

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

**2500 Pittsburg-Antioch Highway | Antioch, CA 94509  
THURSDAY, JULY 16, 2020  
4:30 P.M.**

**In lieu of a public gathering, the Board of Directors meeting will be accessible via ZOOM to all members of the public as permitted by the Governor's Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public meetings.**

The Special Board of Directors Meeting on July 16, 2020 will not be physically open to the public and all Board Members will be teleconferencing into the meeting. Members of the public can observe the meeting by following the steps listed below to view and listen to the Board Meeting.

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

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

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

**How to view, listen to, and provide a Public Comment during the meeting via ZOOM:**  
**Using your computer, access the Zoom meeting at <https://us02web.zoom.us/j/88190348516>**

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

**Meeting ID: 881 9034 8516 #**

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

## **A. ROLL CALL**

## **B. PLEDGE OF ALLEGIANCE**

## **C. PUBLIC COMMENTS**

## **D. RECOGNITION**

## **E. CONSENT CALENDAR**

- 1) **Approve** Minutes of Special Board of Directors Meeting, June 25, 2020 (Cecelia Nichols-Fritzler)
- 2) **Receive** District Monthly Check Register, May 2020 (Eka Ekanem)
- 3) **Accept** and **Authorize** General Manager to File Notice of Completion, Ranger Pipelines, Inc., Bay Point Sewer Repairs – Phase IV, Project No. 18119 (Thanh Vo)
- 4) **Adopt** Resolution Approving Amendments to the Delta Diablo Conflict of Interest Code and Direct Staff to Transmit the Code to the Contra Costa County Clerk of the Board of Supervisors (Cecelia Nichols-Fritzler)
- 5) **Adopt** Resolution Authorizing Submittal of Regional Application to CalRecycle for Local Government Household Hazardous Waste Grant (Thirty-Fifth Cycle) Small Projects Grant (Amanda Roa)
- 6) **Authorize** General Manager to Execute Reverse Osmosis Discharge Facilities Design and Construction Access Agreement Related to City of Antioch Brackish Water Desalination Project (Amanda Roa)
- 7) **Adopt** Resolution Establishing Fiscal Year 2020/2021 Appropriations (Gann) Limit for Expenditures that Can be Funded from Tax Proceeds (Carol Margetich)
- 8) **Authorize** General Manager or Designee, to Accept Recycled Water Pipeline Easements from City of Pittsburg, Pump Station Facilities Repair, Project No. 80008 (Sean Williams)

## **F. DELIBERATION ITEMS**

- 1) **Approve** Fiscal Year 2020/2021 Budget and Adopt Resolution Approving Fiscal Year 2020/2021 Budget Appropriations (Carol Margetich)
- 2) **Adopt** Resolution Approving Salary Schedules Incorporating 2020 Annual Cost of Living Adjustment and **Adopt** Resolution Approving Tier II Applicable Percentage, as Provided for in District Bargaining Unit Memoranda of Understanding, Bargaining Unit Side Letter Agreements and Unrepresented Employees' Employment Agreements (Carol Margetich)

## **G. PRESENTATIONS AND REPORTS**

None.

## **H. MANAGER'S COMMENTS**

## **I. DIRECTORS' COMMENTS**

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**J. CORRESPONDENCE**

Receive Monthly Lobbyist Report dated June 2020, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024 (Jayne Strommer)

**K. CLOSED SESSION**

CONFERENCE WITH LABOR NEGOTIATORS (GOV. CODE, SECTION 54957.6)

Agency Negotiators: Federal Glover, Vince De Lange

Employee Organizations: Operations and Maintenance Public Employee Union, Local One; Professional & Technical Public Employees Union, Local One; Management Association

Unrepresented Employees: All unrepresented employees.

**L. ADJOURNMENT**

The next Special Board of Directors meeting will be September 9, 2020 at 4:30 p.m.

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July 16, 2020

APPROVE MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING, JUNE 25, 2020

RECOMMENDATION

Approve Minutes of the Special Board of Directors Meeting of June 25, 2020.

**DRAFT**  
**Minutes of the Special Board of Directors Meeting**

**DELTA DIABLO**  
**June 25, 2020**

The meeting was called to order by Chair Banales at 4:39 p.m. on Wednesday, June 25, 2020, via Zoom. Present were Chair Juan Banales, and Directors Federal Glover and Sean Wright. Also present on the call were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Carol Margetich, Business Services Director; and Thanh Vo, Senior Engineer.

Chair Banales read the following statement: “To slow the spread of COVID-19, the Contra Costa County Health Officer’s Health Order of June 16, 2020 restricts governmental functions. In lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor’s Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public meetings. Presentations for Item D/1 and D/2 are available on the District’s website [www.deltadiablo.org/board-meetings](http://www.deltadiablo.org/board-meetings).”

**PUBLIC COMMENTS**

Chair Banales opened Public Comments on non-agendized items. Hearing no Public Comments, Chair Banales closed Public Comments.

**PUBLIC HEARINGS**

Conduct Public Hearing on Fiscal Year 2020/2021 through 2024/2025 Capital Improvement Program; Close Public Hearing and Consider Any Testimony Received; Adopt Resolution Approving the Program; and Authorize Filing of Notice of Exemption in Compliance with Public Resources Code Section 21152

Chair Banales opened the Public Hearing for public comments at 4:43 p.m. Ms. Nichols-Fritzler indicated that no comments were received.

Mr. Vo provided an overview of the Fiscal Year 2020/2021-2024/2025 (FY20/21-FY24/25) Capital Improvement Program (CIP) development process and goals. He highlighted that the total planned 5-year CIP is \$81.3 million, and the FY20/21 CIP budget request is \$16.7 million.



Mr. Vo noted that 14 new projects were identified within the five-year CIP totaling \$20.3 million, which includes \$8.3 million for the Antioch Pump Station and Conveyance System Improvements Project. He shared that 70% of the CIP total is allocated to support rehabilitation and/or replacement of existing critical wastewater infrastructure. Mr. Vo stated that the District is adapting to shifting project priorities and changes, most notably, the District is no longer pursuing the East County Bioenergy Project and continues to adapt to changes in assumptions for nutrient management-related capital improvements. In addition, Mr. Vo highlighted two areas in which the CIP will support organizational improvement: 1) Asset Management Program development, and 2) Information Technology expansion. He reviewed five master planning efforts that are included in the proposed CIP to identify near- and long-term strategies, needs, and priorities. He also noted that staff has prepared additional supporting documentation and posted the information to the District's website. Mr. Vo reviewed the next steps and upcoming Board presentations.

Chair Banales called for additional public comments before closing the Public Hearing. Hearing no public comments, Chair Banales closed the Public Hearing at 4:57 p.m. and opened the item to the Board for deliberation.

Director Glover moved approval, seconded by Director Wright and by unanimous voice vote (Ayes: *Glover, Wright, and Banales*; Noes: *None*; Absent: *None*), the Board adopted the Resolution approving the Program, and authorized filing of the Notice of Exemption.

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 Written Report and Directing Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll

Chair Banales opened Public Hearing at 4:58 p.m. Ms. Nichols-Fritzler, indicated that no comments were received.

Ms. Margetich provided an overview of the budget and rates development process, guiding principles, and key assumptions for the FY20/21 sewer service charge (SSC) analysis. She presented the proposed SSC increases (3.5%) for Antioch and Pittsburg customers and (3.0%) for Bay Point customers. Ms. Margetich presented a breakdown of District expenses paid by SSCs with labor costs and capital improvements as the largest categories. She highlighted that the District's ratepayers pay among the lowest rates relative to peer agencies. In addition, she reviewed the five-year SSC rate projection and highlighted the reduction from last year's five-year annual rate increase projection, noting the proposed SSC increase is the lowest in 14 years. She presented a chart illustrating the severe impacts on the District's ability to maintain reserves at 40% of the Wastewater O&M Fund annual budget without the proposed SSC increases. Ms. Margetich closed her presentation by summarizing the requirements for the Property Tax Payment Relief, Governor's Executive Order N-61-20. She noted, as of June 22, 2020, 26 protest letters were received.

Chair Banales called for additional public comments before closing the Public Hearing. Ms. Nichols-Fritzler, noted that one new public comment was received via teleconference.

Ms. Lucille Hill inquired if the SSC increase was for continued maintenance and updating infrastructure, for adequate public services. Mr. De Lange confirmed, stating SSC increases are used to support ongoing operations and maintenance of the District's wastewater conveyance and treatment system, as well as capital investment in aging infrastructure.

Chair Banales called for additional public comments before closing the Public Hearing. Hearing no further public comments, Chair Banales closed the Public Hearing at 5:17 p.m. and opened the item to the Board for deliberation.

Chair Banales inquired regarding the total number of protests received. Ms. Nichols-Fritzler announced that, as of June 25, 2020, a total of 30 protest letters were received, which is less than the number required to determine that a majority protest exists.

Director Wright moved approval, seconded by Director Glover and by unanimous voice vote (*Ayes: Wright, Glover, and Banales; Noes: None; Absent: None*), the Board determined 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; adopted the Ordinance establishing SSCs and Surcharges to be effective in FY20/21; and adopted the Resolution approving the Final Engineer's Report and providing for the Collection of SSCs on the County Tax Roll.

### **CONSENT CALENDAR**

Chair Banales moved approval, seconded by Director Wright, and, by a roll call vote (*Ayes: Banales, Glover, and Wright; Noes: None; Absent: None*), the following consent items were approved according to staff recommendations: Approve Minutes of Board of Directors Meeting, June 10, 2020; Approve Rescheduling of Regular Board of Directors Meeting from July 8, 2020 to July 16, 2020; Authorize General Manager to Execute Amendment No. 5 to Consulting Services Contract in the Amount of \$73,020, Lee & Ro, Inc., Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; and Determine the Pape Machinery Proposal Provides the Best Overall Value to the District and Authorize General Manager to Execute Purchase Order in the Amount of \$382,217.80, The Pape Group DBA: Pape Machinery, Truck-Mounted Hydraulic Combination Sewer Cleaning Unit.

### **DELIBERATION ITEMS**

None.

### **PRESENTATIONS AND REPORTS**

None.

### **MANAGER'S COMMENTS**

Mr. De Lange thanked the Board for its leadership in guiding the District through the SSC increase, noting the increase was carefully considered during the COVID-19 pandemic relative

to the District's financial needs. He also acknowledged staff for their efforts in developing the SSCs, CIP, and budget this year.

**DIRECTORS' COMMENTS**

Chair Banales echoed Mr. De Lange's comments and thanked staff for their tremendous effort and work.

**CORRESPONDENCE**

None.

**CLOSED SESSION**

None.

**ADJOURNMENT**

Chair Banales adjourned the meeting at 5:21 p.m. The next Board Meeting will be at 4:30 p.m. on July 16, 2020.

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Sean Wright, Board Secretary

(Recording Secretary:  
Cecelia Nichols-Fritzler)

**ITEM E/2**

July 16, 2020

RECEIVE DISTRICT MONTHLY CHECK REGISTER, MAY 2020

RECOMMENDATION

Receive District Monthly Check Register for the month ending May 31, 2020.

Background Information


The Check Register for the month of May 2020 is attached. The report reflects payments to the District's suppliers, consultants, service providers, and contractors. A total of \$1,982,527.17 was disbursed in May 2020, which includes 143 checks.

Financial Impact

All payments made during the month are within funding levels included in the adopted Fiscal Year 2019/2020 Budget.

Attachment

Check Register, month ending May 31, 2020.

Reviewed by:  for  
Carol Margetich  
Business Services Director



# CHECK REGISTER

## DELTA DIABLO

CASH DISBURSEMENTS FOR THE MONTH OF MAY 2020

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
5/7/2020	BARNETT MEDICAL SERVICES, LLC		33672	39.00
		51008	39.00	SHARPS/PHARMACEUTICAL DISPOSAL
5/7/2020	BAY AREA AIR QUALITY MNGMENT		33673	25,696.00
		51184	25,696.00	PERMIT RENEWAL
5/7/2020	CDW GOVERNMENT, INC.		33674	1,910.00
		51091	1,910.00	MICROSOFT ADDITIONAL STORAGE
5/7/2020	CHEMTRADE CHEMICALS US LLC		33675	14,368.49
		51151	3,530.07	ALUMINUM SULFATE
		51152	3,648.20	ALUMINUM SULFATE
		51155	3,549.51	ALUMINUM SULFATE
		51156	3,640.71	ALUMINUM SULFATE
5/7/2020	CSRMA		33676	504.20
		51208	504.20	CLAIMS PAID
5/7/2020	DEAN ECKERSON		33677	182.00
		51193	115.00	REIMBURSEMENT
		51194	67.00	REIMBURSEMENT
5/7/2020	GOLDEN STATE WATER CO.		33678	2,136.84
		51146	726.88	UTILITIES
		51147	1,409.96	UTILITIES
5/7/2020	GURMUKH SINGH GREWAL		33679	51.21
		51190	51.21	REIMBURSEMENT
5/7/2020	KEY ADVOCATES INC.		33680	7,375.00
		51158	7,375.00	FEDERAL ADVOCACY FOR WRWC PN
5/7/2020	KONE. INC.		33681	616.16
		51159	616.16	ELEVATOR SERVICE
5/7/2020	LARRY WALKER ASSOCIATES		33682	3,925.00
		51094	3,925.00	NPDES PERMIT REISSUANCE ASSIST
5/7/2020	MANAGED HEALTH NETWORK		33683	395.90
		51178	395.90	EAP - MAY
5/7/2020	MDRR PITTSBURG		33684	2,132.65
		51209	2,132.65	WASTE
5/7/2020	OFFICE DEPOT		33685	195.45
		51160	195.45	OFFICE SUPPLIES
5/7/2020	PACIFIC GAS & ELECTRIC COMPANY		33686	27,944.88
		51149	27,944.88	UTILITIES
5/7/2020	DANNY LEE WILLIAMS		33687	522.00

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		51112		522.00	DAYTIME JANITORIAL SERVICES
<b>5/7/2020</b>	<b>PITTSBURG UNIFIED SCHOOL DISTR</b>		<b>33688</b>	<b>419.93</b>	
		51198		125.52	O/S
		51199		168.14	O/S
		51200		126.27	O/S
<b>5/7/2020</b>	<b>PUBLIC EMPLOYEES UNION</b>		<b>33689</b>	<b>1,484.72</b>	
		3163359		1,484.72	UNION DUES P&T
<b>5/7/2020</b>	<b>PUBLIC EMPLOYEES UNION</b>		<b>33690</b>	<b>3,428.65</b>	
		3163259		3,428.65	UNION DUES O&M
<b>5/7/2020</b>	<b>SHAWN REDMOND</b>		<b>33691</b>	<b>320.34</b>	
		51191		185.00	REIMBURSEMENT
		51192		135.34	REIMBURSEMENT
<b>5/7/2020</b>	<b>RH TECHNOLOGY</b>		<b>33692</b>	<b>4,646.00</b>	
		51163		4,646.00	O/S TEMP
<b>5/7/2020</b>	<b>STANDARD INSURANCE COMPANY</b>		<b>33693</b>	<b>3,727.63</b>	
		51201		3,727.63	LIFE & LTD INSURANCE
<b>5/7/2020</b>	<b>CA STATE DISBURSEMENT UNIT</b>		<b>33694</b>	<b>750.00</b>	
		CS9648304		750.00	GARNISHMENT
<b>5/7/2020</b>	<b>STATE OF CALIFORNIA</b>		<b>33695</b>	<b>150.00</b>	
		4461744		150.00	INCOME TAX WITHOLDING ORDER
<b>5/7/2020</b>	<b>STATE WATER RESOURCES</b>		<b>33696</b>	<b>600.00</b>	
		51174		600.00	CERTIFICATION RENEWALS
<b>5/7/2020</b>	<b>STATE WATER RESOURCES</b>		<b>33697</b>	<b>9,697.48</b>	
		51206		9,697.48	LOAN PAYMENT
<b>5/7/2020</b>	<b>STATE WATER RESOURCES</b>		<b>33698</b>	<b>17,564.04</b>	
		51205		17,564.04	LOAN PAYMENT
<b>5/7/2020</b>	<b>STATE WATER RESOURCES</b>		<b>33699</b>	<b>102,307.90</b>	
		51204		102,307.90	LOAN PAYMENT
<b>5/7/2020</b>	<b>SYSTEM 1 STAFFING</b>		<b>33700</b>	<b>2,626.60</b>	
		51164		2,626.60	O/S TEMP
<b>5/7/2020</b>	<b>THOMAS &amp; ASSOCIATES</b>		<b>33701</b>	<b>1,907.41</b>	
		51099		1,907.41	RWF INVENTORY
<b>5/7/2020</b>	<b>TRI-VALLEY JANITORIAL SERVICE &amp; SUPPL'</b>		<b>33702</b>	<b>7,769.27</b>	
		51202		7,386.00	JANITORIAL SERVICES
		51203		383.27	JANITORIAL SERVICES
<b>5/7/2020</b>	<b>UNIFIRST CORPORATION</b>		<b>33703</b>	<b>331.26</b>	
		51106		132.36	UNIFORM/ LAUNDRY SERVICE
		51107		167.24	UNIFORM/ LAUNDRY SERVICE
		51108		31.66	UNIFORM/ LAUNDRY SERVICE
<b>5/7/2020</b>	<b>UNIVAR USA INC</b>		<b>33704</b>	<b>3,316.57</b>	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		51100	3,316.57	SODIUM HYPOCHLORITE
<b>5/7/2020</b>	<b>VISION SERVICE PLAN</b>		<b>33705</b>	<b>1,851.62</b>
		51170	1,743.80	VISION INSURANCE
		51179	107.82	VISION - COBRA INSURANCE
<b>5/7/2020</b>	<b>WESCO</b>		<b>33706</b>	<b>1,197.72</b>
		51109	1,197.72	INVENTORY
<b>5/7/2020</b>	<b>WOLLBORG MICHELSON PERSONNEL</b>		<b>33707</b>	<b>7,680.00</b>
		51171	3,840.00	O/S TEMP
		51172	3,840.00	O/S TEMP
<b>5/7/2020</b>	<b>JASON WONG</b>		<b>33708</b>	<b>153.99</b>
		51173	153.99	REIMBURSEMENT - LAB SUPPLY
<b>5/14/2020</b>	<b>ALHAMBRA &amp; SIERRA SPRGS WATER</b>		<b>33710</b>	<b>163.17</b>
		51294	163.17	BOTTLED WATER SERVICE
<b>5/14/2020</b>	<b>ALLIANT INSURANCE SERVICES</b>		<b>33711</b>	<b>18,839.25</b>
		51239	18,688.25	GENERAL INSURANCE
		51240	151.00	VEHICLE INSURANCE
<b>5/14/2020</b>	<b>CITY OF ANTIOCH- WATER</b>		<b>33712</b>	<b>5,739.53</b>
		51241	72.49	UTILITIES
		51242	94.60	UTILITIES
		51243	652.98	UTILITIES
		51244	94.60	UTILITIES
		51245	94.60	UTILITIES
		51246	94.60	UTILITIES
		51247	4,635.66	UTILITIES
<b>5/14/2020</b>	<b>APG NEUROS INC.</b>		<b>33713</b>	<b>4,828.85</b>
		51150	4,828.85	NEUROS BLOWER REPAIR- SOLE SOURC
<b>5/14/2020</b>	<b>ASSOCIATED SERVICES COMPANY</b>		<b>33714</b>	<b>71.22</b>
		51153	71.22	PROVIDE PREMIUM COFFEE SERVICE
<b>5/14/2020</b>	<b>BARNETT MEDICAL SERVICES, LLC</b>		<b>33715</b>	<b>39.00</b>
		51088	39.00	SHARPS/PHARMACEUTICAL DISPOSAL
<b>5/14/2020</b>	<b>BAY AREA AIR QUALITY MNGMENT</b>		<b>33716</b>	<b>1,125.00</b>
		51187	1,125.00	PERMIT & REGULATORY FEE
<b>5/14/2020</b>	<b>CALTEST ANALYTICAL LABORATORY</b>		<b>33717</b>	<b>3,547.80</b>
		51089	905.40	PROVIDE LAB ANALYTICAL SERVICES
		51090	664.20	PROVIDE LAB ANALYTICAL SERVICES
		51116	1,978.20	PROVIDE LAB ANALYTICAL SERVICES
<b>5/14/2020</b>	<b>CHEMTRADE CHEMICALS US LLC</b>		<b>33718</b>	<b>3,591.38</b>
		51157	3,591.38	ALUMINUM SULFATE
<b>5/14/2020</b>	<b>COMCAST BUSINESS COMMUNICATIONS, LI</b>		<b>33719</b>	<b>548.19</b>
		51236	548.19	PHONE EXPENSE



CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
5/14/2020	CONTRA COSTA WATER DISTRICT		33720	27.25	
		51279		27.25	UTILITIES
5/14/2020	CORELOGIC INFORMATION SOLUTIONS, INC		33721	165.00	
		51248		165.00	REALQUEST PROPERTY INFORMATION
5/14/2020	DELTA FENCE CO		33722	2,685.00	
		51252		2,685.00	DISTRICT PROPERTY FENCE REPAIR
5/14/2020	DEPT OF GENERAL SERVICES		33723	13,082.46	
		51295		13,082.46	UTILITIES
5/14/2020	FLYERS ENERGY LLC		33724	12,227.63	
		51293		12,227.63	Lube LUBE OIL FOR ENGINE # 3 NEI
5/14/2020	FRESCHI AIR SYSTEMS		33725	1,720.00	
		51256		1,720.00	POC ANNUAL SERVICE AGREEMENT
5/14/2020	GP CRANE & HOIST SERVICES		33726	2,461.05	
		51257		2,461.05	CRANE CH8901 REPAIRS
5/14/2020	HAZEN & SAWYER		33727	74,483.97	
		51148		74,483.97	RESOURCE RECOVERY FACILITY WASTE
5/14/2020	HUNT & SONS INC		33728	3,017.21	
		51238		1,007.45	FUEL SERVICES FOR THE DISTRICT
		51260		975.76	INVENTORY LUBRICANTS-
		51261		1,034.00	FUEL SERVICES FOR THE DISTRICT
5/14/2020	INTERACTIVE RESOURCES INC.		33729	26,643.00	
		51120		26,643.00	ROOF REPLACEMENT DESIGN - PN 1
5/14/2020	KENNEDY/JENKS CONSULTANTS INC.		33730	6,103.03	
		51121		6,103.03	ASSET MANAGEMENT PROGRAM DEVELOP
5/14/2020	McCAULEY AGRICULTURAL & PEST SERVIC		33731	3,075.00	
		51263		500.00	VEGETATION MANAGEMENT/ WEED AB
		51264		800.00	VEGETATION MANAGMENT FOR THE D
		51265		500.00	VEGETATION MANAGEMENT/ WEED AB
		51268		600.00	VEGETATION MANAGEMENT/ WEED AB
		51269		675.00	VEGETATION MANAGEMENT/ WEED AB
5/14/2020	MDRR-PARK (MT. DIABLO RESOURCE RECC		33732	77.92	
		51274		77.92	WASTE
5/14/2020	NWN CORPORATION		33733	3,899.45	
		51212		3,899.45	PHONE EXPENSE
5/14/2020	PACIFIC ECO-RISK LABORATORIES		33734	512.50	
		51097		512.50	CHRONIC TOXICITY
5/14/2020	PACIFIC GAS & ELECTRIC COMPANY		33735	35,198.57	
		51275		345.15	UTILITIES
		51276		58.09	UTILITIES
		51278		34,795.33	UTILITIES

<b>CHECK DATE</b>	<b>VENDOR NAME</b>	<b>INVOICE NO.</b>	<b>CHECK NO.</b>	<b>CHECK AMOUNT</b>	<b>DESCRIPTION</b>
5/14/2020	DANNY LEE WILLIAMS		33736	696.00	
		51161	696.00		DAYTIME JANITORIAL SERVICES
5/14/2020	CITY OF PITTSBURG		33737	17,918.78	
		51277	17,918.78		STREET SWEEPING SERVICE
5/14/2020	POLYDYNE INC		33738	53,501.91	
		51119	53,501.91		DRY POLY
5/14/2020	QUALITY SCALE, INC		33739	5,114.78	
		51280	5,114.78		SCALE REPAIRS
5/14/2020	READY PRINT		33740	25,518.34	
		51233	25,518.34		POSTAGE
5/14/2020	REDWOOD PAINTING CO		33741	1,104.59	
		51281	1,104.59		PAINTING AND COATINGS FY 19/20
5/14/2020	RH TECHNOLOGY		33742	13,938.00	
		51213	4,646.00		O/S TEMP
		51228	4,646.00		O/S TEMP
		51283	4,646.00		O/S TEMP
5/14/2020	TAC AMERICAS, INC.		33743	1,598.17	
		51282	1,598.17		POC BUILDING HVAC SERVICES
5/14/2020	STERICYCLE ENVIRONMENTAL SOLUTIONS		33744	18,010.55	
		51229	18,010.55		PROVIDE TRANS/DISPOSAL/LABOR FOR I
5/14/2020	UNIFIRST CORPORATION		33745	334.26	
		51165	134.86		UNIFORM/ LAUNDRY SERVICE
		51166	167.74		UNIFORM/ LAUNDRY SERVICE
		51167	31.66		UNIFORM/ LAUNDRY SERVICE
5/14/2020	UNIQUE SCAFFOLD		33746	975.00	
		51285	975.00		SCAFFOLD AT PITTSBURG PUMP STATION
5/14/2020	UNIVAR USA INC		33747	12,373.93	
		51102	3,316.57		SODIUM HYPOCHLORITE
		51169	5,739.24		SODIUM BISULFITE
		51197	3,318.12		SODIUM HYPOCHLORITE
5/14/2020	WM LYLES COMPANY		33748	689,448.25	
		51196	689,448.25		CONSTRUCTION SERVICES PN 80008
5/14/2020	WOLLBORG MICHELSON PERSONNEL		33749	3,840.00	
		51219	3,840.00		O/S TEMP
5/14/2020	YORKE ENGINEERING, LLC		33750	6,719.25	
		51110	6,719.25		AIR QUALITY PERMITTING, GENERATOR E
5/14/2020	ZORO TOOLS, INC		33751	791.49	
		51296	791.49		INVENTORY
5/21/2020	AFLAC		33752	974.34	
		51331	974.34		INSURANCE

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
5/21/2020	MICHAEL AUER		33753	130.07	
		51332	130.07		REIMBURSEMENT
5/21/2020	MICHAEL BAKALDIN		33754	130.07	
		51334	130.07		REIMBURSEMENT
5/21/2020	BARNETT MEDICAL SERVICES, LLC		33755	109.00	
		51175	39.00		SHARPS/PHARMACEUTICAL DISPOSAL
		51176	35.00		SHARPS/PHARMACEUTICAL DISPOSAL
		51177	35.00		SHARPS/PHARMACEUTICAL DISPOSAL
5/21/2020	BARTEL ASSOCIATES, LLC		33756	15,950.00	
		51351	7,000.00		ACTUARIAL SERVICES FY 2020-2022
		51352	5,700.00		ACTUARIAL SERVICES FY 2020-2022
		51353	1,600.00		ACTUARIAL SERVICES FY 2020-2022
		51354	1,650.00		ACTUARIAL SERVICES FY 2020-2022
5/21/2020	LESLIE J. CAIN		33757	201.00	
		51297	117.00		REIMBURSEMENT
		51298	84.00		REIMBURSEMENT
5/21/2020	CALTEST ANALYTICAL LABORATORY		33758	960.30	
		51154	960.30		PROVIDE LAB ANALYTICAL SERVICES
5/21/2020	CHEMTRADE CHEMICALS US LLC		33759	7,275.45	
		51270	3,655.67		ALUMINUM SULFATE
		51271	3,619.78		ALUMINUM SULFATE
5/21/2020	CITY NATIONAL BANK		33760	69,871.96	
		51207	69,871.96		LOAN PAYMENT
5/21/2020	CONTRACT SWEEPING SERVICES		33761	28,783.02	
		51336	28,783.02		STREET SWEEPING SERVICES
5/21/2020	CONVERGEONE INC		33762	1,050.00	
		51180	1,050.00		SOLARWINDS RENEWAL
5/21/2020	DIABLO WATER DISTRICT		33763	723.05	
		51299	723.05		UTILITIES
5/21/2020	FEDERAL EXPRESS		33764	63.36	
		51338	63.36		OE - POSTAGE
5/21/2020	KEMIRA WATER SOLUTIONS, INC.		33765	13,711.25	
		51230	6,919.10		FERROUS CHLORIDE
		51231	6,792.15		FERROUS CHLORIDE
5/21/2020	KONE. INC.		33766	110.40	
		51262	110.40		ELEVATOR SERVICE
5/21/2020	LEE & RO, INC.		33767	5,932.50	
		51211	5,932.50		SWGR DESIGN SERVICES
5/21/2020	MESSER LLC		33768	639.11	
		51301	639.11		LIQUID OXYGEN

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
5/21/2020	NEW IMAGE LANDSCAPE COMPANY		33769	2,563.00	
		51302	2,563.00		Landscape Services
5/21/2020	OFFICE DEPOT		33770	356.11	
		51303	356.11		OFFICE SUPPLIES
5/21/2020	PACIFIC GAS & ELECTRIC COMPANY		33771	50,785.37	
		51344	50,785.37		UTILITIES
5/21/2020	ABEL PALACIO		33772	1,064.20	
		51343	1,064.20		REIMBURSEMENT
5/21/2020	DANNY LEE WILLIAMS		33773	696.00	
		51162	696.00		DAYTIME JANITORIAL SERVICES
5/21/2020	PILLSBURY WINTHROP SHAW PITTMAN LLP		33774	4,452.50	
		51185	4,452.50		LEGAL SERVICES
5/21/2020	PLC CENTRAL INC		33775	5,400.00	
		51235	5,400.00		R&M EQUIP
5/21/2020	PSOMAS		33776	33,195.00	
		51350	33,195.00		CONSTRUCTION MGMT & INSPECTION PN
5/21/2020	READY PRINT		33777	402.04	
		51214	402.04		PRINTING MANIFEST
5/21/2020	SCHAAF & WHEELER CONSULTING		33778	18,805.65	
		51345	18,805.65		DESIGN FOR PUMP STATION FACILI
5/21/2020	CA STATE DISBURSEMENT UNIT		33779	750.00	
		CS9648305	750.00		GARNISHMENT
5/21/2020	JAYNE STROMMER		33780	417.20	
		51346	417.20		T&M
5/21/2020	SUBTRONIC CORP.		33781	4,944.00	
		51347	4,944.00		UNDERGROUND UTILITY LOCATING APS F
5/21/2020	SYNAGRO WEST, LLC		33782	39,833.35	
		51304	39,833.35		BIOSOLIDS HAULING
5/21/2020	TELSTAR INSTRUMENTS INC		33783	7,178.82	
		51215	860.89		INVENTORY
		51216	6,317.93		INVENTORY
5/21/2020	TRI-VALLEY JANITORIAL SERVICE & SUPPL'		33784	7,386.00	
		51217	7,386.00		JANITORIAL SERVICES
5/21/2020	UNIFIRST CORPORATION		33785	331.26	
		51286	132.36		UNIFORM/ LAUNDRY SERVICE
		51287	167.24		UNIFORM/ LAUNDRY SERVICE
		51288	31.66		UNIFORM/ LAUNDRY SERVICE
5/21/2020	UNIQUE SCAFFOLD		33786	801.67	
		51340	801.67		SG4602 SCAFFOLDING FOR VALVE REPLA
5/21/2020	UNIVAR USA INC		33787	14,064.71	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		51220		3,317.00	SODIUM HYPOCHLORITE
		51221		5,474.43	SODIUM BISULFITE
		51223		5,273.28	SODIUM BISULFITE
<b>5/21/2020</b>	<b>V.W. HOUSEN &amp; ASSOCIATES, INC.</b>		<b>33788</b>	<b>655.00</b>	
		51218		655.00	DESIGN WORK
<b>5/21/2020</b>	<b>WOLLBORG MICHELSON PERSONNEL</b>		<b>33789</b>	<b>7,680.00</b>	
		51309		3,840.00	O/S TEMP
		51329		1,536.00	O/S TEMP
		51330		2,304.00	O/S TEMP
<b>5/21/2020</b>	<b>WOODARD &amp; CURRAN INC.</b>		<b>33790</b>	<b>12,040.12</b>	
		51348		12,040.12	ON-SITE FUELING STATION REPLACEMENT
<b>5/28/2020</b>	<b>ANDRITZ SEPARATION INC</b>		<b>33791</b>	<b>3,994.50</b>	
		51333		3,994.50	INVENTORY
<b>5/28/2020</b>	<b>BARNETT MEDICAL SERVICES, LLC</b>		<b>33792</b>	<b>39.00</b>	
		51210		39.00	SHARPS/PHARMACEUTICAL DISPOSAL
<b>5/28/2020</b>	<b>CHEMSEARCH</b>		<b>33793</b>	<b>1,566.48</b>	
		51337		1,566.48	INVENTORY
<b>5/28/2020</b>	<b>COLANTUONO, HIGHSMITH &amp; WHATLEY, PC</b>		<b>33794</b>	<b>316.00</b>	
		51355		316.00	LEGAL SERVICES
<b>5/28/2020</b>	<b>JOSEPH PETRONIO</b>		<b>33795</b>	<b>375.00</b>	
		51250		375.00	CMMS SUPPORT
<b>5/28/2020</b>	<b>GP CRANE &amp; HOIST SERVICES</b>		<b>33796</b>	<b>555.00</b>	
		51258		555.00	DISTRICT CRANE SERVICE/ TESTING
<b>5/28/2020</b>	<b>GRAINGER</b>		<b>33797</b>	<b>287.67</b>	
		51341		287.67	INVENTORY
<b>5/28/2020</b>	<b>IB CONSULTING, LLC</b>		<b>33798</b>	<b>26,910.00</b>	
		51186		26,910.00	DATA REQUEST, REVIEW AND ANALYSIS
<b>5/28/2020</b>	<b>KENNEDY/JENKS CONSULTANTS INC.</b>		<b>33799</b>	<b>14,812.99</b>	
		51234		14,812.99	FACILITY CONDITION ASSESSMENT
<b>5/28/2020</b>	<b>CITY OF PITTSBURG</b>		<b>33800</b>	<b>654.58</b>	
		51378		654.58	UTILITIES
<b>5/28/2020</b>	<b>QUALITY ASSURANCE SOLUTIONS, LLC</b>		<b>33801</b>	<b>800.00</b>	
		51188		800.00	CONSULTING SUPPORT FOR LABORATORY
<b>5/28/2020</b>	<b>RED WING SHOE STORE 165</b>		<b>33802</b>	<b>326.00</b>	
		51370		151.00	SAFETY SHOES - T. VO
		51371		175.00	SAFETY SHOES - B. HUFFMAN
<b>5/28/2020</b>	<b>REPUBLIC SERVICES #210</b>		<b>33803</b>	<b>1,054.73</b>	
		51379		1,054.73	WASTE
<b>5/28/2020</b>	<b>REPUBLIC SERVICES #210</b>		<b>33804</b>	<b>4,953.61</b>	
		51380		4,953.61	WASTE

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
5/28/2020	RGM KRAMER INC		33805	422.50	
		51358	422.50		LABOR COMPLIANCE MONITORING PN
5/28/2020	SCHAAF & WHEELER CONSULTING		33806	12,616.01	
		51372	12,616.01		DESIGN FOR PUMP STATION FACILI
5/28/2020	STATE OF CALIFORNIA, ENERGY RESOURCI		33807	26,957.81	
		51365	26,957.81		LOAN PAYMENT
5/28/2020	STERICYCLE ENVIRONMENTAL SOLUTIONS		33808	41,759.72	
		51226	41,759.72		PROVIDE TRANS/DISPOSAL/LABOR FOR F
5/28/2020	TYLER TECHNOLOGIES, INC.		33809	16,548.00	
		51359	16,548.00		O/S
5/28/2020	UNIFIRST CORPORATION		33810	331.76	
		51289	132.86		UNIFORM/ LAUNDRY SERVICE
		51290	167.24		UNIFORM/ LAUNDRY SERVICE
		51305	31.66		UNIFORM/ LAUNDRY SERVICE
5/28/2020	UNIVAR USA INC		33811	8,994.63	
		51225	3,316.49		SODIUM HYPOCHLORITE
		51310	5,678.14		SODIUM BISULFITE
5/28/2020	V.W. HOUSEN & ASSOCIATES, INC.		33812	104,158.90	
		51360	104,158.90		ENGINEERING DESIGN SVS APS & CONVE
5/28/2020	WEST YOST & ASSOCIATES		33813	14,842.50	
		51369	14,842.50		CONSULTING SERVICES - RW STANDARD
5/28/2020	WOLLBORG MICHELSON PERSONNEL		33814	3,072.00	
		51361	3,072.00		O/S TEMP
5/28/2020	ZORO TOOLS, INC		33815	79.26	
		51349	79.26		INVENTORY
<b>GRAND TOTAL</b>				<b>1,982,527.17</b>	

July 16, 2020

ACCEPT AND AUTHORIZE GENERAL MANAGER TO FILE NOTICE OF COMPLETION, RANGER PIPELINES, INC., BAY POINT SEWER REPAIRS – PHASE IV, PROJECT NO. 18119

RECOMMENDATION

Accept the Bay Point Sewer Repairs – Phase IV Project as complete and authorize the General Manager to file a Notice of Completion (NOC) with the Contra Costa County Recorder’s Office.

