PACIFIC GAS &amp; ELECTRIC COMPANY</b>		<b>31529</b>	<b>31,924.32</b>

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		47190		24.89	UTILITIES
		47206		31,899.43	UTILITIES
<b>4/25/2019</b>	<b>ABEL PALACIO</b>		<b>31530</b>	<b>736.34</b>	
		47189		736.34	REIMBURSEMENT
<b>4/25/2019</b>	<b>PETERSON POWER SYSTEMS, INC</b>		<b>31531</b>	<b>13,874.02</b>	
		47070		14,191.13	1000 HOUR POST OVERHAUL ALIGNM
		47071		-317.11	CREDIT MEMO
<b>4/25/2019</b>	<b>PETTY CASH CUSTODIAN</b>		<b>31532</b>	<b>77.44</b>	
		47243		77.44	PETTY CASH
<b>4/25/2019</b>	<b>CITY OF PITTSBURG</b>		<b>31533</b>	<b>669.80</b>	
		47233		669.80	UTILITIES
<b>4/25/2019</b>	<b>REGIONAL GOVERNMENT SERVICES</b>		<b>31534</b>	<b>3,191.05</b>	
		47147		3,191.05	JOB DESCRIPTION PROJECT
<b>4/25/2019</b>	<b>PAULETTE RIOS</b>		<b>31535</b>	<b>2,086.12</b>	
		47224		2,086.12	REIMBURSEMENT
<b>4/25/2019</b>	<b>TAC AMERICAS, INC.</b>		<b>31536</b>	<b>1,551.67</b>	
		47184		1,551.67	POC HVAC SYSTEM SERVICE AGREEM
<b>4/25/2019</b>	<b>SHAH KAWASAKI ARCHITECTS</b>		<b>31537</b>	<b>24,731.96</b>	
		47002		24,731.96	CONSULTING DESIGN SERVICES FOR
<b>4/25/2019</b>	<b>SHAPE INCORPORATED</b>		<b>31538</b>	<b>10,751.64</b>	
		47063		10,751.64	INVENTORY
<b>4/25/2019</b>	<b>CA STATE DISBURSEMENT UNIT</b>		<b>31539</b>	<b>750.00</b>	
		CS9648279		750.00	GARNISHMENT
<b>4/25/2019</b>	<b>STATE OF CALIFORNIA</b>		<b>31540</b>	<b>325.00</b>	
		4461717		325.00	INCOME TAX WITHOLDING ORDER
<b>4/25/2019</b>	<b>STERICYCLE ENVIRONMENTAL SOLUTIONS</b>		<b>31541</b>	<b>30,871.95</b>	
		47208		30,871.95	HHW TRANSPORTATION/DISPOSAL/LA
<b>4/25/2019</b>	<b>SYNAGRO WEST, LLC</b>		<b>31542</b>	<b>33,300.27</b>	
		47141		33,300.27	BIOSOLIDS HAULING
<b>4/25/2019</b>	<b>SYSTEM 1 STAFFING</b>		<b>31543</b>	<b>2,640.40</b>	
		47225		2,640.40	O/S TEMP
<b>4/25/2019</b>	<b>TRI-VALLEY JANITORIAL SERVICE &amp; SUPPL'</b>		<b>31544</b>	<b>6,966.00</b>	
		46963		6,966.00	JANITORIAL SERVICES
<b>4/25/2019</b>	<b>STACY TUCKER</b>		<b>31545</b>	<b>67.00</b>	
		47045		15.00	MED REIMB
		47046		27.00	MED REIMB
		47136		25.00	MED REIMB
<b>4/25/2019</b>	<b>TURBO MACHINERY, INC</b>		<b>31546</b>	<b>9,261.84</b>	
		47174		9,261.84	SERVICE WATER PIPING REHABILIA
<b>4/25/2019</b>	<b>TYLER TECHNOLOGIES, INC.</b>		<b>31547</b>	<b>16,548.00</b>	

<b>CHECK DATE</b>	<b>VENDOR NAME</b>	<b>INVOICE NO.</b>	<b>CHECK NO.</b>	<b>CHECK AMOUNT</b>	<b>CHECK AMOUNT DESCRIPTION</b>
		47209		16,548.00	TYLER SERVICE FEES FOR Q3 AND
<b>4/25/2019</b>	<b>UNIFIRST CORPORATION</b>		<b>31548</b>	<b>429.87</b>	
		47074		132.52	UNIFORM/ LAUNDRY SERVICE AGREE
		47075		34.57	UNIFORM/ LAUNDRY SERVICE AGREE
		47076		262.78	UNIFORM/ LAUNDRY SERVICE AGREE
<b>4/25/2019</b>	<b>UNION BANK OF CALIFORNIA</b>		<b>31549</b>	<b>875.00</b>	
		47259		875.00	INVESTMENT
<b>4/25/2019</b>	<b>UNITED PARCEL SERVICE</b>		<b>31550</b>	<b>20.35</b>	
		47234		20.35	OE - POSTAGE
<b>4/25/2019</b>	<b>UNIVAR USA INC</b>		<b>31551</b>	<b>12,752.53</b>	
		46933		3,229.08	SODIUM HYPOCHLORITE
		46967		3,164.29	SODIUM HYPOCHLORITE
		46999		3,179.69	SODIUM HYPOCHLORITE
		47040		3,179.47	SODIUM HYPOCHLORITE
<b>4/25/2019</b>	<b>VERIZON WIRELESS</b>		<b>31552</b>	<b>12,939.54</b>	
		47210		12,939.54	PHONE EXPENSE
<b>4/25/2019</b>	<b>WOLLBORG MICHELSON PERSONNEL</b>		<b>31553</b>	<b>3,312.00</b>	
		47228		3,312.00	O/S TEMP
	<b>GRAND TOTAL</b>				<b><u>915,162.36</u></b>

June 12, 2019

RECEIVE THIRD QUARTER FISCAL YEAR 2018/2019 DISTRICT INVESTMENT REPORT

RECOMMENDATION

Receive Third Quarter Fiscal Year 2018/2019 (FY18/19) District Investment Report.

Background Information

Attached is the Investment Report (Quarterly Schedule of Cash and Investments) for the third quarter of FY18/19. The purpose of this report is to provide the Board with an update of the District's investment portfolio as of March 31, 2019 in accordance with the District's Investment Policy, which was adopted on February 14, 2018. Included in the report are the District's portfolio composition, portfolio performance, and other key investment and cash flow information.

The primary objectives of the investment portfolio, in priority order, are safety of the principal invested, sufficient liquidity to meet ongoing cash flow requirements, and a return (or yield) on investment that exceeds the State of California's Local Agency Investment Fund (LAIF) and is comparable to the six-month Treasury return.

Analysis

The District's total Cash and Investments as of March 31, 2019 was \$53.5 million, including \$2.1 million (3.9%) in cash, \$46.3 million (86.6%) in LAIF, and \$5.1 million (9.5%) in California Asset Management Program (CAMP). This was a decrease of \$7.7 million from the quarter ending December 31, 2018, and an increase of \$6.4 million from the same period last year of \$47.1 million. Cash and Investment balances fluctuate from quarter to quarter primarily due to the timing of when service charges and/or loan proceeds are received, and debt service and/or large progress payments are disbursed.

At the recommendation of the District's investment advisor (PFM), the District invested \$5.1 million in CAMP, which is a California Joint Powers Authority (JPA) that was established in 1989 to provide public agencies with professional investment services. The District's current Investment Policy included the ability to use the CAMP pool to provide further diversification of invested funds, as it is a permitted short-term cash reserve portfolio for all local agencies under Government Code Section 53601(p) and aligns with the District's planned short-term cash flow needs to support several large capital improvement projects.

Cash on deposit with Wells Fargo Bank is used for operating purposes and the interest earned is used to offset the Wells Fargo service fees. For investment yield calculation purposes, the Wells Fargo balance is excluded. For the quarter ending March 31, 2019, LAIF had an effective yield of 2.55% while CAMP had a yield of 2.65%. The blended yield for the quarter was 2.56%. This yield was on par with the target rate of return for the overall portfolio, which was benchmarked



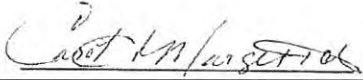
with the LAIF yield of 2.06% and slightly lower than the six-month Treasury Bill rate of 2.44% as of March 31, 2019.

Financial Impact

For context, annual investment earnings contributed approximately \$0.7 million or 1.75% to the District's total revenue of \$38.8 million in FY17/18. As the economy continues to expand, interest rates are expected to increase. With rising interest rates and an increase in the District's available balance for investment, it is anticipated that investment income will also increase. Staff will continue to monitor yields and implement strategies within the District's Investment Policy to maximize yields for fiscal stewardship.

Attachment

Quarterly Schedule of Cash and Investments as of March 31, 2019

Prepared by:   
Eka Ekanem  
Senior Accountant

Reviewed by:   
Carol Margetich  
Business Services Director

cc: FIN.12-REP-XX



**Delta Diablo**  
**Quarterly Schedule of Cash and Investments Ending March 31, 2019**

DESCRIPTION OF SECURITY	CUSIP NUMBER	SECURITY TYPE	COUPON RATE	MATURITY DATE	INVESTED AMOUNT	% OF TOTAL INVESTMENTS	PAR VALUE	MARKET VALUE	Quarterly Yield	PRICING SOURCE
<b><u>FUNDS SUBJECT TO INVESTMENT POLICY</u></b>										
<b><i>Cash Accounts</i></b>										
Cash - Wells Fargo			N/A	N/A	\$ 1,017,232.72	1.90%	\$ 1,017,232.72	\$ 1,017,232.72	See note (1)	
Cash - Cash Held at the County			N/A	N/A	1,045,149.75	1.95%	1,045,149.75	1,045,149.75		
Cash - Petty Cash			N/A	N/A	600.00	0.00%	600.00	600.00		
Cash and Cash Equivalents-MUFG-Union Bank			N/A	N/A	1,357.50	0.00%	1,357.50	1,357.50		
<b>Total Cash</b>					<b>\$ 2,064,339.97</b>	<b>3.86%</b>	<b>\$ 2,064,339.97</b>	<b>\$ 2,064,339.97</b>		
<b><i>Investment</i></b>										
<b>LAIF:</b>										
County Treasurer-Capital Exp Project Funds		Public Agency Pool	N/A	N/A	\$ 75,267.51	0.14%	\$ 75,267.51	\$ 75,278.57	2.550%	LAIF
District/Integrated Finance		Public Agency Pool	N/A	N/A	46,270,165.69	86.47%	46,270,165.69	46,276,965.28	2.550%	LAIF
California Asset Management Program (CAMP)		Short-term Cash Portfolio	N/A	N/A	5,099,179.06	9.53%	5,099,179.06	5,162,873.63	2.650%	CAMP
<b>Total LAIF:</b>					<b>\$ 51,444,612.26</b>	<b>96.14%</b>	<b>\$ 51,444,612.26</b>	<b>\$ 51,515,117.48</b>		
<b>Grand Total</b>					<b>\$ 53,508,952.23</b>	<b>100.00%</b>	<b>\$ 53,508,952.23</b>	<b>\$ 53,579,457.45</b>		

NOTE: This is the information required by Government Code Section 53646 (6).  
All report information is unaudited but due diligence was utilized in its preparation with the most current information available.  
(1) Interest earned (earnings credit) on account balance is used to offset banking fees and charges for Wells Fargo account.

**COMPLIANCE STATEMENT:**

I certify that this report reflects all District investments and is in conformity with the Investment Policy of Delta Diablo.  
A copy of the investment policy is available at the Administrative building.  
The Investment Program provides sufficient cash flow liquidity to meet the next six (6) months expenditure requirements.

\_\_\_\_\_  
Eka Ekanem  
Senior Accountant

June 12, 2019

AUTHORIZE ISSUANCE OF THE FOLLOWING PURCHASE ORDERS FOR ONE YEAR BEGINNING JULY 1, 2019: IN AN AMOUNT NOT TO EXCEED \$228,000, UNIVAR USA, INC., SUPPLY AND DELIVER SODIUM BISULFITE; IN AN AMOUNT NOT TO EXCEED \$210,000, KEMIRA, INC., SUPPLY AND DELIVER FERROUS CHLORIDE; IN AN AMOUNT NOT TO EXCEED \$400,000, CHEMTRADE CHEMICALS US, LLC, SUPPLY AND DELIVER LIQUID ALUMINUM SULFATE; IN AN AMOUNT NOT TO EXCEED \$342,000, UNIVAR USA, INC., SUPPLY AND DELIVER SODIUM HYPOCHLORITE; IN AN AMOUNT NOT TO EXCEED \$300,000, POLYDYNE, INC., SUPPLY AND DELIVER DRY POLYMER; AND IN AN AMOUNT NOT TO EXCEED \$170,000, POLYDYNE, INC. SUPPLY AND DELIVER LIQUID POLYMER.