Background Information

In June 2019, the Board awarded a construction services contract for the Bay Point Sewer Repairs – Phase IV Project to Ranger Pipelines, Inc. (RPI) in the amount of \$2,885,174. This project was part of a phased, multi-year effort to rehabilitate and/or replace portions of the wastewater collection system in the unincorporated community of Bay Point pursuant to the 2013 River Watch Settlement Agreement. Construction for the project commenced in August 2019 with field work substantially completed in February 2020.

Analysis


The project work has been inspected and found to meet contract requirements. Staff recommends full acceptance of the project by the Board. In addition, staff recommends the Board authorize the General Manager to file the NOC for the project with the Contra Costa County Recorder’s Office. Per California Civil Code Section 3093, filing the NOC will provide notification to subcontractors, vendors, and suppliers of the completion of work, and will require such parties to submit any claims within thirty (30) days of the notice. Presently, there are no pending claims and staff is not aware of any unresolved issues that could lead to a claim related to this project.

Financial Impact

The adopted Fiscal Year 2019/2020 – 2023/2024 (FY19/20 – FY23/24) Capital Improvement Program includes appropriations of \$4,850,000 through FY19/20 for the Bay Point Sewer Repairs – Phase IV Project, with an overall updated project budget of \$6.1 million. The project was originally to be funded using a Clean Water State Revolving Fund (SRF) loan (\$4.5 million) and District funds (\$1.6 million). Because the total project cost, including design, construction, and staff time, totals approximately \$4,150,000, the project will solely be funded using the SRF loan. Unused funds will be returned to the Bay Point Capital Asset Replacement Fund.

Attachments

Notice of Completion

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

cc: Project File No. P.18119.11.04





When Recorded, Return to:

Delta Diablo  
2500 Pittsburg-Antioch Highway  
Antioch, CA 94509-1373

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is an owner of an interest or estate in the hereinafter-described real property, the nature of which interest or estate is fee simple.
2. The full name and address of the undersigned owner and of any and all co-owners is: Delta Diablo, 2500 Pittsburg-Antioch Highway, Antioch, CA 94509.
3. On the 16th day of July 2020, there was completed upon the hereinafter-described real property a work of improvement as a whole known as Bay Point Sewer Repairs - Phase IV Project No. 18119.
4. The name of the original contractor for the work of improvement as a whole was Ranger Pipelines, Inc.
5. The real property herein referred to is situated in the city of Bay Point, County of Contra Costa, State of California, and described as follows:

Rehabilitate/replace to extend the useful life of the wastewater collection system in the unincorporated community of Bay Point pursuant to the 2013 River Watch Settlement Agreement.

DELTA DIABLO  
(Owner)

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

VERIFICATION

I, Vince De Lange, declare:

I hold the title of General Manager of Delta Diablo and am authorized to make this declaration on its behalf.

I have read the foregoing Notice of Completion and know the contents thereof. The Notice of Completion is true of my own knowledge, except as to those matters that are therein stated on information and belief, and as to those matters, I believe them to be true.

This declaration was signed on \_\_\_\_\_, at Antioch, California. I declare under penalty of perjury that the foregoing is true and correct.

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

**ITEM E/4**

July 16, 2020

**ADOPT RESOLUTION APPROVING AMENDMENTS TO THE DELTA DIABLO  
CONFLICT OF INTEREST CODE AND DIRECT STAFF TO TRANSMIT THE CODE TO  
THE CONTRA COSTA COUNTY CLERK OF THE BOARD OF SUPERVISORS**

**Recommendation**

Adopt resolution approving amendments to the District's Conflict of Interest Code (Code) and direct staff to transmit the amended Code to the Contra Costa County Clerk of the Board of Supervisors for review and approval.

**Background Information**

The Political Reform Act, Government Code Sections 81000, et seq., requires every state and local governmental agency to review its Conflict of Interest Code at least biennially to ensure compliance with current law. The 2020 review must be completed with a Review Notice submitted to the Clerk of the Contra Costa County Board of Supervisors no later than October 1, 2020.

**Analysis**


Staff and District Counsel reviewed the current Code, which was adopted in 2018, and considered revisions. As a result, one revision was identified, and the Warehouse I/II positions were removed from the list of Designated Positions in Exhibit A of the Code.

**Financial Impact**

None

**Attachment**

Proposed Resolution Amending Conflict of Interest Code

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

cc: District File CORP.01.01-DOCS-14541



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

**Re: Approving Amendments to the )  
District's Conflict of Interest Code)**

**RESOLUTION NO. XX/2020**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, the Political Reform Act (Government Code Section 81000, et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, The Fair Political Practices Commission has adopted a regulation (California Code of Regulations, Title 2, § 18730) that contains the terms of a standard conflict of interest code, and after public notice and hearing that regulation may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act; and

WHEREAS, in October 2002, the Board amended the District's Conflict of Interest Code to incorporate the terms of California Code of Regulations, Title 2, § 18730 and any amendments to it, duly adopted by the Fair Political Practices Commission; and

WHEREAS, in accordance with the provisions of the Act, the District is required to review its Conflict of Interest Code each even numbered year, and to submit any amendments to the Board of Supervisors of Contra Costa County, the Code reviewing body.

NOW THEREFORE, the Board of Directors of Delta Diablo DOES HEREBY RESOLVE AND ORDER as follows:

1. To ensure the Conflict of Interest Code reflects the current organizational structure of the District, approves the proposed amendments to the Conflict of Interest Code, as attached hereto.
2. Staff shall transmit this amended Code forthwith to the Contra Costa County Clerk of the Board of Supervisors for review and approval.
3. The amended Conflict of Interest Code shall become effective upon approval by the Code reviewing body.

PASSED AND ADOPTED on July 16, 2020 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

Exhibit: 2020 Conflict of Interest Code

DELTA DIABLO  
CONFLICT OF INTEREST CODE  
(Incorporating Fair Political Practices  
Commission Model Code)

Adopted July 16, 2020

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Secretary to the Board of Directors

Resolution No. XX/2020

**DELTA DIABLO  
CONFLICT OF INTEREST CODE**

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Exhibit A – Designated Positions	2
Exhibit B – Disclosure Categories	4

**DELTA DIABLO  
CONFLICT OF INTEREST CODE**

**1. Incorporation of State Model Code by Reference**

The Political Reform Act (Government Code § 81000, et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations, title 2, § 18730) that contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of California Code of Regulations, title 2, § 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Exhibits A and B designating officials and employees and establishing disclosure categories, shall constitute the Delta Diablo Conflict of Interest Code.

**2. Where Statements are to be Filed**

Persons holding designated positions shall file disclosure statements with the Office Manager/Secretary to the Board. The Office Manager/Secretary to the Board shall retain custody of the statements in accordance with 2 Cal. Code of Regs. Section 18115 and make the statements available for public inspection and reproduction. In the case of the General Manager, Members of the Board of Directors, the Business Services Director and the Finance Manager, the Office Manager/Secretary to the Board shall make and retain a copy of the disclosure statement and forward the originals to the Contra Costa County Clerk of the Board of Supervisors.

Delta Diablo  
Conflict of Interest Code  
EXHIBIT A - DESIGNATED POSITIONS

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<b>DESIGNATED POSITIONS</b>	<b>DISCLOSURE CATEGORY</b>
Board of Directors <sup>1</sup>	1
Business Services Director <sup>2</sup>	1
Buyer	1
Construction Inspector	1
Consultants <sup>3</sup>	1
Deputy General Manager	1
District Counsel	1
Engineering Services Director/District Engineer	1
Environmental Compliance Inspector I & II	1
Environmental Programs Manager	1
Finance Manager	1
General Manager	1
Government Affairs Manager	1
Human Resources and Risk Manager	1
Information Technology Manager	1
Laboratory Manager	1
Maintenance Manager	1
Maintenance Supervisor	1
Office Manager/Secretary to the Board	1
Operations Manager	1
Operations Supervisor	1
Public Information Manager	1
Recycled Water Program Coordinator	1
Resource Recovery Services Director	1
Safety Manager	1
Senior Accountant	1
Senior Engineer	1

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<sup>1</sup> The members of the Board of Directors may include Chair of the Board of Supervisors and the designated alternate, Mayor or Council Representative of the City of Antioch and the designated alternate, and Mayor or Council Representative of the City of Pittsburg and the designated alternate

<sup>2</sup> Other Public Officials who Manage Public Investments - these positions are not designated by the Code but file a broad statement of economic disclosure pursuant to Government Code Section 87200: Business Services Director and Finance Manager

<sup>3</sup> Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The General Manager may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.



Delta Diablo  
Conflict of Interest Code

EXHIBIT B - DISCLOSURE CATEGORIES

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**Designated Employees in Group 1 must report:**

Investments in any business entity, interests in real property; income and gifts from any source; and status as a director, officer, partner, trustee, employee, or holder of any position of management in any business entity. Financial interests are reportable only if located within the District; or if the business entity is doing business or planning to do business in the District (and such plans are known by the designated employee); or has done business within the District at any time during the two year period prior to the filing of the statement.

**Designated Employees in Group 2 must report:**

Investments in any business entity, income and gifts from any source and status as a director, officer, partner, trustee, employee, or holder of a position of management in any business entity, which, within the last two years has contracted, or that it is foreseeable that in the future they may contract with the District to provide services, supplies, materials, machinery or equipment.

**Designated Employees in Group 3 must report:**

Investments in any business entity, income and gifts from any source and status as a director, officer, partner, trustee, employee, or holder of a position of management in any business entity which, within the last two years, had contracted or that it is foreseeable that in the future they may contract with Delta Diablo to provide services, supplies, materials, machinery or equipment which are related to one of the following areas:

- A. District Buildings - Maintenance
- B. District Buildings - Construction
- C. District Grounds - Maintenance
- D. Sewer Facility Maintenance
- E. Sewer Facility Construction
- F. Sanitation & Water Supply
- G. Office Supplies & Equipment
- H. Motor Vehicles
- I. Motor Vehicle Parts
- J. Petroleum Products
- K. Landscaping
- L. Electronic Equipment: telephone equipment; computers; instrumentation equipment; including all associated software.
- M. Professional and Other Services including accounting; auditing; banking; engineering; investment and/or legal services.
- N. Any business located in the Delta Diablo service area.

July 16, 2020

ADOPT RESOLUTION AUTHORIZING SUBMITTAL OF REGIONAL APPLICATION TO CALRECYCLE FOR LOCAL GOVERNMENT HOUSEHOLD HAZARDOUS WASTE GRANT (THIRTY-FIFTH CYCLE) SMALL PROJECTS GRANT

RECOMMENDATION

Adopt Resolution authorizing submittal of a regional application to the Department of Resources Recycling and Recovery (CalRecycle) for a Local Government Household Hazardous Waste (HHW) Grant (35<sup>th</sup> Cycle).

Background Information

Because a significant portion of the District's HHW service area borders the Delta and its associated waterways, there is significant recreational boaters in the area. Many of these boaters are required to possess marine flares in the event a vessel may need to signal for emergency response. Because the most common flares have a mandated 42-month expiration date from the date of manufacture, these flares need to be replaced after approximately three boating seasons.

Presently, there are only two collection sites in California that accept and dispose of expired flares. HHW facilities are not permitted to accept them because the associated hazard category presents a potential safety potential hazard and disposal challenges for local boat owners. In collaboration with the District's HHW agency partners (Antioch, Brentwood, Oakley, Pittsburg, and Contra Costa County), the District intends to conduct marine flare education and outreach, including holding two collection events for local recreational boaters.

Analysis

The Department of Resources Recycling and Recovery (CalRecycle) offers the Household Hazardous Waste Grant Program pursuant to Section 47200(a) of the Public Resources Code. The purpose of the HHW grant program is to assist local governments in safely implementing HHW programs, which may include public education, source reduction, reuse, recycling, load checking, and collection components. Approximately \$1.0 million in funding is available for the 35<sup>th</sup> Cycle (HD35) – Fiscal Year 2020/21 Small Projects Grants. Regional groups (two or more cities/counties) may request up to \$100,000 for smaller projects that complement existing and/or regional HHW programs. Applications are due July 15, 2020 and, if awarded, the grant term will be approximately November 2020 through September 2024. The attached resolution authorizes the General Manager to submit a grant application to CalRecycle.


Financial Impact

If grant funding is awarded, the \$100,000 from the regional HD35 CalRecycle grant would fully fund the necessary expenses to hold the marine flare collection events and conduct the associated outreach and education. A small portion of in-kind staff time from the District and HHW partner staff would also supplement the efforts.



Attachment

Draft Resolution Authorizing CalRecycle Grant Submittal

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

cc: Joanne Brasch, California Product Stewardship Council  
Jon Carlson, City of Brentwood  
Deidra Dingman, Contra Costa County  
Julie Haas-Wajdowicz, City of Antioch  
Joshua Murray, City of Oakley  
Laura Wright, City of Pittsburg  
District File No.



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

**Re: Authorizing Submittal of Regional Application )  
to the Department of Resources Recycling and )  
Recovery (CalRecycle) for Local Government )  
Household Hazardous Waste Grants ) RESOLUTION NO. XX/2020**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Delta Diablo (District) operates the Delta Household Hazardous Waste Collection Facility (DHHWCF) at 2550 Pittsburg-Antioch Highway in Antioch, California; and

WHEREAS, the DHHWCF and its Operating Plan were designed to provide household hazardous waste (HHW) collection, handling, recycling and disposal services to both residential customers and small businesses that qualify under state regulations as “Conditionally Exempt Small Quantity Generator(s),” generally referred to as CESQGs; and

WHEREAS, effective July 1, 2002, the District entered into an agreement with the cities of Antioch, Brentwood and Pittsburg, Contra Costa County, and Ironhouse Sanitary District (Partners) to provide HHW collection services for East Contra Costa County; and

WHEREAS, effective July 1, 2010, the Partners were modified to include the cities of Antioch, Brentwood, Oakley, and Pittsburg and Contra Costa County (Jurisdictions); and

WHEREAS, Public Resources Code Sections 48000 et seq. authorize CalRecycle to administer various grant programs (grants) in furtherance of the State of California’s (state) efforts to reduce, recycle, and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, CalRecycle HHW grants allow regional grant projects; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

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

1. Delta Diablo is authorized to submit an HHW grant regional application on behalf of itself as Lead Agency and the participating jurisdictions as shown by the documentation attached.
2. The General Manager, or his designee, is hereby authorized and empowered to execute on behalf of Delta Diablo all grant-related documents, including, but not limited to, applications, payment requests, agreements, and amendments necessary to secure grant funds and implement the approved grant project.
3. The General Manager, or his designee, is hereby authorized to revise the list of participating jurisdictions as necessary with each application.

4. These authorizations are effective for five (5) years from the date of adoption of this resolution.

PASSED AND ADOPTED on July 16, 2020 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

**PARTICIPATING JURISDICTIONS**

City of Antioch  
City of Brentwood  
City of Oakley  
City of Pittsburg  
Contra Costa County

July 16, 2020

**AUTHORIZE GENERAL MANAGER TO EXECUTE REVERSE OSMOSIS DISCHARGE FACILITIES DESIGN AND CONSTRUCTION ACCESS AGREEMENT RELATED TO CITY OF ANTIOCH BRACKISH WATER DESALINATION PROJECT**

**RECOMMENDATION**

Authorize General Manager to execute a Reverse Osmosis Discharge Facilities Design and Construction Access Agreement with the City of Antioch for the Antioch Brackish Water Desalination Project.

**Background Information**

The City of Antioch (City) is planning to construct, operate, and maintain a brackish water desalination facility known as the Antioch Brackish Water Desalination Project (Project). The City proposes to replace its existing San Joaquin River intake pump station, construct a desalination facility located at the City's existing water treatment plant property, and construct pipelines for the conveyance of source water and byproduct from the desalination process.

A byproduct of the brackish water desalination process is a concentrated waste stream known as reverse osmosis (RO) concentrate. As part of the Project, the City proposes to construct a new pipeline to convey the RO concentrate from the Project to the District for discharge through the District's existing outfall. During proposed normal Project operations, the RO concentrate would be generated and conveyed to the outfall at a rate of approximately 2 million gallons per day.

**Analysis**

On October 11, 2018, the District entered into a Cooperative Agreement with the City to obtain regulatory approval to discharge RO concentrate through the District's existing outfall. Discharge of RO concentrate through the District's outfall was approved by the San Francisco Bay Regional Water Quality Control Board on December 11, 2019 by incorporation of constituent limits and other terms into the District's National Pollutant Discharge Elimination System Permit.

The City and the District have continued to work collaboratively in developing this Reverse Osmosis Discharge Facilities Design and Construction Access Agreement (Agreement) for the construction of the pipeline and supporting monitoring and control facilities located on District property that are necessary to accommodate the RO concentrate discharge. The Agreement defines District and City roles, responsibilities, and requirements related to design approval, site access, safety, insurance, construction coordination, and startup and commissioning to ensure construction of the new discharge facilities does not adversely impact District operations. Staff will submit an operating agreement related to operation and maintenance of the new facilities to the Board for consideration at a future meeting.


**Financial Impact**

The City is responsible for design and construction costs associated with the discharge facilities, with the District contributing staff time for coordination and communication during construction.



Attachment

Reverse Osmosis Discharge Facilities Design and Construction Access Agreement

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

cc: Scott Buenting, City of Antioch  
District File No. CORP.01-AGR





**REVERSE OSMOSIS DISCHARGE FACILITIES DESIGN  
AND CONSTRUCTION ACCESS AGREEMENT**

This Reverse Osmosis Discharge Facilities Design and Construction Access Agreement (“Agreement”), dated \_\_\_\_\_, 2020 (the “Effective Date”) is entered into by and between the City of Antioch, a municipal corporation (“City”), and Delta Diablo, a sanitation district formed and existing under the County Sanitation District Law (“District”). The City and the District are sometimes individually referred to in this Agreement as a “Party” and collectively as the “Parties.” The Parties enter into this Agreement in light of the following recited facts (each a “Recital”).

**RECITALS**

A. The District operates a wastewater treatment plant (“WWTP”) located at 2500 Pittsburg-Antioch Highway in Antioch, California, and more specifically depicted on Exhibit A (Depiction of Property) attached hereto and incorporated herein (the “Property”).

B. The City is planning to construct, operate and maintain a brackish water desalination facility and related infrastructure referred to as the Antioch Brackish Water Desalination Project (the “Project”). A byproduct of the brackish desalination process is a waste stream known as reverse osmosis (“RO”) concentrate.

C. As part of the Project, the City proposes to construct a new pipeline to convey RO concentrate from the Project to the Property for discharge through the District’s existing outfall. The facilities, anticipated to be constructed by the City at the Property, include a new 12 inch RO concentrate disposal pipeline, new monitoring and sampling equipment, power supply and communications system connections between the new facilities and the District’s existing systems, and a staging area for pipeline cleaning (“Discharge Facilities”).

D. Consistent with the intent of the October 11, 2018 Cooperative Agreement between the City and the District, the Parties now seek through this Agreement to establish the terms and conditions under which the Discharge Facilities will be designed and then constructed by the City at the Property. The City and the District will enter into a separate operations and maintenance agreement where the Parties will establish the terms and conditions under which the Discharge Facilities, once designed and constructed, will be operated and maintained at the District’s WWTP (the “Operations and Maintenance Agreement”). The Parties anticipate that the Operations and Maintenance Agreement shall replace the access rights provided in this Agreement, permit the Discharge Facilities to remain on the Property for their useful life subject to the terms and conditions of the Operation and Maintenance Agreement, and have an effective date that is on or before the expiration or termination of this Agreement.

E. For these reasons, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties desire to enter into this Agreement.

## AGREEMENT

### 1. RECITALS

1.1 The Parties agree that the Recitals are true and correct and are operative provisions of this Agreement.

### 2. DESIGN, BIDDING, AND AWARD OF THE CONTRACT FOR THE CONSTRUCTION OF THE DISCHARGE FACILITIES

2.1 Design of Discharge Facilities. The City is solely responsible for the preparation of and the costs for the design of the Discharge Facilities. The City shall prepare the design of the Discharge Facilities and obtain approvals therefor as follows:

2.1.1 The City shall prepare and submit to the District for review and comment detailed design plans, including the site plan, equipment layout, and all necessary utility connections to District utilities into and out of the Discharge Facilities, and utility connection details and specifications, including expected utility demands. Specifically, the City shall: (a) meet with the District to discuss and review preliminary design options; (b) submit to the District for review and comment sixty percent (60%) design plan; (c) submit to the District for review and comment ninety percent (90%) design plans; and (d) submit to the District for review and approval final design plans. The Parties currently anticipate these submittals to occur in accordance with the schedule attached to this Agreement as Exhibit B (Antioch Desalination Project Schedule) attached hereto and incorporated herein. The City shall cause the detailed design for the Discharge Facilities to be a component of the overall design package for the Project, not a standalone design.

2.1.2 After receiving each design plan submittal from the City, the District shall provide written comments to the City within two weeks of the District's receipt of the submittal. The City shall consider and incorporate, where appropriate, the design, operational, and safety recommendations made by the District. In the event that the City does not intend to incorporate a District recommendation, the City shall so notify the District and the District Project managers shall meet and confer to resolve the issue.

2.1.3 The District has the right to approve the final Discharge Facilities design plans. The City may not proceed with the construction of the Discharge Facilities at the Property until the District has approved the final design plans in writing. If the District has concerns related to approving the plan, the City and District Project managers shall meet and confer to resolve the issue. The District shall not unreasonably deny, delay, or condition approval of the City's design plans. The District shall provide the City with its written approval or response to the City's submittal of final design plans within two weeks of the District's receipt of the submittal. If the District does not respond in writing within this two-week period, the City's design plans will be deemed approved by the District.

## 2.2 Bidding and Award of the Construction Contract for the Discharge Facilities

2.2.1 The City is solely responsible for the notice, solicitation, and bidding of the construction contract for the Project, which will include the Discharge Facilities (the “Construction Contract”). The City shall use the final design plans for the Discharge Facilities approved pursuant to the Agreement to prepare the notice and bid documents. The Parties acknowledge and agree that the City plans to bid and award the construction work for the Discharge Facilities as part of the bid and award of the contract for the construction of the Project, and not as a standalone project.

2.2.2 The City is solely responsible for the award of the Construction Contract. The City shall be the party to the Construction Contract, shall be solely responsible for the administration and implementation of the Construction Contract, and the District shall have no obligations, legal or equitable, regarding the Construction Contract. As provided in this Agreement, the City shall indemnify and hold the District harmless from claims associated with the Construction Contract. The City shall cause the Construction Contract to include at least the policy limits and provisions set forth on Exhibit C (Construction Contract Insurance) attached hereto and incorporated herein, and cause the Construction Contract contractor to satisfy all insurance and indemnification requirements in the Construction Contract documents, including naming the District as an indemnitee and an additional insured and providing endorsements.

## 3. **GRANT OF ACCESS TO THE PROPERTY FOR THE CONSTRUCTION OF THE DISCHARGE FACILITIES**

3.1 Grant of Right of Entry. The District hereby grants to the City, its contractors, and subcontractors, a right of entry to the Property as necessary for the construction of the Discharge Facilities depicted on Exhibit A (Depiction of Property) to this Agreement (the “Construction Area”) and to use the Laydown Area also depicted on Exhibit A (Depiction of Property) to this Agreement (the “Laydown Area”) for purposes of staging equipment and materials necessary for the construction of the Discharge Facilities. This right of entry is limited to ingress and egress to the Property as needed for the construction of the Discharge Facilities in the Construction Area and related use of the Laydown Area. This Agreement does not permit any person other than the City’s officers, employees, contractors, and subcontractors working on the Discharge Facilities to enter and use the Property without the prior written consent of the District’s Project Manager.

3.2 Point of Ingress and Egress. The City, its contractors, and subcontractors may access the Construction Area and the Laydown Area only as shown on Exhibit A (Depiction of Property), except as otherwise approved in writing by the District’s Project Manager. The Parties agree and acknowledge that under special circumstances construction access via other gates or roads may be requested by the City’s contractors or subcontractors. The Parties agree to reasonably consider such requests, but such access shall not be permitted unless approved in writing by both the District and the City Project Managers.

3.3 Conditions for Right of Entry to Property. The City shall cause the Construction Contract contractor to meet site access and use requirements specified in the Construction Contract documents, including site-specific provisions for work at District facilities. The City shall cause the Construction Contract contractor to submit a workplan for approval by the

District. This workplan will include security, safety protocols, site access, and other appropriate provisions. The District reserves the right to deny access to any individual who fails to comply with the terms of this Agreement. The City shall cause its contractors and subcontractors to ensure that persons who enter the Property on the City's behalf refrain from engaging in any activity that is not directly related to construction, operation, or maintenance of the Discharge Facilities. The City is responsible for assuring compliance by its contractors and subcontractors with all provisions of this Agreement, and, as between the City and the District, the City is responsible for the acts or omissions of its contractors or subcontractors under this Agreement.

3.4 Term of Grant of Right of Entry. The right of entry granted through this Agreement shall commence on the date when the City provides the District with written notice of commencement of the right of entry and will expire when this Agreement expires or is terminated pursuant to Section 7 (Term of Agreement; Breach and Dispute Resolution Process). The City shall provide the District with at least ten (10) days advance notice of the commencement of the right of entry. The Parties anticipate that the City's acceptance of the completed Discharge Facilities will occur on or after the effective date of the Operations and Maintenance Agreement and will allow the Discharge Facilities to remain on the Property for their useful life.

#### 4. **CONSTRUCTION OF THE DISCHARGE FACILITIES**

4.1 Project Managers. In order to help facilitate communication during the construction process, the Parties will each designate a project manager ("Project Manager") responsible for administering the terms and conditions of this Agreement and who will act as the primary point of contact for the other Party in connection with the construction. If either Party elects to assign a different Project Manager to act on its behalf, that Party shall notify the other Party of the change in writing.

4.2 Construction In Accordance with Approved Design; Approved Changes. The City shall cause the construction of the Discharge Facilities to occur in substantial conformance with the design plans approved by the District. If the District wishes to request any design changes after the design plans have been approved by the City, the District and City Project Managers shall meet and confer to discuss and implement the requested changes. The City may not make any major alterations to the design approved by the District without the District's prior written consent, which consent may not be unreasonably withheld. If minor changes to the design are needed during construction due to unforeseen field conditions, the City shall give the District Project Manager written or verbal notification of the design changes and provide the District the option to meet and confer on the changes if needed. The District may observe construction activities and communicate any concerns with the City Project Manager.

4.3 Caution Required. The City shall exercise and shall cause its contractors and subcontractors to exercise due care in the entry, movement, and security of all vehicles and equipment used on the Property in connection with the construction of the Discharge Facilities. The City shall require its contractors and subcontractors to comply with all safety-related and other applicable regulations that are imposed by Federal, State, or local law.

4.4 Utilities During Construction. The City shall require its contractors to use their own generators for electricity needed during construction. District shall supply to the City, its contractors, and subcontractors, during construction of the Discharge Facilities, potable and non-potable water. The District will monitor utility usage and the City will reimburse the District for the reasonable costs of such utilities.

4.5 Maintenance During Construction. During the construction, the City shall cause its contractors and subcontractors to: (i) keep the Construction Area and the Laydown Area in a clean, safe, and orderly condition, free of any debris and trash, and (ii) develop a plan for the repair of any damage to any portion of the Property, Construction Area, or Laydown Area within 48 hours of the damage caused by work related to construction of the Discharge Facilities.

4.6 Other Considerations During Construction. Utility location, traffic control, scheduling of work, and changed conditions during construction shall be addressed and coordinated with the District by the City and its contractors consistent with the Construction Contract documents.

## 5. **ACCEPTANCE OF DISCHARGE FACILITIES**

5.1 Obligations Upon Completion of Construction. Upon completion of construction of the Discharge Facilities, the City shall cause its contractors and subcontractors to (i) remove from the Construction Area and the Laydown Area, all materials, supplies, vehicles, equipment, containers, refuse, and litter the City or its contractors or subcontractors used in connection with the Discharge Facilities, and (ii) return the Laydown Area to substantially the same condition as it was in immediately before the commencement of construction of the Discharge Facilities.

5.2 Final Inspection. Upon substantial completion of the construction of the Discharge Facilities, the City shall arrange a date and time for a final inspection of the Discharge Facilities by the District. After the final inspection, the District shall provide the City, within seven (7) calendar days, notice of any reasonable changes to the Discharge Facilities that the District believes are required to conform with the approved final design plans and any approved adjustments to the final design plans. The City shall cause its contractors and subcontractors to make any such reasonable changes requested by the District.

5.3 Startup and Commissioning. The City will start up and commission the Discharge Facilities in conjunction with other Project facilities. The City shall comply with all requirements for the startup and commissioning of the Discharge Facilities specified in the Construction Contract documents, including pre-planning for system outages, system testing and monitoring, scheduling, training, and documentation. The City shall include the District in all pre-planning meetings and use District shutdown request forms for any outages that will be required for testing or connections to existing District facilities. The District shall review and approve startup and commissioning submittals directly related to District facilities provided by the Construction Contract contractor. District shall not unreasonably withhold or delay its approval of submittals.

5.4 Acceptance. Upon completion of the construction of the Discharge Facilities, final inspection, and startup and commissioning of the Discharge Facilities, the City shall request in

writing the written acceptance of the Discharge Facilities by the District. Within fourteen (14) calendar days of District's request, the District shall accept the Discharge Facilities if they conform with the approved final design plans and any approved changes to them, and if the Discharge Facilities do not conform with the approved final design plans and any approved changes, the District shall notify the City in writing of the nonconformities. The District's acceptance of the Discharge Facilities shall not be unreasonably withheld or delayed.

## 6. INSURANCE AND INDEMNITY

6.1 Insurance. The City shall cause its contractors and subcontractors to obtain and maintain during the term of this Agreement, insurance coverage that is at least as broad and in the amounts specified required in this section, and shall cause its contractors and subcontractors to submit certificates of insurance for review and approval by the District. The City's contractors and subcontractors may not commence construction of the Discharge Facilities until such insurance has been approved by the District. The Parties understand and agree that the final insurance amounts and requirements will be contained in the Construction Contract for the Project. Acceptance of the certificates by the District does not relieve the City of any of the insurance requirements, nor decrease the liability of the City under this Agreement.

6.1.1 The City shall cause its contractors and subcontractors to obtain and maintain in full force and effect, workers' compensation insurance as required by the State of California with statutory limits and employer's liability insurance (for all employees engaged in services or operations at the Property) with limits no less than \$1 million per accident for bodily injury or disease.

6.1.2 The City shall cause its contractors and subcontractors to obtain and maintain Automobile and Commercial General Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The City shall cause the insurance to be not less than the types and amounts set forth on Exhibit C (Construction Contract Insurance), and to include the coverages and endorsements set forth therein.

6.2 Indemnification. To the fullest extent not prohibited by applicable law, the City shall indemnify, defend and hold harmless the District, its officers, agents, employees, attorneys, divisions, related agencies and entities, successors and assigns, and contractors and representatives (each a "District Indemnified Party") against any and all damages (including foreseeable and unforeseeable consequential damages), liabilities, claims, suits, demands, judgments, orders, costs, fines, property damage, injuries, including death, penalties, or expenses, of whatever character, that arise from, are associated with, caused by or alleged to be caused by the work performed in designing and constructing the Project and Discharge Facilities, the City's performance of this Agreement, or otherwise by the acts or omissions of the City or its contractors, including any costs, attorneys' fees or experts' fees incurred by the District or any Indemnified Party.

6.2.1 The City's obligations under this section exist regardless of concurrent negligence or willful misconduct on the part of the District, provided however, that the City is not obligated to indemnify, defend, or hold harmless, any District Indemnified Party for the



proportion of liability a court determines is attributable to the negligence or willful misconduct of a District Indemnified Party.

6.2.2 To the fullest extent not prohibited by applicable law, the District shall indemnify, defend and hold harmless the City, its officers, agents, employees, attorneys, divisions, related agencies and entities, successors and assigns, and contractors and representatives (each a “City Indemnified Party”) against any and all damages (including foreseeable and unforeseeable consequential damages), liabilities, claims, suits, demands, judgments, orders, costs, fines, property damage, injuries, including death, penalties, or expenses, of whatever character, that arise from, are associated with, caused by or alleged to be caused by the District’s performance of this Agreement or otherwise by the acts or omissions of the District or its contractors, including any costs, attorneys’ fees or experts’ fees incurred by the City or any Indemnified Party.

6.2.3 The District’s obligations under this section exist regardless of concurrent negligence or willful misconduct on the part of the City, provided however, that the District is not obligated to indemnify, defend or hold harmless any City Indemnified Party for the proportion of liability a court determines is attributable to the negligence or willful misconduct of a City Indemnified Party.

6.2.4 This indemnification provision shall survive the termination or expiration of this Agreement.

## **7. TERM OF AGREEMENT; BREACH AND DISPUTE RESOLUTION PROCESS**

7.1 Term of Agreement. This Agreement will commence on the Effective Date and unless terminated as provided in this Section 7, will continue until both of the following occur: (i) expiration of the construction warranty period after the District has accepted the Discharge Facilities as provided in this Agreement, and (ii) the Operations and Maintenance Agreement has become effective. This Agreement may be terminated by the mutual written agreement of the Parties.

7.2 Breach of Agreement. Either Party may terminate this Agreement if the other Party is in material breach of this Agreement and the breaching Party fails to cure the breach within sixty (60) calendar days after receiving a written notice from the non-breaching Party specifying the nature of the breach. If the breach cannot reasonably be cured within sixty (60) calendar days, the breaching Party may request a longer period of time to cure, provided (i) the breaching Party provides the non-breaching Party within such sixty (60) calendar day period a feasible plan that is capable of curing the breach, and (ii) the breaching Party commences and diligently pursues such plan as soon as practicable.

7.3 Informal Dispute Resolution. In the event a Party, acting in good faith, believes that other Party has violated, or is preparing to violate, the terms of this Agreement, the aggrieved Party shall give written notice pursuant to notice and cure provisions of paragraph 8.3 of this Agreement. If the Party alleged to be in breach or preparing to breach does not agree to cure the alleged violation, or seeks to cure the alleged violations in a manner that the aggrieved Party does not believe, in good faith, satisfies that Party’s concern, the Parties shall first meet

and confer to negotiate in good faith to resolve the dispute. This meet and confer shall take place during the cure period and shall include, at a minimum, the City Manager for the City and the General Manager for the District.

7.4 Mediation. In the event the Parties are unable to negotiate a mutually acceptable resolution through the informal dispute resolution process, the Parties shall submit the dispute to mediation before a mutually selected neutral mediator.

7.5 Enforcement by Legal Action. If after complying with the informal dispute resolution and mediation process in this paragraph 7, the Parties are unable to resolve their dispute, the aggrieved Party, after providing thirty (30) calendar days written notice to the other Party, may initiate a legal or injunctive action to prevent an anticipated breach or enforce the Agreement for a breach already committed.

## 8. MISCELLANEOUS PROVISIONS

8.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein. Any prior agreements, promises, negotiations, or representations are superseded by this Agreement. Any amendment to this Agreement must be in writing, reference the specific section(s) to be amended and be signed by the District and the City. The Parties acknowledge and agree that this Agreement will be replaced by the Operations and Maintenance Agreement between the Parties, which will permit the Discharge Facilities to remain on the Property for their useful life and which will govern the operations and maintenance of the Discharge Facilities constructed under this Agreement.

8.2 No Construction Against Drafter. Both Parties have participated in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a Party because it was responsible for drafting one or more provisions of this Agreement.

8.3 Notices. All notices required or permitted under this Agreement are to be in writing and delivered personally, or sent by overnight delivery service, or registered or certified mail, postage prepaid and directed as follows:

If to the District:     Delta Diablo  
                                  2500 Pittsburg Antioch Highway  
                                  Antioch, CA 94509-1373

If to the City:         City of Antioch  
                                  Attn: City Manager  
                                  200 "H" Street  
                                  Antioch, CA 94509-10005

Either Party may, at any time or from time to time, designate in writing a substitute address for that above set forth, and thereafter notices are to be delivered to such substitute address for that above set forth. Notices to either party are effective on the date of



delivery, if delivered personally, on the next business day if sent by overnight courier, and three business days after depositing in the United States Postal system if sent via registered or certified mail.

8.4 No Assignment. The City may not assign, transfer, or otherwise substitute its interest in, or obligations under, this Agreement without the prior written consent of the District, which consent may not be unreasonably withheld or delayed.

8.5 Not a Joint Venture. Any intention to create a joint venture or partnership relationship between the parties hereto is hereby expressly disclaimed. This Agreement may not be construed to convey to the City any rights, express or implied, to participate in any way in the operation of the District's wastewater treatment operations.

8.6 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to, or does, confer upon any other person any right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

8.7 Waiver. No failure or delay by the District or the City to exercise any right under this Agreement may be construed as a waiver. The waiver of either Party of the performance of any covenant, condition, obligation, representation, warranty, or promise in this Agreement does not invalidate this Agreement and may not be deemed to be a waiver of any other covenant, condition, obligation, representation, warranty, or promise.

8.8 Governing Law. The laws of the State of California govern all matters arising from this Agreement.

The duly authorized representatives of the Parties are executing this Agreement on behalf of the Parties as of the Effective Date.

DELTA DIABLO

CITY OF ANTIOCH

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

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

Name: \_\_\_\_\_

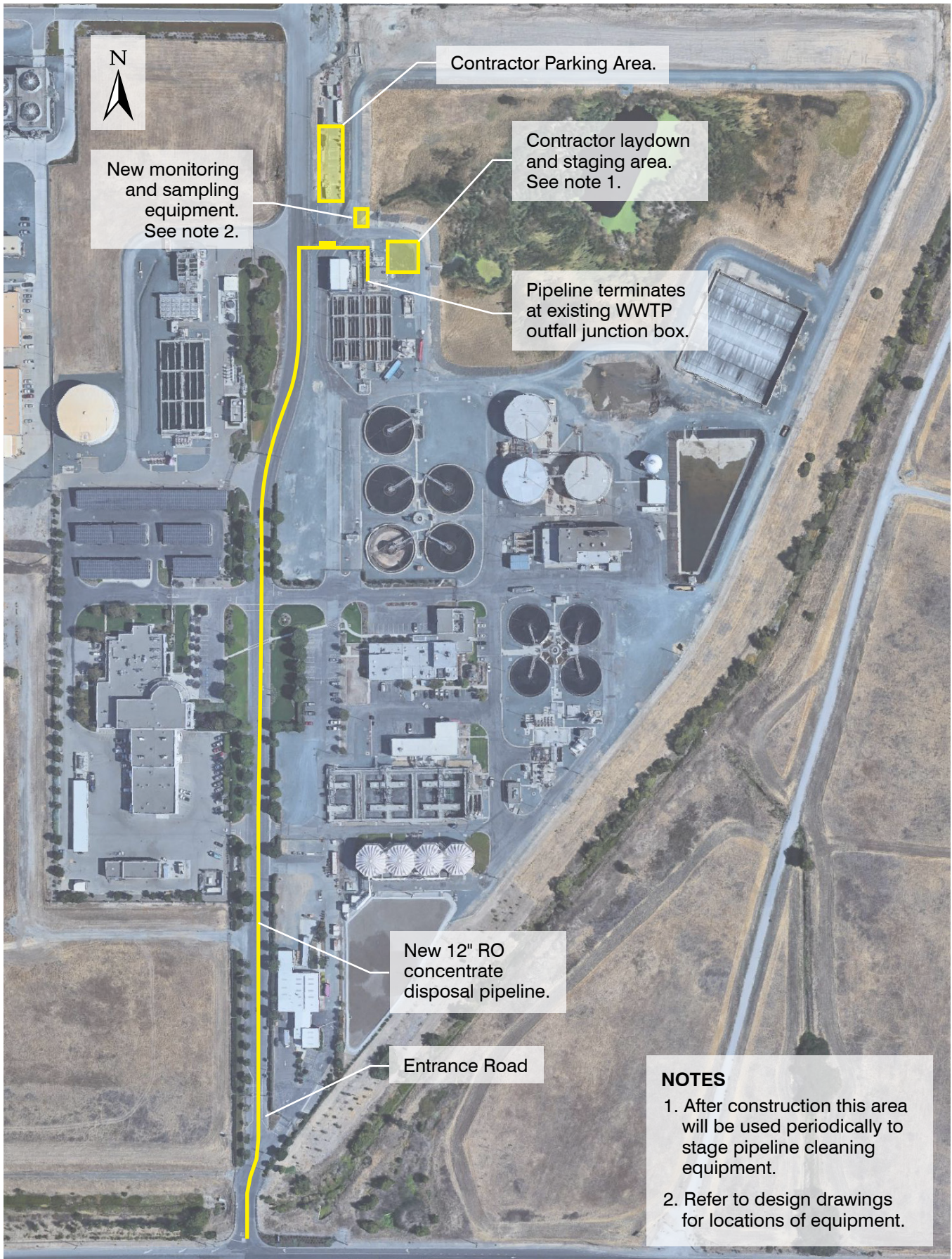
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**DEPICTION OF PROPERTY, CONSTRUCTION AREA AND LAYDOWN AREA**



**NOTES**

1. After construction this area will be used periodically to stage pipeline cleaning equipment.
2. Refer to design drawings for locations of equipment.





## Exhibit C

### CONSTRUCTION CONTRACT INSURANCE

- A. The City shall not permit Contractor to commence any Project work until it obtains, at its own expense, all required insurance. Such insurance shall have the approval of the District as to limit, form, and amount. The City shall not permit any subcontractor to commence work on the Project until the subcontractor complies with the same insurance requirements. The City shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by this Agreement, at any time.
- B. Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees, and volunteers; or (2) the Project contractor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- C. Companies writing the insurance required by this Agreement shall be licensed to do business in the State of California or be permitted to do business under the Surplus Line Law of the State of California.
- D. The City shall cause all Project bidders to include all costs for insurance in their Project bids.
- E. Nothing contained in these insurance requirements is to be construed as limiting the extent of the Project contractor's responsibility for payment of damages resulting from its performance of the Project construction contract. The City shall cause the coverage required hereunder to operate as primary insurance.
- F. The City shall cause each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice has been provided to the District.
- G. The City shall cause the Project contractor to place insurance with insurers with a current A.M. Best's rating of no less than A:VII.
- H. The City shall cause the Project contractor to take out, pay for, and maintain throughout the duration of this Agreement the following insurance coverage:
  - 1. Commercial General and Automobile Liability Insurance – This insurance shall protect the Contractor and District from claims for bodily injury and property damage which may arise because of the nature of the Project work.

- a. Additional Insureds – This policy of insurance shall name the District, each of its officers, employees, and agents; the Project design consultant, the Project construction representative and each of their officers, employees, and agents as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Project contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Project contractor, including materials, parts, or equipment furnished in connection with such work or operations. This policy shall provide coverage to each of the said additional insureds with respect to said work. Both bodily injury and property damage insurance must be on an occurrence basis, and said policy shall provide that the coverage afforded thereby shall be primary coverage to the full limit of liability stated in the declarations, and if the named insureds have other insurance against the loss covered by said policy, that other insurance shall be excess insurance only. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Project contractor’s insurance and shall not contribute with it.
  - b. Scope of Coverage – Coverage shall be at least as broad as:
    - i. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations.
    - ii. Automobile Liability: Insurance Services Form Number CA 0001 covering Code 1 (any auto).
    - iii. Workers’ Compensation: Insurance as required by the State of California.
    - iv. Builder’s Risk (Course of Construction): Utilizing an “All Risk” (Special Perils) coverage form.
  - c. Amount of Coverage – Contractor shall maintain limits no less than:
    - i. General Liability: Limits no less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
    - ii. Automobile Liability: Limits no less than \$5,000,000 per accident for bodily injury and property damage.
    - iii. Workers’ Compensation: Statutory Limits and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury and disease.
  - d. Subcontractors – The City shall cause its Project contractor to name its Project subcontractors as insureds in the Project contractor's policy, or shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.
2. Workers’ Compensation Insurance.
- a. In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860) and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the Labor Code of the State of California, the Project contractor

- is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District, satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.
- b. The City shall advise the Project contractor of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that code, and shall cause the Project contractor to comply with such provisions and have Employers' Liability limits of \$1,000,000 per accident for bodily injury or disease before commencing the performance of the Project work.
  - c. Before the City enters into the Project construction contract with the Project contractor, the City shall submit written evidence to the District that the Project contractor and all subcontractors have obtained for the period of the Project construction contract full Workers' Compensation Insurance coverage for all persons whom they employ or may employ in carrying out the Project work. This insurance shall be in accordance with the requirements of the most current and applicable California State Workers' Compensation Insurance Laws.
  - d. The City shall cause the Project contractor to waive its rights of subrogation that any insurer of the Project contractor may acquire from the Project contractor by virtue of the payment of any loss. The City shall cause the Project contractor to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the District for all work performed by the Contractor, its employees, agents, and subcontractors.
3. Proof of Coverage – Prior to beginning Project work, the City shall furnish the District with certificate(s), evidencing issuance of all liability insurance mentioned herein and endorsements. The certificate(s) and endorsements for each insurance policy are to be signed by the insurer or underwriter to bind coverage on its behalf. The certificate(s), and endorsements are to be received and approved by the District before Project work commences. Endorsements are not required for Workers' Compensation or Builder's Risk Insurances.

July 16, 2020

ADOPT RESOLUTION ESTABLISHING FISCAL YEAR 2020/2021 APPROPRIATIONS  
(GANN) LIMIT FOR EXPENDITURES THAT CAN BE FUNDED FROM TAX PROCEEDS

RECOMMENDATION

Adopt Resolution establishing the Fiscal Year 2020/2021 (FY20/21) Appropriations (Gann) Limit for expenditures that can be funded from tax proceeds.

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 FY19/20 was \$17,835,174.

Analysis

The calculated Appropriations Limit for FY20/21, using the factors described in the proposed resolution, is \$18,555,928. This is higher than FY19/20 as a net result of the state per capita personal income growth increase of 3.73%, and the county population increase of 0.30% compared to last year. The FY20/21 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

FY20/21 projected property tax revenues of \$2,000,000 are well below the calculated appropriations limit of \$18,555,928 and are in compliance with state law.

Attachment

Resolution Establishing FY20/21 Appropriation Limits

Reviewed by:  for  
Carol Margetich  
Business Services Director

cc: District File FIN



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

**Re: Establishing Fiscal Year 2020/2021)  
Appropriations Limit )**

**RESOLUTION NO. XX/2020**

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 2020/2021 (FY20/21) 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 July 16, 2020 and in the FY20/21 proposed Budget, the calculation of the FY20/21 Appropriations Limit is \$18,555,928.

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

1. To adopt a FY20/21 Appropriations Limit as described in the "Calculation of FY20/21 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 July 16, 2020, 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

Exhibit: Calculation of FY20/21 Appropriations Limit



**CALCULATION OF FY20/21 APPROPRIATIONS LIMIT**

**PERMITTED GROWTH RATE IN APPROPRIATIONS USING  
CHANGE IN STATE PERCENTAGE CHANGE IN PER CAPITA INCOME  
2019 to 2020**

**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 1/2019-1/2020	WEIGHTED AVERAGE % CHANGE
Unincorporated Bay Point	Not Available		Not Available	
Antioch	112,520		0.10%	
Pittsburg	74,321		1.00%	
<b>1</b> Weighted Average	Not Available			Not Available

- 2** Per State of California Department Finance  
January 1, 2020 Contra Costa County Population Change **0.30%**
- 3** State Per Capita Personal Income Change **3.73%**  
(Per Capita Income Change Issued By State Dept of Finance in May 2020)

**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

$$\frac{0.30 + 100}{100} = 1.0030$$

$$\frac{3.73 + 100}{100} = 1.0373$$

1.0030 x 1.0385 = **1.04041** = **FY20/21 Adjustment Factor**

**CALCULATION**

Appropriations Limit for year ending June 30, 2020 (Adopted 6/12/2019 Reso 6/2019)	\$17,835,174
Permitted Adjustment Factor Determined By Calculation Formula	<u>1.04041</u>
Appropriations Limit for year ending June 30, 2021 (Prior Yr Limit x Adj Factor)	<u><b>\$18,555,928</b></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 July 16, 2020 Board Minutes.

July 16, 2020

AUTHORIZE GENERAL MANAGER, OR HIS DESIGNEE, TO ACCEPT RECYCLED WATER PIPELINE EASEMENTS FROM CITY OF PITTSBURG, PUMP STATION FACILITIES REPAIR, PROJECT NO. 80008

RECOMMENDATION

Authorize the General Manager, or his designee, to accept recycled water pipeline easements in the vicinity of the District's Pittsburg Pump Station from the City of Pittsburg (City) in connection with the Pump Station Facilities Repair Project.

Background Information

The Pump Station Facilities Repair Project includes a recycled water service connection to the District's Pittsburg Pump Station (PPS). Recycled water will be used for onsite service water and periodic flushing of PPS force mains during maintenance and cleaning operations. The proposed recycled water pipeline will be routed through City owned properties adjacent to PPS, identified as Assessor's Parcel Nos. 085-130-043 and 085-130-044.

Analysis

The City has agreed to grant the District permanent easements for the District's recycled water pipeline, which comprises 8,636 square feet of land within the City's property. The easements include indemnity clauses that require the District to indemnify and defend the City from the proportion of any liabilities that arise from the District's activities in the easements or the District's construction, maintenance, or operation of the recycled water pipeline.


District legal counsel has reviewed and approved the easements as to form. The indemnity clause is equitable because the District's indemnity obligations are limited to the extent that any liabilities arise from the negligence or willful misconduct of District staff or contractors. Liability risk during pipeline construction will be mitigated by requiring the District's contractor to indemnify the District from any liabilities that arise from the contractor's work to construct and install the pipeline.

Financial Impact

The City is granting the required easements at no cost to the District.

Attachments

Grant of Easement documents

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

cc: Project File P.80008.01.04



Recorded at the request of:  
Delta Diablo

Return to:  
Delta Diablo  
Attn: General Manager  
2500 Pittsburg-Antioch Hwy  
Antioch, CA 94509

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EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO  
REVENUE AND TAXATION CODE SECTION 11922.

Assessor's Parcel No. 085-130-043

### **GRANT OF RECYCLED WATER PIPELINE EASEMENT**

**THIS INDENTURE**, made by and between CITY OF PITTSBURG, a municipal corporation, hereinafter called the GRANTOR, and the DELTA DIABLO, a sanitation district organized under the County Sanitation District Act, hereinafter called the GRANTEE,

#### **WITNESSETH:**

For valuable consideration, the receipt of which is hereby acknowledged, the GRANTOR hereby grants to the GRANTEE, and its successors and assigns, a perpetual underground recycled water pipeline easement to construct, reconstruct, operate, maintain, repair, and replace an underground recycled water pipeline, and all improvements appurtenant thereto ("Pipeline") in and under GRANTOR's real property ("Property") in the County of Contra Costa, State of California, described as follows (the "Easement Area"):

**FOR DESCRIPTION SEE EXHIBIT "A", ATTACHED HERETO.  
SEE EXHIBIT "B" FOR A DEPICTION.**

GRANTEE shall be responsible for constructing, reconstructing, operating, maintaining, repairing, and replacing the Pipeline within the Easement Area.

GRANTEE shall provide the GRANTOR notice at least two (2) business days prior to entering the Easement Area. However, if GRANTEE requires access to the Easement Area to respond to an emergency that presents a risk of damage to persons or property, GRANTEE shall provide the GRANTOR notice as soon as practicable under the circumstances, but in no case later than twenty-four (24) hours after first entering the Easement Area to respond to the emergency.

GRANTEE shall indemnify, defend, and hold harmless GRANTOR, its officers, employees, and contractors from all damages, claims, liabilities, fines, fees (including attorney's fees), costs, and expenses (collectively, "Liabilities"), to the extent that the Liabilities arise from or are related to GRANTEE's occupancy or use of the Easement Area, or GRANTEE's construction, reconstruction, operation, maintenance, repair, or replacement of any Pipeline.

**TO HAVE AND TO HOLD**, all and singular, the rights above described unto the GRANTEE and the GRANTEE's successors and assigns forever.

**IN WITNESS WHEREOF**, the GRANTOR has executed this indenture this \_\_\_\_ day of \_\_\_\_, 2020.

\_\_\_\_\_  
Garrett Evans  
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT "A"**

**Legal Description  
Delta Diablo - Pittsburg Pump Station  
Recycled Water Line Easement**

A portion of that parcel of land situate in the City of Pittsburg, County of Contra Costa, State of California, being a portion of the Rancho Los Medanos and a portion of Parcel A as designated on that certain Final Map entitled "Subdivision 8869 Mariner Walk", filed on June 28, 2006 in Book 492 of Maps, at Page 24 in the Office of the County Recorder of said Contra Costa County, described as follows:

A strip of land, 20.00 feet wide, the centerline of which is described as follows:

**COMMENCING** at the southeast corner of said Parcel A as shown on said Final Map;

Thence, along the east line of said Parcel A, North 05°48'18" East 21.36 feet to the **TRUE POINT OF BEGINNING**;

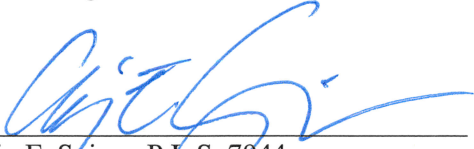
Thence, leaving said east line, North 82°17'57" West 114.61 to the east line of Parcel A as described in that certain Grant of Easement recorded on October 10, 1980 in Book 10044, at Page 595, in the Office of the County Recorder of said Contra Costa County, said point also lying North 05°56'20" East 21.15 feet from the south line of said Parcel A;

Said strip of land shall be lengthened or shortened so as to terminate in said east and west lines of Parcel A.

**SUBJECT TO** all Covenants, Rights, Right of Way and Easements of Record.

**EXHIBIT "B"** attached and by this reference made a part hereof.

**PREPARED BY:**  
R.E.Y. Engineers, Inc.

  
\_\_\_\_\_  
Craig E. Spiess, P.L.S. 7944  
License Expiration Date: 12-31-21

Date: 05/19/20





# EXHIBIT B

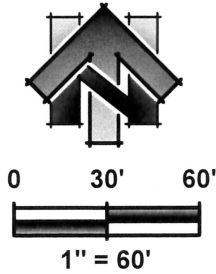
## DELTA DIABLO PITTSBURG PUMP STATION RECYCLED WATER EASEMENT

**NOTE:**

- ALL DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF

**LEGEND:**

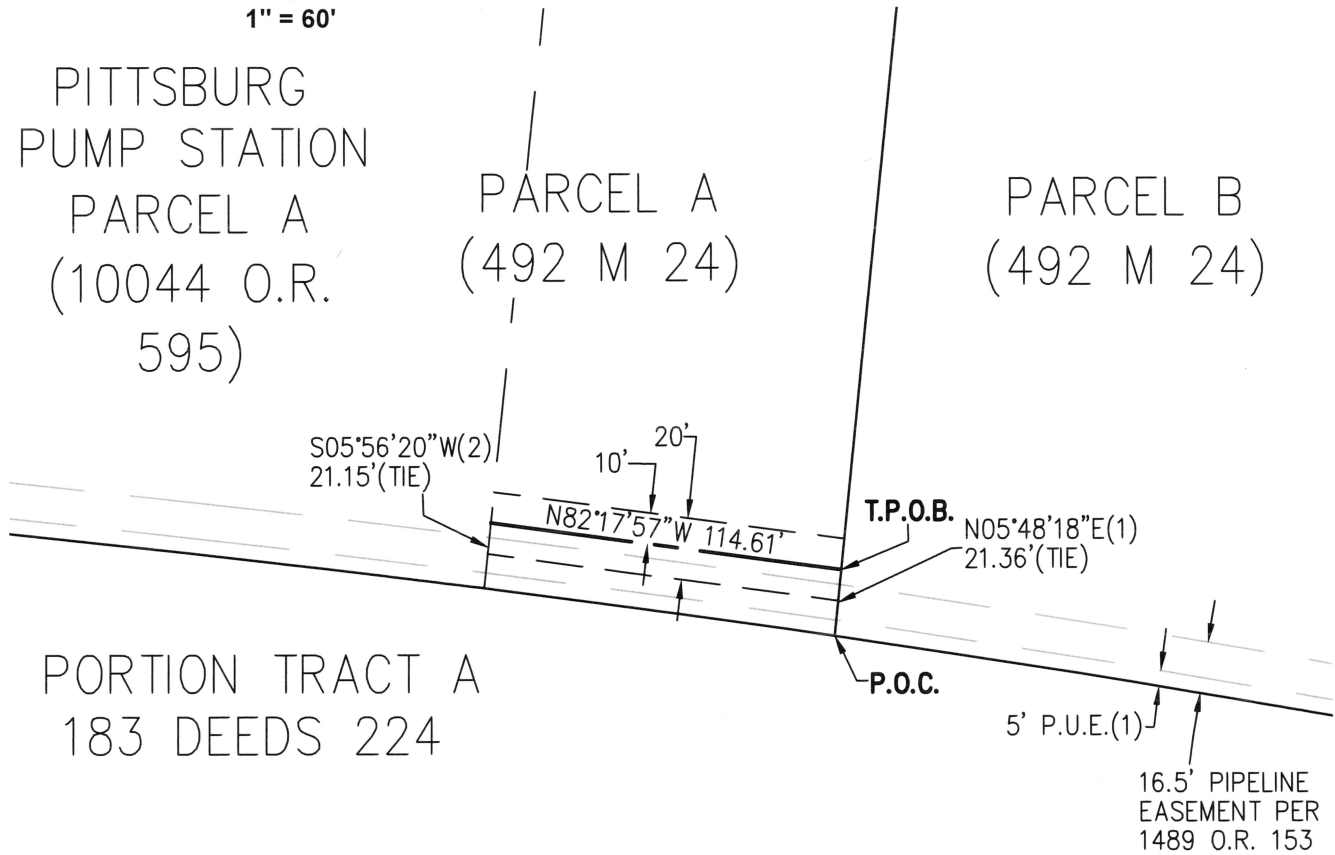
	CENTERLINE OF WATER LINE EASEMENT
	PROPERTY LINE
P.O.C.	POINT OF COMMENCEMENT
T.P.O.B.	TRUE POINT OF BEGINNING
O.R.	OFFICIAL RECORDS OF CONTRA COSTA COUNTY
(R)	RADIAL BEARING
(1)	RECORD PER 492-M-24
(2)	RECORD PER 10044 O.R. 595



PITTSBURG  
PUMP STATION  
PARCEL A  
(10044 O.R.  
595)

PARCEL A  
(492 M 24)

PARCEL B  
(492 M 24)



PORTION TRACT A  
183 DEEDS 224

RE.Y. ENGINEERS, INC.

Civil Engineers | Land Surveyors | LiDAR  
905 SUTTER STREET, SUITE 200  
FOLSOM, CA 95630  
Phone: (916) 366-3040  
SHEET 1 OF 1



DATE: 05/19/20  
JOB NO. 2177.001

**CERTIFICATE OF ACCEPTANCE**

Pursuant to Section 27281 of the  
California Government Code

This is to certify that the interest in real property conveyed by the Grant of Recycled Water Pipeline Easement dated \_\_\_\_\_, 2020, from the CITY OF PITTSBURG, a municipal corporation, as GRANTOR thereunder, and DELTA DIABLO, a sanitation district organized under the County Sanitation District Act, as GRANTEE thereunder, is hereby accepted by the undersigned officer on behalf of DELTA DIABLO pursuant to the authority conferred by Resolution No.6/2001, adopted by the Delta Diablo Board of Directors on March 14, 2001, Grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2020

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

Recorded at the request of:  
Delta Diablo

Return to:  
Delta Diablo  
Attn: General Manager  
2500 Pittsburg-Antioch Hwy  
Antioch, CA 94509

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EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

Assessor's Parcel No. 085-130-044

### **GRANT OF RECYCLED WATER PIPELINE EASEMENT**

**THIS INDENTURE**, made by and between CITY OF PITTSBURG, a municipal corporation, hereinafter called the GRANTOR, and the DELTA DIABLO, a sanitation district organized under the County Sanitation District Act, hereinafter called the GRANTEE,

#### **WITNESSETH:**

For valuable consideration, the receipt of which is hereby acknowledged, the GRANTOR hereby grants to the GRANTEE, and its successors and assigns, a perpetual underground recycled water pipeline easement to construct, reconstruct, operate, maintain, repair, and replace an underground recycled water pipeline, and all improvements appurtenant thereto ("Pipeline") in and under GRANTOR's real property ("Property") in the County of Contra Costa, State of California, described as follows (the "Easement Area"):

**FOR DESCRIPTION SEE EXHIBIT "A", ATTACHED HERETO.  
SEE EXHIBIT "B" FOR A DEPICTION.**

GRANTEE shall be responsible for constructing, reconstructing, operating, maintaining, repairing, and replacing the Pipeline within the Easement Area.

GRANTEE shall provide the GRANTOR notice at least two (2) business days prior to entering the Easement Area. However, if GRANTEE requires access to the Easement Area to respond to an emergency that presents a risk of damage to persons or property, GRANTEE shall provide the GRANTOR notice as soon as practicable under the circumstances, but in no case later than twenty-four (24) hours after first entering the Easement Area to respond to the emergency.

GRANTEE shall indemnify, defend, and hold harmless GRANTOR, its officers, employees, and contractors from all damages, claims, liabilities, fines, fees (including attorney's fees), costs, and expenses (collectively, "Liabilities"), to the extent that the Liabilities arise from or are related to GRANTEE's occupancy or use of the Easement Area, or GRANTEE's construction, reconstruction, operation, maintenance, repair, or replacement of any Pipeline.





**EXHIBIT "A"**

**Legal Description  
Delta Diablo - Pittsburg Pump Station  
Recycled Water Line Easement**

A portion of that certain parcel of land situate in the City of Pittsburg, County of Contra Costa, State of California, being a portion of the Rancho Los Medanos and a portion of Parcel B as designated on that certain Final Map entitled "Subdivision 8869 Mariner Walk", filed on June 28, 2006 in Book 492 of Maps, at Page 24 in the Office of the County Recorder of said Contra Costa County, described as follows:

A strip of land, 20.00 feet wide, the centerline of which is described as follows:

**COMMENCING** at the southeast corner of the widening strip designated as Herb White Way as shown on said Final Map (said point also being the southeast corner of Lot 5, Block 121, Map of Westside Addition No. 3, filed for record on September 5, 1928 in Book 21 of Maps, at Page 574 in the Office of the County Recorder of said Contra Costa County);

Thence, along the south line of said Parcel B, from which a radial line bears South 11°39'39" West, along a curve concave southerly, having a radius of 5799.65 feet, an arc distance of 47.76 feet, through a central angle of 00°28'19" to the **TRUE POINT OF BEGINNING**;

Thence, leaving said south line, North 07°42'12" East 31.70 feet;

Thence, North 82°17'57" West 285.49 feet to the west line of said Parcel B, from which the southwest corner of said Parcel B bears South 05°48'18" West 21.36 feet.

Said strip of land shall be lengthened or shortened so as to terminate in said south and west lines of Parcel B.

**SUBJECT TO** all Covenants, Rights, Right of Way and Easements of Record.

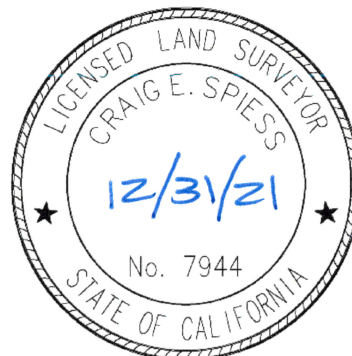
**EXHIBIT "B"** attached and by this reference made a part hereof.

**PREPARED BY:**  
R.E.Y. Engineers, Inc.



Craig E. Spiess, P.L.S. 7944  
License Expiration Date: 12-31-21

Date: 05/19/20





# EXHIBIT B

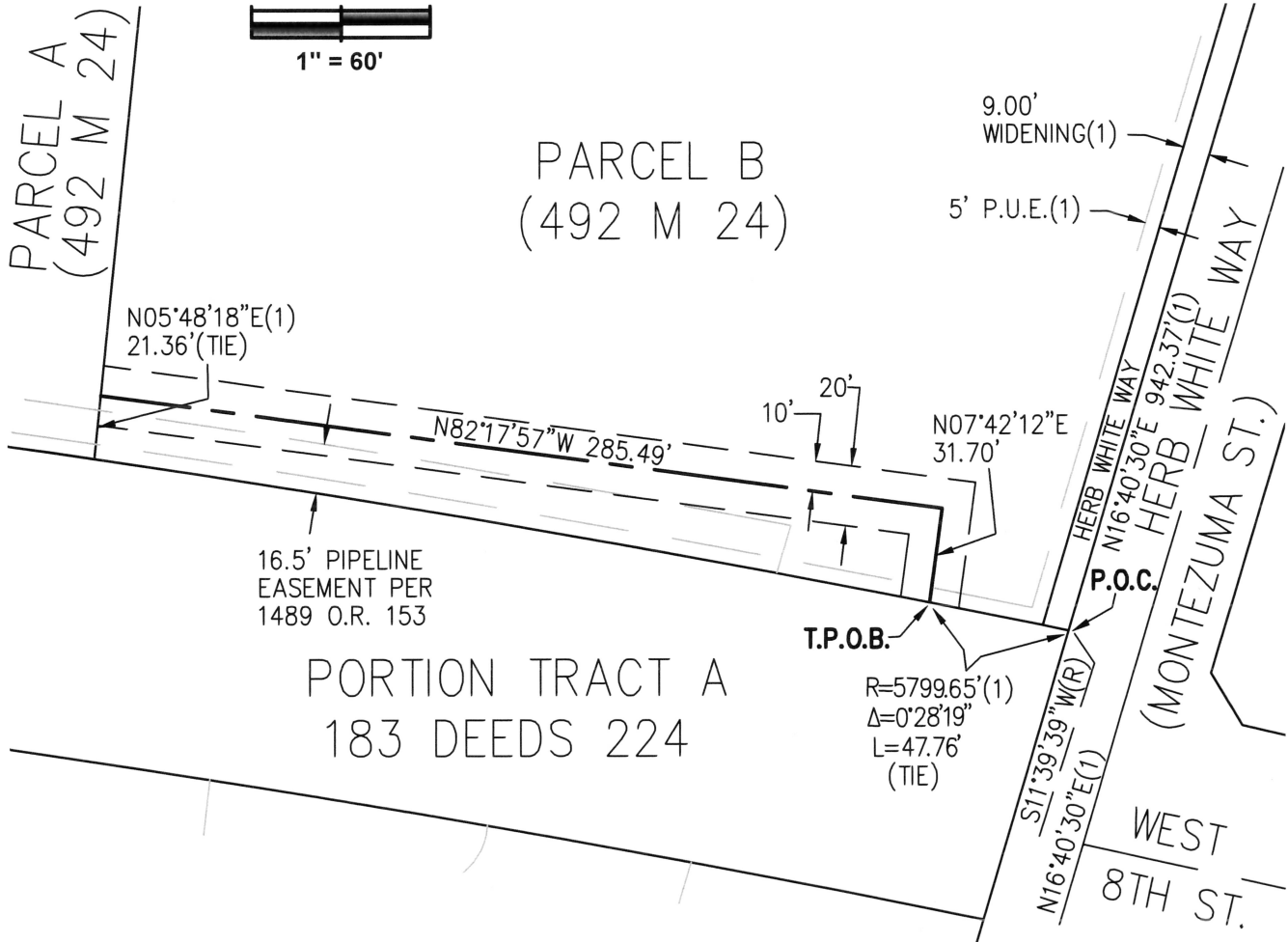
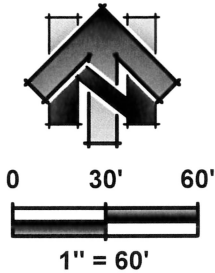
## DELTA DIABLO PITTSBURG PUMP STATION RECYCLED WATER EASEMENT

**NOTE:**

- ALL DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF

**LEGEND:**

	CENTERLINE OF WATER LINE EASEMENT
	PROPERTY LINE
P.O.C.	POINT OF COMMENCEMENT
T.P.O.B.	TRUE POINT OF BEGINNING
(R)	RADIAL BEARING
(1)	RECORD PER 492-M-24



**RE.Y. ENGINEERS, INC.**

Civil Engineers | Land Surveyors | LiDAR  
 905 SUTTER STREET, SUITE 200  
 FOLSOM, CA 95630  
 Phone: (916) 366-3040  
**SHEET 1 OF 1**



DATE: 05/19/20  
 JOB NO. 2177.001

**CERTIFICATE OF ACCEPTANCE**

Pursuant to Section 27281 of the  
California Government Code

This is to certify that the interest in real property conveyed by the Grant of Recycled Water Pipeline Easement dated \_\_\_\_\_, 2020, from the CITY OF PITTSBURG, a municipal corporation, as GRANTOR thereunder, and DELTA DIABLO, a sanitation district organized under the County Sanitation District Act, as GRANTEE thereunder, is hereby accepted by the undersigned officer on behalf of DELTA DIABLO pursuant to the authority conferred by Resolution No.6/2001, adopted by the Delta Diablo Board of Directors on March 14, 2001, Grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2020

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

July 16, 2020

APPROVE FISCAL YEAR 2020/2021 BUDGET AND ADOPT RESOLUTION APPROVING FISCAL YEAR 2020/2021 BUDGET APPROPRIATIONS

RECOMMENDATION

- 1) Approve the Fiscal Year 2020/2021 (FY20/21) Budget.
- 2) Adopt Resolution Approving FY20/21 Budget Appropriations.

Background Information

Following critical review of operating budget adjustment needs and opportunities, staff has developed a proposed FY20/21 Budget, which served as the baseline for calculation of the Sewer Service Charges (SSCs) adopted by the Board on June 25, 2020. This critical review directly supports the District's long-term financial sustainability and effective stewardship of limited ratepayer funds in operating the District's wastewater collection, conveyance, and treatment systems; recycled water system; household hazardous waste collection facility; and street sweeping services program. Key assumptions for the FY20/21 Operating Budget were reviewed by the Board at its meeting on May 13, 2020. Staff highlighted key components of the District's new Budget Book, which has been developed to meet industry best practices and guidelines, at its meeting on June 25, 2020. Staff presented the proposed FY20/21 – FY24/25 Capital Improvement Program (CIP) to the Board of Directors at its meeting on May 13, 2020, which was adopted by the Board on June 25, 2020.

Analysis

The proposed FY20/21 Budget presents a projection of revenue, operating expenses, and FY20/21 capital expenditures included in the approved 5-year CIP. The District continues to experience progressive increases in annual operating costs over time due to escalations in labor, chemical, energy, materials, supplies, equipment, hauling, and services costs, as well as increasingly more stringent regulatory requirements. The FY20/21 Budget is \$47.1 million with the operating budget totaling \$29.3 million and capital (including debt service) totaling \$17.8 million. The operating budget represents a \$0.6 million increase (2.0%) relative to FY19/20 (\$28.7 million) and the capital budget (including debt service) represents a \$5.0 million decrease (-20%) relative to FY19/20 (\$22.9 million).

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 FY20/21 Budget and that funds be appropriated for the new fiscal year.

Where applicable, each District program area is budgeted with salaries and benefits, chemicals, office and operating expenses, outside services/repairs and maintenance, utilities, capital, debt service, and program-specific costs. In addition to anticipated expenses to be incurred during the next fiscal year, estimated revenues are also included in the proposed FY20/21 Budget so that the sources of funds used to offset planned expenditures are clearly identified. The following is a summary of major budget components:



*Salaries and Benefits:* This category represents approximately 36% of the FY20/21 Budget.