#### RECOMMENDATION

Authorize issuance of purchase orders for one year beginning July 1, 2019 through June 30, 2020 for the following:

- 1) Univar USA, Inc. in an amount not to exceed \$228,000 for supply and delivery of sodium bisulfite;
- 2) Kemira, Inc in an amount not to exceed \$210,000 for supply and delivery of ferrous chloride;
- 3) Chemtrade Chemicals US, LLC, in an amount not to exceed \$400,000 for supply and delivery of liquid aluminum sulfate;
- 4) Univar USA, Inc., in an amount not to exceed \$342,000 for supply and delivery of sodium hypochlorite;
- 5) Polydyne, Inc., in an amount not to exceed \$300,000 for supply and delivery of dry polymer; and
- 6) Polydyne, Inc. in an amount not to exceed \$170,000 for supply and delivery of liquid polymer.

#### Background Information

The District uses various treatment chemicals to meet its National Pollution Discharge Elimination System (NPDES) permit discharge requirements, provide high quality recycled water to industrial and irrigation users, and control odors. The District is a member of the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage maximum buying power among member agencies. Chemicals used by the District that were part of this year's BACC's bidding process are sodium bisulfite, ferrous chloride, liquid aluminum sulfate, and sodium hypochlorite. The dry polymer and liquid polymer were not included in the BACC's bid process for Fiscal Year 2019/2020 (FY19/20).

#### Analysis

Sodium bisulfite is used at the Wastewater Treatment Plant (WWTP) to eliminate chlorine from the plant effluent prior to discharge to New York Slough. The District's NPDES permit requires a 0.0 mg/L chlorine residual in its discharge. The lowest responsive, responsible bidder was Univar, USA Inc. (Univar) at \$1.16 per gallon, delivered, which is \$0.109 or 10.371% higher than the FY18/19 unit cost of \$1.051 per gallon.



Ferrous chloride is used at the WWTP for hydrogen sulfide control in the anaerobic digesters. Controlling hydrogen sulfide levels in biogas extends the time interval between cogeneration engine overhauls. In addition, this chemical is used for odor and corrosion control purposes at the District's pump stations. The lowest responsive, responsible bidder was Kemira, Inc., at \$830.05 per dry ton, delivered, which is \$142 per dry ton, or 20.646%, higher than the FY18/19 unit cost of \$688 per dry ton.

Liquid aluminum sulfate is used for coagulation of solids at the District's Recycled Water Facility (RWF) prior to settling in the tertiary clarifiers. The lowest responsive, responsible bidder was Chemtrade Chemicals US, LLC (Chemtrade) at \$0.762 per gallon, delivered, which is \$0.0745, or 10.836%, higher than the FY18/19 unit cost of \$0.687 per gallon.

Sodium hypochlorite is used for disinfecting treated wastewater, disinfecting recycled water prior to delivery to industrial and irrigation users, and controlling odors at several District facilities. The lowest responsive, responsible bidder was Univar USA, Inc. at \$0.675 per gallon, delivered, which is \$0.025, or about 4.343%, higher than the FY18/19 unit cost of \$0.65 per gallon.

Dry Polymer (Clarifloc WE-223) is used as part of the solids dewatering centrifuge process at the WWTP. In response to a sole source solicitation, Polydyne, Inc. has agreed to a price of \$2.12 per pound delivered which is \$0.28, or about 15.217%, higher than the FY18/19 unit cost of \$1.84 per pound.


Liquid Polymer (Clarifloc WE-363) is used for solids coagulation at the RWF. In response to a sole source solicitation, Polydyne Inc. has agreed to a price of \$1.30 per pound, delivered, which is \$0.17 per pound, or about 15.044% higher than the FY18/19 unit cost of \$1.13 per pound.

#### Financial Impact

The chemical budget for FY19/20 is approximately \$1.9 million, including \$1.1 million for Wastewater and \$0.8 million for Recycled Water. Sufficient funds are included in the proposed chemical budget for these purchase orders. Although the unit costs (based on bids secured through the BACC process and sole source solicitations for the polymers have increased by 9.8%, the overall budgeted chemical costs are projected to be the same as FY18/19 due to lower projected quantities and associated budget contingencies.

#### Attachments

None

Prepared by:   
Eka Ekanem  
Senior Accountant

Reviewed by:   
Carol Margetich  
Business Service Director





June 12, 2019

APPROVE PROJECT, CONTRACT DOCUMENTS, AND DESIGN; WAIVE MINOR IRREGULARITIES IN BID DOCUMENTS; AWARD AND AUTHORIZE GENERAL MANAGER TO EXECUTE CONSTRUCTION SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$2,885,174, RANGER PIPELINES, INC.; AUTHORIZE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE CHANGE ORDERS UP TO 25% OF THE CONTRACT AMOUNT; AND AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$90,000, DESIGN SERVICES, FRAXIA ENGINEERING, BAY POINT SEWER REPAIRS – PHASE IV, PROJECT NO. 18119

RECOMMENDATION

1. Approve the Bay Point Sewer Repairs – Phase IV Project, including contract documents and design.
2. Waive one minor irregularity in Ranger Pipelines, Inc. (RPI) bid documents.
3. Award and authorize the General Manager to execute a Construction Services Contract with RPI in an amount not to exceed \$2,885,174.
4. Authorize the General Manager or his Designee to approve construction contract change orders up to 25% of the contract amount, for a total authorization of \$3,606,468.
5. Authorize the General Manager to Execute Amendment No. 2 to the Consulting Services Contract with Fraxia Engineering (Fraxia) for design services during construction in an amount not to exceed \$90,000, for a new total contract amount of \$368,956.

Background Information

In May 2018, the Board awarded a Consulting Services Contract to Fraxia for design of the Bay Point Sewer Repairs – Phase IV Project. This project primarily involves rehabilitating and replacing approximately 7,000 linear feet of 6- to 8-inch diameter gravity sewer mains, including associated manholes and appurtenances, in the unincorporated community of Bay Point. The project includes high priority sewers in need of rehabilitation to comply with the 2013 River Watch Settlement Agreement. The project will also rehabilitate sewer mains in the streets where the county plans to conduct a Bay Point paving project in the summer of 2020.

The Board previously determined that this project is categorically exempt and a Notice of Exemption has been filed with the Contra Costa County Recorder's Office. Project plans and specifications, along with Addendum No. 1, were prepared by Fraxia and have been placed on file in the Administrative Office of the District for review by members of the Board and other interested persons.

Analysis

Four bids were received for the project on May 21, 2019 as shown in Attachment 1. The apparent low bid was submitted by RPI in the amount of \$2,885,174, which is \$1,814,826 or 38.6% lower than the engineer's estimate of \$4.7 million.



Based on a detailed review of the submitted bid documents, staff determined RPI to be the lowest responsive, responsible bidder. There was one minor irregularity with one of RPI's listed subcontractors regarding their Disadvantaged Business Enterprise (DBE) certifications. However, this irregularity was resolved once RPI provided the requested information and staff confirmed the DBE certifications were valid at the time of the bid opening. It is recommended that the Board waive this irregularity. The requested change order contingency (25%) is higher than the value typically included in construction projects at the Wastewater Treatment Plant (10%), because of the District's past experience with construction change orders due to buried utilities or unknown underground site conditions for similar Bay Point sewer rehabilitation projects.

As the project transitions to the construction phase, design services during construction are necessary for submittal reviews and responses to information requests regarding the design documents. Staff recommends retaining Fraxia to conduct these activities as the Engineer-of-Record for the project. A summary of the anticipated costs associated with Amendment No. 2 to the existing contract is provided in Attachment 2.

Financial Impact

The adopted Fiscal Year 2018/2019 – 2022/2023 (FY18/19 – FY22/23) Capital Improvement Program includes an appropriation of \$1.1 million through FY18/19 for the Bay Point Sewer Repairs – Phase IV Project, with an overall updated project budget of \$6.1 million. The project will be funded using a Clean Water State Revolving Fund (SRF) loan (\$4.5 million) and District funds (\$1.6 million).

Attachments

- 1) Bid Summary
- 2) Fraxia Design Services Amendment Cost Estimate Summary

Prepared by: Patricia Chapman  
FOR Patricia Chapman  
Associate Engineer

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

cc: District File No. 18119.01.04





**BAY POINT SEWER REPAIRS, PHASE IV,  
BID NO. 18119 (CWSRF PROJECT NO. C-06-8007-140)**

Bid Opening: Tuesday, May 21, 2019, 2:00 pm  
Construction Cost Estimate: \$4,700,000

## BID RESULTS

<u>BIDDER</u>	<u>BID AMOUNT</u>
<u>Ranger Pipelines Incorporated<sup>(1)</sup></u>	<u>\$2,885,174</u>
<u>JMB Construction Inc.</u>	<u>\$3,583,720</u>
<u>K.J. Woods Construction, Inc.</u>	<u>\$3,688,000</u>
<u>Cratus, Inc.</u>	<u>\$3,773,310</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>

<sup>(1)</sup>Lowest responsible, responsive bidder.

COST ESTIMATE SUMMARY

Bay Point Sewer Repairs, Phase 4  
FRAXIA ENGINEERING, INC.  
AMENDMENT NO. 2 TO DESIGN CONSULTING CONTRACT  
FOR DESIGN SERVICES DURING CONSTRUCTION

TASK DESCRIPTION	BUDGET
Construction Meetings/Field Visits (Allowance)	\$ 19,900
Review of Submittals and RFIs	\$ 40,344
Change Order Assistance	\$ 8,520
Prepare Record Drawings	\$ 6,340
Project Management	\$ 13,875
Total	\$ 88,979
Total amount (rounded), not to exceed	\$90,000

June 12, 2019

AUTHORIZE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE CONSTRUCTION CONTRACT CHANGE ORDERS UP TO 18% OF CONTRACT AMOUNT, FOR A NEW TOTAL CONTRACT AUTHORIZATION OF \$3,206,060; PRIMARY CLARIFIER AREA IMPROVEMENTS, PROJECT NO. 17140

RECOMMENDATION

Authorize the General Manager or his designee to approve construction contract change orders up to 18% of the contract amount, for a new total contract authorization of \$3,206,060, for the Primary Clarifier Area Improvements, Project No. 17140.

Background Information

The Primary Clarifier Area Improvements Project consists of rehabilitating and replacing equipment and appurtenances in the primary clarifier area that are nearing or exceeded their useful life. In March 2018, the Board authorized the General Manager to execute a construction services contract with W.M. Lyles Co. (W.M. Lyles) in the amount of \$2,717,000 to perform work on the subject project. To account for potential changes due to unforeseen site conditions, the Board also authorized the General Manager or his designee to execute change orders in an amount not to exceed 10% of the construction contract amount (\$271,700) for a total contract authorization of \$2,988,700. Construction for the project commenced in May 2018 and all work is anticipated to be completed by October 2019.

Analysis

The project is currently 70% complete, and W.M. Lyles has encountered significant issues that have resulted in additional work. The major unforeseen issues impacting work are corroded existing underground electrical conduits that were originally planned to be reused, and required changes to pump control strategies to meet required electrical hazard classification for the pumping area due to limited availability of control products. To date, the W.M. Lyles has been authorized to proceed with replacing the corroded conduits and conducting other minor extra work within the authorized 10% contingency. However, the cost proposals received to install the remaining conduits, implement the updated control strategies, and complete potential extra work items is expected to exceed the 10% change order authorization by approximately \$200,000. These extra costs are being closely monitored to ensure the contractor's costs are reasonable, accurate, and provide the best value to the District. Some of these costs are currently being negotiated and it is anticipated that costs will be lower than the contractor's initial estimate for these items.

Financial Impact

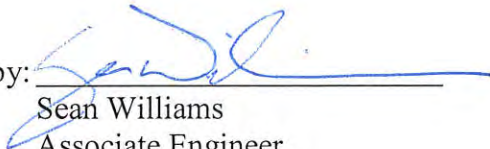
The adopted Fiscal Year 2018/2019 – 2022/2023 (FY18/19 – FY22/23) Capital Improvement Program (CIP) includes an appropriation of \$4 million through FY18/19 for the Primary Clarifier Area Improvements Project in the Wastewater Capital Asset Replacement Fund. As reported during the mid-year CIP adjustment update to the Board in December 2018, the updated project budget is \$3.24 million. Approval of the revised change order authority will increase the total contract authorization from \$2,988,700 to \$3,206,060. There is sufficient budget appropriated in




the current fiscal year for the planned work. No additional budget appropriation is needed at this time.

Attachments

None

Prepared by:   
Sean Williams  
Associate Engineer

Reviewed by:   
Brian Thomas  
Engineering Services  
Director/District Engineer

cc: Project File P.17140.01.04



June 12, 2019

ADOPT RESOLUTION ESTABLISHING FISCAL YEAR 2019/2020 APPROPRIATIONS (GANN)  
LIMIT FOR EXPENDITURES THAT CAN BE FUNDED FROM PROCEEDS OF TAXES

RECOMMENDATION

Adopt Resolution establishing the Fiscal Year 2019/2020 (FY19/20) Appropriations (Gann) Limit for expenditures that can be funded from proceeds of taxes.

Background Information

Article XIII B of the California Constitution establishes a formula to calculate a limit on appropriations made from taxes by public agencies in the State of California. The intent of the limitation is to restrict growth of tax-funded programs and services in California. The original requirement was enacted by voters in 1979 as Proposition 4, referred to as the Gann Initiative. The requirements were amended by voters in 1989 to modify formulas used to adjust the limit.