- Cost-of-Living Adjustment: (COLA). An annual COLA is specified in the memoranda of understanding (MOUs) for each of the District's three bargaining units. The MOUs specify that the District will adjust salaries for the first full pay period after July 1 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 percentage information was available in May and COLAs of 2.0% are included in the FY20/21 Salaries and Benefits budget for the Board's consideration.
- Unfunded Positions: A total of 78.0 full-time equivalent (FTE) positions will be budgeted in FY20/21. Based on an assessment of resource needs, staff estimates that three positions will remain unfilled and unfunded in FY20/21, which results in an annual savings of \$0.7 million. In addition, the budget includes salary savings of \$300,000 for funded positions that will not be filled for the entire year.
- Position Changes: No new positions are recommended, but two vacant positions will be flexibly staffed in FY20/21 following retirement of two incumbents in the Engineering Technician and Associate Engineer positions. The District intends to fill these positions at the Junior and/or Assistant Engineer level in FY20/21. In addition, a Maintenance Intern position is included, which adds 0.5 FTEs to the FY20/21 Operating Budget at an annual cost of \$50,000.
- Medical Insurance: Annual medical insurance premium costs have been increased by 7.25%, while most other health benefits (e.g., vision, Employee Assistance Program, and life insurance) 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). Furthermore, 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 FY19/20, 49% of all employees are in either Tier 2 or Tier 3 and since new hires are no longer eligible to become members of Tier 1, there are ongoing savings as employees leave the District and vacant positions are filled at Tiers 2 and 3. The District assumes that new journey level, professional, and management hires will be Tier 2, because it is likely that they would have been a member in CalPERS or a reciprocal plan. The District assumes that new entry level hires will be Tier 3, because it is unlikely that these hires would have been members in CalPERS or a reciprocal plan. In addition to the lower employer-paid contributions into CalPERS, all new hires pay their full employee contributions into CalPERS, as well as contributions into the Other Post-employment Benefits (OPEB) trust, which is at 3% of base salary.
- CalPERS Pension Unfunded Liability Contribution: This cost is budgeted at \$1.1 million, which is an increase of approximately \$0.1 million from FY19/20.
- Succession Planning: There was no change from FY19/20 in the \$0.1 million budget for overlap of new hires and incumbents in critical positions.



- 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 2014.
- 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 FY20/21 Operating Budget includes an ADC of \$0.9 million. The funded status of the District's total OPEB liability was 73.7% on 6/30/18 using the market value of assets on 6/30/18 and 78.3% on 6/30/19 with the liability projected one year from 6/30/18 to 6/30/19 and using the market value of assets on 6/30/19. Potential impacts from COVID-19 are as follows:
  - PEMHCA premiums - CalPERS issued preliminary 2021 premiums in June and will issue final 2021 premiums in July. This will impact the next June 30, 2020 actuarial valuation. Going forward, healthcare insurers will need to look at many impacts, including the cost of COVID-19 care, the possibility of future waves, the amount of testing, the development of treatments and vaccines, the delay of other healthcare, and the impact of social distancing on the level of other healthcare claims.
  - The 6/30/20 value of assets - The equity market has recovered from its March lows. However, if there is any difference from the long-term assumption of 6.25%, it will be phased in over 5 years for funding and reflected immediately for accounting.
  - Mortality assumptions - The Society of Actuaries is keeping an eye on how mortality improvement assumptions will be impacted.
  - Demographics - To the extent the virus has impacted District employees.
- Public Agency Retirement Services (PARS) Funding: The FY20/21 Operating 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.

*Chemicals:* This cost is approximately 4% of the FY20/21 Budget. The District normally participates in the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage purchasing power among the members 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. However, because BACC eliminated the bidding process this year due to the COVID-19 pandemic, the District secured one-year contract extensions at no additional cost. Staff has conducted a comprehensive review of chemical unit costs, estimated quantities, and associated contingencies. The FY20/21 chemical budget totals \$1.7 million, including \$1.1 million for wastewater and \$0.6 million for recycled water, which represents a \$0.2 million annual decrease due to more efficient chemical dosing at the Recycled Water Facility.

*Utilities:* This category represents approximately 4% of the FY20/21 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.

*Office and Operating*: This category represents approximately 7% of the FY20/21 Budget. Permit and regulatory fees are expected to increase by 8% in FY20/21 for a total budget of \$0.3 million. As presented to the Board on March 11, 2020, a significant increase in annual biosolids management costs will occur in FY20/21 following expiration of the current long-term biosolids management services agreement with an outside contractor and approval of a new contract by the Board on June 10, 2020.

*Outside Services*: This category represents approximately 9% of the FY20/21 Budget and includes items such as temporary, legal, and professional services. Professional services are the largest item in the Outside Services category and is budgeted in the amount of \$1.2 million. This represents a 33% increase over last year or a \$0.29 million increase and is representative of planned organizational improvement initiatives, including Munis Enterprise Resource Planning enhancements, as well as cost-of-service (SSC, Recycled Water, Capital Facilities Capacity Charges [CFCCs]), fee schedule, and total compensation studies planned for FY20/21.

*CIP Budget*: The FY20/21 budget is estimated at \$17.8 million, which includes \$1.2 million in debt service and \$16.7 million in project expenditures. CIP appropriations and 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 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 adopted 5-year 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. 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 budget includes a repayment amount of \$500,000 from the WW Capital Expansion Fund to the WW Capital Asset Fund.

#### Inter-fund Transfer

In addition to loans, an inter-fund transfer is planned within the proposed FY20/21 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 proposed budget 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 \$0.37 million.

#### Financial Impact

To finance District activities in FY20/21, it is recommended that the Board of Directors adopt the recommended budget appropriations. The FY20/21 Proposed Budget Summary is provided as an Exhibit to the attached draft resolution proposed for Board adoption. Total budgeted



revenues of \$43.5 million, along with loan proceeds of \$3.5 million and an inter-fund transfer are proposed to fund \$47.1 million in expenditures. 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, 2020.

Attachment

- 1) Resolution No. X/2020 FY20/21 Budget Appropriation
- 2) FY20/21 Proposed Budget Summary
- 3) Budget Book

Reviewed by:  for  
Carol Margetich  
Business Services Director

cc: District File: FIN



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

**Re: Approving Fiscal Year 2020/2021 )  
Budget Appropriations )**

**RESOLUTION NO. X/2020**

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, 2020; and;

WHEREAS, the adoption of the Fiscal Year 2020/2021 (FY20/21) Budget Appropriations reflects the agency goals and programs; and

WHEREAS, the Budget as presented in the attached FY20/21 Proposed 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 FY20/21, as described in the attached FY20/21 Proposed Budget Summary include: Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY20/21 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 FY20/21 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 July 16, 2020 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

Exhibit: Delta Diablo FY20/21 Proposed Budget Summary





TRANSFORMING WASTEWATER TO RESOURCES

# Proposed Fiscal Year 2020/2021 Budget



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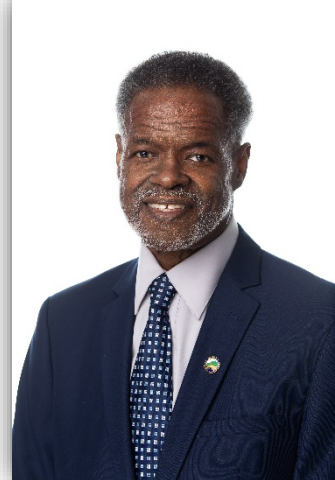
***Acknowledgements***  
**Board of Directors**



Sean Wright  
Director  
City of Antioch Mayor



Juan Antonio Banales  
Chair  
City of Pittsburg  
Councilmember



Federal Glover  
Director  
Contra Costa County Board  
of Supervisors

***District Executive Management***

Vince De Lange .....General Manager  
Carol Margetich .....Business Services Director  
Brian Thomas .....Engineering Services Director/District Engineer  
Dean Eckerson ..... Resource Recovery Services Director  
Cecelia Nichols-Fritzler .....Office Manager/Secretary to the Board

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**DELTA DIABLO BUDGET**  
**JULY 1, 2020 – JUNE 30, 2021**

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## Message from the General Manager



# DELTA DIABLO FISCAL YEAR 2020/2021 BUDGET Message from the General Manager

### Dear Honorable Members of the Board of Directors:

It is my pleasure to present the Delta Diablo (District) Fiscal Year 2020/2021 (FY20/21) Budget, which reflects planned operating and capital expenditures necessary for the District to continue meeting its core mission of protecting public health and the environment in the year ahead. Under the Board’s progressive leadership, the District continues to drive organizational excellence by ensuring a strategic approach to addressing near- and long-term challenges and embracing innovative approaches. This approach is critical to navigating competing resource needs and delivering our essential services to the local communities we serve in an effective, reliable, and financially sustainable manner.

Delta Diablo Board of Directors



Sean Wright Secretary (Antioch Mayor)	Federal Glover Vice Chair (County Supervisor)	Juan Banales Chair (Pittsburg Councilmember)
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### The Year Ahead: Navigating COVID-19 Impacts

Throughout the COVID-19 pandemic, the District’s highly-skilled and dedicated staff have continued providing “essential services” in a professional and adaptable manner. The economic impacts of COVID-19 on our customers are significant and may not be fully understood for months or even years into the future. In FY20/21, the District will continue to monitor specific impacts on residential, commercial, and industrial customers to better understand associated effects on future District revenues and inform financial decisions. After carefully considering the challenges associated with increasing rates during the current COVID-19 pandemic, the District implemented its lowest Sewer Service Charge (SSC) increase in 14 years for FY20/21 to reduce impacts to customers while meeting aging infrastructure needs, addressing increased operating costs, and preventing the need for more significant SSC increases in subsequent years. Because the District collects its SSC revenue via the Contra Costa County (County) property tax roll, qualifying customers who have been directly impacted by COVID-19 economically may be able to defer SSC payments to the County in FY20/21, under specified conditions, until May 2021.

### Reinforcing Sustained Organizational Excellence

The District continues to be recognized as a “Utility of the Future” by the National Association of Clean Water Agencies, the Water Environment Federation, the Water Research Foundation, and the WaterReuse Association for its outstanding industry leadership and progressive commitment to innovation, resource recovery, and “cutting-edge” practices. This prestigious award, which was presented to only 42 other agencies across the country in FY19/20, highlights our broad regulatory compliance, water recycling, energy management, biosolids reuse, household hazardous waste collection, community engagement, and industry leadership achievements.



Key organizational highlights in FY19/20 include:

- **Regulatory Compliance:** No violations of the National Pollution Discharge Elimination System (NPDES) permit occurred at the District’s Wastewater Treatment Plant (WWTP). We continue to build on our exemplary regulatory compliance record, which includes only one NPDES permit violation in the last 16 years.
- **Infrastructure Investment:** The District implemented critical investments in infrastructure rehabilitation and renewal projects at its WWTP and Recycled Water Facility (RWF), while continuing to treat an average flow of 13 million gallons per day (MGD) and 6 MGD, respectively. We initiated development of a formalized Asset Management Program (AMP)



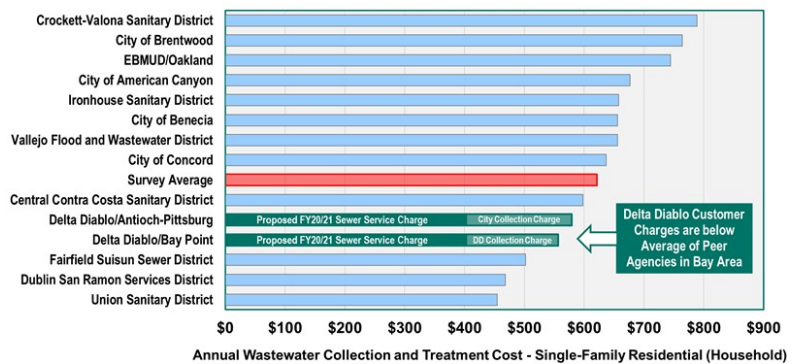
to guide and prioritize both day-to-day maintenance activities and long-term capital investment decisions. Staff continued to actively identify new capital improvement program (CIP) projects to address emerging needs, while implementing enhancements to the CIP development and prioritization process.

- **Resource Recovery:** We continue to transform our WWTP into a “water resource recovery facility” by: 1) producing 6 million gallons of recycled water per day; 2) generating on-site renewable energy to meet over 55 percent of WWTP power needs; 3) beneficially reusing 100 percent of biosolids produced as fertilizer through land application at farm sites; and 4) collecting and recycling household hazardous waste.
- **Long-term Strategic Planning:** The District made significant progress in ensuring a strategic approach to addressing both near- and long-term challenges and integrating a complex planning environment with competing drivers, considerations, and resource needs. The Resource Recovery Facility Master Plan (RRFMP) was initiated to address a suite of strategic issues (e.g., nutrients, biosolids, water recycling), while providing guidance on infrastructure investment and supporting enhanced regulatory compliance capabilities through vulnerability assessments. In addition, the District developed an approach to guiding investment in information technology (e.g., computerized maintenance management system, Enterprise Resource Planning, Data Information Management System, e-Records Management), which will continue in FY20/21.
- **Nutrient Management:** Our agency has benefited from regional collaboration with peer agencies, regulators, and the scientific community, via the Bay Area Clean Water Agencies. In advocating to maintain a focus on understanding potential water quality impacts associated with nutrient loading in San Francisco Bay, the District is reducing the potential that costly nutrient removal requirements are imposed on Bay Area wastewater agencies without demonstrated environmental benefits.



This sound science-based approach resulted in increased research investment under the regional Nutrient Watershed Permit, which was issued in June 2019, and likely deferred nutrient limits for 10 years or more. In addition, preliminary work under the RRFMP indicates that the original capital cost estimate (>\$150 million) for removing nutrients at the District's WWTP may be reduced significantly. These changes allowed the District to eliminate the SSC component for the Advanced Treatment Reserve Fund in FY20/21, increase the SSC component for the Wastewater Capital Asset Replacement Fund, and increase planned cash funding of the District's 5-year CIP (versus issuing debt).

- Long-term Financial Sustainability:** The District reduced its FY19/20 operating budget by \$1.4 million relative to the prior year's projection, which supported a significant reduction in projected annual SSC increases over the next five years. The projected 5-year range of annual SSC increases has been progressively reduced from 6.2%-6.4% (June 2018) and 4.1-4.5% (June 2019) to the current projection of 3.5-4.0% for Antioch/Pittsburg customers.



The District continued to excel in financial reporting and transparency, highlighted by receipt of the Certificate of Achievement in Financial Reporting Award and the Certificate of Excellence in Financial Reporting Award from the Government Finance Officers Association. In addition, the District continued to maintain strong financial reserves and formalized its Debt Management Policy in November 2019.

- Safety/Business Continuity:** The District continued to build on its strong safety record by learning from minor safety incidents and providing targeted, interactive training to employees. Following extensive engagement across multiple workgroups, the District completed development of a Business Continuity Plan to guide response and recovery activities following an emergency event. In addition, a cross-functional team was formed to identify and implement measures to enhance site security.

- Public Communications:** The District made excellent progress in its public outreach and education materials this past year. This included development of a Strategic Communications Plan in October 2019 to identify key focus areas, stakeholders, and messaging points, while providing the goals and strategies for the District's strategic communications framework. In addition, we developed targeted fact sheets and a "Frequently Asked Questions" document to augment public communications in support of the proposed SSC increase for FY20/21.

**Ensuring Long-term Financial Sustainability Proposed Sewer Service Charge Increases**

**About Delta Diablo**  
Delta Diablo is a special district that provides wastewater collection and treatment services for over 215,000 customers in Antioch, Pittsburg, and Bay Point. The District treats 18 million gallons of wastewater daily with a low-carbon, energy-efficient, and sustainable regulatory compliance and sound stewardship of the public's resources and trust.

**Our Mission**  
To provide the highest quality and most efficient wastewater collection and treatment services to our customers in an environmentally sound and financially responsible manner.

**Key Metrics:**  
 • Revenue: \$21.8M  
 • Expenses: \$20.4M  
 • Net Income: \$1.4M  
 • Debt: \$28.6M  
 • Proposed SSC Increase: +15.8% per year  
 • Proposed CIP: \$16.7M over 5 years



### The Road Ahead: FY20/21 Priority Organizational Focus Areas

The FY20/21 Budget will help the District build on its achievements in FY19/20 by continuing to effectively support our core mission of protecting public health and the environment, while supporting organizational improvement by embracing new ways of delivering the District's essential services. To date, the District's resilient staff has risen to the challenge COVID-19 presents in the workplace and remains well positioned to continue providing effective and reliable services in the year ahead. Consistent with the mission, vision, and values in the District's current Strategic Business Plan, priority organizational focus areas for FY20/21 include:



1. **Safely navigate COVID-19 impacts in the workplace** through use of social distancing, cloth face covers, and enhanced cleaning procedures. Because ensuring the health and safety of employees and members of the public is the District's highest priority, the FY20/21 Budget includes funding for necessary materials, supplies, and services, as well as a "GM Contingency" of \$500,000.
2. **Meet or exceed all NPDES permit requirements** for the District's WWTP.
3. **Address prioritized, near-term aging infrastructure needs** through effective implementation of engineering planning, design, and construction activities.
4. **Complete long-term, strategic planning work** through the RRFMP for key focus areas, including nutrient removal, biosolids management, energy production and conservation, recycled water, and enhanced regulatory compliance capabilities.
5. **Complete a facility condition assessment** at the District's WWTP as part of the RRFMP to guide, prioritize, and integrate capital investment needs for the next ten years.
6. **Advance development of the District's Asset Management Program** by building on the foundation established in FY19/20.
7. **Develop and implement a prioritized plan to expand use of information technology applications and tools** to drive organizational effectiveness and efficiency following completion of the IT Assessment in FY19/20.
8. **Develop an updated Strategic Business Plan** and associated initiatives to continue driving long-term, sustained organizational excellence.
9. **Develop and implement a two-year Budget and SSC process** for FY21/22 and FY22/23, including integration of updated cost-of-service study changes, master planning recommendations, and strategic organizational improvement initiatives.

10. **Ensure organizational focus on hiring and retaining highly-skilled, dedicated staff** to continue supporting the District’s mission, including assessing opportunities to align resources to meet needs when positions become vacant.



**FY20/21 Budget Highlights**


In support of enhancing presentation of the District’s FY20/21 Budget by providing meaningful and understandable context for our customers and other interested parties, key budget highlights are provided below.

- The FY20/21 Budget totals \$47.1 million, which includes operating and capital (including debt service) budgets of \$29.3 million and \$17.8 million, respectively.
- The operating budget (\$29.3 million) is approximately \$600,000 (2.0%) higher than the FY19/20 operating budget (\$28.7 million), due primarily to increases in salaries (2.0% cost-of-living adjustment in July 2020), medical benefits, biosolids management (new contract effective in FY20/21), and the “GM Contingency” (increased from \$360,000 to \$500,000 this year due to potential COVID-19 financial impacts). The District was able to negotiate no-cost, one-year extensions for its chemical supply contracts.
- Approximately 84% of the FY20/21 CIP budget is allocated to rehabilitation and/or replacement of existing critical wastewater infrastructure, including the Headworks Improvements, Electrical Switchgear Replacement, and Pump Station Facilities Repair.
- An increase in SSCs of 3.5% and 3.0% is included for Antioch/Pittsburg and Bay Point customers, respectively, which is expected to provide an additional \$1.1 million in revenue.
- A total revenue of \$43.5 million is anticipated in FY20/21, which includes \$32.7 million in SSCs, \$3.8 million in Recycled Water Service Charges, \$2.0 million in ad valorem property taxes, \$1.8 million in Capital Facilities Capacity Charges, and \$3.2 million in other revenue.
- Debt service payments of \$1.2 million are included, which supports \$23.7 million in existing debt and \$16.5 million in pending debt (94% of debt is low-interest Clean Water State Revolving Fund or California Energy Commission loans).
- The District eliminated the SSC component for the Advanced Treatment Reserve Fund due to favorable changes in the implementation timeline and associated cost estimate for upgrading the WWTP to meet nutrient removal requirements. This change has allowed the District to increase cash funding assumptions for infrastructure renewal in the 5-year CIP.
- The FY20/21 Budget includes planned expenditures to continue driving organizational excellence by developing an Asset Management Program, expanding use of IT applications, and completing numerous business and financial services studies.

**Navigating Future Uncertainty while Meeting the District’s Mission**

Against a backdrop of significant concern and uncertainty regarding COVID-19 and potential economic impacts in the near and long term, the FY20/21 Budget is important to solidifying the District’s continued commitment to rising to meet these challenges. It is critical to our local community during this time that we provide effective and reliable wastewater conveyance and treatment services, while ensuring that we are continuing to serve as responsible stewards of public resources and trust. I would like to acknowledge the Board’s strong leadership and guidance under this challenging environment, as well as each of our dedicated employees for continuing to support the District’s core mission of protecting public health and the environment.

Sincerely,



Vincent P. De Lange  
General Manager



**Annual Budget Resolution**

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

**Re: Approving Fiscal Year 2020/2021 )  
Budget Appropriations )**

**RESOLUTION NO. X/2020**

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, 2020; and

WHEREAS, the adoption of the Fiscal Year 2020/2021 (FY20/21) Budget Appropriations reflects the agency goals and programs; and

WHEREAS, the Budget as presented in the attached FY20/21 Proposed 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 FY20/21, as described in the attached FY20/21 Proposed Budget Summary include: Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY20/21 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 FY20/21 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 July 16, 2020 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

Exhibit: Delta Diablo FY20/21 Proposed Budget Summary



**Exhibit – Delta Diablo FY20/21 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				
	<b>SOURCE OF FUNDS/REVENUES:</b>													
1	Capital Facilities Capacity Charges													
2	Service Charges													
3	Sewer Service	\$ 22,386,263	\$ 327,237	\$ -	\$ 8,835,391							\$ 1,174,780		\$ 32,723,671
6	Street Sweeping											\$ 649,115		649,115
7	Household Hazardous Waste													494,087
8	Property Taxes				2,000,000									2,000,000
9	Utility Rebates (from Calpine)	200,000												200,000
10	Interest Income	205,559	33,338	193,228	24,859	26,529	46,106	11,095	49,888					593,356
11	Discharge Permits & Fees	250,000												250,000
13	Overhead (from Capital Projects)	700,000												700,000
14	Miscellaneous	200,000												200,000
15	Recycled Water Service Charges						3,802,371							3,802,371
16	<b>TOTAL REVENUES</b>	<b>\$ 23,941,822</b>	<b>\$ 360,575</b>	<b>\$ 193,228</b>	<b>\$ 10,860,250</b>	<b>\$ 1,866,529</b>	<b>\$ 3,850,941</b>	<b>\$ 496,840</b>	<b>\$ 1,224,668</b>	<b>\$ 660,210</b>	<b>\$ 1,224,668</b>	<b>\$ 43,455,064</b>		<b>\$ 43,455,064</b>
17	<b>OTHER FINANCING SOURCES</b>													
18	Loan and/or Other Financing Sources				3,500,000									3,500,000
19	Transfers In/(Out)	(365,540)			0		(500,000)							0
20	Interfund Loan		500,000	0	0									0
21	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ (365,540)</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 3,500,000</b>	<b>\$ (500,000)</b>	<b>\$ -</b>	<b>\$ 365,540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,500,000</b>		<b>\$ 3,500,000</b>
22	<b>TOTAL SOURCE OF FUNDS/REVENUES</b>	<b>\$ 23,576,282</b>	<b>\$ 860,575</b>	<b>\$ 193,228</b>	<b>\$ 14,360,250</b>	<b>\$ 1,366,529</b>	<b>\$ 3,850,941</b>	<b>\$ 862,380</b>	<b>\$ 1,224,668</b>	<b>\$ 660,210</b>	<b>\$ 1,224,668</b>	<b>\$ 46,955,064</b>		<b>\$ 46,955,064</b>
23	<b>USE OF FUNDS/EXPENDITURES:</b>													
24	<b>OPERATING</b>													
25	Salaries and Wages	\$ 9,161,542												
26	Benefits	6,140,437												
27	Chemicals	1,118,500												
28	Office and Operating Expense	2,818,753												
29	Outside Services	3,017,562												
30	Program Costs (Overhead)	1,385,775												
31	Utilities	440,000												
32	Contingency Allowance													
33	<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 24,082,569</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,865,505</b>	<b>\$ 837,582</b>	<b>\$ 690,000</b>	<b>\$ 690,000</b>	<b>\$ 810,025</b>	<b>\$ 29,285,681</b>		<b>\$ 29,285,681</b>
34	<b>CAPITAL IMPROVEMENT PROJECTS</b>													
35	Debt Service		143,142		763,253	127,660								1,990,769
36	Capital Projects		900,000		13,915,000									16,650,000
37	<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 1,043,142</b>	<b>\$ -</b>	<b>\$ 14,678,253</b>	<b>\$ 127,660</b>	<b>\$ 1,005,102</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 961,612</b>	<b>\$ 17,840,769</b>		<b>\$ 17,840,769</b>
38	<b>TOTAL USE OF FUNDS/EXPENDITURES</b>	<b>\$ 24,082,569</b>	<b>\$ 1,043,142</b>	<b>\$ -</b>	<b>\$ 14,678,253</b>	<b>\$ 127,660</b>	<b>\$ 3,870,607</b>	<b>\$ 862,582</b>	<b>\$ 690,000</b>	<b>\$ 1,771,637</b>	<b>\$ 47,126,450</b>			<b>\$ 47,126,450</b>
39	<b>CONTRIBUTION/(USE) of RESERVES</b>	<b>\$ (506,287)</b>	<b>\$ (182,567)</b>	<b>\$ 193,228</b>	<b>\$ (318,003)</b>	<b>\$ 1,238,868</b>	<b>\$ (19,666)</b>	<b>\$ (202)</b>	<b>\$ (546,969)</b>	<b>\$ (171,366)</b>				
40	<b>Estimated Beginning Fund Equity</b>	<b>\$ 20,208,531</b>	<b>\$ 2,923,033</b>	<b>\$ 19,275,024</b>	<b>\$ 571,703</b>	<b>\$ 2,149,050</b>	<b>\$ 4,266,665</b>	<b>\$ 207,011</b>	<b>\$ 1,124,396</b>	<b>\$ 3,762,110</b>	<b>\$ 54,487,523</b>			<b>\$ 54,487,523</b>
41	<b>Estimated Ending Fund Equity*</b>	<b>\$ 19,702,244</b>	<b>\$ 2,740,466</b>	<b>\$ 19,468,252</b>	<b>\$ 253,700</b>	<b>\$ 3,387,918</b>	<b>\$ 4,246,999</b>	<b>\$ 206,509</b>	<b>\$ 1,094,606</b>	<b>\$ 3,215,141</b>	<b>\$ 54,316,138</b>			<b>\$ 54,316,138</b>

\* Does not include depreciation or amortization expense.

## **Section 1: Introduction and Overview**

The District's FY20/21 Budget Book assists the District in communicating its planned use of resources to elected officials, District employees, and the public. This section provides the reader with an overview of the essential components included in this budget document, which includes five major sections: 1) Introduction and Overview; 2) Financial Structure, Policies, and Processes; 3) Financial Summaries; 4) Capital and Debt; and 5) Department Information. A summary of the District's financial policies is included in Appendix A.

### **Introduction and Overview**

The Introduction and Overview begins with a Message from the General Manager, which provides the reader with budget highlights and sufficient context to understand how and why budgetary changes occurred between fiscal years. It also includes the priorities and issues for the upcoming fiscal year. Following the General Manager's Message, an overview of the District is provided so that the reader understands District services, funds, local economic conditions, and strategic planning considerations. This section concludes with a Budget Overview that includes more detailed information regarding the District's Sources of Funds and Uses of Funds.

### **Financial Structure, Policies, and Processes**

This section is designed to provide the reader with an overview of the District's Organization, Organizational Chart, Budgeted Positions as of July 1 (on a full-time equivalent basis), and Fund Descriptions and Structure. It also showcases the District's financial bases and policies along with its budget process, calendar, and levels of budgetary control. Here the reader may find some more detailed information regarding financial and budgetary guidelines.

### **Financial Summaries**

The Financial Summaries section introduces the Consolidated Financial Schedules and the Fund Equity summary. In the Consolidated Financial Section, the reader may review the various inflows of revenue (Source of Funds/Revenues) and outflows of expenses (Use of Funds/Expenditures) for the prior year budget, the prior year actual, the current year budget, the current year proposed, and the proposed FY20/21 Budget along with a variance between the current year budget and the proposed FY20/21 Budget. The Fund Equity summary is organized by fund and exhibits the beginning and ending fund equity, sources of funds/revenues, and use of funds/expenditures.

### **Capital and Debt**

This two-part section starts with a program overview of the District's FY20/21 – FY24/25 CIP. Next, pertinent information for each major capital project is presented under the Projects in Focus section, followed by a comprehensive project description listing, by fund, for each project with an appropriation in FY20/21. Finally, the consolidated 5-year CIP schedule is provided with planned expenditures over the next five years. The second half of this section presents information regarding outstanding debt obligations, outstanding debt balances by type, debt service requirements, and debt service coverage ratio by fiscal year.

### **Department Information**

This section provides more detailed information regarding departmental functions and responsibilities throughout the fiscal year. In this section the roles and responsibilities of each division within the District's departments are described, along with a three-year budget breakdown of operating and maintenance expenses by department.

## Budget Comparison Summary

The FY20/21 Budget includes total revenue of \$43.5 million, which includes \$32.7 million in SSCs, \$3.8 million in Recycled Water Service Charges, \$2.0 million in ad valorem property taxes, \$1.8 million in CFCCs, and \$3.2 million in other revenue. Budgeted expenditures total \$47.1 million, which includes operating and capital (including debt service) budgets of \$29.3 million and \$17.8 million, respectively. A budget comparison summary is presented in Table 1 and provides an overview of significant budgetary items and trends. A summary discussion of significant budget variances is provided below.

**Table 1 – Budget Comparison Summary**

Category	Budget FY19/20	Proposed FY20/21	% Difference FY21 to FY20 Budget
<b>Sources of Funds/Revenues</b>			
Service Charges	\$30,592,143	\$32,723,671	7%
Capacity Charges	1,842,464	1,842,464	0%
Street Sweeping	639,008	649,115	2%
Household Hazardous Waste	481,409	494,087	3%
Recycled Water	3,569,848	3,802,371	7%
Property Taxes	2,000,000	2,000,000	0%
Utility Rebate	200,000	200,000	0%
Interest Income	650,389	593,355	-9%
Discharge Permits & Fees	250,000	250,000	0%
Overhead (From Capital Projects)	700,000	700,000	0%
Miscellaneous	200,000	200,000	0%
Other Finance Sources		-	
<b>Subtotal Sources of Funds/Revenues</b>	<b>41,125,261</b>	<b>43,455,064</b>	6%
Loans	12,024,480	3,500,000	-71%
<b>Total Source of Funds/Revenues</b>	<b>53,149,741</b>	<b>46,955,064</b>	-12%
<b>Use of Funds/Expenditures</b>			
Salaries & Wages	10,247,665	10,183,026	-1%
Employee Benefits	6,690,797	6,875,550	3%
Chemicals	1,864,900	1,725,750	-7%
Office and Operating Expense	3,007,499	3,265,410	9%
Outside Services	4,042,433	4,389,806	9%
Program Costs (Overhead)	455,705	400,000	-12%
Utilities	1,887,770	1,946,139	3%
Contingency Allowance	460,000	500,000	9%
<b>Operating before Debt and Capital</b>	<b>28,656,769</b>	<b>29,285,681</b>	2%
Debt Service	2,044,548	1,190,769	-42%
<b>Operating before Capital</b>	<b>30,701,317</b>	<b>30,476,450</b>	-1%
Capital Improvements	20,845,433	16,650,000	-20%
<b>Total Use of Funds/Expenditures</b>	<b>51,546,750</b>	<b>47,126,450</b>	-9%
<b>CONTRIBUTION/(USE) of RESERVES</b>	<b>\$1,602,991</b>	<b>\$-171,386</b>	-111%

**Significant Sources of Funds % Difference (variance):**

**The SSC variance** of 7% is primarily due to an increase in SSCs of 3.5% and 3.0% for Antioch/Pittsburg and Bay Point customers, respectively which is expected to provide an additional \$1.1 million in revenue. An additional \$1.0 million is estimated to be realized from additional revenue associated with increased equivalent residential units (ERUs) over time.

**The Recycled Water variance** of 7% is primarily due to an anticipated 2% rate increase and adjustments to water consumption estimates.

**The Interest Income variance** of -9% is due to decreased estimates of interest rates (1%) for FY20/21.

**Significant Use of Funds % Difference (variance):**

**The Chemicals variance** of -7% is primarily due to the District securing a one-year contract extensions at no additional cost and more efficient chemical dosing at the RWF.

**The Office and Operating Expense variance** of 9% is mainly due to increased permitting fees and biosolids management (new contract in FY20/21).

**The Outside Services variance** of 9% includes additional costs for professional services, the largest item in the Outside Services category, budgeted in the amount of \$1.2 million which represents a 33% increase over last year or a \$0.29 million increase. The change is representative of planned organizational improvement initiatives, including Munis Enterprise Resource Planning enhancements, as well as cost-of-service (SSCs, Recycled Water Service Charges, CFCCs), fee schedule, and total compensation studies planned for FY20/21.

**The Program Costs (Overhead) variance** of -12% is due to a change in the anticipated work completed for Recycled Water.

**The Contingency Allowance variance** of 9% includes anticipated economic impacts for COVID-19 contingencies and workplace safety.

**The Debt Service variance** of -42% is largely due to adjustments made to anticipated FY19/20 CAR Debt Service based on more current information.

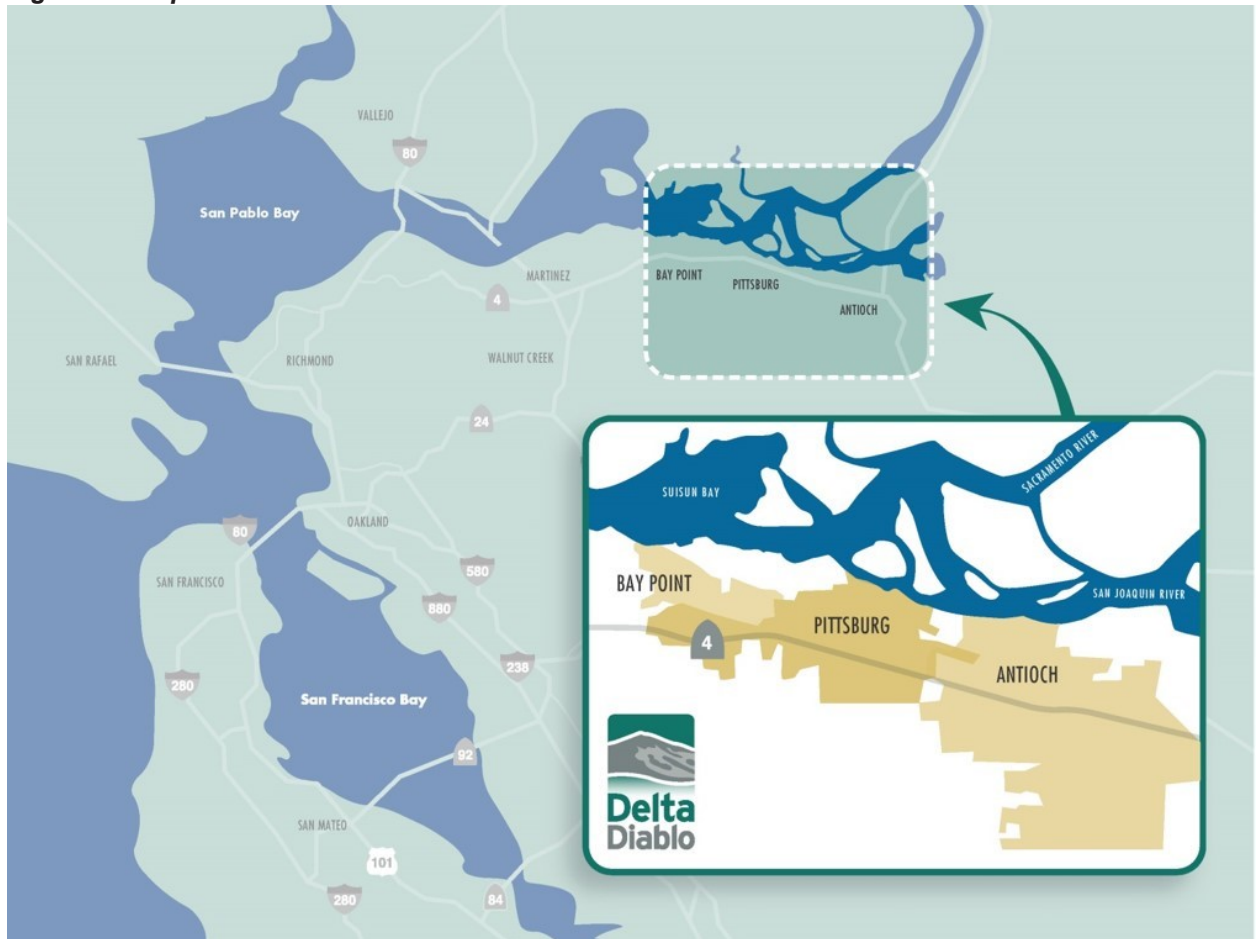
***District Overview***

Delta Diablo is a special district in the state of California that was originally formed in 1955 as Contra Costa County Sanitation District No. 7-A, pursuant to California Health and Safety Code Section 4700 for the purpose of operating, maintaining, and constructing wastewater collection and treatment facilities in the unincorporated West Pittsburg (now called Bay Point) area. In the early 1970s, the California State Water Resources Control Board (SWRCB) adopted a policy of encouraging public wastewater agencies to consolidate on a sub-regional basis. In 1976, the cities of Pittsburg and Antioch were annexed to the District.