The Appropriations Limit establishes a threshold for the expenditure of revenues that are derived from ad valorem (property) taxes. The District collects only a small amount of its total revenue from property taxes and annual proceeds are well below the limit. Although the District's tax revenues remain below the limit, a resolution adopting a new limit is required annually in accordance with state laws. The annual calculation begins with the adopted limit for the prior year and applies an adjustment factor based on a formula contained in the California Revenue and Taxation Code, which is based on change in population and per capita personal income. The Appropriations Limit for FY18/19 was \$17,055,465.

Analysis

The calculated Appropriations Limit for FY19/20, using the factors described in the proposed resolution, is \$17,835,174. This is higher than FY18/19 as a net result of the state per capita personal income growth increase of 3.85%, and the county population increase of 0.70% compared to last year. The FY19/20 budget includes \$2,000,000 in revenue from property taxes, which is well below the revised Appropriations Limit.

Property tax revenue is allocated to the Capital Asset Replacement Fund per previously-approved District Board policy. Although the Board has discretion to make determinations annually regarding how the ad valorem tax revenues will be allocated based on the District's needs, no change to the current policy regarding use of these funds is recommended.

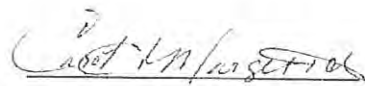
Financial Impact

FY19/20 projected property tax revenues of \$2,000,000 are well below the calculated appropriations limit of \$17,835,174 and are in compliance with state law.

Attachment

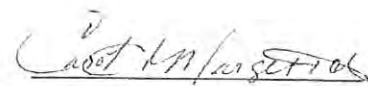
Resolution Establishing Fiscal Year 2019/2020 Appropriation Limits  
Exhibit: Calculation of FY19/20 Appropriations Limit

Prepared by:



Eka Ekanem  
Senior Accountant

Reviewed by:



Carol Margetich  
Business Services Director

cc: District File FIN



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

**Re: Establishing Fiscal Year 2019/2020)  
Appropriations Limit**

**RESOLUTION NO. \_\_/2019**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Article XIII B of the California Constitution establishes a formula to calculate a limit on appropriations made from taxes by public agencies in the State of California; and

WHEREAS, the Appropriation Limit is the prior year's Appropriation Limit adjusted by factors identified in State Law; and

WHEREAS, the law requires each public agency's Appropriation Limit to be adjusted based upon: 1) changes in the California per capita personal income; and 2) changes in population as provided by the State of California Department of Finance; and

WHEREAS, the factor used by the District for the Fiscal Year 2019/2020 (FY19/20) calculation is the change in the California per capita personal income in conjunction with the change of population in Contra Costa County; and

WHEREAS, as presented at a public meeting on June 12, 2019 and in the FY19/20 proposed Budget, the calculation of the FY19/20 Appropriations Limit is \$17,835,174.

NOW THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

1. To adopt a FY19/20 Appropriations Limit as described in the Calculation of FY19/20 Appropriations Limit, attached hereto and by reference made a part hereof.
2. To select and use the California Per Capita Personal Income Factor in conjunction with the Contra Costa County Population Change Factor.

PASSED AND ADOPTED on June 12, 2019, by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 12, 2019.

ATTEST: Federal Glover  
Board Secretary

By: \_\_\_\_\_

Exhibit: Calculation of FY19/20 Appropriations Limit



**CALCULATION OF FY19/20 APPROPRIATIONS LIMIT**

**PERMITTED GROWTH RATE IN APPROPRIATIONS USING  
CHANGE IN STATE PERCENTAGE CHANGE IN PER CAPITA INCOME  
2018 to 2019**

**CALCULATION OF POPULATION CHANGE**

Line #

Per California Revenue & Taxation Code Section 2228 (a)(3)  
A Special District Covering multiple jurisdictions may use either the change in population for the County; or the weighted average of each city and unincorporated area.

Jurisdiction	Population	Percent of Total	Change From 1/2018-1/2019	WEIGHTED AVERAGE % CHANGE
Unincorporated Bay Point	Not Available		Not Available	
Antioch	113,901		0.56%	
Pittsburg	72,541		0.71%	
<b>1</b> Weighted Average	Not Available			Not Available

- 2** Per State of California Department Finance  
January 1, 2018 Contra Costa County Population Change 0.70%
- 3** State Per Capita Personal Income Change 3.85%  
(Per Capita Income Change Issued By State Dept of Finance in May 2019)

**REQUIRED FORMULA FOR CALCULATING ANNUAL ADJUSTMENT**

The formula for calculating the adjustment is as follows:

$$\frac{\text{Selected Factor (Population Growth- Line 2) + 100}}{100} = X$$

$$\frac{\text{Selected Factor (State / Capita Income- Line 3) + 100}}{100} = Y$$

(X) x (Y) = Fiscal Year Appropriations Limit Adjustment Factor

$$\frac{0.70 + 100}{100} = 1.0070$$

$$\frac{3.85 + 100}{100} = 1.0385$$

1.0070 x 1.0385 = **1.04577 = FY19/20 Adjustment Factor**

**CALCULATION**

Appropriations Limit for year ending June 30, 2019 (Adopted 6/13/2018 Reso 7/2018)	\$17,054,594
Permitted Adjustment Factor Determined By Calculation Formula	<u>1.04577</u>
Appropriations Limit for year ending June 30, 2020 (Prior Yr Limit x Adj Factor)	<u><u>\$17,835,174</u></u>

Due to unavailable data on non-residential new construction, the factor selected for use in this calculation was the State percentage change in per capita income.

Note: This appropriation calculation is posted at District offices and will be included in the June 12, 2019 Board Minutes.

June 12, 2019

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 3 TO CONSULTING SERVICES CONTRACT IN THE AMOUNT OF \$106,092, ENGINEERING SERVICES, LEE & RO, INC., TREATMENT PLANT ELECTRICAL SWITCHGEAR REPLACEMENT, PROJECT NO. 17120

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 3 to the Consulting Services Contract with LEE & RO, Inc. (LEE & RO) to provide additional engineering support services in an amount of \$106,092, for the Treatment Plant Electrical Switchgear Replacement Project No. 17120.

Background Information

The Treatment Plant Switchgear Replacement Project consists of replacing the existing 40-year-old main electrical switchgear at the District's Wastewater Treatment Plant. In April 2018, the District executed an engineering services contract with LEE & RO for design, cost estimating, and environmental documentation preparation services. Subsequently, two contract amendments have been executed to incorporate additional engineering services related to new design elements to retrofit the District's backup diesel generator engine system and for assistance during the public bid process. Project design is essentially complete pending completion of design review by PG&E.

Analysis

The final design documents were submitted to PG&E in November 2018 for review and approval. PG&E reviews the design for adequate equipment sizes and layout, safety controls, and access to ensure human safety and protection of its infrastructure system. PG&E's initiation of design review was delayed until March 2019 due to prioritized resource allocation to rebuilding infrastructure damaged by wildfires in California.

The District and LEE & RO have been in frequent contact with PG&E and met onsite several times to favorably resolve most of PG&E's review comments. Outstanding design comments do not correspond to explicit PG&E requirements and fall under PG&E's discretionary rules. Efforts to address these comments yielded multiple rounds of questions and comments that necessitated design changes to key project elements.

This extended review period and receipt of multiple rounds of comments has significantly extended the project design schedule and required additional unforeseen design work. LEE & RO's efforts will exceed their currently approved total contract amount. Amendment No. 3 is recommended to address PG&E's review comments; allow for one additional design document review by staff; prepare the final contract documents; prepare conformed contract documents; and incorporate elements of the interconnection design related to the East County Bioenergy Project, which directly impacts the Switchgear Replacement Project. LEE & RO should conduct these activities as the Engineer-of-Record for the Switchgear Replacement Project. Attachment 1 summarizes the scope of work and estimated costs for these services.




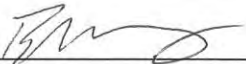
Financial Impact

The adopted Fiscal Year 2018/2019 – Fiscal Year 2022/2023 (FY18/19 – FY22/23) Capital Improvement Program budget includes an appropriation of \$2.8 million through FY18/19 for the Treatment Plant Electrical Switchgear Replacement Project in the Wastewater Capital Asset Replacement Fund. The estimated cost for the Amendment No. 3 scope of work is \$106,092, for a new total contract amount of \$594,666. There is sufficient budget for this additional work.

Attachments

Scope of Work and Cost Estimate Summary, Amendment No. 3

Prepared by:   
Irene O'Sullivan  
Associate Engineer

Reviewed by:   
Brian Thomas  
Engineering Services Director/  
District Engineer

cc: District File No. 17120.01.01



**TREATMENT PLANT ELECTRICAL SWITCHGEAR REPLACEMENT  
PROJECT NO. 17120**

**AMENDMENT NO. 3  
LEE & RO, INC. (CONSULTANT)**

**SCOPE OF WORK AND COST ESTIMATE SUMMARY**

<b><u>DESCRIPTION</u></b>	<b><u>PROPOSED COST</u></b>
ORIGINAL AUTHORIZED CONTRACT AMOUNT	\$425,000
AMENDMENT NO. 1	\$50,574
AMENDMENT NO. 2	\$13,000
<b><u>AMENDMENT NO. 3 SCOPE OF WORK:</u></b>	
Project management, status calls, meeting minutes	\$10,410
Finalize design/bid documents	\$56,852
Attend pre-bid conference and prepare minutes	\$2,941
Prepare bid documents addenda and conformed documents	\$21,923
Design coordination with East County Bioenergy Project	\$13,966
	Amendment No. 3 Subtotal \$106,092
	<b>GRAND TOTAL</b> <b><u><u>\$594,666</u></u></b>

June 12, 2019

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 6 TO STREET SWEEPING SERVICES AGREEMENT, EXTENDING THE TERM FOR THREE YEARS, JULY 1, 2019 TO JUNE 30, 2022, AND AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED \$315,000 PER YEAR, CITY OF PITTSBURG, STREET SWEEPING SERVICES

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 6 to the Agreement with the City of Pittsburg (City) for street sweeping services in the city of Pittsburg (Zone 2) for an amount not to exceed \$315,000 per year for three years.

Background Information

Street sweeping is one of the pollution prevention activities provided by Delta Diablo for the residents and businesses of its service area. Street sweeping is a proven method of protecting water quality by removing pollutants from streets for proper disposal before they enter the local waterways. Delta Diablo and the City entered into a three-year agreement on June 20, 2000 to provide street sweeping services in the City. Since then, the City and the District have amended the contract five times. Amendment No. 5 was approved in August 2015 and extended the contract term from September 1, 2015 through June 30, 2018.

Analysis

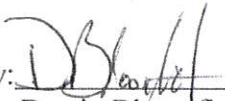
Amendment No. 6 will extend the term of this agreement from July 1, 2019 through June 30, 2022. The City has agreed to a maximum rate of \$23.25 per curb-mile for the next three-year period, which represents a 4% increase over the current rate of \$22.36 per curb-mile. The rate includes equipment depreciation, inflation, labor, and fuel costs. The City wants to continue street sweeping services as a "City-provided service." The City has conducted street sweeping services for many years and has performed extremely well. The proposed rate is competitive when compared to other local agencies that are currently paying an average of \$27.00 per curb-mile. Based on a history of reliable service and competitive costs, staff recommends extending the existing contract with the City for three years through June 30, 2022.

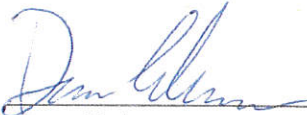
Financial Impact

The current annual revenue and street sweeping reserve fund will cover the additional costs without the need for increased street sweeping rates over the term of this agreement. The cost of this agreement has been included in the fiscal year 2019/2020 operating budget.

Attachment

Delta Diablo Agreement Amendment, City of Pittsburg Street Sweeping Services, Amendment No. 6

Prepared by:   
Dustin Bloomfield  
Acting Maintenance Manager

Reviewed by:   
Dean Eckerson  
Resource Recovery  
Services Director

cc: Garrett Evans, City Manager, City of Pittsburg  
District File CORP.10-AGR



**DELTA DIABLO**  
**AGREEMENT AMENDMENT**  
City of Pittsburg Street Sweeping Services

**Amendment No. 6**

1. **EFFECTIVE DATE AND PARTIES**: Delta Diablo (formerly Delta Diablo Sanitation District), a political subdivision of the State of California (hereinafter called the "District"), and the City of Pittsburg (hereinafter called the "Contractor"), entered into an Agreement, dated July 12, 2000, to provide Street Sweeping Services for the District through the period of June 30, 2003. In June 2003, an amendment (Amendment No. 1) was approved to extend the contract term from July 1, 2003, through June 30, 2006. Amendment No. 2 was approved in June 2006 extending the contract term from July 1, 2006, through June 30, 2009. Amendment No. 3 was approved in June 2009 extending the contract term from July 1, 2009, through June 30, 2012. Amendment 4 was approved in June 2012 extending the contract term from July 1, 2012, through June 30, 2015, and Amendment No. 5 was approved in August 2015 extending the contract term from September 1, 2015, through June 30, 2018. The parties now desire to amend that Agreement as follows:
2. **PURPOSE**: To continue to provide street sweeping services in the City of Pittsburg.
3. **AMENDMENT**:  
Article 6: TERM OF AGREEMENT, shall be deleted and replaced with the following:
  - i. The term of this Agreement shall be from July 1, 2019, through June 30, 2022.  
Article 7: COMPENSATION, first paragraph shall be deleted and replaced by the following:
  - i. It is agreed that the compensation to be paid to the Contractor for machine sweeping services described in Article 3 and 4 herein covered by this Agreement shall not exceed \$23.25 per curb-mile for the period of July 1, 2019, through June 30, 2022. These rates include consideration for vehicle depreciation and replacement based on a seven (7) year operating life for machine sweepers.
4. **EFFECT**: This Amendment is effective on the last date entered below. Except for the amendments agreed to herein, the above-referenced Agreement remains in full force and effect.

**Delta Diablo**

**City of Pittsburg**

By: \_\_\_\_\_  
Vince De Lange, General Manager

By: \_\_\_\_\_  
Garrett Evans, City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

District Contact: Terry Spurgeon  
Dustin Bloomfield



June 12, 2019

APPROVE FISCAL YEAR 2019/2020 BUDGET AND ADOPT RESOLUTION APPROVING FISCAL YEAR 2019/2020 BUDGET APPROPRIATIONS

RECOMMENDATION

- 1) Approve the Fiscal Year 2019/2020 (FY19/20) Budget.
- 2) Adopt Resolution Approving FY19/20 Budget Appropriations.

Background Information

In FY18/19, the District transitioned from submitting a three-year operating budget proposal for Board consideration and approval to a single-year budget approval process. Staff has prepared a single-year operating budget for FY19/20 and will continue to evaluate multi-year budgeting with the goal of aligning the operating budget, capital improvement program, and sewer service charge (SSC) development processes. Staff has conducted a rigorous review of the proposed FY19/20 operating budget with the goal of identifying and implementing applicable budget reduction opportunities. This successful effort directly supports the District's long-term financial sustainability and effective stewardship of limited ratepayer funds to support operation of the District's wastewater collection, conveyance, and treatment system infrastructure; household hazardous waste collection facility; and street sweeping services program.

Analysis

The FY19/20 Proposed Budget presents a projection of revenue, operating expenses, and capital expenditures included in the proposed FY19/20 - FY23/24 CIP. Staff has implemented key budget reduction strategies, which has allowed the District to reduce its proposed operating budget for FY19/20 by approximately \$0.6 million relative to FY18/19. The most significant reductions were in Salaries and Benefits costs and operational efficiency improvements. Key considerations in developing the Budget include implementation of strategic business initiatives, budget savings opportunities, leveraging technology for operating efficiencies, and inclusion of cost-of-living adjustments and benefit changes.

The Operating Budget provides funding for five programs: 1) Wastewater (WW), 2) Recycled Water (RW), 3) Household Hazardous Waste (HHW), 4) Street Sweeping (SS), and 5) Bay Point Collections (BPC). Where applicable, each program is budgeted with Salaries and Benefits, Chemicals, Office and Operating Expenses, Outside Services/Repairs and Maintenance, Utilities, and program-specific costs. In addition to anticipated expenses to be incurred over the period, estimated revenues are also included in the Budget so that the sources of funds used to offset planned expenditures are clearly identified.

Key assumptions used in the development of the proposed operating budget were discussed with the Finance Committee at its meeting on May 1, 2019 and reviewed with the Board of Directors at its meeting on May 8, 2019. The proposed budget for each fund has been developed based on those assumptions. Similarly, the proposed 5-year CIP was presented to the Finance Committee on March 19, 2019 and the Board of Directors at its meeting on April 10, 2019.



Board policy calls for budget adoption and approval of new fiscal year appropriations by the first Board meeting in July. With the current budget concluding at the end of June, it is recommended that the Board consider approval of the FY19/20 Budget and that funds be appropriated for the fiscal year. The Budget, which includes the Operating Budget and Capital Budget, serves as the basis for future year SSCs and Recycled Water Service Charges.

### Proposed FY19/20 Budget

*Budget Overview:* The overall FY19/20 Budget is \$50.4 million with an operating budget of \$28.7 million and a CIP budget of \$21.7 million (\$1.2 million debt service and \$20.5 million in capital). The Operating Budget includes Salaries and Benefits (\$16.9 million), Chemicals (\$1.9 million), Office and Operating Expenses (\$2.4 million), Outside Services/Repairs & Maintenance (\$4.7 million), Utilities (\$1.9 million), and Contingency Allowance and Overhead (\$0.9 million). Budgeting for goods and services assumes an annual inflation rate of 3% with updates made to estimated quantities.

*Salaries and Benefits:* This category represents approximately 59% of the District's FY19/20 operating budget.

- Cost-of-Living Adjustment: (COLA). An annual COLA is provided for in the Memoranda of Understanding (MOUs) for each of the three bargaining units. The MOUs provide that the District will adjust salaries for the first full pay period after July 1 of each year, from a minimum of 2% up to 5% based on the April-to-April change in the Consumer Price Index (CPI), San Francisco/Bay Area Wage Earners. The CPI information became available in May and resulted in salary adjustments of 3.7%.
- Unfunded Positions: Based on an assessment of resource needs, staff estimates that three of the District's current vacancies will remain unfilled and unfunded in FY19/20. The reduction in budgeted full-time equivalents (FTEs) from 81.5 to 78.5 will result in an annual savings of \$0.7 million.
- New Position/Reclassification Requests: No new positions are recommended, but there are two proposed position reclassifications to allow staffing flexibility in FY19/20. Because staff is currently assessing conversion of the vacant Buyer position to a Purchasing Manager to oversee the District's procurement function, additional funding is included in the proposed budget. In addition, the budget includes funding to support reclassification of a Maintenance Mechanic III position to a Maintenance Planner/Scheduler position to provide a dedicated and skilled resource for planning maintenance work in advance so that all needed equipment, parts and tools are prepared and organized for scheduling each work activity. This will improve the efficiency of the staff working to repair and maintain the District's assets for the appropriate operational reliability.
- Labor Reallocation: Staff has reallocated approximately \$0.85 million in salaries and benefits associated with Engineering Services Department staff from the operating budget to the capital budget.
- Medical Insurance: This cost has been increased by 5% while all other health benefits are not expected to increase.





- California Public Employees' Retirement System (CalPERS) Funding: In November 2011, the Board adopted CalPERS Tier 2 (2.0% at age 55), which applies to employees hired between July 1, 2012 and December 31, 2012, or hired on or after January 1, 2013, as a member of a qualified public pension plan (e.g., CalPERS, Contra Costa County Employee Retirement Plan, etc.). Prior to July 1, 2012, 100% of all employees were enrolled in CalPERS Tier 1 (2.7% at age 55). The Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, established Tier 3 (2.0% at age 62), which applied to employees hired on or after January 1, 2013, who are not members of a qualified public pension plan. As of FY18/19, 43% of District employees are enrolled in either Tier 2 or Tier 3. The District realizes ongoing savings, as new hires are not eligible to become members of Tier 1. Additional savings are realized as employees leave the District and vacant positions are filled at the Tier 2 and Tier 3 levels. The District assumes that new journey level, professional, and management hires will be members of Tier 2, because it is likely that they would have previous membership in CalPERS or a reciprocal plan. The District assumes that new entry level hires will be members of Tier 3, because it is unlikely that these hires would have previous membership in CalPERS or a reciprocal plan. In addition to the lower employer-paid member contributions into CalPERS, all new hires are responsible for the full employee contributions into CalPERS, as well as the contributions into the Other Post-employment Benefits (OPEB) trust, which is currently at 3% of base salary.
- CalPERS Pension Unfunded Liability Contribution: This cost is budgeted at \$1.0 million, which is an increase of approximately \$0.18 million from FY18/19.
- Succession Planning: Staff has reduced the allowance for overlap of new hires and incumbents in critical positions from \$0.2 million in FY18/19 to \$0.1 million in FY19/20.
- Contra Costa County Retirees' Association (CCCERA) Funding: In July 2014, the Board established Contributed Benefit Savings (CBS) funding levels of 3.75% of salaries to maintain the integrity of the CCCERA plan for District retirees and employees who remained in the CCCERA system after the District transitioned from the CCCERA pension plan to CalPERS in July 2004.
- OPEB Trust Fund Annual Funding: The Board's adopted OPEB Funding Policy states the intent to fully fund the District's Actuarially Determined Contribution (ADC), which the Board has done each year since the trust fund was established in February 2010. District employees pay 3% of base salaries into the trust and the District budgets the required 3% match, as well as actual retiree medical costs which are deposited into the OPEB trust fund. The FY19/20 budget includes an ADC of \$1.0 million.
- Public Agency Retirement Services (PARS) Funding: The FY19/20 budget includes a one-time payment of \$0.1 million to PARS. The PARS trust account was established to pre-fund both CalPERS pension obligations and/or OPEB obligations. The additional funds in PARS will provide funding to mitigate future rate revenue required for projected sharp increases in pension or OPEB costs due to decreases in discount rates, an accelerated amortization schedule, and/or investment losses.

*Utilities:* This category represents approximately 7% of the District's FY19/20 operating budget.

- Energy Costs: Staff continues to identify opportunities to reduce on-site energy demand and increase renewable energy production. Staff has identified and implemented changes to



operating strategies based on variable energy cost schedules to reduce energy costs; for example, operating high-electricity demand solids dewatering centrifuges in a batch dewatering mode during off-peak hours. The budget assumes a 90% uptime for the on-site cogeneration engine, which is expected to meet over 60% of wastewater treatment plant power demand.

*Chemicals:* This cost is approximately 7% of the FY19/20 operating budget. The District continues to participate in the Bay Area Chemical Consortium to leverage purchasing power and receive cost-effective bids. As external factors (e.g., tariffs) cause chemical prices to rise, this approach allows the District to benefit from the most competitive market prices. Staff has conducted a comprehensive review of chemical unit costs, estimated quantities, and associated contingencies. The FY19/20 chemical budget totals \$1.9 million, including \$1.1 million for wastewater and \$0.8 million for recycled water, which represents no increase from FY18/19.

*Outside Services/Repairs and Maintenance:* This category represents approximately 16% of the District's FY19/20 operating budget. Staff has included funding to support a broad number of organizational improvement initiatives, including IT Strategic Planning, Munis Enterprise Resource Planning enhancements, as well as Cost-of-Service (SSC, Capital Facilities Capacity Charges) and total compensation studies.

As part of the operating budget development process, the District assumes a 3% inflation for selected line items, which is consistent with long-term historical averages.

#### Capital Improvement Projects (CIP) Budget

The FY19/20 CIP budget is estimated at \$22.88 million, which includes \$2.04 million in debt service and \$20.84 million in project expenditures. Staff has presented the details of the proposed FY19/20 – FY23/24 CIP under separate Board actions. CIP appropriations and the project specific funding sources are approved by the Board. For projects funded by debt or grants, costs will not be incurred until required funding is secured and agreements are approved by the Board.

#### Inter-fund Loans/Repayment

Over the past several years, the WW Capital Expansion Fund was projected to use more funds than were available primarily due to anticipated Capital Facilities Capacity Charge (CFCC) revenues being lower than scheduled debt-service payments. As discussed in prior years with the Finance Committee and the Board of Directors, and as documented in the proposed FY19/20 – FY23/24 CIP, staff developed a financing approach to address funding requirements for debt service and capital projects paid from this fund. The financing plan included Board-approved, inter-fund loans from various funds to the WW Capital Expansion Fund. To date, the total amount loaned to the WW Capital Expansion Fund from various funds is \$8,790,000 (\$6,360,000 from WW Capital Asset Replacement; \$830,000 from WW Capital Asset; and, \$1,600,000 from WW Operations and Maintenance). The source of funds for the WW Capital Expansion Fund is the development community, so that growth pays for growth-related facilities. Because ratepayers are the funding source of the other various funds, inter-fund loans repaid with interest are appropriate. Although inter-fund loan transactions net to zero, the proposed budget includes a repayment amount of \$1,900,000 from the WW Capital Expansion Fund to WW Capital Asset and WW Capital Asset Replacement.



Over the next year, the WW Capital Asset Replacement Fund is projected to use more funds than are available primarily due to the magnitude of the projects planned. As documented in the proposed FY19/20 – FY23/24 CIP and FY19/20 SSCs, staff developed a financing plan to address funding requirements for debt service and capital projects paid from this fund. The financing plan includes an inter-fund loan from the WW Advanced Treatment Reserve to the WW Capital Asset Replacement for an amount up to \$4.0 million, as needed, to provide required cash flow. The proposed Budget includes an interfund loan amount for up to \$4.0 million from the WW Advanced Treatment to WW Capital Asset Replacement. As mentioned above, inter-fund loans net to zero and because ratepayers are the funding source for both WW Capital Asset Replacement and the WW Advanced Reserve, this inter-fund loan will be repaid without interest.

#### Inter-fund Transfer

In addition to loans, an inter-fund transfer is planned within the proposed Budget to ensure each “ratepayer”-based fund remains positive. As these funds share the same funding source, a loan with interest is not required. However, as discussed with the Finance Committee and the Board of Directors, and as documented in the adopted CIP and SSC analysis, this transfer is part of the financing plan needed to address funding needs. Although the inter-fund transfer nets to zero, the total amount being transferred within funds (in and out) is \$0.36 million.