A new sub-regional conveyance system and treatment facility was recommended and subsequently constructed in the current location between the two cities. In 1989, the District's name was changed to Delta Diablo Sanitation District after years of being referred to as such by the public. In 2014, the District's name was changed to Delta Diablo to reflect the general industry shift to viewing WWTPs as water resource recovery facilities via renewable energy production, water recycling, and biosolids reuse.

The District provides services to nearly 214,000 residential, commercial, and industrial customers in Bay Point, Pittsburg, and Antioch, which comprises a service area of approximately 54 square miles. The District's service area is divided into three zones: Zone 1 – Bay Point, Zone 2 – Pittsburg, and Zone 3 – Antioch as shown in Figure 1.

**Figure 1 - Map of Delta Diablo Service Area**



The District is governed by a three-member Board of Directors with one member appointed to represent each zone, including a designated councilmember from the City of Pittsburg, the Mayor of the City of Antioch (or designee), and the Contra Costa County Board of Supervisors member representing the unincorporated Bay Point community. The Board of Directors establishes overall policies to guide District operations, which are then implemented under the direction of the General Manager, to provide reliable, high-quality wastewater conveyance and treatment services at rates that are below average when compared to other agencies in the San Francisco Bay Area.

Board meetings are open to the public and held the second Wednesday of each month. In addition, committee meetings, workshop sessions, special meetings, and public hearings are occasionally scheduled and noticed.

The District has continually pursued an array of solutions to provide high-quality and environmentally-sound resource recovery services to its service area to protect public health, the Delta, and San Francisco Bay, now and into the future. As a result, five core resource recovery and services programs have been developed: Wastewater, Recycled Water, Household Hazardous Waste, Street Sweeping, and Bay Point Collections. Additional resource recovery services include pollution prevention, energy recovery, and beneficial use of biosolids.

**Wastewater Program:** The Wastewater Program's primary purpose is to protect public health and the environment by conveying and effectively treating wastewater. Operating 24 hours a day, 365 days a year, the District's WWTP is permitted by the San Francisco Bay Regional Water Quality Control Board (Regional Board) as a secondary wastewater treatment facility with a permitted average dry weather flow capacity of 19.5 million gallons per day (MGD).

**Recycled Water Program:** Since 2000, the District has been operating an industrial RWF. Generating an average of 6 MGD, the RWF is rated for 12.8 MGD and utilizes a state-of-the-art computerized Supervisory Control and Data Acquisition (SCADA) system. Recycled water is distributed for use as cooling water at two power plants, as well as landscape irrigation at several parks, Caltrans rights-of-way, city offices, and a golf course in Antioch. The use of high-quality recycled water for industrial and landscape irrigation applications provides an alternative source of water that not only is more cost efficient than potable water and promotes water conservation, but is also an environmentally sound approach to reducing potable water use and discharge of treated wastewater to the Delta.

**Household Hazardous Waste Program:** In partnership with multiple local governmental entities, the District has operated a regional HHW Program since 1996. The core of the program is operation of the Delta Household Hazardous Waste Collection Facility (DHHWCF), which was constructed in 2003 adjacent to the District's WWTP. The purpose of the HHW Program is to prevent hazardous pollutants from reaching waterways, landfills, and the wastewater system in support of the District's Pollution Prevention Program and compliance with state and federal regulatory requirements. Use of the District's DHHWCF is free of charge for residents and small businesses in East Contra Costa County, and accepts HHWs, such as medications, used oil and filters, anti-freeze, paints and stains, batteries, fluorescent and high intensity lamps, cosmetics, pesticides, pool chemicals and household cleaners, cooking oils and grease, and electronic waste.

**Street Sweeping Program:** Street sweeping is another pollution prevention service offered by the District. One of the best ways to prevent pollutants from entering local waterways is to remove them from streets before wind and rain carries them into storm drains, which flow directly to Delta receiving waters. Regular street sweeping provides an aesthetic benefit to local neighborhoods,



attracts businesses to downtown areas, and supports regional compliance with state and federal regulations related to Clean Water Act implementation.

**Bay Point Collection Program:** In 1984, the District assumed responsibility from Contra Costa County for the West Pittsburg (Bay Point) collection system. Services provided for this system consists of cleaning, inspection, and maintaining 43 miles of sanitary sewer mains for collection and delivery of untreated wastewater to the WWTP through the District’s conveyance system. The cities of Antioch and Pittsburg maintain their own collection systems.

### **Local Economy**

The District provides wastewater conveyance and treatment services in its service area via 38,300, 24,700, and 7,500 connections in Antioch, Pittsburg, and Bay Point, respectively. These communities are located in the Delta region where the Sacramento and San Joaquin Rivers meet at the eastern edge of the greater San Francisco Bay Area (Bay Area). Housing is affordable relative to the otherwise expensive Bay Area, and there is still significant undeveloped land in the area available for future development. The Bay Area Rapid Transit (BART) Pittsburg-Antioch line and Highway 4 run through the area, connecting commuters in the three communities to jobs in other parts of the Bay Area.

Because the area functions in part as “bedroom communities” to the Bay Area’s financial, high-tech, and service industries, housing-related development, construction, and service-related businesses dominate the local economy. In general, the local economy is consistent with the Bay Area economy. During the first half of FY19/20, the local economy within the District’s service area experienced solid economic growth with no indication of an economic slowdown in the short term. The unemployment rate within the region was 3.0% in February 2020, slightly lower than the last couple of years<sup>1</sup>, and lower than the state average unemployment rate for February 2020 of 3.9%.<sup>2</sup>

However, in March 2020, customers in the District’s service area were ordered to shelter in place and the economic activity slowed significantly. The Novel Coronavirus Disease 2019 (COVID-19) was declared a global pandemic and local county health orders shut down businesses that were not considered essential. This public health crisis has had significant economic effects.

During the COVID-19 pandemic, many people have lost their jobs and the unemployment rate soared to 15.5% in April 2020 in California.<sup>2</sup> The region also saw a sharp increase in the unemployment rate (14.2%) for the same period.<sup>1</sup>

After several weeks of the economic shutdown, the Contra Costa County Health Order restrictions have started to be relaxed and businesses are starting to reopen, but many have suffered serious financial loss.

There are many unknown factors and uncertainties regarding the financial impacts associated with the COVID-19 pandemic. Growth and development activities will be closely monitored and could have an impact on the District, both in the receipt of CFCCs as well as the growth and collection of SSCs. In addition, the District will be closely monitoring the impacts to non-residential water use and the associated impact to SSC revenue.

Median household income in Bay Point, Pittsburg, and Antioch were \$55,856, \$70,770, and \$71,422, respectively, compared with the Contra Costa County median household income of \$93,712 in 2018<sup>3</sup>. Populations in Pittsburg and Antioch has grown from 63,264 and 102,372 in 2010 to 74,321 and 112,520 in 2020, respectively<sup>4</sup>. This information was not separately available for Bay Point as it is an unincorporated area. Median housing prices were \$411,000 in the Bay Point, \$439,000 in Pittsburg, and \$454,000 in Antioch, as reported by Zillow for March 2020<sup>5</sup>.

<sup>1</sup> US Bureau of Labor Statistics - [www.bls.gov/regions/west/ca\\_oakland\\_md.htm](http://www.bls.gov/regions/west/ca_oakland_md.htm)

<sup>2</sup> US Bureau of Labor Statistics - [www.bls.gov/regions/west/california.htm](http://www.bls.gov/regions/west/california.htm)

<sup>3</sup> United States Census Bureau - [www.census.gov/quickfacts/fact/table/US/PST045219](http://www.census.gov/quickfacts/fact/table/US/PST045219)

<sup>4</sup> California Department of Finance - [www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/](http://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/)

<sup>5</sup> Zillow - [www.zillow.com/home-values](http://www.zillow.com/home-values)



## ***Strategic Planning Goals and Objectives***

The District's current Mission and Vision Statements were adopted by the Board in October 2012. In September 2013, following an organization assessment, the Board adopted the Strategic Business Plan (SBP) to highlight the organization's mission, vision, and values, while identifying key strategic goal areas to meet long-term needs and drive organizational improvement. The SBP includes the District's Mission and Vision Statements, Core Values, Strategic Goals, and Strategic Focus Areas. Initiatives to achieve the District's Strategic Goals are reviewed and prioritized annually and those recommended to be implemented in the current fiscal year are presented to the Board of Directors.

## **Mission, Vision & Core Values**

### **Mission**

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

### **Vision**

Delta Diablo will be a national leader in wastewater resource recovery.

### **Core Values**

Delta Diablo is committed to:

#### **Integrity**

- Maintain the highest ethical standards with our customers, partners, and each other
- Honor our commitments
- Treat others fairly and consistently

#### **Teamwork**

- Collaborate to achieve a common vision
- Communicate in an open and timely manner
- Celebrate our successes and achievements

#### **Trust**

- Inspire confidence through our words and actions
- Promote a positive work environment through honest, transparent, and respectful interactions
- Encourage and embrace diverse points of view

## **Goals**

### **Financial Sustainability**

- Serve our customers at the lowest practical long-term cost by operating efficiently and planning effectively
- Identify and pursue opportunities to add beneficial services and expand our customer base
- Maintain prudent reserves and a high bond rating
- Plan for the preservation, replacement, and expansion of District assets

### **Leadership**

- Lead and promote local, regional, and national collaboration to advance wastewater resource recovery
- Develop future leaders
- Nurture a productive and motivated workforce

### **Operational Excellence**

- Produce high-quality products and provide services that meet or exceed regulatory requirements, industry standards, and customer expectations
- Provide exceptional customer service
- Optimize business and operational practices

### **Workplace Innovation**

- Foster a culture of innovation to improve the environment, benefit our customers, and/or advance the industry
- Conserve resources and minimize waste
- Maximize economic resources recovery (energy, water, nutrients, and byproducts)

### **Stakeholder Engagement**

- Build and sustain effective, positive relationships within our community
- Advocate for regulatory and legislative action consistent with the District's interests
- Partner with local government and the business community to support and enhance economic vibrancy in the region
- Educate our community about our operations and service and promote environment stewardship

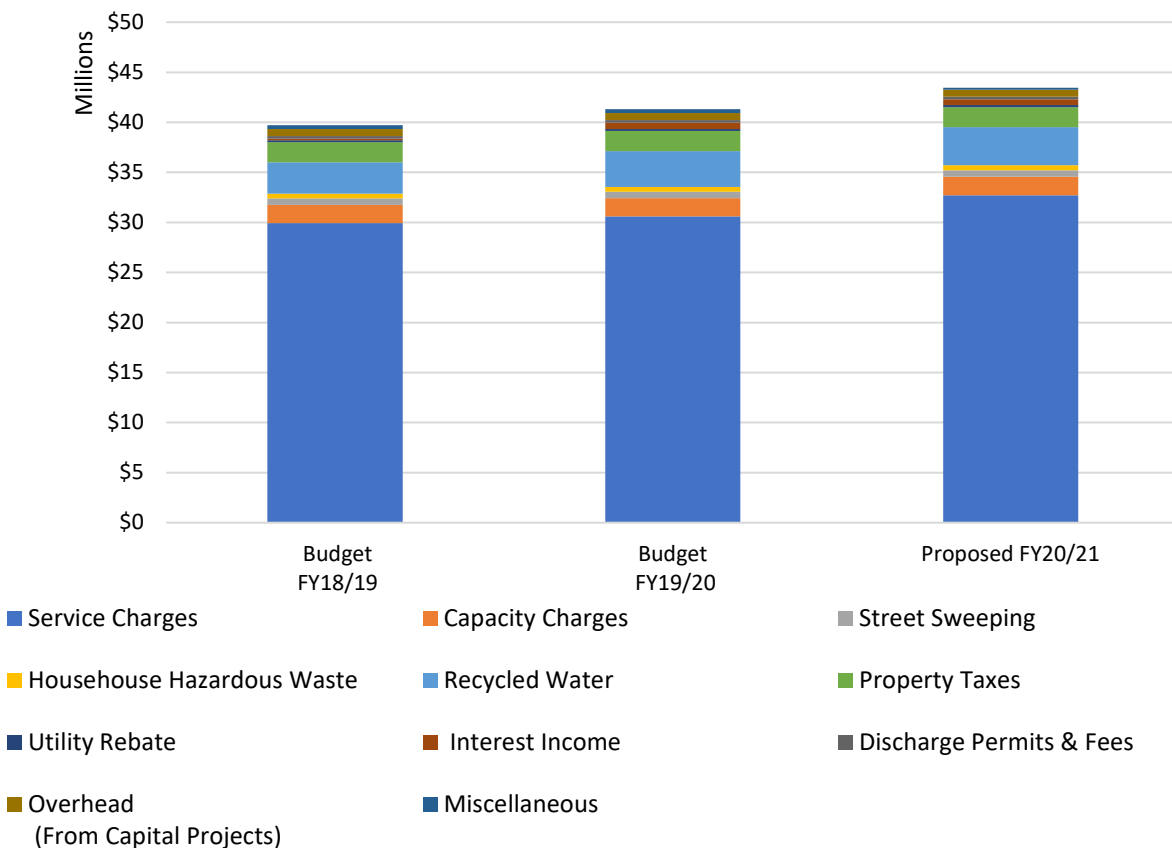
## Budget Overview

### Budget Assumptions

A budget is an estimate of revenues and expenditures for a set period. Estimates used for budgeting purposes involve a set of assumptions. It is important that the reader of this budget understand the assumptions used in preparing the revenue and expenditures estimates contained herein. Listed below are the primary assumptions used in the creation of this budget.

**Sources of Funds/Revenue:** The District generates funding from multiple sources, including service charges, capacity charges, ad valorem property taxes, and miscellaneous other sources. Sources of funds are presented in Figure 2 and are discussed in further detail below.

**Figure 2 – FY18/19 – FY20/21 Sources of Funds/Revenues**



The District has a stable revenue foundation, with 70% of the District's FY20/21 total sources of funds/revenues coming from SSCs. SSC revenue as a percentage of total revenue excluding debt is approximately 76%. Other significant revenue sources include CFCCs, recycled water sales, and ad valorem taxes. The proposed FY20/21 Budget includes revenue totaling \$43.5 million, excluding other financing sources. This represents an increase of 6% relative to FY19/20.

SSCs are charges collected from residential and non-residential customers for sewer use. Annual SSC revenues are collected by the Contra Costa County Tax Assessor's Office (on the property tax roll) and are remitted to the District in December, April, and June. Some non-residential customers are charged monthly or quarterly, rather than annually, based on either water usage or

actual sewer flows. SSCs are a highly distributed revenue source for the District with the top ten wastewater service customers representing approximately 15.2% of annual billing in FY18/19. This lack of concentration equates to a more stable revenue stream and is less susceptible to fluctuations in the economy or local business climate.

SSCs are subject to California's Proposition 218, which requires that SSC increases be noticed to all property owners, with the opportunity to protest the increase via written protests. If there is a majority of the property owners in protest of the SSC increase, the proposed SSC increase cannot be implemented.

On June 25, 2020, following a Proposition 218 notice process, the Board approved FY20/21 SSC increases of 3.5% for customers in Antioch and Pittsburg (from \$389.47 to \$403.10 annually [+\$13.63/year increase] for single-family residential) and 3.0% for customers in Bay Point (from \$540.26 to \$556.47 annually [+\$16.21/year increase] for single-family residential).

**CFCCs** are fees paid by developers to pay for expanded capacity in the sewer collection and treatment systems to convey and treat wastewater. They are also paid by commercial or industrial customers who expand the use of sewer services at their facilities.

CFCC revenue is forecasted for the next year based on the cost per ERU and an assumed growth rate of 481 ERUs being developed during the fiscal year. In FY20/21, staff plans to conduct a CFCC cost-of-service study to ensure costs are in alignment with planned capital plans.

**Recycled Water Service Charges** are collected from customers who purchase recycled water from the District. Most recycled water is used by Calpine for cooling its gas-fired plants. Other customers use recycled water for landscape irrigation.

Recycled water usage for FY20/21 is forecasted to be about 6,917 acre-feet (2,254 million gallons). Recycled water revenue is projected to increase by \$71,676 or 2% compared to FY19/20.

**Ad Valorem Property Taxes** are collected on property tax bills and represent 1% of the assessed value of property. The ad valorem property tax paid for a particular parcel is allocated to several agencies for a variety of purposes. As a special district, the District is allocated a portion of these taxes.

**Other Financing Sources** – Other financing sources are primarily debt in the form of low interest-loans from the state of California. Clean Water State Revolving Fund (SRF) loans and other loan proceeds are used in combination with existing funds and reserves for capital improvements to implement the District's CIP.

**Use of Funds/Expenditures:** The District continues to experience increases in annual operating costs over time due to escalations in labor, chemical, energy, materials, supplies, equipment, hauling, and outside services costs, as well as increasingly more stringent regulatory requirements. The FY20/21 Budget is \$47.1 million with the operating budget totaling \$29.3 million and capital (including debt service) totaling \$17.8 million. The operating budget represents a \$0.6 million increase (2.0%) relative to FY19/20 (\$28.7 million) and the capital budget (including debt service) represents a \$5.0 million decrease (-22.1%) relative to FY19/20 (\$22.9 million). Major operating cost categories include salaries and benefits, chemicals, utilities, office and operating, and outside services.

*Salaries and Benefits:* This category represents approximately 36% of the District's FY20/21 Budget. The District regularly evaluates organizational structure and needs, and strives to align staffing with the changing operating needs and regulatory requirements. The current staffing plan facilitates how the District responds to those needs. Staffing will continue to be a priority as the District has experienced and will potentially continue to experience a high number of staff retirements in the near term with approximately 47% of staff approaching retirement eligibility within the next three years.

- Cost-of-Living Adjustment (COLA). An annual COLA is specified in the memoranda of understanding (MOUs) for each of the District's three bargaining units. The MOUs specify that the District will adjust salaries for the first full pay period after July 1 each year, from a minimum of 2% up to 5% based on the April to April change in the Consumer Price Index (CPI) for San Francisco/Bay Area Wage Earners. The percentage information was available in May and COLAs of 2.0% are included in the FY20/21 Salaries and Benefits budget.
- Unfunded Positions and Salary Savings: A total of 78.0 full-time equivalent (FTE) positions will be budgeted in FY20/21. Based on an assessment of resource needs, staff estimates that three positions will remain unfilled and unfunded in FY20/21, which results in an annual savings of \$0.7 million. In addition, the budget includes salary savings of \$300,000 for funded positions that will not be filled for the entire year.
- Position Changes: No new positions are recommended, but two vacant positions will be flexibly staffed in FY20/21 following the retirement of two incumbents in the Engineering Services Department—an Engineering Technician and an Associate Engineer. The District intends to fill these positions at the Junior and/or Assistant Engineer level in FY20/21. In addition, a Maintenance Intern position is included in the budget, which adds 0.5 FTEs to the FY20/21 budget at an annual cost of \$50,000.
- Medical Insurance: Annual medical insurance premium costs have increased by 7.25%, while most other health benefits (e.g., vision, Employee Assistance Program, and life insurance) 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). Furthermore, 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 FY19/20, 49% of all employees are in either Tier 2 or Tier 3 and since new hires are no longer eligible to become members of Tier 1, there are ongoing savings as employees leave the District and vacant positions are filled at Tiers 2 and 3. The District assumes that new journey level, professional, and management hires will be Tier 2, because it is likely that they would have been a member in CalPERS or a reciprocal plan. The District assumes that new entry level hires will be Tier 3, because it is unlikely that these hires would have been members in CalPERS or a reciprocal plan. In addition to the lower employer-paid contributions into CalPERS, all new hires pay their full employee

contributions into CalPERS, as well as contributions into the Other Post-employment Benefits (OPEB) trust, which is at 3% of base salary.

- CalPERS Pension Unfunded Liability Contribution: This cost is budgeted at \$1.1 million, which is an increase of approximately \$0.1 million from FY19/20.
- Succession Planning: There was no change from FY19/20 in the \$0.1 million budget for overlap of new hires and incumbents in critical positions.
- 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 2014.
- 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 FY20/21 operating budget includes an ADC of \$0.9 million. The funded status of the District's total OPEB liability was 73.7% on 6/30/18 using the market value of assets on 6/30/18 and 78.3% on 6/30/19 with the liability projected one year from 6/30/18 to 6/30/19 and using the market value of assets on 6/30/19. Potential impacts from COVID-19 are as follows:
  - PEMHCA premiums - CalPERS issued preliminary 2021 premiums in June and will issue final 2021 premiums in July. This will impact the next June 30, 2020 actuarial valuation. Going forward, healthcare insurers will need to look at many impacts, including the cost of COVID-19 care, the possibility of future waves, the amount of testing, the development of treatments and vaccines, the delay of other healthcare, and the impact of social distancing on the level of other healthcare claims.
  - Asset Values on June 30, 2020 - The equity market has recovered from its low back in March. However, if there is any difference from the long-term annual return rate assumption of 6.25%, it will be phased in over five years for funding and reflected immediately for accounting.
  - Mortality assumptions - The Society of Actuaries is monitoring how mortality improvement assumptions will be impacted.
  - Demographics – Depends on the extent the virus has impacted District employees.
- Public Agency Retirement Services (PARS) Funding: The FY20/21 operating 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.

*Chemicals:* This cost is approximately 4% of the FY20/21 Budget. The District normally participates in the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage purchasing power among the members 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. However, because BACC eliminated the bidding process this year due to the COVID-19 pandemic, the District secured one-year contract extensions at no additional cost. Staff has conducted a comprehensive review of chemical unit costs, estimated quantities, and associated contingencies. The FY20/21 chemical budget totals \$1.7 million, including \$1.1 million for wastewater and \$0.6 million for recycled water, which represents a \$0.2 million annual decrease due to more efficient chemical dosing at the RWF.

*Utilities:* This category represents approximately 4% of the FY20/21 Budget. Staff continues to identify opportunities to reduce on-site energy demand. Staff has identified and implemented changes to operating strategies based on variable energy cost schedules to reduce energy costs.

*Office and Operating:* This category represents approximately 7% of the FY20/21 Budget. Permit and regulatory fees are expected to increase by 8% in FY20/21 for a total budget of \$0.3 million. As presented to the Board on March 11, 2020, the District expects a significant increase in annual biosolids management costs following receipt of bids in early May 2020 and expiration of the current long-term biosolids management services agreement with an outside contractor.

*Outside Services:* This category represents approximately 9% of the FY20/21 Budget and includes items such as temporary, legal, and professional services. Professional services is the largest item in the Outside Services category and is budgeted in the amount of \$1.2 million. This represents a 33% increase over last year or a \$0.29 million increase and is representative of planned organizational improvement initiatives, including Munis Enterprise Resource Planning enhancements, as well as cost-of-service (SSCs, Recycled Water Service Charges, CFCCs), fee schedule, and total compensation studies planned for FY20/21.

**Capital Expenses** of \$16.7 million include expenses to build or acquire new capital assets, replace existing assets, or rehabilitate existing assets to extend the useful life. Details of these expenses can be found in the 5-Year CIP, later in this budget document.

**Debt Service** includes the principal and interest payments for the District's outstanding loans. Debt service is approximately \$1.2 million, which is similar to last year. However, debt service is anticipated to increase in FY21/22 when the Bay Point Rehabilitation Phase 4 Project concludes and again in FY22/23 when debt service for the Pump Station Facilities Repair ends. A detailed breakdown of debt related activities can be found in section 4 of the Budget Book.



## Section 2. Financial Structure, Policies, and Processes

### *Organization*

The District is governed by a three-member Board of Directors with one member appointed to represent each zone, including a designated councilmember from the City of Pittsburg, the Mayor of the City of Antioch (or designee), and the Contra Costa County Board of Supervisors member representing the unincorporated Bay Point community. The District is managed by a General Manager.

The Financial Auditor and Legal Counsel for the District are contracted services. These functions report directly to the Board. All other functions report directly to the General Manager. The District is organized into four departments, Resource Recovery, Engineering Services, Business Services, and Administration. The first three are headed by a Director. The fourth department includes the General Manager's Office, the Board of Directors, and Administration. Under each Director, there are several divisions as described below.

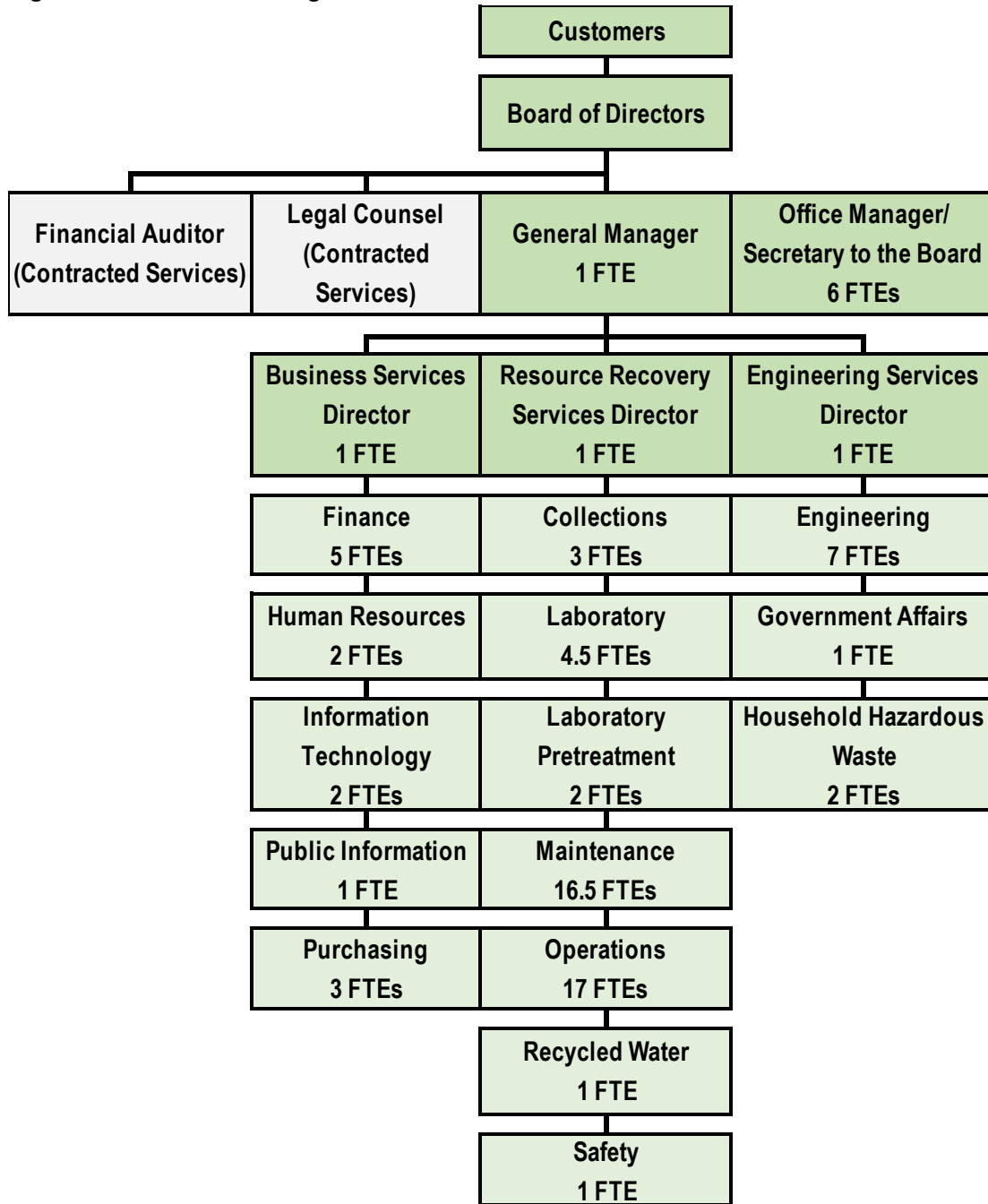
- **Resource Recovery Services** includes those divisions associated with operations and maintenance, safety, and overseeing regulatory compliance. They include the following functions:
  - **Collections** includes preventive and corrective maintenance of the Bay Point Collection System.
  - **Laboratory/Laboratory Pretreatment** includes all regulatory compliance and reporting functions, including the laboratory, pretreatment, and regulatory reporting. Ensures the District's permitted businesses and industrial customers comply with all applicable pretreatment and requirements. Ensures WWTP effluent meets all water quality standards and evaluates treatment plant operations to ensure compliance with all air pollution control standards. Develops and implements new programs as mandated by legislation and/or policy monitors.
  - **Maintenance** includes the preventive and corrective maintenance of all mechanical, electrical, and instrumentation equipment. Maintains the WWTP, wastewater collection and conveyance systems (including pumping stations), RWF and recycled water distribution system, and the buildings and grounds at the District's facility in Antioch.
  - **Operations** includes operation of the wastewater pumping stations, WWTP, and RWF.
  - **Recycled Water** includes coordination and oversight of RWF and distribution systems.
  - **Safety** includes primary objective to reduce injuries, accidents, and environmental impact. This division oversees and administers the District's comprehensive occupational health and safety program; manages the emergency preparedness and response programs; and ensures compliance with federal, state, and local safety requirements and regulations. It also monitors and maintains compliance with industry standards, oversees training, workplace evaluation, incident response and hazardous materials management, and manages regulatory information.



- **Engineering Services** includes those divisions associated with planning and implementing capital projects and asset management, construction inspection and overseeing government affairs and HHW. They include the following functions:
  - **Engineering** includes development review, capital project management, project design/engineering and inspection.
  - **Government Affairs** includes the funding for and administration of agreements for capital programs and external activities. Also includes the administration of District coalition efforts.
  - **Household Hazardous Waste:** In support of state regulations and the District's Pollution Prevention program, includes the operation of the DHHWCF and regional program in partnership with the cities of Antioch, Brentwood, Oakley and Pittsburg, and Contra Costa County.
- **Business Services** includes finance and accounting services, human resources and risk management, information technology, and public information.
  - **Finance** includes District financial management functions of the general ledger, budgeting, accounts payable, accounts receivable, fiscal reporting, and payroll.
  - **Human Resources/Risk Management** includes the management of all programs and services related to personnel, employee/labor relations, training, claims, insurance, and employee benefits. In addition, Human Resources manages risks to protect the District from loss or damage to its personnel and assets.
  - **Information Technology** includes operating and maintaining hardware, software, communications, and cloud services, as well as protecting the District from cybersecurity threats.
  - **Public Information** includes media relations, ratepayer communications, stakeholder engagement, community outreach, and student educational programming.
  - **Purchasing** includes procurement management and warehouse and inventory management.
- **Administration** includes support functions for Board of Directors meetings and the administrative support for the District.

The Delta Diablo Organization Chart is presented in Figure 3 and includes a graphical representation of the District's fund structure. This figure is followed by a summary of Budgeted Positions as of July 1, 2020 in Table 2. This table shows a three-year comparison of budget positions for the prior year, the current year, and the new budget year.

**Figure 3 – Delta Diablo Organization Chart**



**Table 2 – Budgeted Positions as of July 1**

Department/Division/Position (excluding Board Members)	FY18/19	FY19/20	FY20/21
<b>Administration</b>			
General Manager	1	1	1
Deputy General Manager	1	0	0
Office Manager/Secretary to the Board	1	1	1
Senior Administrative Assistant	1	1	1
Administrative Assistant II/III	5	5	4
<b>Administration</b>	<b>9</b>	<b>8</b>	<b>7</b>
<b>Business Services Department</b>			
Business Services Director	1	1	1
<b>Finance</b>			
Finance Manager	1	1	1
Senior Accountant	1	1	1
Accounting Technician	3	3	3
<b>Human Resources</b>			
Human Resource Manager and Risk Manager	1	1	1
Human Resource Analyst II	1	1	1
<b>Information Technology</b>			
Information Technology Manager	1	1	1
Computer Analyst	1	1	1
<b>Public Information</b>			
Public Information Manager	1	1	1
<b>Purchasing</b>			
Purchasing Manager	0	1	1
Buyer	1	0	0
Warehouse Technician I/II <sup>3</sup>	0	0	2
<b>Business Services Department</b>	<b>12</b>	<b>12</b>	<b>14</b>
<b>Engineering Services Department</b>			
Engineering Services Director/District Engineer	1	1	1
<b>Engineering</b>			
Senior Engineer	1	1	1
Associate Engineer <sup>2,5</sup>	3	3	3
Junior Engineer, Assistant Engineer <sup>2,5</sup>	1	1	2
Engineering Technician I <sup>2</sup>	1	1	0
Construction Inspector	1	1	1
<b>Government Affairs</b>			
Government Affairs Manager	1	1	1
<b>Household Hazardous Waste</b>			
Environmental Programs Manager	1	1	1
Household Hazardous Waste Technician III	1	1	1
<b>Engineering Services Department</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Resource Recovery Services Department</b>			
Resource Recovery Services Director	1	1	1
<b>Collections</b>			

<b>Department/Division/Position (excluding Board Members)</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>
Collection Systems Worker I/II	2	2	2
Collection Systems Worker III	1	1	1
<b>Laboratory</b>			
Laboratory Manager	1	1	1
Chemist I/II	2	2	2
Chemist III	1	1	1
Intern (Co-op Student)	0.5	0.5	0.5
<b>Laboratory Pretreatment</b>			
Environmental Compliance Specialist II	2	2	2
<b>Maintenance</b>			
Maintenance Manager	1	1	1
Maintenance Supervisor	1	1	1
Control Systems Specialist	1	1	1
Electrical/Instrumentation Technician I/II	2	2	2
Electrical/Instrumentation Technician III	1	1	1
Maintenance Mechanic I/II	7	7	7
Maintenance Mechanic I/II	1	0	0
Maintenance Mechanic III	2	1	1
Planner/Scheduler	0	1	1
Maintenance Worker	1	1	1
Warehouse Technician I/II <sup>3</sup>	2	2	0
Intern (Co-op Student) <sup>4</sup>	0	0	0.5
<b>Operations</b>			
Operations Manager	1	1	1
Operations Supervisor	1	1	1
Wastewater Treatment Plant Operator I/II	8	8	8
Wastewater Treatment Plant Operator III	3	3	3
Senior Wastewater Treatment Plant Operator IV/V	4	4	4
Flex Staffing Succession Planning <sup>1</sup>	0	0	0
<b>Recycled Water</b>			
Recycled Water Program Coordinator	1	1	1
<b>Safety</b>			
Safety Manager	1	1	1
<b>Resource Recovery Services Department</b>	<b>48.5</b>	<b>47.5</b>	<b>46.0</b>
<b>Total Budgeted Positions</b>	<b>80.5</b>	<b>78.5</b>	<b>78.0</b>

<sup>1</sup> Flex staffing does not add position; provides funding for succession planning purposes

<sup>2</sup> Associate Engineer and Engineering Technician I retirements in FY19/20. Filling behind with Junior and/or Assistant Engineer levels

<sup>3</sup> Positions transferred from Resource Recovery to Business Services

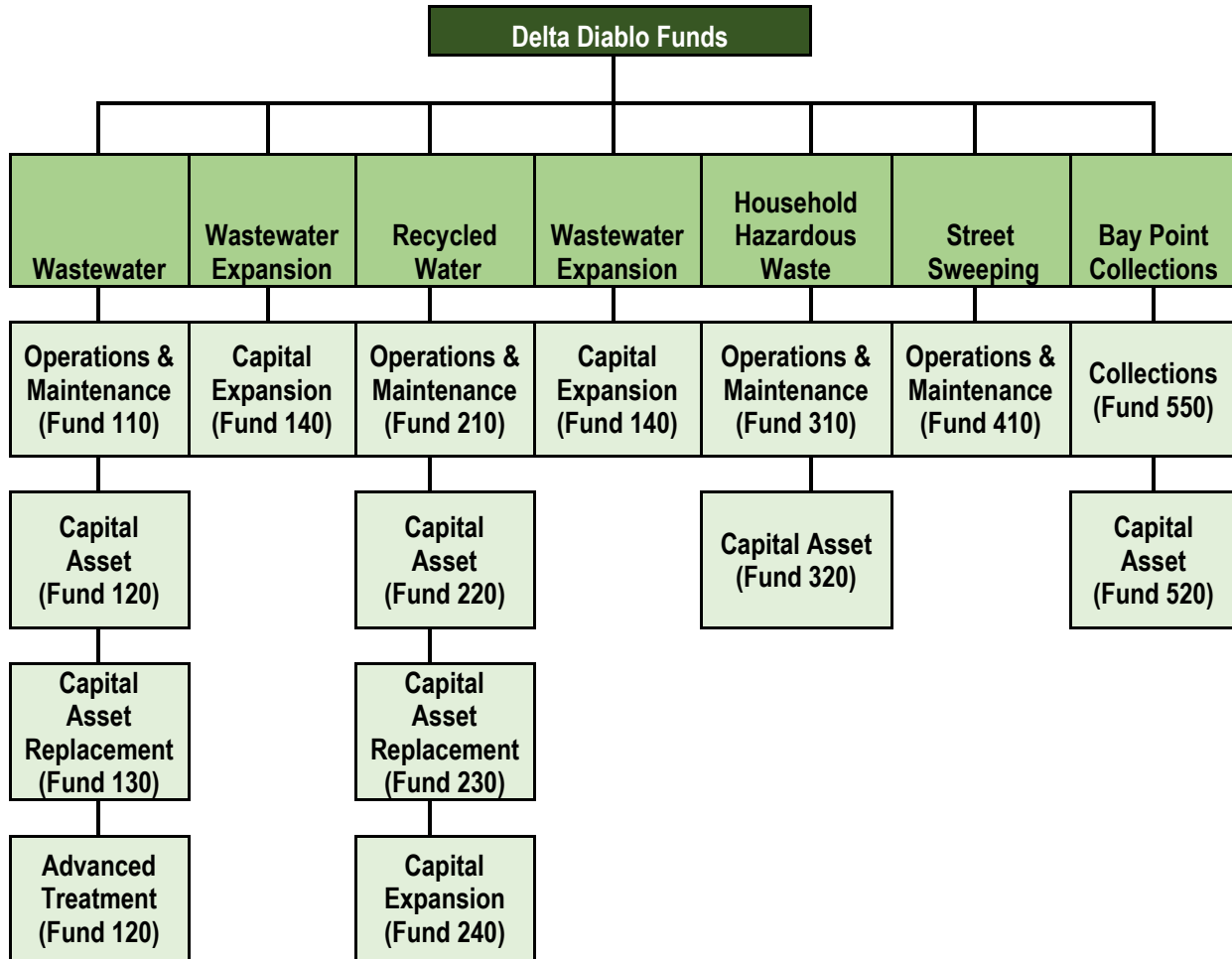
<sup>4</sup> Maintenance Intern (LMC PTEC/ETEC Program - 20 hours per week

<sup>5</sup> Assistant Engineer promoted to Associate Engineer in FY19/20

## Fund Descriptions and Fund Structure

The District uses enterprise funds to account for separate business-type activities. The funds are segregated with the intent that resources in the fund are used exclusively for the purpose for which they were collected including payment of debt service and capital needs. The District currently has seven funds with Wastewater, Recycled Water, Household Hazardous Waste, and Bay Point Collections Funds comprised of internal operations and maintenance and capital sub-funds as presented in Figure 4.