#### Financial Impact

To finance the proposed activities in FY19/20, it is necessary for the Board of Directors to adopt budget appropriations. The FY19/20 Proposed Budget Summary is provided as an Exhibit to the attached draft resolution proposed for Board adoption. As shown on Line 14 of the Exhibit, total revenues budgeted are \$41.13 million. These revenues, along with loan proceeds of \$12.02 million and an inter-fund transfer are proposed to fund \$51.54 million in expenditures shown on Line 36 of the Exhibit. Adoption of a resolution approving the proposed appropriations will allow for the budget to be in place for the new fiscal year as of July 1, 2019.

#### Attachment

Resolution No. X/2019 FY19/20 Budget Appropriation

Signature:



Carol Margetich  
Business Services Director



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

**Re: Approving Fiscal Year 2019/2020 )  
Budget Appropriations )**

**RESOLUTION NO. X/2019**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, it is necessary to adopt a District Budget for the Fiscal Year beginning July 1, 2019; and;

WHEREAS, the adoption of the Fiscal Year 2019/2020 (FY19/20) Budget Appropriations reflects the agency goals and programs; and

WHEREAS, the Budget as presented in the attached Budget Summary exhibit includes expenditures for: Operation and Maintenance of Sub-Regional Plant Facilities; Recycled Water Program; Household Hazardous Waste Program; Street Sweeping; Bay Point Collection Program; acquisition and construction of Capital Assets, including required reserves; and payment of annual debt service obligations; and

WHEREAS, the funding sources proposed for FY19/20, as described in the attached Budget Summary include: Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY19/20 Property Tax allocation funds; Interest; Other Miscellaneous Revenues; and carryover, if any, of prior fiscal year funds.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO RESOLVES THAT:

The FY19/20 Budget Appropriations are hereby adopted, as presented in the Budget Summary exhibit attached hereto and by reference made a part hereof.

PASSED AND ADOPTED ON June 12, 2019 by the following vote:

AYES:  
NOES:

ABSENT:  
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 12, 2019.

ATTEST: Federal Glover  
Board Secretary

By: \_\_\_\_\_

Exhibit: Budget Summary

**EXHIBIT 1  
DELTA DIABLO FY19/20 PROPOSED BUDGET SUMMARY**

Line No.	CATEGORY	WASTEWATER FUND				OTHER FUNDS					All Funds Total
		OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	
1	<b>REVENUE</b>										
2	Capital Facility Capacity Charges					\$ 1,840,000	\$ 2,464				\$ 1,842,464
3	Service Charges										
4	Sewer Service	\$ 21,212,815	\$ 1,394,096	\$ 4,305,321	\$ 2,518,320					\$ 1,161,591	30,592,143
5	Street Sweeping								\$ 639,008		639,008
6	Household Hazardous Waste							\$ 481,409			481,409
7	Property Taxes				2,000,000						2,000,000
8	Utility Rebates (from Calpine)	200,000									200,000
9	Interest Income	249,140	1,885	273,131	1,177	9,438	14,302	1,862	21,307	78,147	650,389
10	Discharge Permits & Fees	250,000									250,000
11	Overhead (from Capital Projects)	700,000									700,000
12	Miscellaneous	200,000									200,000
13	Recycled Water Charges						3,569,848				3,569,848
14	<b>TOTAL REVENUE</b>	<b>\$ 22,811,955</b>	<b>\$ 1,395,981</b>	<b>\$ 4,578,452</b>	<b>\$ 4,519,497</b>	<b>\$ 1,849,438</b>	<b>\$ 3,586,614</b>	<b>\$ 483,271</b>	<b>\$ 660,315</b>	<b>\$ 1,239,738</b>	<b>\$ 41,125,261</b>
15	<b>OTHER FINANCING SOURCES</b>										
16	Loan and/or Other Financing Sources	100,000			8,249,480					3,675,000	12,024,480
17	Transfers In/(Out)	(358,925)			0			358,925			0
18	Interfund Loan		900,000	(4,000,000)	5,000,000	(1,900,000)					0
19	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ (258,925)</b>	<b>\$ 900,000</b>	<b>\$ (4,000,000)</b>	<b>\$ 13,249,480</b>	<b>\$ (1,900,000)</b>	<b>\$ -</b>	<b>\$ 358,925</b>	<b>\$ -</b>	<b>\$ 3,675,000</b>	<b>\$ 12,024,480</b>
20	<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 22,553,030</b>	<b>\$ 2,295,981</b>	<b>\$ 578,452</b>	<b>\$ 17,768,977</b>	<b>\$ (50,562)</b>	<b>\$ 3,586,614</b>	<b>\$ 842,196</b>	<b>\$ 660,315</b>	<b>\$ 4,914,738</b>	<b>\$ 53,149,741</b>
21	<b>EXPENDITURES</b>										
22	<b>OPERATING</b>										
23	Salaries and Wages	\$ 9,230,595					\$ 496,604	\$ 136,418		\$ 384,049	\$ 10,247,665
24	Benefits	6,045,897					283,873	83,527		277,500	6,690,797
25	Chemicals	1,054,400					810,000			500	1,864,900
26	Office and Operating Expense	2,167,287					151,284	51,690		19,025	2,389,286
27	Outside Services and Repairs/Maintenance	3,042,274					287,867	567,899	\$ 685,074	77,532	4,660,646
28	Program Costs (Overhead)						410,038	800		44,867	455,705
29	Utilities	1,307,270					580,500				1,887,770
30	Contingency Allowance	400,000					10,000			50,000	460,000
31	<b>TOTAL OPERATING</b>	<b>\$ 23,247,724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,030,165</b>	<b>\$ 840,334</b>	<b>\$ 685,074</b>	<b>\$ 853,473</b>	<b>\$ 28,656,769</b>
32	<b>CAPITAL IMPROVEMENT PROJECTS</b>										
33	Debt Service		139,744		1,624,248	127,674	11,255			141,627	2,044,548
34	Capital Projects		576,259	60,000	14,730,228		265,000	25,000		5,188,946	20,845,433
35	<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ -</b>	<b>\$ 716,003</b>	<b>\$ 60,000</b>	<b>\$ 16,354,476</b>	<b>\$ 127,674</b>	<b>\$ 276,255</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 5,330,573</b>	<b>\$ 22,889,980</b>
36	<b>TOTAL EXPENDITURES</b>	<b>\$ 23,247,724</b>	<b>\$ 716,003</b>	<b>\$ 60,000</b>	<b>\$ 16,354,476</b>	<b>\$ 127,674</b>	<b>\$ 3,306,420</b>	<b>\$ 865,334</b>	<b>\$ 685,074</b>	<b>\$ 6,184,046</b>	<b>\$ 51,546,750</b>
37	<b>FUND BALANCE INCREASE/(DECREASE)</b>	<b>\$ (694,694)</b>	<b>\$ 1,579,978</b>	<b>\$ 518,452</b>	<b>\$ 1,414,501</b>	<b>\$ (178,237)</b>	<b>\$ 280,194</b>	<b>\$ (23,138)</b>	<b>\$ (24,759)</b>	<b>\$ (1,269,308)</b>	<b>\$ 1,602,991</b>
38	<b>Estimated Beginning Cash Fund Balance</b>	<b>\$ 16,609,313</b>	<b>\$ 125,663</b>	<b>\$ 18,126,138</b>	<b>\$ 78,439</b>	<b>\$ 629,222</b>	<b>\$ 3,502,629</b>	<b>\$ 229,390</b>	<b>\$ 1,420,467</b>	<b>\$ 5,209,800</b>	<b>\$ 45,931,061</b>
39	<b>Estimated Ending Fund Balance</b>	<b>\$ 15,914,619</b>	<b>\$ 1,705,641</b>	<b>\$ 18,644,590</b>	<b>\$ 1,492,940</b>	<b>\$ 450,986</b>	<b>\$ 3,782,823</b>	<b>\$ 206,252</b>	<b>\$ 1,395,708</b>	<b>\$ 3,940,492</b>	<b>\$ 47,534,052</b>

June 12, 2019

APPROVE SIDE LETTER AGREEMENT WITH THE OPERATIONS AND MAINTENANCE REPRESENTATION UNIT/PUBLIC EMPLOYEES UNION LOCAL ONE MODIFYING LANGUAGE IN MEMORANDUM OF UNDERSTANDING, SECTION II.2, WORK PERIODS

Recommendation

Approve Side Letter Agreement (SLA) with the Operations and Maintenance (O&M) Representation Unit/Public Employees Union Local One, modifying language in Memorandum of Understanding (MOU), Section II.2, Work Periods.

Background

Section II.2 Work Periods of the O&M MOU defines the start and end times for the different shifts that O&M personnel are assigned to work. Day Shift (8 or 10-hour shift) begins between 6:00 am and 8:00 am; Swing Shift begins between 1:00 pm and 4:00 pm; Night Shift begins between 11:00 pm and 1:00 am; the 12-Hour A.M. Shift begins at 7:00 am; and the 12-Hour P.M. Shift begins at 7:00 pm. In practice, Day Shift begins at 7:00 am; Swing Shift begins at 3:00 pm; and the 12-Hour P.M. Shift begins at 7:00 pm to meet current operational needs.

In 2017, Operations Division staff requested that the District consider a proposal to start certain Operations Division shifts (i.e., “core” operations staff with responsibility for facility operations at the Wastewater Treatment Plant) earlier (than 7:00 am) for the following purposes: 1) to better coordinate and schedule safety and other training; 2) to increase the Operations staff attendance at training sessions and other District functions; 3) to improve coordination and responsiveness between O&M in scheduling maintenance and repair projects that require process equipment to be removed from service; and 4) to increase Operations Division engagement and participation in special projects. Operations staff proposed an earlier start time for the Day shift to begin at 6:00 am, the Swing Shift to begin at 1:00 pm, and the Night Shift to begin at 6:00 pm.

Analysis

O&M and the District agreed to a one-year pilot program beginning in September 2017 to evaluate the modified work periods with earlier start times with required evaluations after three months and at the conclusion of the pilot program. During the pilot period, the Operations Supervisor changed his work schedule to four 10-hour days per week to align with the earlier 6:00 am start times. The general feedback from the three-month evaluation was mostly positive with minor meeting scheduling conflicts that were effectively resolved. The consensus from Operations Division staff was to continue the pilot program for the remainder of the initial 12-month period.

At the conclusion of the pilot program, the Operations Supervisor requested a return to a 9/80 work schedule with a 7:00 am start time, which is more conducive to meeting District operational needs. One concern with the Operations Supervisor starting at 7:00 am was the limited opportunity for communications and interactions with the night shift operators. Because



of this concern, O&M and the District agreed to extend the pilot for an additional three months to evaluate the concern. Although direct communications between the Operations Supervisor and the night shift operators have been reduced, it has not been detrimental to District operations. Management will continue monitoring communications and will make changes to improve communication as needed, including aligning the shift start times to facilitate improved communication with the night shifts personnel.

Operations staff feedback following conclusion of the pilot program was largely in favor of the earlier 6:00 am start time and the stated purposes for adjusting the shift schedule were achieved. In addition, providing flexibility for the start of the 12-hour A.M Shift and the 12-hour P.M. Shift allows the District to better meet operational needs.

Based on the feedback and noted outcomes of the pilot program, the Operations Manager and Operations Supervisor recommended the District meet and confer with O&M leadership to modify Section II.2 Work Periods of the O&M MOU to allow scheduling of the earlier operations shift start times. Management met and conferred with O&M Bargaining Unit representatives on May 15, 2019 to develop the proposed attached SLA. The O&M members concur with the proposed SLA.

On May 29, 2019, staff met with the Personnel Committee, who recommended the Side Letter Agreement be submitted to the full Board for consideration at the June 12, 2019 meeting.

Financial Impact

None.

Attachment

- 1) Draft Side Letter Agreement – Proposed Revisions to O&M MOU Section II.2
- 2) Personnel Committee Agenda and Board Docket, May 29, 2019

Prepared by:



Cheryl Rhodes Alexander  
Human Resources and  
Risk Manager

Reviewed By:



Dean Eckerson  
Resource Recovery  
Services Director

## Side Letter Agreement

Effective upon approval by the Board of Directors, the Memorandum of Understanding (MOU) between Delta Diablo, a California Sanitation District, and the **Operations & Maintenance Representation Unit/Public Employees Union Local One** shall be amended by the following provisions:

### ***Section II.2 - WORK PERIODS***

This section is replaced with the following language:

A workday in relation to holidays, floating holidays, bereavement, military, jury duty and other authorized leaves are defined as eight-hour periods, and shall be credited at an hour-per-hour basis for each day allowed.

The District is a 24/7 facility with O&M personnel scheduled to meet service and operational requirements and responsibilities. Divisions may have different hours of operation and alternate work schedules (e.g., 4/10 or 9/80) to ensure sufficient staff coverage to meet service and operational needs.

The Operations Division staff are scheduled to work either an 8, 10 or 12-hour shift, or a combination thereof as described in Sections II.2.1 through II.2.5.

#### ***SECTION II.2.1 Day Shift (8, 10 or 12-hour shift)***

Day shifts are defined as shifts beginning between 6:00 a.m. and 8:00 a.m.

#### ***SECTION II.2.2 Swing Shift***

Swing shift is defined as a shift beginning between 12:00 p.m. and 3:00 p.m.

#### ***SECTION II.2.3 Night Shift***

Night shift is defined as a shift beginning between 10:00 p.m. and 12:00 a.m.

#### ***SECTION II.2.4 12 Hour P.M. Shift***

12-Hour P.M. shifts are defined as shifts beginning between 6:00 p.m. and 8:00 p.m.

#### ***SECTION II.2.5 Operators on Shifts***

The District will assign a minimum of two Operators on all shifts for personnel safety.

#### ***SECTION II.2.6 Shift Change Notification***

The District reserves the right to change the start time for O&M personnel based on operational needs. In the event the District changes the hours of a regular shift schedule, the employees and O&M/Local One will be provided thirty (30) days-notice unless the parties agree to a lesser notice. Such notice need not be provided for Emergency and Special Shift needs.





**Signatures of Approval:**

DELTA DIABLO:

By: \_\_\_\_\_  
Sean Wright, Chair  
Board of Directors

By: \_\_\_\_\_  
Vincent P. De Lange  
General Manager

By: \_\_\_\_\_  
Carol Margetich  
Business Services Director

OPERATIONS AND MAINTENANCE REPRESENTATION UNIT/PEU, LOCAL ONE:

By: \_\_\_\_\_  
Jeffrey Navarrete  
Chair

By: \_\_\_\_\_  
Christopher Phillips  
Vice Chair

By: \_\_\_\_\_  
Trevor Simpson  
Chief Shop Steward

By: \_\_\_\_\_  
Joseph Ciochon  
Secretary/Safety Representative

By: \_\_\_\_\_  
Genevieve Vigil  
Business Agent, Public Employees Union, Local One



## AGENDA

### **BOARD OF DIRECTORS PERSONNEL COMMITTEE MEETING**

#### **DELTA DIABLO**

*(a California Special District)*

**190 E. 4<sup>TH</sup> STREET | PITTSBURG, CA 94565**

**WEDNESDAY, MAY 29, 2019**

**11:00 A.M.**

*Persons who wish to address the Board during Public Comments or with respect to an item on the Agenda will be limited to three (3) minutes. The Board Chair may reduce the amount of time allotted per speaker at the beginning of each Item or Public Comments period depending on the number of speakers and the business of the day. Your patience is appreciated. A break may be called, or an item may be taken out of order, at the discretion of the Board Chair.*

#### **A. PUBLIC COMMENTS**

#### **B. REVIEW AND COMMENT ON OPERATIONS AND MAINTENANCE (O&M) REPRESENTATION UNIT SIDE LETTER AGREEMENT, WORK PERIODS**

#### **C. ADJOURNMENT**


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 at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal working business hours.





Date: May 24, 2019

To: Federal Glover, Chair, Board of Directors Personnel Committee

From: Cheryl Rhodes Alexander, Human Resources and Risk Manager 

SUBJECT: REVIEW AND COMMENT ON OPERATIONS AND MAINTENANCE (O&M) REPRESENTATION UNIT SIDE LETTER AGREEMENT, WORK PERIODS

---

Recommendation

Review and comment on Side Letter Agreement (SLA) with the Operations and Maintenance (O&M) Representation Unit, modifying language in Memorandum of Understanding (MOU), Section II.2, Work Periods.

Background

Section II.2 Work Periods of the O&M MOU defines the start and end times for the different shifts that O&M personnel are assigned to work. The Day Shift (8 or 10-hour shift) begins between 6:00 am and 8:00 am; the Swing Shift begins between 1:00 pm and 4:00 pm; the Night Shift begins between 11:00 pm and 1:00 am; the 12-Hour A.M. Shift begins at 7:00 am and the 12-Hour P.M. Shift begins at 7:00 pm. In practice, Day Shift begins at 7:00 am; Swing Shift begins at 3:00 pm and 12-Hour P.M. Shift begins at 7:00 pm to meet current operational needs.

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Analysis

O&M and the District agreed to a one-year pilot program beginning in September 2017 to evaluate the modified work periods with earlier start times with required evaluations after three months and at the conclusion of the pilot program. During the pilot period, the Operations Supervisor changed his work schedule to four 10-hour days per week to align with the earlier 6:00 am start times. The general feedback from the three-month evaluation was mostly positive with minor meeting scheduling conflicts that were effectively resolved. The consensus from Operations Division staff was to continue the pilot program for the remainder of the initial 12-month period.



At the conclusion of the pilot program, the Operations Supervisor requested a return to a 9/80 work schedule with a 7:00 am start time, which is more conducive to meeting District operational needs. One concern with the Operations Supervisor starting at 7:00 am was the limited opportunity for communications and interactions with the night shift operators. Because of this concern, O&M and the District agreed to extend the pilot for an additional three months to evaluate the concern. Although direct communications between the Operations Supervisor and the night shift operators have been reduced, it has not been detrimental to District operations. Management will continue monitoring communications and will make changes to improve communication as needed, including aligning the shift start times to facilitate improved communication with the night shifts personnel.

Operations staff feedback following conclusion of the pilot program was largely in favor of the earlier 6:00 am start time and the stated purposes for adjusting the shift schedule were achieved. In addition, providing flexibility for the start of the 12-hour A.M Shift and the 12-hour P.M. Shift allows the District to better meet operational needs.

Based on the feedback and noted outcomes of the pilot program, the Operations Manager and Operations Supervisor recommended the District meet and confer with O&M leadership to modify Section II.2 Work Periods of the O&M MOU to allow scheduling of the earlier operations shift start times. Management met and conferred with O&M Bargaining Unit representatives on May 15, 2019 to develop the proposed attached SLA. The O&M members concur with the proposed SLA.

#### Recommendation


It is recommended that the Personnel Committee review and comment on the proposed change to work periods, and recommend submitting this item for consideration at the June 12, Board meeting.


#### Financial Impact

None.

#### Attachment

1) Draft Side Letter Agreement – Proposed Revisions to O&M MOU Section II.2

Prepared by:   
Cheryl Rhodes Alexander  
Human Resources and  
Risk Manager

Reviewed By:   
Dean Eckerson  
Resource Recovery  
Services Director

**Proposed Replacement Language for O&M MOU SECTION II.2  
(to be incorporated into Side Letter Agreement for Board consideration)**

**SECTION II.2                      WORK PERIODS**

A workday in relation to holidays, floating holidays, bereavement, military, jury duty and other authorized leaves is defined as eight-hour periods and shall be credited on an hour-per-hour basis for each day allowed.

The District is a 24/7 facility with O&M personnel scheduled to meet service and operational requirements and responsibilities. Divisions may have different hours of operation and alternate work schedules (e.g., 4/10 or 9/80) to ensure sufficient staff coverage to meet service and operational needs.

The Operations Division staff are scheduled to work either an 8, 10 or 12-hour shift, or a combination thereof as described in Sections II.2.1 through II.2.5.

**SECTION II.2.1            Day Shift (8, 10 or 12-hour shift)**

Day shift is defined as a shift beginning between 6:00 a.m. and 8:00 a.m.

**SECTION II.2.2            Swing Shift**

Swing shift is defined as a shift beginning between 12:00 p.m. and 3:00 p.m.

**SECTION II.2.3            Night Shift**

Night shift is defined as a shift beginning between 10:00 p.m. and 12:00 a.m.

**SECTION II.2.4            12-Hour P.M. Shift**

A 12-Hour P.M. shift is defined as a shift beginning between 6:00 p.m. and 8:00 p.m.

**SECTION II.2.5            Operators on Shifts**

The District will assign a minimum of two Operators on all shifts for personnel safety.

**SECTION II.2.6            Shift Change Notification**

The District reserves the right to change the start time for O&M personnel based on operational needs.

In the event the District changes the hours of a regular shift schedule, the employees and O&M/Local One will be provided thirty (30) days-notice unless the parties agree to a lesser notice. Such notice need not be provided for Emergency and Special Shift needs.

June 12, 2019

REVIEW PROPOSED RECYCLED WATER SERVICE CHARGES AND SET PUBLIC HEARING FOR JULY 10, 2019

RECOMMENDATION

- 1) Review and comment on proposed Recycled Water Service Charges (RWSC) for Fiscal Year 2019/20 (FY19/20).
- 2) Set public hearing on proposed RWSC for July 10, 2019 at 4:30 p.m.

Background Information

The District's Recycled Water Facility (RWF) was placed into service in June 2001. It was funded by the Calpine Corporation (Calpine), which was required to use recycled water as its primary source of cooling water for its two power plants (Los Medanos Energy Center, Delta Energy Center) as a condition of its permits with the Federal Energy Regulatory Commission (FERC). The Calpine permits also required that recycled water be provided for a number of specific irrigation users in the city of Pittsburg. The agreement with Calpine allows the District to serve additional irrigation users. However, under its service agreement, Calpine has first right of recycled water use to meet its demands, which means that irrigation customers are not guaranteed specific recycled water capacity rights and service is "interruptible" should Calpine need additional supply. The service agreements with Calpine and the cities of Antioch and Pittsburg, as well as the Pittsburg Unified School District (PUSD), Mt. Diablo Resource Recovery Park (MDRRP), and Caltrans require the District's Board of Directors to set the rates, fees, and charges for recycled water. Recycled water rates were last adjusted by the Board in July 2018 for FY18/19.

Analysis

The basis for the Recycled Water Service Charge (RWSC) rate model is cash flow projections for the current fiscal year and four future years, with rates based on the costs of providing service to the Calpine power plants, as well as irrigation uses by other recycled water customers. The RWSCs reflect the total costs allocated in the proposed FY19/20 operating budget and Capital Improvement Program (CIP). The current rates are structured to recover a portion of the operating costs and capital asset replacement projects through a variable-rate component, and the remaining costs through fixed-monthly charges. Consistent with past practice, all recycled water customers pay the same variable rate per acre-foot (AF), but each customer pays a unique monthly fixed cost based on its allocable share of capital asset projects and/or certain operating costs. As variable costs are collected based on actual recycled water use, there continues to be a conservation incentive and users have some control over their total costs.

The Board adopted a change to the RWSC structure in FY18/19 to address revenue volatility over the past few years due to consumption changes at Calpine and the closure of the Delta View Golf Course in Pittsburg. The adopted RWSC structure was based on the estimated revenue need but reallocated a portion of the costs previously included in the variable-rate component to the fixed-rate component. The proposed variable rate includes capital asset replacement projects,



because these costs are largely driven by equipment deterioration as a result of recycled water consumption, and treatment costs such as chemicals and utilities that vary according to the amount of treated recycled water. The portion of treatment costs attributable to labor, office expenses, outside services, and repairs and maintenance that generally do not vary with consumption, as well as distribution system operation and maintenance (O&M) costs, comprise the proposed fixed-rate component for all customers.

The remaining costs for capital asset projects, Firm Capacity Surcharges, and the Revenue Stability Surcharge are fully paid by Calpine within its monthly fixed-rate component. Capital assets are categorically funded in this manner because RWF capital funding requirements do not typically change with the addition of other customers. Additionally, the Firm Capacity Surcharge includes certain costs allocated based on the Calpine power plants having “firm” capacity and irrigation service to the other customers being interruptible. Finally, the District continues to implement the Revenue Stability Surcharge, which was established in FY11/12 as a measure to stabilize revenue after Calpine experienced a decline in consumption from historical levels. The Calpine Historical Revenue Stability Surcharges and Annual Consumption (Table 1) shows the changes that have occurred since FY11/12. With Calpine’s historical consumption volatility due to major plant shutdowns over the years, it is proposed that the surcharge remain at \$35,000 per month for the upcoming fiscal year to ensure revenue stability.

Table 1: Calpine Historical Revenue Stability Surcharges and Consumption

	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
Rev Stability Surcharge	\$30,000	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$35,00
Consumption in AF	7,190	8,103	7,957	6,101	6,964	5,283	4,516

As shown on the FY18/19 – FY19/20 Revenue Estimates (Attachment 1), the original estimate of fixed and variable for FY18/19 revenue was approximately \$3,253,611 based on projected consumption. Updated FY18/19 and FY19/20 revenue projections of \$3,302,827 and \$3,584,248, respectively, are also shown and are based on new consumption estimates using an average of actual consumption over the past five years (FY13/14 – FY17/18). Using the five-year average for both years more clearly illustrates changes caused by cost factors without the need to consider impacts caused by discrete consumption changes. The variable revenue component of the total revenue projection for FY19/20 is expected to increase by approximately \$197,000 due to an 8% increase in chemicals and utilities costs, and an overall \$1.7 million increase in five-year CIP capital asset rehabilitation needs (e.g., planned recycled water infrastructure renewal). Fixed revenue is anticipated to increase by \$134,000 and is largely attributable to increases in labor costs, office and operating expenses, and small-scale RWF capital asset needs.