**Figure 4 – Delta Diablo Funds**



**Operations and Maintenance (O&M) Funds:** The respective Wastewater (regional wastewater conveyance and treatment), HHW, Recycled Water, and Bay Point Collections Funds provide for operations and maintenance costs. Primary funding is from applicable service charges. Bay Point ratepayers, however, are charged an additional component in the SSC revenues to provide for the added service to maintain their collection system.

**Street Sweeping (SS) Fund:** This fund provides for street sweeping services throughout the District’s 54 square mile service area. A flat service fee per customer is charged based on the frequency of sweeping service provided in their area. Primary funding is from applicable service charges.

**Capital Asset (CA) Funds:** These Wastewater, Recycled Water, and HHW Funds ensure that adequate resources are available to fund new capital projects (not related to growth) and to provide debt service for debt which the Board has allocated to these funds. Expenses are non-linear. Reserves in these funds grow in anticipation of large future expenditures and will be depleted as projects are completed. Primary funding is from applicable service charges and may include other funding sources such as grants and loans.

**Capital Asset Replacement (CAR) Funds:** The respective Wastewater, Recycled Water, and Bay Point Collections Funds ensure that adequate resources are available to fund replacements, improvements and major refurbishments to existing capital assets and to provide debt service for debt which the Board has allocated to this fund. Reserves will grow in anticipation of large future expenditures and will be depleted as projects are completed. Primary funding is from applicable service charges and may be include other funding sources such as grants and loans.

**Advanced Treatment (AT) Fund:** This fund is designed to minimize significant future rate increases by providing dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment. Primary funding is from SSCs and may be include other funding sources such as grants and loans. The SSC rate component has been suspended for FY20/21 based on a revised implementation schedule and capital cost estimate.

**Expansion Fund (WW Exp) Funds:** The respective Wastewater and Recycled Water Funds provide for wastewater treatment capacity for new development. The funding is provided through CFCCs collected when new or expanded development occurs. Pursuant to California Government Code §66013 (c), the District maintains this separate capital facilities fund for the charges in a manner to avoid any commingling with other monies of the District. For Recycled Water, revenues collected are remitted to Calpine pursuant to Delta Diablo Ordinance 103.

### ***Basis of Accounting and Budgeting***

The District's basis of accounting for budgetary purposes generally conforms with the generally accepted accounting principles (GAAP). Financial statements are presented as an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

As the District's financials are accounted for as an enterprise fund, the budget is prepared generally based on the full accrual basis of accounting. Revenues are recognized when earned and costs are recognized when a liability is incurred. Exceptions are as follows: Depreciation and amortization are handled differently in financial reporting and budgetary reporting. In financial reporting, depreciation and amortization are included, and the repayment of the principal on debt is not reported as expenses. In budgetary reporting, depreciation and amortization are excluded, and the repayments of the principal on debt as expenditures are included.

### ***Budget Process***

The annual budget process begins each year with a review of expenditures to determine how well the budget plan is working. Unanticipated expenses are identified, and revenue and expenditure patterns are analyzed. With this information, the operational budget directions are provided to staff and line item proposals are developed. For the capital budget, the Senior Engineer works with department managers to update the Five-Year CIP. Operational budget line item proposals are

reviewed by each respective department's Director and the Business Services Director prior to submittal to the General Manager for final review. Changes are made as appropriate throughout the review process.

The key assumptions for the proposed operating budget and the proposed CIP are provided to the Finance Committee, a subcommittee of the Board of Directors, who reviews, comments, and makes recommendations to the full Board of Directors.

Key budget assumptions and the CIP are presented to the Board of Directors for consideration. A CIP Public Hearing is held to seek input from interested stakeholders and the general public. The Board can direct staff to make changes to the key budget assumptions. All changes are then compiled and presented to the Board for final adoption of the budget.

### ***FY20/21 Budget Development Calendar***

- January 2020** Budget kickoff meeting with District management is held and budget directions provided to staff.
- Jan – March** Staff develops proposed Operating Budget and 5-Year CIP.
- April 29, 2020** Finance Committee reviews key assumptions for proposed FY20/21 Operating Budget and draft 5-Year CIP.
- May 13, 2020** Board of Directors receives report on key assumptions for proposed FY20/21 Operating Budget. Board receives presentation on draft 5-Year CIP. Board sets Public Hearing for June 25, 2020 to consider approval of 5-Year CIP.
- June 10, 2020** Board receives report on overview of FY20/21 Budget Book.
- June 25, 2020** Board adopts a resolution approving 5-Year CIP after Public Hearing.
- July 16, 2020** Board considers FY20/21 Budget.

### ***Budgetary Levels of Control***

Board Resolution 6/2001, Establishing Operating Authorities and Modifying Procedures Related to District Fund Accounting, directs that formal budget integration be employed as a management control device throughout the year and outlines the Board and General Manager's authority to implement and amend the budget as follows:

1. The General Manager shall each year prior to June 30, submit to the Board a proposed budget balancing revenues and expenditures for each of the District's program funds.
2. The Board shall consider and adopt no later than the first meeting of July the budget for that fiscal year.
3. Formal budget integration shall be employed as a management control device throughout the year.
4. The Board shall retain the authority for the following:
  - a) Approval of program transactions and transfers not specifically included below.
  - b) Write-off of uncollectible receivables and unusable inventory.
  - c) Final approval of carry forward items into the new fiscal year from a previous year.
  - d) Establishment, combination, or elimination of program funds in the District accounting system.

- e) Non-recurring transfers made in compliance with special statues or ordinances which do not qualify as revenues or expenditures to the receiving or disbursing funds.
  - f) Approval of the District budget and any revisions thereto during the fiscal year.
  - g) Approval of the District audit.
  - h) Execute agreements for budgeted services and supplies exceeding \$100,000 annually to operate and maintain the District's Wastewater Treatment facilities, Recycled Water facilities and Household Hazardous Waste facilities.
  - i) Transfer of cash or assets between operating funds, projects, or budgets.
  - j) Disposal of fixed assets.
  - k) Approval of monthly financial and investment reports.
  - l) Approval of increases in expenditures for department budgets in the general fund and for project budgets in other funds.
  - m) Annual review and approval of a District investment policy.
  - n) Authorization of long-term obligations on behalf of the District from one or more programs or funds of the District.
5. The General Manager shall have the following authorities, to the extent permitted by law:
- a) Prepare and implement the budget after Board adoption.
  - b) Reallocate funds between line items in individual department budgets and projects that do not result in an increase in the approved budget.
  - c) Approve contracts, agreements, and expenditures up to \$35,000 for items previously approved by the Board in the budget or the CIP.
  - d) Execute agreements for budgeted services and supplies agreements and purchase orders under \$100,000 annually to operate and maintain the District's Wastewater Treatment facilities, Recycled Water facilities and Household Hazardous Waste facilities.
  - e) Approve Progress Payments on all Board approved contracts and obligations.
  - f) Carry forward funds into new fiscal year from the previous year for budgeted, committed and/or planned expenses.
  - g) Transfer funds for investment purposes between funds and investment institutions based upon Board investment policy.
  - h) Distribute interest from investment to the funds based upon appropriate Board policy.
  - i) Implement policies and procedures adopted by the Board of Directors.
  - j) Settle General Liability and Workers' Compensation claims less than \$35,000.
  - k) Establish accounts and methods to properly account and manage District funds in accordance with established District policies and procedures and/or standard government accounting practice.
  - l) Except in the event of calamities as prescribed by Public Contracts Code § 20783, sign unbudgeted agreements/contracts on behalf of the District up to \$35,000



consistent with Board philosophy and direction and subject to a monthly report to the Board of all agreements/contracts signed during the previous month.

- m) In accordance with Resolution 3/96, approve Change Orders to construction contracts.
- n) Manage long-term debt obligations based upon the approved contracts and obligations by the Board.
- o) Execute and/or accept easements, offers of dedication and right-of-way documents and/or drawings for the District.
- p) Negotiate and execute contractual agreements regarding recycled water matters and issues which have been previously presented to the Board and for which they have issued general direction after confirmation from the Recycling Ad Hoc Committee prior to finalization.
- q) Issue requests for qualifications, proposals, construction bids for contracts or construction projects included in the budget or CIP.
- r) Prepare and circulate Initial Studies, Notices of Intent and set hearing dates as required under the California Environmental Quality Act (CEQA).
- s) Circulate CIP to planning agencies for review and findings on consistency between District CIP and agency's General or Specific plans.

### ***Financial Planning Policies***

The District has financial policies that set forth guidelines to maintain accountability and control over operating revenue and expenses, ensure proper appropriation of reserves and restricted funds, and proactively address the rising costs of pension and other post-employment benefits.

**Investments:** Annually, the Board of Directors adopts an Investment Policy pursuant to California Government Code, Sections 53600 et seq. The investment of idle funds is delegated by the Board of Directors to the General Manager, who assumes full responsibility for investment program transactions. Investment Policy objectives include safety, liquidity, yield, and diversity. The District's investments comply with the adopted Investment Policy.

### ***Reserves***

- Economic Reserves: Maintaining sufficient economic reserves is an essential part of the District's ability to ensure reliable and cost-effective services now and in the future. The District has established a policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (Wastewater O&M) Fund. In addition, all fund balances are considered in the longer 5-year financial plan. A number of these funds are designated to support multiple District services (beyond wastewater operations) and are constrained as to their use, applicability, and consideration as "available cash." Maintaining economic reserves supports the District's efforts to meet unanticipated operating costs, continue services during unforeseen economic events and emergencies, and address other urgent and/or unusual items. Future capital planning and associated capital fund balances are a cost of current service, because current service does not just include providing wastewater conveyance and treatment service today, but also ensuring ongoing, reliable service into the future.

- **AT Reserves:** The District continues to modify its original approach to collecting revenues for the AT Fund, which was proactively established in 2011 to avoid sharp rate increases to customers due to implementation of nutrient removal upgrades at the District's WWTP. In recent years, the District has successfully collaborated with regulators, the scientific community, and other Bay Area Clean Water Agencies members to focus on nutrient impact analyses and water quality modeling in San Francisco Bay rather than the future imposition of regional nutrient removal permit limits. The key outcome of this collaborative effort has been an approximate 10-year extension in the originally-anticipated implementation timeline. In response to the implementation timeline extension, the Board has taken actions to reduce and eliminate planned AT Fund SSC component increases in June 2018 and June 2019, respectively. As presented at the Board Meeting on March 11, 2020, in addition to the timeline extension, staff has estimated that the initial capital cost for nutrient management is lower than originally anticipated and will most likely be combined with a secondary treatment capacity plant expansion. Based on this new information and the anticipated timeline for using these funds, staff has suspended the SSC component in FY20/21. Suspension of the AT Fund SSC component has allowed staff to increase revenue to the CAR Fund, which has eliminated approximately \$20 million in assumed debt financing from last year's 5-year SSC analysis.

**OPEB Trust Funding:** Following acceptance of each fiscal year's audited financial statements for the District, the Board of Directors makes a determination as to how much of that year's remaining Actuarially Determined Contribution (ADC) (formerly Annual Required Contributions or ARC) will be funded by the District and deposited into the OPEB trust fund from all or part of the following sources in the hierarchical order listed below: 1) unanticipated revenue streams, 2) wastewater service charge revenues exceeding planned levels for the prior fiscal year, 3) unused wastewater operating contingency funds from the prior fiscal year, 4) wastewater operating budget savings from the prior fiscal year, 5) ad valorem tax revenues, and 6) wastewater general fund.

**Pension Benefits Trust Funding:** The District's intent is to set aside additional funds in a separate, qualified trust fund that may be directed to CalPERS and/or CCCERA in the future. Annual budgeted amounts are contributed following budget adoption. Upon fully funding the OPEB Trust Fund, those funding sources previously discussed shall be redirected to pension benefit trust funding, provided the OPEB trust funds remains fully funded.

A complete set of the District's Financial Policies are included in Appendix A.

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## Section 3. Financial Summaries

### Consolidated Financial Schedule

The District's Consolidated Financial Schedule is presented in Table 3. It includes major funding sources/revenues and the use of funds/expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the District for the Budget FY18/19, Actual FY18/19, Budget FY19/20, Proposed FY19/20, and Proposed FY20/21. The % Difference from FY20/21 to FY19/20 is shown for comparison.

**Table 3 – FY20/21 Consolidated Financial Schedule**

Funding Sources/Use of Funds						
Category	Budget FY18/19	Actual FY18/19	Budget FY19/20	Proposed FY19/20	Proposed FY20/21	% Difference FY21 to FY20 Budget
<b>Sources of Funds/Revenues</b>						
Service Charges	\$29,924,504	\$31,474,669	\$30,592,143	\$33,070,593	\$32,723,671	7%
Capacity Charges	1,842,464	2,636,962	1,842,464	1,632,920	1,842,464	0%
Street Sweeping	618,408	649,115	639,008	650,623	649,115	2%
Household Hazardous Waste	477,204	497,828	481,409	520,436	494,087	3%
Recycled Water	3,156,081	3,360,654	3,569,848	3,542,173	3,802,371	7%
Property Taxes	2,000,000	2,977,580	2,000,000	2,229,899	2,000,000	0%
Utility Rebate	200,000	-	200,000	244,300	200,000	0%
Interest Income	153,272.00	1,606,118.00	650,389.00	1,501,080.67	593,355	-9%
Discharge Permits & Fees	250,000	144,000	250,000	216,219	250,000	0%
Overhead (From Capital Projects)	700,000	215,136	700,000	1,081,593	700,000	0%
Miscellaneous	200,000	465,796	200,000	492,875	200,000	0%
Other Finance Sources		858,683			-	
<b>Subtotal Sources of Funds/Revenues</b>	<b>39,521,933</b>	<b>44,886,541</b>	<b>41,125,261</b>	<b>45,182,712</b>	<b>43,455,064</b>	<b>6%</b>
Loans	9,600,000	2,324,520	12,024,480	13,535,795	3,500,000	-71%
<b>Total Source of Funds/Revenues</b>	<b>49,121,933</b>	<b>47,211,061</b>	<b>53,149,741</b>	<b>58,718,507</b>	<b>46,955,064</b>	<b>-12%</b>
<b>Use of Funds/Expenditures</b>						
Salaries & Wages	10,918,606	9,672,750	10,247,665	9,512,478	10,183,026	-1%
Employee Benefits	6,555,185	6,812,349	6,690,797	6,359,840	6,875,550	3%
Chemicals	1,877,340	1,405,512	1,864,900	1,576,000	1,725,750	-7%
Office and Operating Expense	2,499,352	2,607,498	3,007,499	2,410,032	3,265,410	9%
Outside Services	4,736,176	3,436,154	4,042,433	3,443,252	4,389,806	9%
Program Costs (Overhead)	440,538	474,596	455,705	335,000	400,000	-12%
Utilities	1,965,449	1,799,371	1,887,770	1,852,068	1,946,139	3%
Contingency Allowance	262,000	-	460,000	60,000	500,000	9%
<b>Operating before Debt and Capital</b>	<b>29,254,646</b>	<b>26,208,230</b>	<b>28,656,769</b>	<b>25,548,670</b>	<b>29,285,681</b>	<b>2%</b>
Debt Service	1,417,921	1,206,330	2,044,548	1,187,440	1,190,769	-42%
<b>Operating before Capital</b>	<b>30,672,567</b>	<b>27,414,560</b>	<b>30,701,317</b>	<b>26,736,110</b>	<b>30,476,450</b>	<b>-1%</b>
Capital Improvements	21,885,000	9,383,726	20,845,433	18,967,213	16,650,000	-20%
<b>Total Use of Funds/Expenditures</b>	<b>52,557,567</b>	<b>36,798,287</b>	<b>51,546,750</b>	<b>45,703,323</b>	<b>47,126,450</b>	<b>-9%</b>
<b>CONTRIBUTION/(USE) of RESERVES</b>	<b>-\$3,435,634</b>	<b>\$10,412,774</b>	<b>\$1,602,991</b>	<b>\$13,015,183</b>	<b>-\$171,386</b>	<b>-111%</b>

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## Fund Equity

The District's Fund Equity is presented in Table 4 and includes the proposed FY20/21 Budget for all major funds, by major category.

**Table 4 – Fund Equity Summary**

CATEGORY	OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	All Funds Total
<b>SOURCE OF FUNDS/REVENUES</b>										
Capital Facilities Capacity Charges					\$1,840,000	\$2,464				\$1,842,464
Sewer Service Charges	\$22,386,263	\$327,237		\$8,835,391					\$1,174,780	32,723,671
Street Sweeping Charges								\$649,115		649,115
Household Hazardous Waste							\$494,087			494,087
Property Taxes				2,000,000						2,000,000
Utility Rebates (from Calpine)	200,000									200,000
Interest Income	205,559	33,338	\$193,228	24,859	26,529	46,106	2,753	11,095	49,888	593,356
Discharge Permits & Fees	250,000									250,000
Overhead (from Capital Projects)	700,000									700,000
Miscellaneous	200,000									200,000
Recycled Water Charges						3,802,371				3,802,371
<b>TOTAL REVENUES</b>	<b>23,941,822</b>	<b>360,575</b>	<b>193,228</b>	<b>10,860,250</b>	<b>1,866,529</b>	<b>3,850,941</b>	<b>496,840</b>	<b>660,210</b>	<b>1,224,668</b>	<b>43,455,064</b>
<b>OTHER FINANCING SOURCES</b>										
Loans and/or Other Financing Sources				3,500,000						3,500,000
Transfers In/(Out)	-365,540						365,540			-
Interfund Loan		500,000			-500,000					-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-365,540</b>	<b>500,000</b>	<b>-</b>	<b>3,500,000</b>	<b>-500,000</b>	<b>-</b>	<b>365,540</b>	<b>-</b>	<b>-</b>	<b>3,500,000</b>
<b>TOTAL SOURCE OF FUNDS/REVENUES</b>	<b>23,576,282</b>	<b>860,575</b>	<b>193,228</b>	<b>14,360,250</b>	<b>1,366,529</b>	<b>3,850,941</b>	<b>862,380</b>	<b>660,210</b>	<b>1,224,668</b>	<b>46,955,064</b>
<b>USE OF FUNDS/EXPENDITURES</b>										
<b>OPERATING</b>										
Salaries and Wages	9,161,542					526,223	129,422		365,839	10,183,026
Benefits	6,140,437					339,624	108,353		287,236	6,875,550
Chemicals	1,118,500					607,250				1,725,750
Office and Operating Expense	2,818,753					383,908	49,299		13,450	3,265,410
Outside Services	3,017,562					89,100	549,644	690,000	43,500	4,389,806
Program Costs (Overhead)						350,000			50,000	400,000
Utilities	1,385,775					559,500	864			1,946,139
Contingency Allowance	440,000					10,000			50,000	500,000
<b>TOTAL OPERATING EXPENDITURES</b>	<b>24,082,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,865,505</b>	<b>837,582</b>	<b>690,000</b>	<b>810,025</b>	<b>29,285,681</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>										
Debt Service		143,142		763,253	127,660	15,102			141,612	1,190,769
Capital Projects		900,000		13,915,000		990,000	25,000		820,000	16,650,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>-</b>	<b>1,043,142</b>	<b>-</b>	<b>14,678,253</b>	<b>127,660</b>	<b>1,005,102</b>	<b>25,000</b>	<b>-</b>	<b>961,612</b>	<b>17,840,769</b>
<b>TOTAL USE OF FUNDS/EXPENDITURES</b>	<b>24,082,569</b>	<b>1,043,142</b>	<b>-</b>	<b>14,678,253</b>	<b>127,660</b>	<b>3,870,607</b>	<b>862,582</b>	<b>690,000</b>	<b>1,771,637</b>	<b>47,126,450</b>
<b>CONTRIBUTION/(USE) OF RESERVES</b>	<b>-506,287</b>	<b>-182,567</b>	<b>193,228</b>	<b>-318,003</b>	<b>1,238,868</b>	<b>-19,666</b>	<b>-202</b>	<b>-29,790</b>	<b>-546,969</b>	<b>-171,386</b>
<b>FY2021 Estimated Beginning Fund Equity</b>	<b>20,208,531</b>	<b>2,923,033</b>	<b>19,275,024</b>	<b>571,703</b>	<b>2,149,050</b>	<b>4,266,665</b>	<b>207,011</b>	<b>1,124,396</b>	<b>3,762,110</b>	<b>54,487,523</b>
<b>FY2021 Estimated Ending Fund Equity</b>	<b>\$19,702,244</b>	<b>\$2,740,466</b>	<b>\$19,468,252</b>	<b>\$253,700</b>	<b>\$3,387,918</b>	<b>\$4,246,999</b>	<b>\$206,809</b>	<b>\$1,094,606</b>	<b>\$3,215,141</b>	<b>\$54,316,138</b>

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## **Section 4. Capital and Debt**

### ***Capital***

The FY20/21 – FY24/25 CIP provides the financial plan for use of various District financial resources for acquisition, planning, design, and construction of major capital improvements within the District's facilities for the Wastewater, Recycled Water, Bay Point Collections, and HHW programs. This section summarizes the financial plan for major capital projects required to meet District infrastructure investment needs. The CIP reflects long-range capital planning efforts by identifying specific projects, the timing of expenditures, and the estimated impact on future operating budgets.

### **Definition of Capital Expenditures**

Capital expenditures, or capital outlays, are cash outlays by the District that result in the acquisition or construction of a capital asset. A capital asset is any asset of significant value (over \$5,000) that has a useful life of over one year. Examples include land, buildings, machinery, vehicles, and equipment. All capital assets acquired or constructed are included in the CIP. Land is always considered a capital asset, regardless of value.

A capital project is usually considered a one-time expenditure that may or may not be funded over several years. The District adopts a 5-year CIP to identify funding for multiyear projects and inform future long-term financial plans and rate-setting processes. By providing the CIP in this format, the Board provides staff with appropriations and an expectation of when projects are to be completed. It also provides staff with a planning tool to help procure resources necessary to meet the expectations of the public and the Board.

### **Program Description**

The FY20/21-FY24/25 CIP guides planning, design, construction, and financing of prioritized capital projects in the District's wastewater conveyance, collection, and treatment systems and recycled water system. These critical projects are necessary to ensure the continued effective and reliable operation of existing infrastructure, address future service needs, and meet current and future regulatory requirements. The 5-year CIP is updated annually to reflect current priorities, address new project needs, and adjust estimated project costs and implementation schedules. In addition, this process assists in identifying long-term financial and resource needs and required budget appropriations required to support project implementation at the start of each fiscal year. The 5-year CIP was considered in developing both the SSCs for FY20/21 and the 5-year SSC forecast.

Supporting documentation used during CIP development includes city collection system master plans and detailed master plans prepared by the District for its wastewater treatment, recycled water, and conveyance system facilities. The District completed a Conveyance System Master Plan update in April 2010 and a Recycled Water Master Plan in August 2013, and is currently preparing a RRFMP that will supersede the District's 2011 Treatment Plant Master Plan. District staff coordinated with planning agencies in the District's service area (i.e., the cities of Antioch and Pittsburg, and Contra Costa County) to ensure that recommended projects in the CIP are consistent with the respective agency's applicable specific and general plans.



The FY20/21-FY24/25 CIP includes a total of approximately \$81.3 million in prioritized capital improvements that address significant changes to existing projects, as well as addition of new priorities. Key CIP highlights include the following:

- **Addressing New Infrastructure Needs:** Based on new capital investment priorities, 14 new projects were added to the CIP with an estimated total project cost of \$20.3 million. This includes \$8.3 million for the Antioch Pump Station and Conveyance System Improvements Project, which was developed in response to the failure of Antioch Force Main 102 and the associated sanitary sewer overflow on December 3, 2019.
- **Investing in Existing Wastewater Infrastructure Renewal:** Approximately 70% of the CIP total is allocated to support rehabilitation and/or replacement of existing critical wastewater infrastructure, including Antioch Pump Station and Conveyance System Improvements (\$8.3 million), Headworks Improvements (\$8.0 million), Cogeneration System Improvements (\$5.0 million), Electrical Switchgear Replacement (\$3.8 million), and Pump Station Facility Repair (\$3.5 million).
- **Adapting to Shifting Project Priorities and Changes**
  - East County Bioenergy Project (ECBP): The District is no longer pursuing implementation of this project, which included a total cash flow in the current CIP of \$28.3 million, most of which was neutral relative to SSC impacts as project costs were to be paid through project revenues. However, the 5-Year CIP includes \$6.5 million in projects to address ECBP-related infrastructure investment needs that were placed on hold pending integration with ECBP.
  - Nutrient Management: The implementation timeline and initial capital cost estimate for nutrient removal have been extended and reduced, respectively, while preliminary master planning findings indicate that continued major capital investment in the existing tower trickling filters does not support flexibility for future nutrient removal. In addition, secondary capacity upgrades are anticipated to be integrated with future nutrient removal plant upgrades.
- **Driving Organizational Improvement**
  - Asset Management Program (AMP): In FY19/20, the District completed significant efforts to build the foundation of a formalized AMP with a plan to continue program development over the next few years. The 5-Year CIP includes \$1.7 million to support continued development of an AMP to support effective, efficient, and prioritized management of critical District infrastructure assets through implementation of enhanced business practices, data metrics, and engagement throughout the organization.
  - Information Technology (IT): In FY19/20, staff initiated an IT Assessment to identify prioritized business needs and implementation plans to enhance business processes and use of IT to support organizational effectiveness and efficiency. The 5-Year CIP includes \$0.75 million in continued IT investment in support of this initiative.
- **Planning for the Future:** The 5-Year CIP identifies funding for multiple master planning efforts, including the ongoing RRFMP (\$1.0 million), Electrical System Master Plan (\$0.4 million in FY22/23), Supervisory Control and Data Acquisition Master Plan (\$0.5 million in FY22/23), Biosolids Management Master Plan (\$0.4 million in FY23/24), and Recycled Water Master Plan Update (\$0.3 million in FY23/24).

## **FY20/21 – FY24/25 CIP Budget Documents**

A description of key documents providing more detailed information regarding the 5-year CIP is provided below. Capital projects in these documents are generally organized by District fund (refer to Section 2 for detailed descriptions of each District fund).

- **CIP Program Summary:** The schedule summarizes the available budget from prior appropriations, the anticipated budget for each fiscal year, the 5-year total budget, and the budget distribution among District funds for each capital project in the 5-Year CIP. As shown in Table 5, most of the capital expenditures are focused on rehabilitation and replacement of existing assets in both FY20/21 (83.6%) and the 5-Year CIP. Key asset renewal and replacement projects in FY20/21 include the Headworks Improvements (\$5.0M), Pump Station Facilities Repair (\$3.5M), and Resource Recovery Facilities Master Plan (\$1.0M). The Headworks Improvements and Pump Station Facilities Repair projects are actively in construction and the Resource Recovery Facilities Master Plan is on schedule for completion in FY20/21.

**Table 5 – CIP Totals by District Fund**

Fund	FY20/21 Project (\$M)	% of FY20/21 Total	5-year CIP Total (\$M)	% of 5-Year CIP Total
Wastewater				
Capital Asset	0.90	5.4	4.4	5.4
Capital Asset Replacement	13.91	83.6	55.2	67.9
Expansion	0.00	0.0	4.0	4.9
Advanced Treatment	0.00	0.0	6.5	8.0
Recycled Water				
Capital Asset	0.05	0.3	1.8	2.2
Capital Asset Replacement	0.94	5.6	4.7	5.7
Expansion	0.00	0.0	0.1	0.2
Bay Point Collection	0.82	4.9	4.2	5.2
Household Hazardous Waste	0.03	0.2	0.4	0.5
<b>Total</b>	<b>\$16.65</b>	<b>100%</b>	<b>\$81.3M</b>	<b>100%</b>

- **FY20/21 CIP Project Descriptions:** Each project with an approved budget in FY20/21, this document summarizes the project scope, identifies the FY20/21 project budget and the total 5-year budget, and serves as a consolidated reference for active capital projects.
- **Detailed Project Descriptions:** Each significant capital projects has a dedicated planning level document that describes its scope, schedule, budget, risk assessment, funding type and source(s), inter-relationship to other capital project, and other information to adequately justify the project need and timing.

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**Table 6 – FY20/21 – FY24/25 CIP Program Summary**

Project Name	Project No.	Priority	Lead Dept.*	Approved Budget FY19/20	Estimated FY19/20 Year-End Budget	Anticipated Budgets					Anticipated Budget By Fund										
						FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	5-Year Total	WW CA	WW CAR	WW Exp	AT	RW CA	RW CAR	RW Exp	BP Coll.	HHW	
<b>Wastewater Capital Asset (Fund 120)</b>																					
Recycled Water Facility and Treatment Plant Intertie	TBA	1	ES						\$500,000	\$1,200,000	\$1,700,000	\$850,000					\$850,000				
Asset Management Program	19109	3	ES			\$700,000	\$300,000	\$300,000	\$200,000	\$200,000	\$1,700,000	\$1,700,000									
Conveyance and Treatment Systems Reliability Improvements	18107	3	RRS	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$250,000									
Energy and Water Efficiency Improvements	18908	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$125,000	\$125,000								
Small District Capital Asset Project	18908	3	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$250,000	\$250,000								
Permanent Brine Transfer Facility	18109	1	ES	\$191,259																	
East County Bioenergy Project	16117	1	ES		\$4,555,784																
<b>Wastewater Capital Asset Fund Total</b>				<b>\$391,259</b>	<b>\$4,755,784</b>	<b>\$900,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$900,000</b>	<b>\$1,600,000</b>	<b>\$4,400,000</b>	<b>\$3,175,000</b>	<b>\$375,000</b>				<b>\$850,000</b>				
<b>Wastewater Capital Asset Replacement (Fund 130)</b>																					
Aboveground Fuel Storage Tank Rehabilitation	TBA	1	ES	\$100,000	\$50,000	\$200,000					\$200,000		\$200,000								
BHPS Sewage Diversion Pump Rebuilds	TBA	1	RRS			\$60,000	\$60,000						\$120,000								
Chlorine Contact Influent Gates Replacement	TBA	1	RRS					\$500,000	\$1,500,000		\$2,000,000		\$2,000,000								
District Office Building Rehabilitation	18113	1	ES	\$700,000	\$1,045,381		\$400,000	\$1,000,000	\$2,000,000	\$2,082,837	\$5,482,837		\$5,482,837								
Headworks Improvements	17117	1	ES	\$2,475,714	\$700,109	\$5,000,000	\$3,000,000				\$8,000,000		\$8,000,000								
IT Equipment Replacement	TBA	1	IT	\$70,000		\$325,000	\$50,000	\$400,000	\$50,000	\$50,000	\$875,000		\$875,000								
Lab Equipment Replacement	TBA	1	RRS	\$25,000		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000		\$250,000								
Site Security Improvements	TBA	1	ES			\$400,000	\$600,000				\$1,000,000		\$700,000				\$200,000	\$100,000			
Manhole, Gravity Interceptor, and Easement Road Improvements	TBA	1	ES			\$600,000	\$1,500,000	\$900,000			\$3,000,000		\$2,100,000				\$900,000				
On-Site Fueling Station Replacement	19112	1	ES	\$300,000	\$290,749																
Aeration Basin Area Rehabilitation	TBA	1	RRS	\$90,000																	
District Office Building Roofing and Sheet Metal Replacement	18112	1	ES																		
PPS Raw Sewage Pump Rebuilds	TBA	1	RRS	\$215,000																	
Primary Clarifier Area Improvements	17140	1	ES	\$961,930																	
SAPS Sewage Pump Replacement	17120	1	RRS																		
Pittsburg Recycled Water Meter Standardization	15120	1	RRS																		
Primary Clarifier Nos. 1 - 4 Coating	TBA	1	ES				\$400,000	\$500,000	\$500,000		\$1,400,000		\$1,400,000								
Pump Station Facilities Repair	80008	1	ES	\$4,773,766	\$6,813,678	\$3,500,000					\$3,500,000		\$3,500,000								
Pump Station Grinder Replacements	TBA	1	RRS	\$100,000		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000		\$500,000								
Resource Recovery Facility Master Plan	18120	1	ES	\$600,000		\$1,000,000					\$1,000,000	\$350,000	\$500,000	\$100,000			\$50,000				
SCADA Communication Network/PLC Processor Upgrade	18114	1	RRS	\$100,000	\$367,585		\$253,145				\$253,145		\$227,831				\$25,315				
SCADA Master Plan Update	TBA	1	ES					\$500,000			\$500,000		\$450,000				\$50,000				
Sodium Bisulfite Tank Replacement	13105	1	ES	\$409,557	\$106,261																
Tower Mixing Chamber & Overflow Structure Rehabilitation	TBA	1	ES					\$550,000	\$870,000		\$1,420,000		\$1,420,000								
Treatment Plant Switchgear Replacement	17117	1	ES	\$1,243,728	\$1,862,058	\$750,000	\$3,000,000				\$3,750,000		\$3,750,000								
Treatment Plant Roadway Maintenance Project	TBA	1	BS	\$40,000	\$79,641					\$1,461,028	\$1,461,028		\$1,461,028								
Triangle Pump Station Replacement	19111	1	ES	\$300,000	\$250,000																
Unanticipated WW Treatment & Conveyance Infrastructure Repairs	20109	1	ES	\$200,000		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000		\$1,000,000								
Biosolids Management Master Plan	TBA	2	ES						\$400,000		\$400,000		\$400,000								
Electrical System Master Plan	TBA	2	ES					\$400,000			\$400,000		\$400,000								
Emergency Retention Basin Improvements	19110	2	RRS	\$50,000	\$50,000				\$750,000		\$750,000		\$750,000								
ERB Pump Rebuilds	TBA	2	RRS			\$80,000	\$80,000	\$80,000			\$240,000		\$240,000								
PFM 2401 Dresser Coupler Removal	TBA	2	ES			\$250,000					\$250,000		\$250,000								
RAS Pump Rehabilitation	TBA	2	ES					\$300,000			\$300,000		\$300,000								
Sewer Permit Software Replacement	18107	2	IT	\$50,000																	
Vehicle Replacements	TBA	2	RRS	\$645,000		\$400,000	\$100,000	\$100,000	\$100,000	\$100,000	\$800,000		\$800,000								
Remote Sites Connectivity Improvements	TBA		ES			\$300,000					\$300,000		\$300,000								
Digester No. 1 Cleaning & Repair	TBA		ES			\$200,000	\$200,000				\$400,000		\$400,000								
Digester No. 3 Cleaning & Repair	TBA		ES				\$200,000	\$200,000			\$400,000		\$400,000								
Digester Gas Handling and Compressors Replacement	TBA		ES			\$100,000	\$600,000				\$700,000		\$700,000								
Cogen System Improvements	TBA		ES				\$800,000	\$3,000,000	\$1,200,000		\$5,000,000		\$5,000,000								
Secondary Clarifier Area Improvements	TBA		ES					\$350,000	\$650,000		\$1,000,000		\$1,000,000								
Primary Clarifiers Area Control System Upgrade	TBA		ES					\$150,000			\$150,000		\$150,000								
Primary Service Water Filter Replacement	TBA		RRS			\$100,000					\$100,000		\$100,000								
Antioch Pump Station and Conveyance System Improvements	TBA		ES	\$1,000,000	\$350,000	\$300,000	\$3,000,000	\$5,000,000			\$8,300,000		\$8,300,000								
<b>Wastewater Capital Asset Replacement Fund Total</b>				<b>\$14,449,695</b>	<b>\$11,965,462</b>	<b>\$13,915,000</b>	<b>\$14,593,145</b>	<b>\$13,930,000</b>	<b>\$8,070,000</b>	<b>\$4,693,865</b>	<b>\$55,202,010</b>	<b>\$350,000</b>	<b>\$53,426,696</b>				<b>\$100,000</b>	<b>\$75,315</b>	<b>\$50,000</b>	<b>\$1,100,000</b>	<b>\$100,000</b>

**Table 6 – FY20/21 – FY24/25 CIP Program Summary (cont'd)**

<b>Wastewater Expansion (Fund 140)</b>																			
Bridgehead Phase IV Expansion - Force Main Completion	10178	3	ES							\$700,000	\$3,300,000	\$4,000,000					\$4,000,000		
<b>Wastewater Expansion Fund Total</b>										<b>\$700,000</b>	<b>\$3,300,000</b>	<b>\$4,000,000</b>					<b>\$4,000,000</b>		
<b>Advanced Treatment (Fund 125)</b>																			
Nutrient Technology Research and Innovation	17123	1	ES		\$57,000					\$250,000	\$250,000	\$500,000					\$500,000		
Secondary Treatment Upgrades with Nutrient Management	TBA	1	ES							\$2,000,000	\$4,000,000	\$6,000,000		\$3,000,000			\$3,000,000		
<b>Advanced Treatment Fund Total</b>					<b>\$57,000</b>					<b>\$2,250,000</b>	<b>\$4,250,000</b>	<b>\$6,500,000</b>		<b>\$3,000,000</b>			<b>\$3,000,000</b>		
<b>Recycled Water Capital Asset (Fund 220)</b>																			
RWF IPS, Process Line Modification, and Blowdown	TBA	3	ES						\$250,000	\$850,000		\$1,100,000					\$1,100,000		
Recycled Water Master Plan Update	TBA	3	ES							\$300,000		\$300,000					\$150,000	\$150,000	
Small Recycled Water Facility Capital Asset Project	19103	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000					\$250,000		
Treatment Plant Flow Equalization Improvements - Emergency Storage	TBA	3	ES							\$125,000		\$125,000					\$125,000		
<b>Recycled Water Capital Asset Fund Total</b>				<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$300,000</b>	<b>\$1,325,000</b>	<b>\$50,000</b>	<b>\$1,775,000</b>						<b>\$150,000</b>	<b>\$1,625,000</b>	
<b>Recycled Water Capital Asset Replacement (Fund 230)</b>																			
DEC and CCT Vavles Replacement	TBA	1	ES					\$225,000	\$375,000			\$600,000					\$600,000		
DEC Storage Tank Rehabilitation	TBA	2	ES						\$250,000	\$750,000	\$1,000,000						\$1,000,000		
Sand Filter and Filter Cover Improvements	TBA	2	RRS	\$75,000				\$500,000	\$582,000			\$1,082,000					\$1,082,000		
Recycled Water Distribution System Improvements	19114	3	ES						\$500,000		\$500,000						\$500,000		
Unanticipated Recycled Water Infrastructure Repairs	19114	3	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000						\$500,000		
Sand Filter Intermittent Backwash System	TBA		RRS			\$750,000					\$750,000						\$750,000		
DEC Tank Isolation Valves Replacement	TBA		RRS			\$100,000					\$100,000						\$100,000		
Sand Filter Air Compressor Replacement	TBA		RRS		\$90,000						\$90,000						\$90,000		
RWF Clarifier Liner Rehabilitation	TBA		RRS			\$50,000					\$50,000						\$50,000		
<b>Recycled Water Capital Asset Replacement Fund Total</b>				<b>\$175,000</b>	<b>\$100,000</b>	<b>\$940,000</b>	<b>\$200,000</b>	<b>\$875,000</b>	<b>\$1,807,000</b>	<b>\$850,000</b>	<b>\$4,672,000</b>						<b>\$4,672,000</b>		
<b>Recycled Water Expansion (Fund 240)</b>																			
Recycled Water Distribution System Expansion	18110	3	ES							\$150,000	\$150,000						\$150,000		
<b>Recycled Water Expansion Fund Total</b>										<b>\$150,000</b>	<b>\$150,000</b>						<b>\$150,000</b>		
<b>Bay Point Collection (Fund 520)</b>																			
Bay Point Overlay Manhole Adjustments	TBA	1	ES	\$250,000	\$250,000														
Bay Point Rehabilitation Phase 4	18119	1	ES	\$4,051,527															
Facility Condition Assessment	18121	1	ES	\$682,952															
River Watch Settlement Compliance	TBA	1	ES	\$670,000	\$670,000	\$720,000					\$720,000						\$720,000		
Unanticipated Bay Point Repairs	TBA	1	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000						\$500,000		
Bay Point Sewer Repairs - Phase 5	18119	1	ES							\$3,000,000	\$3,000,000						\$3,000,000		
<b>Bay Point Collection Fund Total</b>				<b>\$5,754,479</b>	<b>\$1,020,000</b>	<b>\$820,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$3,100,000</b>	<b>\$4,220,000</b>						<b>\$4,220,000</b>		
<b>Household Hazardous Waste (Fund 310)</b>																			
Household Hazardous Waste Improvements	18105	3	ES	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$300,000	\$25,000	\$400,000							\$400,000	
<b>Household Hazardous Waste Fund Total</b>				<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$300,000</b>	<b>\$25,000</b>	<b>\$400,000</b>							<b>\$400,000</b>	
<b>Total</b>				<b>\$20,845,433</b>	<b>\$17,973,246</b>	<b>\$16,650,000</b>	<b>\$15,468,145</b>	<b>\$15,730,000</b>	<b>\$15,452,000</b>	<b>\$18,018,865</b>	<b>\$81,319,010</b>	<b>\$3,525,000</b>	<b>\$56,801,696</b>	<b>\$4,500,000</b>	<b>\$3,250,000</b>	<b>\$2,475,000</b>	<b>\$4,747,315</b>	<b>\$200,000</b>	<b>\$5,320,000</b>

**DELTA DIABLO  
Fiscal Year 2020/2021  
Capital Improvement Program**

***Project Descriptions***

**WASTEWATER CAPITAL ASSET (FUND 120)**

**Asset Management Program** **Project Total: \$2,000,000** **FY20/21: \$700,000**

The project includes planning, assessment, procurement, and implementation of a new Computerized Maintenance Management System (CMMS) for the District, along with development of Asset Management (AM) business process standards.

**Conveyance and Treatment System Reliability Improvements** **Project Total: \$50,000** **FY20/21: \$50,000**

This project allowance is for the design and implementation of small, unplanned work to increase the reliability of the District's pumping and conveyance system.

**Energy and Water Efficiency Improvements** **Project Total: \$50,000** **FY20/21: \$50,000**

This project allowance is for the implementation of various energy and water efficiency measures that will lead to long-term energy and water savings.

**Small District Capital Asset Project** **Project Total: \$100,000** **FY20/21: \$100,000**

This project allowance is for the implementation of unplanned conveyance system and treatment plant improvements which are identified during the fiscal year.

**WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130)**

**Aboveground Fuel Storage Tank Rehabilitation** **Project Total: \$300,000** **FY20/21: \$200,000**

This project will repair and/or replace the remote site fuel storage tanks to current standards and fuel storage volumes needs to ensure at least 48 hours of run time.

**Bridgehead Pump Station Sewage Diversion Pump Rebuilds** **Project Total: \$60,000** **FY20/21: \$60,000**

This project will rebuild three submersible pumps at the Bridgehead Pump Station.

**Headworks Improvements** **Project Total: \$12,000,000** **FY20/21: \$5,000,000**

This project includes design and construction to rehabilitate the Headworks structure and replace major equipment to provide effective and efficient screening and grit removal.

**IT Equipment Replacement** **Project Total: \$325,000** **FY20/21: \$325,000**

This project allows for the repair/replacement/improvement of IT equipment that is not functioning properly or is scheduled for replacement. This fiscal year also includes the scheduled replacement of servers, storage, and network gear.

**Lab Equipment Replacement** **Project Total: \$250,000** **FY20/21: \$50,000**

This project will allow for the repair/replacement/improvement of lab equipment that is not functioning properly or is scheduled for replacement.

**Site Security Improvements** **Project Total: \$1,000,000** **FY20/21: \$400,000**

This project includes design and construction of security improvements at the treatment plant and remote pump station sites.

**Manhole, Gravity Interceptor, & Easement Road Improvements** **Project Total: \$3,000,000** **FY20/21: \$600,000**

This project consists of planning, design, and construction of approximately 50 identified manholes and four access roads.

**Pump Station Facilities Repair** **Project Total: \$14,000,000** **FY20/21: \$3,500,000**

This project comprises of comprehensive repair and replacement work that includes replacing isolation gates, electrical conduits, and ductwork; rehabilitating ventilation systems; protective coating of structures and flood mitigation improvements at the Antioch Pump Station (17128), Bridgehead Pump Station (17129), Broadway Pump Station (17130), Pittsburg Pump Station (17131), and Shore Acres Pump Station (17132).



**WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130) (cont'd)**

**Pump Station Grinder Replacements** Project Total: \$100,000 FY20/21: \$100,000

This project is for the replacement of three grinders at the remote pump station sites on an annual basis.

**Resource Recovery Facility Master Plan** Project Total: \$1,600,000 FY20/21: \$1,000,000

The Resource Recovery Facility Master Plan will provide an integrated, strategic planning focused guidance document with in depth analysis of key focus areas – asset condition, nutrient management, biosolids, recycled water, biogas management, process control and vulnerabilities, and flows and load – to guide near-term and long-term infrastructure investment decisions.

**Treatment Plant Electrical Switchgear Replacement** Project Total: \$7,000,000 FY20/21: \$750,000

This project will replace the existing switchgear to ensure continuous, reliable power and treatment operations. The switchgear is nearing the end of its useful life and is a critical component of the treatment plant electrical power feed system.

**Unanticipated WW Treatment & Conveyance System Repairs** Project Total: \$200,000 FY20/21: \$200,000

This project allowance is for the design and implementation of unplanned repair/replacement/improvement of treatment plant and conveyance assets that have an unexpected failure during the fiscal year.

**Emergency Retention Basin Pump Rebuilds** Project Total: \$80,000 FY20/21: \$80,000

This project is to remove, inspect, and rebuild the pumps, including their oiling systems, to extend their useful life.

**Pittsburg Force Main 2401 Dresser Coupler Removal** Project Total: \$250,000 FY20/21: \$250,000

This project will remove and replace the dresser coupler from Pittsburg Force Main 2401 (PFM 2401) to improve the reliability of the pipeline.

**Vehicle Replacements** Project Total: \$400,000 FY20/21: \$400,000

This project will allow for the replacement of five District vehicles including Vehicles 40, 47, 56, 57, and 65.

**Remote Sites Connectivity Improvements** Project Total: \$300,000 FY20/21: \$300,000

This project includes upgrading the data network infrastructure via a third-party provider to support video and other access control measures at the remote pump station sites.

**Digester No. 1 Cleaning & Repair** Project Total: \$400,000 FY20/21: \$200,000

This project consists of removing debris to correct any deficiencies, evaluating the interior condition of the structure and piping, and performing the necessary corrective work.

**Digester Gas Handling & Compressor Replacement** Project Total: \$700,000 FY20/21: \$100,000

This project will upgrade the existing digester gas handling system and replaced the associated gas compressors.

**Primary Service Water Filter Replacement** Project Total: \$100,000 FY20/21: \$100,000

This project will replace the existing water filters in the primary clarifier distribution area.

**Antioch Pump Station and Conveyance System Improvements** Project Total: \$10,000,000 FY20/21: \$1,000,000

This multi-year, multiphase project will assess the Antioch Conveyance System, which consists of two 24-inch diameter force mains – Antioch Force Main 101 (AFM 101) and Antioch Force Main (102). The initial phase will identify portions of the force mains that need to be repaired immediately to ensure near-term operational reliability. The future phases will include conducting design activities related to the Antioch conveyance system, including the Antioch and Bridgehead pump stations, to develop a major project to address deficiencies in these systems to ensure long-term operational reliability.

**RECYCLED WATER CAPITAL ASSET (FUND 220)**

**Small Recycled Water Facility Capital Asset Project** Project Total: \$50,000 FY20/21: \$50,000

This project allowance is for the implementation of unplanned improvements of the recycled water system which are identified during the fiscal year.

**Fiscal Year 2020/2021  
Capital Improvement Program  
Project Descriptions (cont'd)**

**RECYCLED WATER CAPITAL ASSET REPLACEMENT (FUND 230)**

**Sand Filter Intermittent Backwash System** **Project Total: \$750,000** **FY20/21: \$750,000**

This project will replace the existing air lift module, which are facing obsolescence, add isolation valves, and control system for the backwash function of the filters.

**Sand Filter Air Compressor Replacement** **Project Total: \$90,000** **FY20/21: \$90,000**

This project will replace the two existing rotary air compressors and air dryer which are critical to the operation of the continuous backwash sand filters at the RWF.

**Unanticipated Recycled Water Infrastructure Repairs** **Project Total: \$100,000** **FY20/21: \$100,000**

This project allows for the repair and/or replacement of major equipment that has failed prematurely during the fiscal year.

**BAY POINT COLLECTION (FUND 520)**

**River Watch Settlement Compliance** **Project Total: \$1,320,000** **FY20/21: \$700,000**

This project will involve planning, Closed Circuit Television (CCTV) inspection, evaluation and scoring of gravity lines, and mapping of the findings to comply with the 2013 River Watch Settlement Agreement.

**Unanticipated Bay Point Repairs** **Project Total: \$100,000** **FY20/21: \$100,000**

This project allowance is for small, high-priority collection system renewal/replacement improvements that cannot be deferred until the next rehabilitation project.

**HOUSEHOLD HAZARDOUS WASTE (FUND 310)**

**Household Hazardous Waste Improvements** **Project Total: \$25,000** **FY20/21: \$25,000**

This project allowance is for minor projects or equipment repair/replacement at the HHW Facility.













**DELTA DIABLO  
CAPITAL IMPROVEMENT PROGRAM  
FISCAL YEAR 2020/2021 – FISCAL YEAR 2024/2025  
CAPITAL PROJECT**

**Project Name:** Headworks Improvements

**Project Number:** 17117 **Priority:** High

**Funding Type:** WW Capital Asset Replacement **Lead Department:** Engineering Services

**Description/Justification:**

The existing headworks provides the initial screening and grit removal of wastewater. This project includes design and construction to rehabilitate the Headworks structure and replace major equipment to provide effective and efficient screening and grit removal.

**Risk Assessment:**

A failure in any of the headworks components could stress the downstream treatment processes and put critical pumps at risk of accelerated wear or failure.

**Inter-relationship to Other Capital Project(s):**

The temporary bypass for this project will need to be coordinated with the temporary bypasses at the Shore Acres and Antioch pump stations for the Pump Station Facilities Repair Project to avoid impacting conveyance and treatment process.

**Project Budget:**

Carryover Budget to FY19/20	\$224,395
Approved FY19/20 Budget	\$2,475,714
FY20/21 Budget	\$5,000,000
Future Fiscal Year(s) Budget	\$3,000,000
<b>Estimated Total Project Cost</b>	<b>\$10,700,649</b>

**Anticipated Project Budget Schedule:**

	FY20/21	FY21/22	FY22/23	FY/23/24	FY24/25	5-Year Total
Budget	\$5,000,000	\$3,000,000				

**Funding Source:**

	FY20/21	FY21/22	FY22/23	FY/23/24	FY24/25	5-Year Total
Reserves – CAR (130)	\$5,000,000	\$3,000,000				
Debt Proceeds						
Other						











## ***Debt***

The District typically secures long-term debt financing for construction of significant capital assets. Debt service is the annual or semi-annual payments. The District's Debt Management and Continuing Disclosure Policy is included in Appendix A.

Outstanding debt issued was used to fund improvements, replacements, and expansion of the WWTP and RWF facilities, conveyance and distribution systems, and wastewater collection systems. The primary funding source for repayment of debt issued for expansion purposes are CFCCs.

The District received a reaffirmation of its "AA" credit rating from Standard & Poor's in November 2015, which represents the District's strong capacity to meet its financial commitments. The primary reason for the reaffirmation was the Board's willingness to continue to adjust rates incrementally, and the very prudent approach to collect and set aside funds for acquisition or construction of new capital assets and maintenance, rehabilitation, and replacement of existing capital assets. Additionally, the District's strong financial performance, debt service coverage, and strong liquidity built on competitive rates; manageable capital plan with expansion costs historically financed from capacity fees; and a stable and diverse customer base largely collected through the County's Teeter Plan supported the AA credit rating.

## ***Current Debt Obligations***

### **2010 Recycled Water SRF Loan**

The District entered into a loan contract with SWRCB on July 8, 2009, for the purpose of financing the Antioch/Delta Diablo Sanitation District Recycled Water Project. The loan amount totaled \$6,325,503 with a stated interest rate of 0.077% per year over a 20-year term. The City of Antioch owed the District \$6.1 million of this amount as part of its cost share for the Recycled Water Antioch Project. As of June 30, 2020, the amount owed to the SWRCB by the District and from the City of Antioch to the District is \$3.5million. Principal payments are due annually beginning on December 31, 2011 through FY30/31 and are paid from revenue received from the City of Antioch.

### **2011 Installment Sale Agreement**

On June 9, 2011, the District entered into an installment sale agreement with Municipal Finance Corporation, which was subsequently assigned to City National Bank on June 22, 2011, for the purpose of financing a solar energy project. The agreement amount totaled \$2,344,210 with a stated interest of 4.9% per year and is payable from District revenues. Principal and interest payments are due semi-annually on December 24 and June 24, commencing December 24, 2011 and maturing on June 24, 2031. The outstanding loan from directing borrowings contains a provision that, in an event of default, all principal components of the unpaid installment payments, together with all accrued and unpaid interest components, are immediately due.

### **2011 Wastewater State Revolving Fund Loan**

The District entered into a loan contract with SWRCB on March 25, 2011, for the purpose of financing the Aeration System Improvement Project. The loan amount totaled \$5,041,873 with a stated interest rate of 2.60% per year. Principal payments are due annually beginning on April 3, 2014 through the FY32/33.

**2015 California Energy Commission Loan**

The District entered into a loan agreement with the California Energy Resources Conservation Development Commission on October 10, 2013, for the purpose of financing the Energy Savings Project. The project consists of energy savings projects at the WWTP. The loan amount totaled \$700,000 at 1.00% interest per year on the unpaid principal. Principal and interest payments are due semi-annually beginning on December 22, 2015 through FY28/29.

**2015 Bay Point SRF Loan**

On October 8, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 1). The loan principal totaled \$1,188,820 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing on November 1, 2015 and maturing on November 1, 2044.

**2016 Pittsburg SRF Loan**

On October 24, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Pittsburg Force Main Improvement Project. The loan principal totaled \$12,000,000 with a 30-year term and stated interest rate of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing November 1, 2017 and maturing on November 1, 2046, from the Wastewater Capital Asset Replacement Fund (75%) and Wastewater Expansion Fund (25%).

**2016 Wastewater SRF Loan**

On August 8, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 3). The loan principal totaled \$2,054,000 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing on November 1, 2016 and maturing on November 1, 2045.

**2017 Recycled Water SRF Loan**

On September 23, 2016, the District entered into a loan agreement with SWRCB for the purpose of financing the Recycled Water System Storage Tank Project. The loan principal totaled \$6,000,000 with a 30-year term and stated interest of 1% per year. Principal and interest payments were due semi-annually, on November 1 and May 1, commencing on December 1, 2018 and maturing on December 1, 2048. This loan was fully repaid and retired in March 2018 due to the cancellation of the associated project.

**2020 Wastewater SRF Loan**

On October 24, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Pump Station Facility Repair Project. The loan principal totaled \$13,500,000 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on July 31 and January 31, commencing on July 31, 2020 and maturing on July 31, 2051. As of June 30, 2020, the District has received \$1.2 million in loan proceeds.

## Current Year Debt Transactions and Balances

The Long-Term Obligation Balances as of June 30, 2020 is presented in Table 7 and includes changes (additions and retirements) to long-term obligations during the year and balances as of June 30, 2020.

**Table 7 – Long-Term Obligation Changes and Balances as of June 30, 2020**

Direct Borrowings:	Original Issue Amount	Balance June 30,2019	Additions	Retirements	Balance June 30,2020
2010 RW SRF Loan	\$6,325,503	\$3,806,905		\$-315,901	\$3,491,004
2011 WW Installment Note Payable	2,344,210	1,419,331		-71,057	1,348,274
2011 WW SRF Loan	5,041,873	3,789,125		-227,840	3,561,285
2015 WW CEC Loan	700,000	511,834		-48,906	462,928
2015 Bay Point SRF Loan	1,188,820	1,052,464		-31,676	1,020,788
2016 WW CAR/WW Exp SRF Loan	12,000,000	11,072,449		-303,198	10,769,251
2016 WW SRF Loan	2,054,000	1,903,454		-54,608	1,848,846
2020 WW SRF Loan	\$13,500,000		\$1,206,169		1,206,169
<b>Total</b>	<b>\$43,555,562</b>	<b>\$23,555,562</b>	<b>\$1,206,169</b>	<b>\$-1,053,186</b>	<b>\$23,708,545</b>

## Outstanding Debt by Type

Outstanding Debt by Type for the past ten years is presented in Table 8 along with the population estimates and debt per capita for each year.

**Table 8 – Outstanding Debt by Type**

Fiscal Year	Wastewater COPs <sup>(1)</sup>	SRF Loans	Installment Note	CEC Loan	Total	Pop-ulation Estimates <sup>(2)</sup>	Debt Per Cap <sup>(3)</sup>
10/11	\$16,517,749	\$7,580,161	\$2,344,210		\$26,442,120	189,700	139
11/12	14,193,806	10,754,568	2,212,746		27,161,120	192,707	141
12/13	11,714,312	11,568,040	2,072,577		25,354,929	195,392	130
13/14	9,067,882	10,854,596	1,923,203		21,845,681	198,473	110
14/15	6,237,347	10,134,156	1,764,088	\$630,000	18,765,591	200,942	93
15/16	\$3,310,000	11,570,850	1,594,676	655,696	17,131,222	203,759	84
16/17		19,464,968	1,542,156	608,219	21,615,343	204,971	105
17/18		20,258,304	1,483,830	560,267	22,302,401	207,057	108
18/19		21,624,398	1,419,331	511,833	23,555,562	214,327	110
19/20		\$21,897,344	\$1,348,274	\$462,927	\$23,708,545	214,862	110

Source: Delta Diablo Audited Financial Statements

Notes:

- 1) Certificates of Participation (COPs) Debt amounts exclude premiums, discounts, or other amortization amounts.
- 2) Includes accrued interest. Matured in 2016.
- 3) Debt per Capita = Total Debt/Population Estimate.

**Debt Service Requirements**

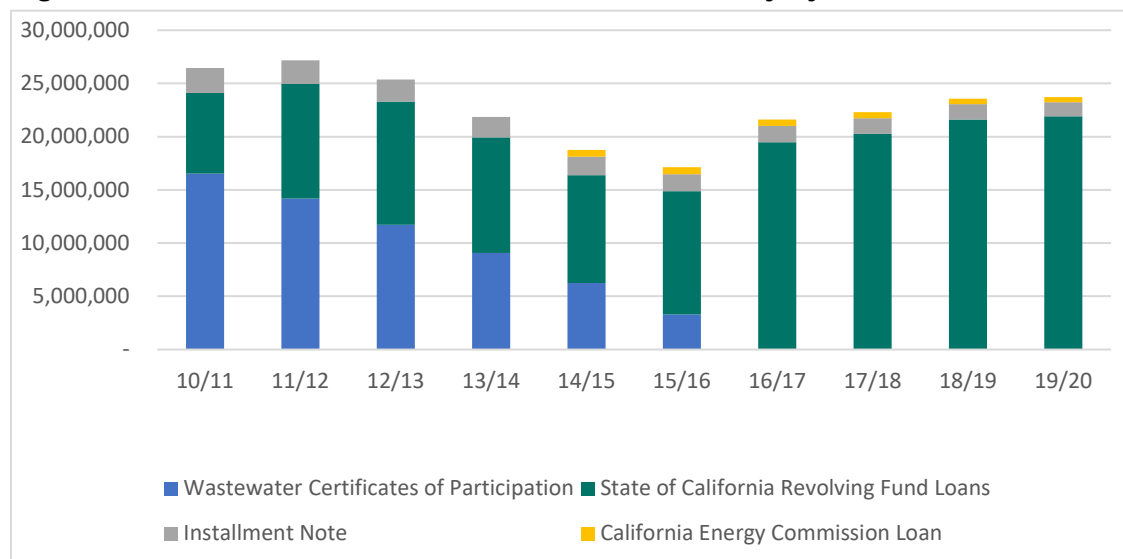
Total principal, interest, and total annual debt service requirements are presented in Table 9 for all long-term debt as of June 30, 2020. Beyond FY24/25, amounts are shown in five-year increments.

**Table 9 – Debt Service Principal, Interest, and Total**

Fiscal Year	Principal	Interest	Total
20/21	\$1,074,221	\$420,278	\$1,494,499
21/22	1,095,973	401,936	1,497,909
22/23	1,149,311	405,690	1,555,001
23/24	1,173,192	385,388	1,558,580
24/25	1,197,923	364,322	1,562,245
25/26-29/30	6,338,138	1,477,385	7,815,523
30/31-34/35	4,098,864	905,538	5,004,402
35/36-39/40	2,938,445	583,701	3,522,146
40/41-44/45	3,228,509	291,065	3,519,574
45/46-49/50	1,335,074	40,514	1,375,588
50/51-51/52	78,895	1,504	80,399
<b>Total Payments Due</b>	<b>\$23,708,545</b>	<b>\$5,277,321</b>	<b>\$28,985,866</b>

The Historical Fiscal Year Debt Service Summary by Loan is presented in Figure 5. This figure shows the total amount of debt service from each over the past ten years.

**Figure 5 – Historical Fiscal Year Debt Service Summary by Loan**



### **Debt Service Coverage Ratio**

The District’s historical Net Revenue and Debt Service Coverage Ratio is presented in Table 10 and includes both the Net Revenue Available for Debt Service and the Debt Service Coverage. Existing District loan agreements include a required debt service coverage ratios of approximately 1.25. However, in order to ensure the highest credit ratings possible, the District’s Debt Management and Continuing Disclosure Policy 3075 targets a more conservative ratio of at least 1.75 for financial planning and rate-setting purposes. This ratio also limits the amount of debt the District can participate in.

As can be seen in Table 10, the debt service coverage ratio was significantly lower before FY17/18. This is due to the fact that the Delta Diablo Integrated Finance Corporation (IFC) 1991 Certificates of Participation expired in FY16/17 which caused a reduction in the District’s annual debt service. Since then, the District’s debt service coverage ratio has substantially increased and exceeds the minimum requirement of 1.75.

**Table 10 - Net Revenue and Debt Service Coverage Ratio**

Fiscal Year	Gross Revenue <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
10/11	\$30,970,144	\$21,804,409	\$9,165,735	\$3,506,189	\$25,475	\$3,531,664	2.60
11/12	30,011,686	23,217,399	6,794,287	3,951,703	140,199	4,091,902	1.66
12/13	33,132,257	26,900,926	6,231,331	3,635,223	700,029	4,335,252	1.44
13/14	34,899,113	23,290,357	11,608,756	4,172,818	248,160	4,420,978	2.63
14/15	35,286,790	21,959,461	13,327,329	4,194,555	233,724	4,428,279	3.01
15/16	37,518,348	23,704,164	13,814,184	4,253,312	226,260	4,479,572	3.08
16/17	38,922,690	26,392,906	12,529,784	4,178,887	221,286	4,400,173	2.85
17/18	38,307,711	29,154,382	9,153,329	1,000,849	381,817	1,382,666	6.62
18/19	44,886,542	29,119,248	15,767,294	973,476	412,175	1,385,651	11.38
19/20	\$45,182,712	\$25,548,670	\$19,643,042	\$1,053,187	\$437,985	\$1,491,172	13.17



## Section 5. Department Information

### *Administration Department*



The Administration Department consists of the Board of Directors, the General Manager's Office, the Office Manager/Secretary to the Board, and administrative staff. In addition to the three Department Directors, the Office Manager/Secretary to the District reports directly to the General Manager and oversees administrative staff who provide and administrative support for the District . The Administration Department Budget is presented in Table 11.

#### **Board of Directors**

The Board of Directors represents customers in the service area in guiding and directing District activities at a policy level. Key responsibilities for the Board include:

- Establishing District policies to guide regulatory, financial, and operational activities
- Guiding prioritized organizational strategic focus areas through the Strategic Business Plan and associated initiatives
- Reviewing and approving appropriate rates, CIPs, and associated budgets
- Providing support to the General Manager's implementation of key duties and responsibilities
- Conducting performance reviews for the General Manager and establishing associated compensation levels



**General Manager’s Office and Administration**

Key responsibilities for the General Manager include:

- Overseeing all aspects of District operations to ensure the District meets its core mission of protecting public health and the environment
- Fostering a culture of organizational excellence and sustained improvement
- Implementing a strategic, effective, and efficient approach to providing a high level of service to the District’s customers
- Working under the guidance and direction provided by the Board, in accordance with established District policies and procedures and the Strategic Business Plan
- Ensuring high-quality Board communications to support effective decision making and organizational excellence
- Providing day-to-day guidance and direction to direct reports.

**Office Manager/Secretary to the Board**

Key responsibilities for the Office Manager/Secretary to the Board include:

- Managing the Board and Committee meeting processes
- Preparing and distributing the agendas and minutes
- Publicizing the of notices of public hearings
- Coordinating compliance with Fair Political Practices Commission and the Brown Act
- Receiving of legal claims against the District
- Coordinating elections with the County Elections Office
- Arranging ethics training and Brown Act training for the Board and staff
- Managing Delta Diablo’s Records Management Program
- Responding to Public Records Act requests

**Table 11 – Administration Department Budget**

<b>Administration Department</b>					
Operating Budget Category	Budget FY18/19	Actual FY18/19	Budget FY19/20	Proposed FY19/20	Proposed FY20/21
Salaries & Wages	\$1,322,956	\$934,622	\$1,008,469	\$993,198	\$1,018,264
Employee Benefits	744,759	838,888	620,557	660,937	696,668
Office & Operating	200,260	154,427	196,500	181,400	205,250
Outside Services	190,000	206,516	215,500	154,000	219,000
Chemicals	-	-	-	-	-
Utilities	-	-	-	-	-
Contingency Allowance	212,000	-	400,000	60,000	440,000
Program Costs (Overhead)	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$2,669,975</b>	<b>\$2,134,453</b>	<b>\$2,441,026</b>	<b>\$2,049,535</b>	<b>\$2,579,182</b>

## *Business Services Department*



The Business Services Department consists of five divisions, including Finance, Human Resources and Risk Management, Information Technology, Purchasing, and Public Information that report to the Business Service Director. The Business Services Department Budget is presented in Table 12. Key focus areas incorporate a range of finance and administrative priorities including:

- Developing rate-setting models and financial analyses for 5-year financial planning activities
- Developing and administering the operating budget and annual budget appropriations, including securing Board approval
- Completing the annual financial audit and Comprehensive Annual Financial Report
- Overseeing debt issuance and financial tracking
- Developing the CIP funding plan
- Managing OPEB and pension liabilities and related trust funds
- Ensuring GASB updates are implemented
- Administrative focus areas include:
  - Overseeing labor relations including contract negotiations.
  - Overseeing regular upgrades of the District' Enterprise Resource Planning (ERP) system.
- Managing the District's human resources, information technology, procurement, and public information functions.

**Table 12 – Business Services Department Budget**

<b>Business Services Department</b>					
<b>Operating Budget Category</b>	<b>Budget FY18/19</b>	<b>Actual FY18/19</b>	<b>Budget FY19/20</b>	<b>Proposed FY19/20</b>	<b>Proposed FY20/21</b>
Salaries & Wages	\$1,680,755	\$1,492,230	\$1,730,550	\$1,441,318	\$1,927,150
Employee Benefits	1,150,542	997,880	1,026,875	908,055	1,199,750
Office & Operating	688,047	569,299	673,307	363,532	759,740
Outside Services	757,280	707,532	1,259,184	976,821	1,551,671
Chemicals	-	-	-	-	-
Utilities	100,199	95,447	105,770	111,000	163,775
Contingency Allowance	-	-	-	-	-
Program Costs (Overhead)	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$4,376,823</b>	<b>\$3,862,388</b>	<b>\$4,795,686</b>	<b>\$3,800,726</b>	<b>\$5,602,086</b>

## Engineering Services Department



The Engineering Services Department consists of three divisions, including Environmental Programs, Government Affairs, and Engineering Services that report to the Engineering Services Director/District Engineer. The Engineering Services Department Budget is presented in Table 13.

Key focus areas for the Engineering Services Department include:

- CIP Development and Implementation: Ensuring development of a targeted, prioritized CIP and guiding effective execution of complex projects during the planning, design, and construction phases.
- Infrastructure Inspection and Condition Assessment: Developing and managing an asset management-based program to ensure timely and robust inspection of wastewater collection and treatment system infrastructure elements.
- Master Planning: Overseeing preparation of planning documents to guide major decision making in the near term, while positioning Delta Diablo to cost effectively address regulatory compliance issues and infrastructure upgrade considerations in the long term.
- Nutrient Management: Maintaining strong engagement in regional efforts to assess the need for future nutrient removal requirements, while leading assessments of innovative technologies that may support future, cost-effective plant upgrades to meet this need.
- Managing the HHW Program.
- Organizational Improvement: Identifying opportunities to improve workflow and department-wide capital project delivery, use of technology, internal and external communications, contractor oversight, and team-based approaches to project implementation.