An additional surcharge was established in FY12/13 for the city of Antioch to cover its \$1.1 million share of the Antioch Recycled Water Project costs that exceeded the city of Antioch’s \$5 million cap for the low-interest State Revolving Fund (SRF) loan secured by the District. The city of Antioch is paying the District for its share of SRF loan principal and interest for the \$5 million cap amount annually when the SRF loan payments are due. Based on the city of Antioch owning and being able to sell extra capacity in its distribution system, the remaining amount of the city of Antioch’s project costs is being repaid to the District over a 20-year period at 4.25% interest (prime rate plus 1%) through a monthly rate surcharge of \$6,825.65.



When the Pittsburg Recycled Water Distribution System was constructed, an existing city of Pittsburg pipeline was reused for a portion of the project. This pipeline was near the end of its useful life and required rehabilitation, which was 75% grant funded and 25% locally funded. The local share is the responsibility of the city of Pittsburg, which requested that the District recover those costs over time through a recycled water surcharge. Based on the local share of \$328,500, the fixed monthly surcharge was established in FY13/14 at \$3,365.92 at an interest rate of 4.25% over a ten-year period.

As shown on the Proposed FY19/20 Recycled Water Rates and Charges (Attachment 2), the variable rate per AF for FY18/19 is \$223.17, and the proposed variable rate for FY19/20 is \$245.63 based on planned increases for chemicals, utilities, and the 5-year CIP for capital asset replacements. This represents an increase of \$22.46 per AF (10.1%). Based on increased capital asset replacements and increased costs for repairs and maintenance due to the age of the RWF, fixed charges for Calpine increase by \$10,366.19 per month from the current fixed charges of \$142,249.45 per month. The fixed charges per AF for the cities of Antioch and Pittsburg are also increasing. As shown in Table 2, by spreading all charges allocated to the cities over their anticipated consumption, the total cost per AF is \$561.90 for FY19/20 (excluding the cities' project-related surcharges) compared to \$517.57. This represents an overall increase of \$44.33 per AF (8.6%). While these amounts are greater than last year's rate analysis projection per AF due to lower consumption estimates (based on the actual 5-year average FY13/14 – FY17/18) and cost increases, they are expected to be adequate based on the cost of services. The proposed rates, including respective city surcharges, are well under the estimated cost of water from the Contra Costa Water District for FY19/20, which is estimated to be about \$794 per AF for raw water and about \$2,133 per AF for treated water. The proposed rates for the upcoming fiscal year were reviewed by key Calpine stakeholders at a special Recycled Water Technical Advisory Committee (TAC) meeting on June 3, 2019. The proposed rates were also discussed with the Finance Committee at its meeting on June 5, 2019, and the Committee recommended presentation to the full Board of Directors.

Table 2: Recycled Water Service Charges per Acre Foot (AF)

Customers	Current FY18/19	Proposed FY19/20	% Change
Industrial Users	\$500.10	\$542.74	8.5%
Irrigation Users	\$517.57	\$561.90	8.6%
City of Antioch with Surcharge	\$710.27	\$754.60	6.2%
City of Pittsburg with Surcharge	\$612.59	\$656.93	7.2%

Note: For comparative reference, the FY18/19 Raw Water cost estimate is \$794/AF, Treated Water cost estimate is \$2,133/AF

### Financial Impact

If the Board approves adjustments, the RWSCs would be implemented on recycled water customer invoices issued in August 2019. The proposed RWSCs would collect an estimated \$1,618,425 from variable rates and \$1,965,823 from fixed-monthly charges (exclusive of the special project-related surcharges for Antioch and Pittsburg). The RWSC revenue covers the total revenue requirement of \$3,496,061, which is approximately \$243,000 higher than the previous year's budget. This equates to about 45% of costs being paid for by the variable-rate component and 55% by the fixed-monthly components. In FY18/19, the split between variable and fixed was estimated to be 44% and 56%, respectively. The ratio of fixed percentage to



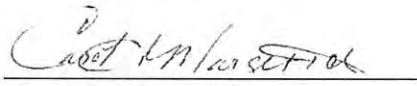


variable provides greater certainty to the District that it will recover a relatively large portion of its costs through fixed charges, while giving recycled water customers, particularly irrigation customers, some level of control over their costs. To the extent that more recycled water is used than anticipated, the District may generate revenues that exceed a given year's costs, while the converse is true should less recycled water be used than anticipated. The potential over- or under-collections, if realized, would be incorporated into the following year's RWSC analysis.

Attachments

- 1) Estimated FY18/19 – FY19/20 Recycled Water Revenue
- 2) Proposed FY19/20 Recycled Water Rates and Charges

Signature:



Carol S. Margetich  
Business Services Director

cc: District File RWF.04-CORRES-13606



FY18/19 - FY19/20 REVENUE ESTIMATES				
	A	B	C	D
	FY18/19 (Based on Original Estimate)	FY18/19 (Based on Updated Estimate - as of April 2019)*	FY19/20*	Difference (C-A)
Usage - Calpine	5,900	6,164	6,164	264
Usage - All Other Customers	470	425	425	(44)
<b>Total Customer Usage</b>	<b>6,370</b>	<b>6,589</b>	<b>6,589</b>	<b>219</b>
<b>Fixed Rev w/o Surcharges:</b>				
Calpine	\$ 1,706,993	\$ 1,706,993.39	\$ 1,831,387.70	\$ 124,394.31
Antioch	63,442	63,442	67,534	4,092
Pittsburg	46,441	46,441	48,196	1,755
Other Users	15,253	15,492	18,706	3,453
<b>Total Revenue w/o City Surcharges</b>	<b>\$ 1,832,129</b>	<b>\$ 1,832,368</b>	<b>\$ 1,965,823</b>	<b>\$ 133,694</b>
<b>Variable Revenue:</b>				
Calpine Usage Charges	\$ 1,316,703	\$ 1,375,599	\$ 1,514,020	\$ 197,317
All Other Usage Charges	104,778	94,860	104,405	(373)
<b>Total Usage Revenue</b>	<b>\$ 1,421,481</b>	<b>\$ 1,470,459</b>	<b>\$ 1,618,425</b>	<b>\$ 196,944</b>
<b>Totals</b>				
Calpine	\$ 3,023,696	\$ 3,082,593	\$ 3,345,407	\$ 321,711
All Other Customers	229,914	220,234	238,841	8,926
<b>Total Gross Revenue</b>	<b>\$ 3,253,611</b>	<b>\$ 3,302,827</b>	<b>\$ 3,584,248</b>	<b>\$ 330,637</b>
<b>Estimated Revenue Need</b>	<b>\$ 3,253,629</b>	<b>\$ 3,253,629</b>	<b>\$ 3,496,061</b>	<b>\$ 242,432</b>
<b>Est Gross Revenue less Revenue Need</b>	<b>\$ (18)</b>	<b>\$ 49,198</b>	<b>\$ 88,187</b>	<b>\$ 88,205</b>

\*Based on actual 5-year average FY13/14-FY17/18

## Proposed FY19/20 Recycled Water Rates and Charges

	FY18/19 Original Estimate	FY19/20 Proposed	% Chg
<b><u>Variable Rate per AF</u></b>			
Treatment O&M	\$ 201.66	\$ 221.59	9.9%
Capital Asset Replacement	\$ 21.51	\$ 24.04	11.8%
<b>Total Variable Rate per AF</b>	<b>\$ 223.17</b>	<b>\$ 245.63</b>	<b>10.1%</b>
<b><u>Fixed Monthly Charges</u></b>			
<b><u>Calpine:</u></b>			
O&M Distribution	\$ 3,021.64	\$ 3,273.91	8.3%
O&M Treatment	\$ 3,273.91	\$ 87,517.06	2573.2%
Capital Asset	\$ 3,273.91	\$ 25,977.55	693.5%
Firm Capacity Surcharge	\$ 3,273.91	\$ 847.12	-74.1%
Revenue Stability Surcharge	\$ 3,273.91	\$ 35,000.00	969.1%
<b>Total Calpine Monthly Fixed Charges</b>	<b>\$ 142,249.45</b>	<b>\$ 152,615.64</b>	<b>7.3%</b>
<b><u>City of Antioch:</u></b>			
O&M Antioch	\$ 5,286.81	\$ 5,627.80	6.4%
Antioch Project Surcharge	\$ 6,825.65	\$ 6,825.65	0.0%
<b>Total City of Antioch Monthly Fixed Charges</b>	<b>\$ 12,112.46</b>	<b>\$ 12,453.45</b>	<b>2.8%</b>
<b><u>City of Pittsburg:</u></b>			
O&M Pittsburg	\$ 3,870.07	\$ 4,016.30	3.8%
Pittsburg Pipeline Rehab Surcharge	\$ 3,365.92	\$ 3,365.92	0.0%
<b>Total City of Pittsburg Monthly Fixed Charges</b>	<b>7,235.99</b>	<b>7,382.22</b>	<b>2.0%</b>
<b><u>Other Users:</u></b>			
MDRRP	\$ 281.00	\$ 358.30	27.5%
PUSD	\$ 752.04	\$ 934.56	24.3%
Caltrans	\$ 238.07	\$ 265.98	11.7%
<b>Total Other Users' Monthly Fixed Charges</b>	<b>1,271.11</b>	<b>1,558.85</b>	<b>22.6%</b>
<b><u>Assumed Annual Consumption (Acre Feet)</u></b>			
Calpine	5,900	6,164	4.5%
Antioch	321	114	-64.6%
Pittsburg	100	264	164.0%
Caltrans	2.0	9.4	368.2%
PUSD	39.0	37.2	-4.6%
MDRRP	8.0	0.8	-90.6%
<b>Total Usage (Acre Feet)</b>	<b>6,370</b>	<b>6,589</b>	<b>3.4%</b>

ITEM J

June 12, 2019

RECEIVE MONTHLY LOBBYIST REPORT DATED MAY 2019, KEY ADVOCATES, INC.,  
WESTERN RECYCLED WATER COALITION, PROJECT NO. 90024

RECOMMENDATION

Receive and file Report.

Background Information

As lead Agency for the Western Recycled Water Coalition, the District administers a contract with a lobbyist, Key Advocates, Inc. (KA), and receives a monthly summary report regarding related lobbying activities.

Analysis


Attached is the report for May 2019, which was produced by KA and distributed to members of the Western Recycled Water Coalition.

Financial Impact


None

Attachment

Monthly Report, May 2019

Prepared by: 

*For* Jayne Strommer  
Government Affairs Manager

Reviewed by: 

Brian Thomas  
Engineering Services  
Director/District Engineer

cc: Project File No. P.90024.06.01





1701 Pennsylvania Avenue  
Suite 300  
Washington, D.C. 20006  
(202) 722-0167

May 31, 2019

To: Western Recycled Water Coalition  
From: Sante Esposito  
Subject: May Monthly Report

## **Infrastructure**

Following the contentious “infrastructure meeting” between the President and congressional Democrats, we contacted the Administration and the Congress to see what the plans are, if any, for going forward on a major infrastructure bill. Regarding the Administration, via the Department of Transportation which has the lead on the issue, we were told that the President still wants to do Infrastructure - as he said, “it’s what I do” - and that DOT has not been told to stand down regarding its ongoing infrastructure discussions with the Congress. Also, regarding the President’s comment that he would not work with the Congress on Infrastructure, or for that matter on any major policy issue, agreement was reached recently between the White House and the Congress on a disaster relief appropriations bill and discussions are ongoing on raising the debt limit. Lastly, recent press reports now say that the President will work with the Congress on major policy issues. Regarding the Senate, Senator Schumer has called on his fellow senators, including Republicans, to move forward on an infrastructure bill. Per his staff, he wants a large, well-funded, and clean bill. His staff reported that the Senator believes just because the President doesn’t want to lead on the effort doesn’t mean that Congress’ work on infrastructure is over. And, the Senate Environment and Public Works Committee is still on target for markup of a highway bill before August, which could be the cornerstone of a Senate mega infrastructure bill. In the House, Speaker Pelosi’s staff said that Democrats still want to push something on infrastructure even after talks broke down with the White House and the Speaker remains committed to an infrastructure package that is big, bold and bipartisan. Chairman DeFazio has targeted winter for having a highway bill in conference with the Senate. That bill was always thought to be the cornerstone – along with DeFazio’s water and ports bills – of a House mega infrastructure bill. Regarding congressional Republicans, except for a few Members, such as Congressman Rodney Davis, Ranking Member of the T&I Highway and Transit Subcommittee, and Senator Wicker, Chairman of the Commerce Committee, they have been silent on infrastructure deferring to the White House. In addition, on May 21, Congressman Earl Blumenauer, a Ways and Means Committee Democrat, introduced a bill (H.R. 2864 – official title and text not yet available) that would raise the gas tax by five cents per year and then replace it with something not yet specified. Under the bill, the gas tax would rise to 23.3 cents per gallon in 2020 until reaching 43.3 cents per gallon after 2023. It would also be indexed to inflation.

## **H.R. 2473, “Securing Access for the Central Valley and Enhancing (SAVE) water Resources Act**

Introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors – all CA Dems including Reps. Napolitano, McNeerney and Panetta. Note: on Feb. 28, the Coalition met with Harder’s staff in DC and were told that he was working on a water bill. The official summary of the bill is not online. However, in general the bill provides \$100M for Title XVI WIIN grants from deposits made to the Reclamation Fund; authorizes \$150M for a reclamation infrastructure finance and innovation pilot program; increases the current Title XVI WIIN grant authorization from \$50M to \$500M (the same increase as in Cong. Napolitano’s H.R. 1162) and raises the Federal share cap from \$20M to \$30M; and, establishes a water technology investment program to expand use of technology for improving the availability and resiliency of water supplies and power delivers, and authorizes \$5M per fiscal year for the program. The bill was referred to the Natural Resources Committee.

## **H.R. 2741, the “Leading Infrastructure for Tomorrow’s American Act” (the “Lift America Act”)**

On May 22, the House Energy and Commerce Committee held a hearing on H.R. 2741, the “Leading Infrastructure for Tomorrow’s America Act.” Regarding safe drinking water, the bill includes the following:

### **Title II—Drinking Water Infrastructure**

#### **Subtitle A. Providing Financial Assistance for Safe Drinking Water Act**

This subtitle would amend the Safe Drinking Water Act to require the Environmental Protection Agency (EPA) Administrator to establish, within 180 days of enactment, a program to award grants to water systems affected by contamination from per- or polyfluoroalkyl substances (PFAS) to pay the capital costs associated with eligible treatment technologies. These grants would provide up to \$2.5 billion over five years to affected water systems to combat PFAS contamination. The legislation further directs the EPA Administrator to create a list of eligible treatment technologies, defined as those that can remove all detectable amounts of PFAS from drinking water.

#### **Subtitle B. Additional Drinking Water Funding**

The LIFT America Act includes provisions to extend and increase authorizations of \$18.69 billion for essential drinking water programs including the Safe Drinking Water State Revolving Loan Fund, the Indian Reservation Drinking Water Program, School and Child Care Program Lead Testing grants, Lead Drinking Fountain Replacement, Community Water System Risk and Resilience grants, and Public Water System Supervision grants to states. This subtitle also extends Buy American requirements for drinking water projects along with the funding extension.

## **Napolitano H.R. 1162, the “Water Recycling Investment and Improvement Act”**

To review, on Feb.13, the Congresswoman introduced the above bill (with 17 cosponsors, now

26– all Dems) which the Coalition reported to her office its support. The Coalition supported her bill last Congress as well. Two changes were made from last year’s version: 1) the EPA grant program was dropped so the focus could be on Title XVI; and, 2) the cap on the Federal share for individual projects was kept but increased from \$20M to \$30M. Per the Congresswoman’s office, the following summary was provided:

- Increases the WIIN Act authorization for Title XVI from \$50 million to \$500 million
- Makes the WIIN Act Title XVI program permanent as it currently expires in 2021.
- Strikes the requirement that projects must be in drought or disaster areas
- Strikes the requirement that the projects need to be designated in an appropriations legislation
- Increase the limitation on the federal share of individual Title XVI projects from the current \$20 million in October 1996 prices to \$30 million in January 2019 prices.  
*Does not change the 25% federal cost share.*

### **DeFazio H.R.1497, the “Water Quality Protection and Job Creation Act of 2019.”**

To review, on March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 39 cosponsors) which the Coalition sent a letter of support to the Committee. The bill:

- Authorizes \$20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes \$1.5 billion over five years for grants to implement state water pollution control programs.
- Provides \$600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes \$375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

### **McNerney “West Act”**

Last Congress, Congressman McNerney (D-CA-9) introduced an omnibus water and energy bill which the Coalition helped draft and supported. No decision has been made at this time on reintroducing the bill or moving pieces of it in the committees of jurisdiction although he has introduced two bills (on April 2 and May 16), both entitled the “Smart Energy and Water Efficiency Act of 2019,” one referred to the Science Committee, the other to the Energy and Commerce, Natural Resources and T&I Committees. Update request pending with McNerney’s staff.

### **FY20 Interior Appropriations Bill**

On May 22, the House Appropriations Committee reported its version of the FY20 Interior

Appropriations Bill which provides \$1.81B for the Clean Water SRF, \$1.3B (the amount authorized by the Americas Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and \$50M for WIFIA. The fact that the appropriators provided up to the authorized level for the Safe Drinking Water SRF argues for enactment of authorization levels above the \$1.8B for the Clean Water SRF. The DeFazio bill authorizes \$4B for the CWSRF for each of the next five fiscal years. No action to date on the Senate bill.

### **FY20 Energy and Water Appropriations Bill**

On May 21, the House Appropriations Committee reported its version of the FY20 Energy and Water Appropriations bill which provides \$63.617M for Title XVI (of which \$10M is for the Title XVI WIIN grant program) and \$60M for WaterSMART, and includes the names of the FY18 USBR Title XVI grant awardees, as required by law. No action to date on the Senate bill.

### **FY20 Congressional Budget Resolution**

The FY20 Congressional Budget Resolution process has stalled because of the different views regarding defense spending versus non-defense spending, the size of the deficit, and overall program priorities. The Senate bill - S. Con. Res. 12 - has been ready for Floor consideration since April 1; the House bill - H.R. 2021 - has been ready for Floor consideration since April 9. No further action as yet given the uncertainty of votes.

### **Coalition Projects Bill**

Staff of Congressman McNerney has advised that he plans to introduce the bill soon. Met with Catherine Pomposi (Senator Harris) regarding the Coalition's request that the Senator introduce its project bill. Catherine said that they appreciate the difficulties with current Title XVI mechanisms but wondered if there are other ways that projects like those in the proposed Coalition bill might be eligible for funding. For example, she said, if the Title XVI grant program originally authorized in the WIIN Act were expanded and included certain provisions to ensure a broader diversity of projects that could be covered. We responded that the problem is that Title XVI consists of two "parts" - the traditional Title XVI (pre-WIIN Act) which, per USBR's practice, will only fund projects authorized by Congress (i.e., enacted into law); and, the Title XVI WIIN grant program which funds projects without requiring prior congressional authorization. The projects in the Coalition bill are eligible for funding under the Title XVI WIIN grant program but they are not eligible for funding under the traditional Title XVI program because they have not been authorized by Congress. The bill we have requested for introduction would authorize the projects, thereby making them eligible. We pointed out that we believe the bill is merited for a number of reasons: it addresses a fundamental flaw in USBR's application of the traditional Title XVI program - namely, that it discriminates against unauthorized projects; it authorizes funding for projects that are ready-to-go and have a demonstrated return on investment; and, it brings attention to the importance of recycled water in general. We further stated that both substantively and politically (thousands of Californians would benefit from these projects) that introduction of the bill would be a win-win for the Senator. Lastly, we said that we are available for further discussion. She took our comments under advisement. Waiting to hear back.



## WIIN Grants

USBR has released the FY19 funding opportunity of \$20M for Title XVI recycled water projects under the WIIN Act, with applications due June 28. Per above, the list of FY18 awardees is included in the FY20 House Energy and Water Appropriations Bill which also includes \$10M for Title XVI WIIN grants.

## Bill Tracking

**NOTE: the summary of bills will appear only once but can be made available as requested.**

S.352 — 116th Congress (2019-2020)

**A bill to amend the Internal Revenue Code of 1986 to increase the national limitation amount for qualified highway or surface freight transfer facility bonds.**

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)

Committees: Finance Increases from \$15 billion to \$20.8 billion the national limitation on the amount of tax-exempt highway or surface freight transfer facility bonds.

H.R.180 — 116th Congress (2019-2020)

**Build America Act of 2019**

Sponsor: Rep. Hastings, Alcee L. [D-FL-20] (Introduced 01/03/2019) Cosponsors: (7, now 10)

Committees: Transportation and Infrastructure and Ways and Means Directs the Department of Transportation (DOT) to carry out a national infrastructure investment grant program for capital investments in surface transportation infrastructure. Projects eligible for funding under the program include, at a minimum, highway and bridge projects, public transportation projects, passenger and freight rail transportation projects, and port infrastructure investments. In distributing grants under the program, DOT shall ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes. At least 20% of grant funds must be set aside for projects in rural areas. The bill amends the Internal Revenue Code to: (1) establish a National Infrastructure Investment Trust Fund, and (2) increase the tax on gasoline other than aviation gasoline and on diesel fuel or kerosene.

S.146 — 116th Congress (2019-2020)

**Move America Act of 2019**

Sponsor: Sen. Hoeven, John [R-ND] (Introduced 01/16/2019) Cosponsors: (1)

Committees: Finance Allows tax exempt Move America bonds and Move America tax credits to be used for certain infrastructure projects. A Move America bond is treated as a tax-exempt private facility bond with certain exceptions. At least 95% of the net proceeds from the issuance of the bond must be used for infrastructure projects. The bill specifies exceptions and modifications to existing rules for bonds regarding land acquisition, government ownership, rehabilitation expenditures, and the alternative minimum tax. The bonds are subject to a volume cap equal to 50% of a state's current private activity bond volume cap. States may exchange all or a portion of the volume cap for Move America tax credits to be allocated to taxpayers. The credits include (1) an equity credit for a portion of the basis of each qualified facility; and (2) an infrastructure fund credit for investments in qualified infrastructure funds, including a state infrastructure bank, a

water pollution control revolving fund, or a drinking water treatment revolving loan fund.

H.R.658 — 116th Congress (2019-2020)

**National Infrastructure Development Bank Act of 2019**

Sponsor: Rep. DeLauro, Rosa L. [D-CT-3] (Introduced 01/17/2019) Cosponsors: (60, now 61)  
Committees: Energy and Commerce, Transportation and Infrastructure, Financial Services and Ways and Means

S.353 — 116th Congress (2019-2020)

**RAPID Act**

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)  
Committees: Environment and Public Works

S.403 — 116th Congress (2019-2020)

**IMAGINE Act**

Sponsor: Sen. Whitehouse, Sheldon [D-RI] (Introduced 02/07/2019) Cosponsors: (5, now 7)  
Committees: Environment and Public Works

H.R.680 — 116th Congress (2019-2020)

**Securing Energy Infrastructure Act**

Sponsor: Rep. Ruppertsberger, C. A. Dutch [D-MD-2] (Introduced 01/17/2019) Cosponsors: (1)  
Committees: Science, Space, and Technology Establishes a two-year pilot program within the Department of Energy's (DOE) national laboratories to (1) identify the security vulnerabilities of certain entities in the energy sector, and (2) evaluate technology that can be used to isolate the most critical systems of such entities from cyberattacks. In addition, DOE must establish a working group to evaluate the technology solutions proposed by the national laboratories and to develop a national strategy to isolate the energy grid from attacks.

H.R.228 — 116th Congress (2019-2020)

**Increase Transportation Alternatives Investment Act of 2019**

Sponsor: Rep. Velazquez, Nydia M. [D-NY-7] (Introduced 01/03/2019)  
Cosponsors: (2) Committees: Transportation and Infrastructure Directs the Department of Transportation (DOT) to ensure that states give preference under the Surface Transportation Block Grant Program to eligible projects that (1) are located in areas that are undergoing extensive repair or reconstruction of transportation infrastructure, including federal-aid highways, federally owned roads open for public travel, passenger rail facilities, and public transportation facilities; and (2) will provide transportation alternatives related to the closure of transportation infrastructure in such areas. DOT shall (1) carry out a competitive grant program to support community efforts to invest in transportation alternatives; and (2) give preference in awarding grants to projects located in such areas. Entities eligible for grants include state and local governments, metropolitan planning organizations, and rural planning organizations.

H.R.2220 — 116th Congress (2019-2020)

**To amend the Intermodal Surface Transportation Efficiency Act of 1991 with respect to high priority corridors on the National Highway System, and for other purposes.**

Sponsor: Rep. Babin, Brian [R-TX-36] (Introduced 04/10/2019) Cosponsors: (10)

Committees: Transportation and Infrastructure

S.611 — 116th Congress (2019-2020)

**Water Affordability, Transparency, Equity, Reliability Act of 2019**

Sponsor: Sen. Sanders, Bernard [I-VT] (Introduced 02/28/2019) Cosponsors: (2, now 3)

Committees: Environment and Public Works

H.R.880 — 116th Congress (2019-2020)

**Surface Transportation Investment Act of 2019**

Sponsor: Rep. Brownley, Julia [D-CA-26] (Introduced 01/30/2019) Cosponsors: (1)

Committees: Ways and Means and Transportation and Infrastructure

S.40 — 116th Congress (2019-2020)

**Bureau of Reclamation Transparency Act**

Sponsor: Sen. Barrasso, John [R-WY] (Introduced 01/08/2019) Cosponsors: (1) Committees:

Energy and Natural Resources Directs the Department of the Interior to publish, and update every two years, an Asset Management Report. The report must describe the Bureau of Reclamation's efforts to (1) maintain in a reliable manner its reserved works (e.g., buildings, structures, facilities, or equipment); and (2) standardize and streamline data reporting and processes across regions and areas for the purpose of maintaining reserved works. The report must include (1) an assessment of major repair and rehabilitation needs for reserved works, and (2) an itemized and prioritized list of major repair and rehabilitation needs of individual facilities. Interior must coordinate with the nonfederal entities responsible for the operation and maintenance of Reclamation facilities, known as transferred works, in developing reporting requirements for their major repair and rehabilitation needs.