- Regional program and legislative activities.
- Updating and enforcing compliance with District Standards: Reviewing development plans for conformance with District standards and inspection of newly constructed facilities.
- Technical assistance to the operational departments in support of various District initiatives.

**Table 13 – Engineering Services Department Budget**

<b>Engineering Services Department</b>					
<b>Operating Budget Category</b>	<b>Budget FY18/19</b>	<b>Actual FY18/19</b>	<b>Budget FY19/20</b>	<b>Proposed FY19/20</b>	<b>Proposed FY20/21</b>
Salaries & Wages	\$1,728,284	\$1,370,516	\$1,272,770	\$1,341,183	\$1,219,142
Employee Benefits	1,015,240	1,010,146	838,057	877,045	781,269
Office & Operating	395,550	353,882	380,390	364,015	418,229
Outside Services	1,086,220	819,841	724,899	692,796	734,086
Chemicals	-	-	-	-	-
Utilities	750	1,003	800	1,068	864
Contingency Allowance	-	-	-	-	-
Program Costs (Overhead)	5,000	4,326	5,000	5,000	-
<b>Total Operating Expense</b>	<b>\$4,231,044</b>	<b>\$3,559,714</b>	<b>\$3,221,916</b>	<b>\$3,281,107</b>	<b>\$3,153,590</b>



## *Resource Recovery Services Department*



The Resource Recovery Services Department consists of four divisions, including Operations; Maintenance; Laboratory, and Safety that report to the Resource Recovery Services Director. The primary function of this department is to safely collect, treat, and dispose of wastewater in compliance with regulatory requirements, and to treat a portion of the treated wastewater for distribution and reuse as Title 22 recycled water.

Significant activities include operations and maintenance of pipelines, pumping stations, treatment facilities and power generation systems; fleet maintenance; and management of computerized process monitoring and control equipment. The Laboratory Division provides sample collection and analysis, interpretation of testing results, and preparation and submittal of laboratory data to regulatory agencies, ensuring the wastewater effluent and recycled water meets all applicable discharge requirements and water quality standards.

Key focus areas for the Resource Recovery Services Department include:

- **Wastewater Treatment:** Enhance the process monitoring and control system capabilities to ensure continued compliance with more stringent regulatory permit requirements.
- **Master Planning:** Directly engage in the Resource Recovery Master Plan development to support prioritization and implementation of capital asset investment and optimization of operations and maintenance activities.
- **Laboratory Testing Data:** Integrate process monitoring and laboratory testing data for tracking via “dashboard”.

- Energy Efficiency: Support development of a formalized Energy Management Plan to identify and implement energy conservation and efficiency measures.
- Asset Management: Participate in the development of a comprehensive asset management program to optimize repair, rehabilitation and replacement of capital assets

**Table 14 – Resource Recovery Services Department Budget**

<b>Resource Recovery Services Department</b>					
<b>All O&amp;M</b>	<b>Budget FY18/19</b>	<b>Actual FY18/19</b>	<b>Budget FY19/20</b>	<b>Proposed FY19/20</b>	<b>Proposed FY20/21</b>
Salaries & Wages	\$6,186,611	\$5,875,381	\$6,235,876	\$5,736,779	\$6,018,470
Employee Benefits	3,644,644	3,965,436	4,205,308	3,913,803	4,197,863
Office & Operating	1,215,495	1,529,891	1,757,302	1,501,085	1,882,191
Outside Services	2,702,676	1,702,265	1,842,850	1,619,636	1,885,049
Chemicals	1,877,340	1,405,512	1,864,900	1,576,000	1,725,750
Utilities	1,864,500	1,702,921	1,781,200	1,740,000	1,781,500
Contingency Allowance	50,000	-	60,000	-	60,000
Program Costs (Overhead)	435,538	470,270	450,705	330,000	400,000
<b>Total Operating Expense</b>	<b>\$17,976,804</b>	<b>\$16,651,676</b>	<b>\$18,198,141</b>	<b>\$16,417,303</b>	<b>\$17,950,823</b>

## Appendix A - Financial Policies

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# Delta Diablo

## ADMINISTRATIVE POLICY HANDBOOK

**POLICY TITLE:** Fixed Asset Policy  
**POLICY NUMBER:** 202  
**PROCEDURE:** N/A  
**DATE ADOPTED:** October 8, 2003  
**DATE SUPERSEDED:** April 11, 2001 (Reso. No. 8/2001)

PURPOSE: To establish District Policy for financial reporting of capital assets, and to provide for the assignment of responsibilities to identify the need for effective control procedures over District fixed assets.

### POLICY

#### **A. General Policy / Responsibility**

It is the policy of Delta Diablo Sanitation District that fixed assets be properly accounted for and secured. It is the responsibility of the Finance Department to ensure fixed assets will be tagged and inventoried on a regular basis, and, as appropriate, accounted for by fund and asset category. It is the responsibility of District Division and Department Heads to ensure proper budgeting and purchasing guidelines are followed, and that fixed assets are adequately controlled and used for appropriate District purposes and to secure such fixed assets. The General Manager shall ensure administrative procedures are in place to implement this policy.

#### **B. Capitalization Threshold**

For financial reporting purposes, the District shall establish a capitalization threshold of \$5,000 for all items with an expected life of greater than one year.

#### **C. Fixed Assets**

In general, all fixed assets, including furniture & fixtures, buildings, machinery, and equipment, with an original cost equal to or greater than the capitalization threshold, will be subject to accounting and reporting (capitalization). All costs associated with purchase or construction should be considered, including ancillary costs such as: taxes, freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition.

#### **D. Capital Assets / Infrastructure Projects**

Assets constructed by the District shall be capitalized if the project is in the nature of a significant addition; or major betterment, improvement, or replacement that significantly prolongs the capital asset's life or expands its usefulness beyond three years. The basis of valuation for capital assets constructed by District personnel should be the costs of

material, direct labor and overhead costs that are identifiable to the project. Projects constructed under contract for the District shall also include the contract cost.

A capital asset is real or personal property that has a cost equal to or greater than the capitalization threshold and has an estimated useful life extending beyond three years. Capital assets should be reported at their original historical cost/purchase price (including capitalized interest costs, if applicable) plus ancillary charges necessary to place the asset into its intended use. Ancillary charges include costs directly attributable to asset acquisition, such as transportation, installation, and site preparation costs. Capital assets donated to the District must be capitalized at their estimated fair value (plus any ancillary costs) at the date of receipt.

If the project represents a routine, recurring expenditure, or ordinary repair that maintains the existing condition of the asset or restores it to normal operating efficiency, the project should not be capitalized, regardless of the amount of the project, but should be expensed as repairs and maintenance in the year incurred.

**E. Inventory Control**

The General Manager shall ensure procedures are implemented to inventory and track the fixed assets. In general, the inventory control is applied to movable fixed assets and not capital assets. Where appropriate, this will include inventory which do not meet the capitalization threshold and are not depreciated.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Investment of District Funds  
**POLICY NUMBER:** 3020  
**PROCEDURE:** N/A  
**DATE ADOPTED:** February 12, 2020 (*Supersedes 2/13/19*)  
**DATE SUPERSEDED:** February 13, 2019

**3020.1** Introduction

The purpose of this policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and organize and formalize investment-related activities.

The investment policies and practices of Delta Diablo (District) are based on state law and prudent money management. All funds governed by this policy will be invested in accordance with this policy and Article 2 of Chapter 4 of the California Government Code Sections 53600 through 53659, the authority governing investments for the District.

**3020.2** Scope

This policy applies to all financial assets of the District under its direct control and authority and accounted for in the annual Basic Financial Statements, unless explicitly excluded. Excluded funds may have different criteria or legal bases related to allowed investments.

Proceeds of debt issuances are governed by provisions of their specific bond indentures or resolutions. If the bond documents are silent as to the permitted investments, bond proceeds shall be invested in accordance with investment objectives of this policy. The identification of alternatives by the Board of Directors shall follow the Objectives of this policy.

This policy does not cover funds held by retirement systems, the Deferred Compensation program, or the Other Post-Employment Benefits (OPEB) Trust.

**3020.3** Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

- 3020.3.1** Safety. Safety of principal is the foremost objective of the investment program. District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 3020.3.2** Liquidity. The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.
- 3020.3.3** Return on Investment. The District's investment portfolio shall be designed with the objective of attaining a rate-of-return on its investments that exceeds the Local Agency Investment Fund (LAIF) and is comparable to the six-month

Treasury index consistent with the constraints imposed by the prevailing economic conditions and by its safety objective and cash flow considerations.

In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided diversification has been implemented.

- 3020.3.4** Benchmark for Investment. The performance of the portfolio will be measured against a benchmark with similar characteristics to the District's portfolio. This benchmark will be used to provide a comparison of risk and return in evaluating the District's investment strategy over time.
- 3020.3.5** Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. This shall also conform with applicable sections of the Government Code.
- 3020.3.6** Prudence. All persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor" standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion. "Timely" reporting means notification of the General Manager and the Board within five business days of any determination that a deviation exists or has occurred.

#### **3020.4** Delegation of Authority

Management responsibility for the investment program is hereby delegated to the General Manager. This delegation is a factor that may be reviewed as part of the annual presentation of an investment policy to the Board of Directors. The General Manager may delegate to appropriately experienced subordinate staff, the responsibility for all transactions undertaken in conformance with this policy. The General Manager shall assure the establishment of a system of controls to regulate the activities of subordinate officials and their procedures. District staff shall follow the policy and established procedures and such other written instructions as are provided.

The Finance Committee will periodically review the implementation of the District's investment program to determine whether it is consistent with the investment policy as approved by the Board. The Committee shall review annually and as otherwise needed to determine general strategies and monitor results.

**3020.5. Ethics and Conflict of Interest**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by the District's Conflict of Interest Code, California Government Code Section 1090 et seq. and the California Political Reform Act (California Government Code Section 81000 et seq.) as it exists now or may be modified by the State Legislature in the future.

**3020.6 Internal Controls**

The General Manager shall assure the development and implementation of such administrative procedures and internal controls which are considered prudent, given the size of the organization and the complexity of investments. The internal controls will be reviewed with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, or imprudent actions by employees or officers of the District.

**3020.7 Qualified Financial Institutions and Broker/Dealers**

The District shall transact investment business only with banks, savings and loans, and registered securities dealers. All broker/dealers should be dealers regularly reporting to the Federal Reserve Bank and shall maintain an office in the State of California. The District will solicit multiple bids and offers on investment transactions from the District's approved broker/dealers. If an investment adviser is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes. All financial institutions and broker/dealers who desire to become bidders for investment transactions must provide the District with the following:

- Audited financial statements
- Three local government references, preferably California special districts
- Proof of National Association of Securities Dealers' certification
- Proof of California registration
- Certification of having read and agreeing to abide by the District Investment Policy

A periodic review of the financial condition and registrations of approved financial institutions and broker/dealers shall be conducted, including recertification of having read and agreeing to abide by the District's investment policy.

### **3020.8** Investments

California Government Code Section 53601 governs the investments permitted for purchase by the District. Within the investments permitted by Code, the District seeks to further restrict eligible investment to the investments listed under Authorized Instruments below.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the Business Services Director shall notify the General Manager and the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

#### Authorized Instruments

- 3020.8.1** U.S. Treasuries. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 3020.8.2** Federal Agency securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 3020.8.3** State of California or any local agency within the State. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by one or more nationally-recognized statistical rating organization (NRSRO).
- 3020.8.4** Bankers' Acceptances. Bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more NRSROs. Investments in banker's acceptances are further limited to 40 percent of the District's investment portfolio with no more than 30 percent invested in the bankers' acceptances of any one commercial bank.

**3020.8.5** Commercial Paper. Commercial paper rated in the highest category by one or more NRSROs. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

**3020.8.5.1** The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by a NRSRO.

**3020.8.5.2** The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company, (B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (C) Has commercial paper that is rated A-1” and/or “P-1” or its equivalent or higher by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Investments in commercial paper are limited to a maximum of 25 percent of the District’s investment portfolio.

**3020.8.6** U.S. Corporate Debt. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category “A” or its equivalent or better by an NRSRO.

Purchase of medium-term corporate notes may not exceed 30 percent of the District’s investment portfolio.

**3020.8.7** Negotiable Certificates of Deposit. As authorized in Government Code Section 53601(i), no more than 30 percent of the District’s investment portfolio may be invested in negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal savings association, a state or federal credit union, or by a state-licensed branch of a foreign bank. The District may not invest in certificates of deposit issued by a state or federal credit union if any member of the District Board, General Manager, or any other employee with investment decision-making authority also serves on the Board of directors, or any committee appointed by the Board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the certificate of deposit.



Purchase of negotiable certificates of deposit may not exceed 30 percent of the District's investment portfolio and are limited to a maximum maturity of five years.

- 3020.8.8** Supranationals. The District may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO.

Purchases of supranationals shall not exceed 30 percent of the agency's monies that may be invested pursuant to this section.

- 3020.8.9** State of California's Local Agency Investment Fund (LAIF). The District may invest in LAIF. Investment in each LAIF account may not exceed the current approved maximum deposit allowed by LAIF.

- 3020.8.10** Local Government Investment Pools (LGIP). Upon approval of the Board of Directors by adoption of a Resolution the District may participate in other public agency investment pools, which serve to invest public agency funds in conformance with applicable California law and are rated "AAA" by one or more NRSROs. Participation in such a pool shall be consistent with the objectives stated as part of this policy.

- 3020.8.11** Shares of beneficial interest issued by a joint powers authority (JPA). Organized pursuant to Section 6509.7 that invests in the securities and obligations authorized by subdivisions (a) to (q) of California Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible under this section, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- 3020.8.11.1** The entity meets the following criteria: (A) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (B) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) of California Government Code 53601, inclusive. (C) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

- 3020.8.12** Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code Section 53561. The District, at its discretion, may waive



the collateralization requirements for any portion of the deposit that is covered by federal insurance.

**3020.8.13 Money Market Mutual Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §. 80a-1, et seq.)

The District may invest in shares of beneficial interest issued by company shall have met either of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (2) Retained an investment adviser registered or exempt from registration with the securities and exchange commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. Investments in Money Market Mutual Funds are further limited to 15 percent of surplus funds.

**3020.8.14 Mortgage-backed and Asset-backed Securities:** Mortgage pass-through securities; collateralized mortgage obligations; mortgage-backed or other pay-through bonds; equipment lease-backed certificates; consumer receivable pass-through certificates; or consumer receivable-backed bonds rated "AA" or its equivalent or better by an NRSRO and with a remaining maturity of five years or less. The combined base value of this instrument is not to exceed 20 percent of the agency's surplus monies.

### **3020.9 Maximum Maturity**

Selection of investment maturities in conformance with the Government Code restrictions shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

Unless otherwise specified in this section, no investment shall be made in any security, other than a security underlying a repurchase, reverse repurchase, or investment agreement as authorized by this section that at the time of the investment has a term remaining to maturity in excess of five years.

### **3020.10.Sales Prior to Maturity**

Securities shall not be purchased directly by Staff for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement; or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment opportunities may involve the

recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, and (3) estimation of time necessary to recoup the loss.

### **3020.11 Reporting Requirements**

Quarterly, District staff shall present the Board with a report which conforms with the requirements of Government Code Section 53646(b). The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District funds, investments, or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available. The quarterly report shall be submitted by the second regularly scheduled meeting of the Board of Directors following the end of the quarter.

### **3020.12 Safekeeping and Custody**

All securities purchased by or on behalf of the agency, whether negotiable, bearer, registered, or non-registered, shall be delivered, either by book entry or physical delivery, to the District's third-party custodian, and held in the District's name. The third-party custodian shall be independent from the company or firm which sold the security and from its investment adviser if it chooses one.

The only exceptions to the foregoing are LAIF, LGIPs, Certificates of Deposit, and money market funds since the purchased securities are not deliverable. In all cases, purchased securities shall be held in the District's name.

### **3020.13 Investment Policy Review**

Annually, District staff may present the Board with a statement of investment policy, which the Board must consider at a public meeting. Any changes to the policy shall also be considered by the Board at a public meeting.

### **3020.14 Glossary**

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

**BROKER:** A broker brings buyers and sellers together for a commission.

**CAMP (the California Asset Management Program):** A California Joint Powers Authority (CAJPA) established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. For bond proceeds, the objective of CAMP is to invest and account of such proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Service. The program includes the California Asset Management Trust, a California common law trust organized in 1989. The Trust currently offers a professionally managed money market investment portfolio, the Cash Reserve Portfolio, to provide public agencies with a convenient method of pooling funds for temporary investment pending their expenditure. The Trust also provides recordkeeping, custodial and arbitrage rebate calculation services for bond proceeds. As part of the program, public agencies may also establish individual, professionally managed investment accounts.

The pool seeks to attain as high a level of current income as is consistent with the preservation of principal. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report of the (entity). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per entity.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**JOINT POWERS AUTHORITY POOLS:** JPA Pools are local government investment pools comprised of at least two entities and accredited by the CAJPA. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) the adviser is registered or exempt from registration with the Securities and Exchange Commission, (2) the adviser has not less than five years of experience investing in the securities and obligations in Section 53601, subdivisions (a) to (n), and (3) the adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**PORTFOLIO:** Collection of securities held by an investor.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it

is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**REPURCHASE AGREEMENT (REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**TREASURY BILLS:** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Other Post-Employment Benefits Trust Funding  
**POLICY NUMBER:** 3025  
**PROCEDURE:** N/A  
**DATE ADOPTED:** February 10, 2010

**3025.1 Purpose:** It is the intent of the District to fund its Other Post Employment Benefit (OPEB) Trust Fund within 30 years with minimal impacts on District rate payers. Such funding will be based on the actuarially calculated OPEB liability, which shall be updated at least bi-annually.

**3025.2 Budgeted Retiree Medical Premiums:** Following the adoption of each fiscal year's operating budget, District staff shall transfer all funds budgeted for retiree medical premiums to be paid that year to the District's OPEB Trust Fund.

**3025.3 Annual Additional Funding:** Following the acceptance of each fiscal year's audited financial statements for the District, the Board will make a determination as to how much of that year's remaining annual required contribution (ARC) will be funded by the District and deposited to the OPEB trust fund from all or part of the following sources in the order listed below:

1. Unanticipated revenue streams (either one-time or ongoing)
2. Sewer Service Charge revenues exceeding planned levels for the prior fiscal year
3. Unused wastewater operating contingency funds from the prior fiscal year
4. Wastewater operating budget savings from the prior fiscal year
5. Ad valorem tax revenues
6. The wastewater general fund

This approach gives the Board the discretion to make OPEB funding decisions annually, taking into account then current economic conditions and other factors.

**3025.4 Employee Contributions to the OPEB Trust:** Any future provision for employee's funding part of the OPEB obligation would be established through an amendment to each bargaining unit's Memorandum of Understanding, and would require that all bargaining units participate under the same terms and conditions.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Pension Benefits Trust Funding  
**POLICY NUMBER:** 3030  
**PROCEDURE:** N/A  
**DATE ADOPTED:** July 13, 2016

**3030.1 Purpose:** It is the intent of the District to make its full actuarially determined contributions into the California Public Employees' Retirement System (CalPERS) and Contra Costa County Employees' Retirement Association (CCCERA) pension trust funds. In addition, the District desires to set aside additional funds in a separate qualified trust fund, the Public Agencies Post-Employment Benefits Trust (PAPEBT) with the Public Agency Retirement Services (PARS), which may in the future be directed into either the CalPERS and/or CCCERA pension trust funds.

**3030.2 Existing and Budgeted Contributed Benefit Savings Funds:** Upon establishment of the District's PAPEBT, all funds then residing in the District's Contributed Benefit Savings reserve shall be transferred to the PAPEBT, along with any additional funds set-aside for that purpose prior to adoption of the next fiscal year's operating budget. Following the adoption of each fiscal year's operating budget, District staff shall transfer all funds budgeted for Contributed Benefit Savings set-aside that year into the District's PAPEBT. This provides the greatest potential for enhanced returns on investment for such funds.

**3030.3 Future Additional Funding:** Once the District's Other Post-Employment Benefits (OPEB) Trust Fund is fully funded pursuant to the Board's approved Administrative Policy No. 3025 – *Other Post-Employment Benefits Trust Funding*, additional funding, primarily unanticipated revenue streams (either one-time or ongoing), as described in Section 3025.3 of that policy shall be redirected to the PAPEBT as long as the OPEB Trust Fund remains fully funded.

**3030.4 Investment of Funds:** Funds invested with PARS shall be placed in the Balanced HighMark Active Plus portfolio.



**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Sewer Service Charge Refund/Adjustments  
**POLICY NUMBER:** 3035  
**PROCEDURE:** N/A  
**DATE ADOPTED:** November 4, 2009

PURPOSE: To establish standard policy and for the issuance of refunds for previously levied sewer service charges for the annual sewer operations and maintenance charges. Typically, sewer service charges are calculated annually and the majority of the charges are collected by the Contra Costa County Tax Collector as part of the annual property tax bill.

**3035.1 General Policy/Responsibility**

It is the policy of Delta Diablo Sanitation District that all refunds shall be issued in accordance with this policy. The General Manager has the authority to issue and shall ensure that administrative procedures are in place to implement this policy.

**3035.2 Claim Submittal**

A written claim for refund must be filed at the District Offices at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. In order to be considered, the claim must be in writing and be dated and signed by the claimant. The claim shall identify the property for which the refund is requested and explain what the billing discrepancy is. In order to be considered for a refund, the claimant must have been the property owner and paid the sewer service charges for the period in question. Finance Staff shall investigate all claims received to determine their validity. All information submitted by the customer shall be considered.

In the event that the District Staff discovers billing errors before a claim is filed, the District may work directly with the property owner to initiate a refund based on proper documentation and without requiring the filing of a written claim.

**3035.3 Statute of Limitations for Refunds and/or Billing Adjustments**

All claims for refunds and/or adjustments to billed sewer service charges shall only be considered if the claim for an adjustment is filed within four years of the date the billing was issued.

**3035.4 Form of Refund**

In the event that an adjustment is warranted, and payment of the disputed bill has been verified, and with approval by the General Manager or his designee, District Staff may issue a payment directly to the property owner in accordance with this policy. In the event that an adjustment is warranted, and the disputed bill has not been paid, a corrected billing shall be issued. Interest shall not be paid on any amount refunded or credited as the result of an adjustment of charges.



**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Purchasing Policy

**POLICY NUMBER:** 3050

**PROCEDURE:** N/A

**DATE ADOPTED:** June 11, 2008

**3050.1 Purpose.** The purpose of this chapter is to set forth policy for the purchase of supplies, material, equipment and services and to clearly define the authority of the purchasing function. This chapter shall not apply to public works projects.

**3050.2 Definitions.**

“Professional services” means the services rendered by persons who are members of a recognized profession or who possess a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance. “Professional services” includes any type of professional service that may be lawfully rendered but does not include work performed under a contract for a public works project.

“Public works project” means the erection, construction, improvement, or alteration, excluding repair and maintenance, of (1) public buildings and other works; (2) streams, bays, waterfronts, embankments or other work for protection against overflow; (3) streets and related improvements, including lighting and signaling systems; (4) sewer and water systems; (5) parks, playgrounds, recreational and scenic areas.

“Responsible bidder” means a person or entity that has the capability in all respects to perform fully the contract requirements.

“Responsive bidder” means a person or entity who has submitted a bid which conforms in all material respects to the invitations for bids or requests for proposals.

“Services” means any and all work performed and any and all services rendered by independent contractors, with or without the furnishing of material, excluding 1) professional services and 2) work performed under contracts for public works projects.

“Supplies,” “materials,” and “equipment” mean any and all articles or things which shall be furnished to or used by any department of the District, including those items purchased by the District and furnished to contractors for use in public works projects.

**3050.3 Establishment of centralized purchasing.** In order to 1) implement efficient procedures for the purchase of supplies, material, equipment and services at the lowest possible cost, with appropriate fitness for purpose and quality needed, 2) exercise positive financial control over purchases, and 3) clearly define authority for the purchasing function, a centralized purchasing system is established.

**3050.4 Purchasing organization.** There is created a centralized purchasing organization in which is vested authority to 1) purchase supplies, material, equipment and services, 2) create and maintain policies for the management of inventory, and 3) perform duties as assigned by ordinance or regulation.

**3050.5 Exemptions from centralized purchasing.** The Purchasing Manager may authorize, in writing, any department to purchase or contract for specified supplies, material, equipment and services, independently of the Purchasing Department, but shall require that such purchases or contracts be made in conformity with the policies established by this chapter and administrative procedures as approved by the General Manager. The Purchasing Manager may also rescind such authorization with written notice to the department concerned.

**3050.6 Award authority.**

**3050.6.1** If the amount of any purchase or contract for operation and maintenance of the District's facilities exceeds \$100,000, the purchase or contract shall be awarded by the Board of Directors. If the amount of any purchase or contract for operation and maintenance of the District's facilities is less than \$100,000 and is included in the Board authorized annual budget, the purchase or contract shall be awarded by the General Manager or designee.

**3050.6.2** Except as specifically provided in this chapter or by ordinance or resolution now or in the future, the District is not bound by any contract unless the same shall be in writing and signed by the General Manager, after Board approval, or by such other officer of the District as authorized by ordinance, resolution, or action of the Board.

**3050.6.3** No purchase by any person other than the above shall be binding upon the District or constitute a lawful charge against any District funds.

**3050.6.4** Modifications to contracts or purchase orders which represent no change in the scope or character of material or services provided in the original contract or purchase order may be approved by the General Manager or designee if the dollar value of the modification is within their award authority.

**3050.7 Competitive procurement process.**

**3050.7.1** All purchases of and contracts for supplies, material, equipment and services, shall be based, wherever possible, on a competitive procurement process, as described in this chapter.

**3050.7.2** It shall be the responsibility of the Purchasing Manager to evaluate each purchase and to initiate the appropriate method of purchase which will be most cost effective for the District.

**3050.7.3** Emergency purchases and contracts for supplies, material, equipment or services may be made without using a competitive procurement process when the purchase or contract for the item or items is immediately necessary for the continued operation of a department or for the preservation of life and property, or when such purchase is required for the health, safety, and welfare of the people or for the protection of property, provided that there is a present, immediate, and existing emergency. Determination and declaration that such an emergency exists shall be made at the same level of authority as set forth in Section 3050.6 of this chapter.

**3050.7.4** If limitations on the source of supply, necessary restrictions in specifications, necessary standardization, quality considerations, or other valid reasons for waiving a competitive procurement process appear, then purchases may be made without recourse to the competitive procurement process provisions of this chapter. Approval of waiver of a competitive procurement process shall be given by the General Manager or his designee.

**3050.8 Standard purchase procedure.**

All purchases for goods and services shall be made in accordance with the standard purchase procedures unless the General Manager or designee determines it is in the best interest of the District to use the formal purchase procedure. Award shall be made to the lowest responsive and responsible bidder through request for quotations, or to the offeror whose proposal is determined to be the most advantageous to the District through request for proposals following procedures promulgated by the Purchasing Manager and approved by the General Manager.

**3050.9 Formal purchase procedure.** Formal purchase procedures are competitive sealed bidding or competitive sealed proposals as provided for in purchasing procedures promulgated by the Purchasing Manager and approved by the General Manager.

**3050.10 Cooperative purchasing programs.** Where advantageous to the District and to the extent consistent with state law, purchases of supplies, material, equipment or services made under a cooperative purchasing program, utilizing purchasing agreements maintained by the state, county, or other public agencies are exempt from the requirements of this chapter. To the extent possible, cooperative purchases joined will be competitively awarded, and documentation as to the advantage of the cooperative purchase will be retained.

**3050.11 Professional services.** Contracts for professional services may be negotiated by the District based on the vendor's demonstrated competence and professional qualifications for the service required. Whenever possible, quotes should be obtained from at least three sources using the request for quote or the request for proposal process. Vendor selection, without obtaining three quotes, shall require justification to the Purchasing Manager, except in the case of contracts for specialized legal services.

**3050.12 Authority to resolve protested solicitations and awards.**

**3050.12.1 Right to Protest.** Any person or entity that submits a quote, proposal or bid for a contract or purchase order and who objects to the award of that contract or purchase order may protest to the Purchasing Manager within ten (10) business days of the award announcement.

**3050.12.2 Authority to Resolve Protests.** The Purchasing Manager shall have authority, prior to award, to settle and resolve a protest.

**3050.12.3 Decision Process.** If the protest is not resolved by mutual agreement, the Purchasing Manager shall issue a decision in writing, stating the decision and facts supporting the decision and informing the protestant of its right to appeal the decision first to the General Manager or designee, and if resolution is not reached, then to the Board of Directors in accordance with Administrative Handbook Policy No. 1030, *Public Complaints*, which provides that such an appeal must be filed within ten (10) business days of receiving the General Manager or designee's decision. A copy of the decision shall be mailed or otherwise furnished to the protesting bidder. Unless a timely appeal is filed, the Purchasing Manager's decision shall be final.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Environmentally Preferable Purchasing  
**POLICY NUMBER:** 3065  
**PROCEDURE:** N/A  
**DATE ADOPTED:** May 10, 2006

**Purpose.** The Delta Diablo Sanitation District (District) intends to serve as a model for environmental leadership by conserving resources such as water, raw materials, and energy. By incorporating environmental considerations into purchasing procedures, the District can reduce its burden on the environment while remaining fiscally responsible. Environmental factors that should be considered include, but are not limited to, toxicity, energy use, greenhouse gas impacts, disposal options, recycled content, and waste reduction.

**Definition.** Environmentally preferable means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

**Policy.** The District's Environmentally Preferable Purchasing (EPP) Policy is based on the following guiding principles:

Environmental Excellence: The District shall consistently meet or exceed all regulatory standards and comply with environmental legislation.

Environmental Responsibility: The District shall contribute to long term preservation and enhancement of the environment.

Environmental Progress: The District shall continuously improve its environmental performance.

**Goal.** It is the goal of the District to move its operations toward environmental sustainability by minimizing waste and maximizing efficiency. The District's Purchasing Manager and/or his/her designee will:

Ensure that contracting procedures do not discriminate against reusable, recycled, or environmentally preferable products without justification

Evaluate environmentally preferable products to determine the extent to which they may be used by the District and its contractors

Review and revise contracting procedures to maximize the specification of designated environmentally preferable products where practicable

Facilitate data collection on purchases of designated environmentally preferable products by the agencies and its contractors

**Objectives.** The Delta Diablo Sanitation District Environmentally Preferable Purchasing Policy has the following objectives:

Ensure to the extent practicable, all printing and copy paper products shall consist of a minimum of 30% post-consumer recycled fiber.

Ensure that all contractors shall submit requested documents to the District on recycled paper. This shall include, but not be limited to, drafts, reports, bids, and training materials.

The District shall engage in the practice of two-sided copies for all memos and mailings.

All business cards, letterhead stationary, envelopes, business forms and documents shall be printed on recycled paper. If sufficient documentation and certification is available, reasonable efforts shall be undertaken to specifically indicate the percentage of recycled post-consumer content.

Any RFPs or bids for services request by the District will include a statement that the District prefers working with businesses that adhere to our environmental principles.

All departments shall ensure that they and their contractors/consultants use double sided copying.

Purchased or leased equipment, including photocopiers, computers, printers, lighting systems, HVAC, kitchen appliances, and energy management systems must meet US Environmental Protection Agency (EPA) or Department of Energy (DOE) energy efficiency standards. Where applicable, the energy efficiency function shall remain enabled on all energy efficient equipment.

**Reporting.** District staff shall prepare and deliver to the Board periodic reports on the progress of efforts related to the EPP Policy.

**Performance, Price, and Availability.** Nothing contained in this policy shall be construed as requiring a department or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.

**Fiscal Impact.** It is currently estimated that the cost to implement this policy will be minimal and primarily include staff time to meet the goals and objectives the policy. Cost savings may be realized in the waste minimization and energy efficiency objectives of the policy.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE:** Surplus  
**POLICY NUMBER:** 3070  
**PROCEDURE:** 2000-3  
**DATE ADOPTED:** January 14, 2009

**3070.1** The purpose of this policy is to provide an auditable process for the disposal of surplus District personal property.

**3070.2** The General Manager, or his/her designee, is authorized to approve property items deemed unsuitable or unnecessary for District purposes as surplus. Such assets shall be disposed of in a manner which is in the best interest of the District, pursuant to procedures approved by the General Manager. The goal is to maximize surplus revenues net of staff time and other processing costs while disposing of surplus items in a manner that meets all statutes and regulations and reflects a high level of environmental stewardship.

**3070.3** An annual report will be provided to the Board of Directors listing all assets that were surpluses during the prior fiscal year, the method of disposal and the amount received (if any) for each item.

**ADMINISTRATIVE POLICY HANDBOOK**

**POLICY TITLE: DEBT MANAGEMENT AND CONTINUING DISCLOSURE**  
**POLICY NUMBER: 3075**  
**PROCEDURE: N/A**  
**DATE APPROVED: November 13, 2019**

**3075.1 Purposes and General Provisions.** The Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive written debt management policies as a best management practice to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital financial planning. Additionally, Government Code Section 8855(i) requires public agency issuers of debt to adopt comprehensive written debt management policies. This Debt Management and Continuing Disclosure Policy (Debt Policy) is intended to comply with Government Code Section 8855(i). The purpose of this Debt Policy is to organize and formalize debt issuance and management related policies and procedures for Delta Diablo. This Debt Policy governs all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation. Except where any provision of this Debt Policy refers separately to the IFC, each use of the term “District” in this Debt Policy means the District and the IFC.

State and federal laws and regulations govern the District’s activities under this Debt Policy. In its implementation of this Debt Policy, the District must comply with all applicable state and federal laws and regulations, including but not limited to laws and regulations limiting the types of debt the District may issue and how that debt may be issued, and any applicable appropriations limits and debt limits. Those state and federal laws and regulations may limit the application of this Debt Policy. If any provision of this Debt Policy conflicts with any state or federal law or regulation, either (a) if feasible, the conflicting provision of this Debt Policy shall be modified to be compliant with the applicable conflicting state or federal law or regulation, or (b) if the conflicting provision of this Debt Policy cannot be so modified, it shall not be implemented by District staff.

**3075.2 Objectives.** The primary objectives of the District’s debt and financing related activities are the following:

- 3075.2.1** Maintain cost-effective access to public and private capital markets through prudent fiscal management policies and practices;
- 3075.2.2** Specify parameters related to the prudent use of debt in the context of the District’s rates and financial planning;
- 3075.2.3** Ensure debt proceeds are expenditures for permissible uses as defined in this policy, and in accordance with bond covenants and other applicable requirements;
- 3075.2.4** Minimize debt service commitments through effective planning and cash management;



- 3075.2.5** Ensure the District is compliant with all applicable federal and state securities laws;
- 3075.2.6** Protect the District's creditworthiness and achieve the highest practical credit ratings; and,
- 3075.2.7** Maintain the District's sound financial position.

**3075.3 Scope and Delegation of Authority.** This Debt Policy will govern the issuance and management of all debt issued by the District, including the selection and management of related financial and advisory services and products, and the investment of bond proceeds, all in accordance with state and federal laws and regulations.

The District's Board of Directors retains authority to modify, repeal, or replace this Debt Policy. Responsibility for implementation of the Debt Policy, and day-to-day responsibility for structuring, implementing, and managing the District's debt and finance program, will reside with the General Manager or his/her designee. The General Manager may develop procedures consistent with this Debt Policy to direct the implementation of this Debt Policy by District staff. The Board's adoption of the District's Annual Budget and Capital Improvement Program (CIP), or review of the financial plan, does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board of Directors specifically authorize each debt financing in accordance with all applicable state and federal laws and regulations.

The Board of Directors recognizes that changes in the public and private capital markets, District programs, and other unforeseen circumstances may, from time to time, produce situations that are not covered by the Debt Policy and will require modifications or exceptions to achieve policy goals. In these cases, the Board of Directors may consider modifying this Debt Policy to provide District staff with flexibility to respond to changed circumstances, while ensuring this policy remains compliant with state and federal laws and regulations.

#### **3075.4 Roles and Responsibilities**

- 3075.4.1** General Manager or his/her designee – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- 3075.4.2** Executive Director of the IFC – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- 3075.4.3** Business Services Director – Has primary responsibility for implementing the General Manager's direction on debt issuance recommendations, financing transaction execution, oversight of bond proceeds expenditures, and ongoing debt management.
- 3075.4.4** Board of Directors – Sets debt policy and authorizes individual transactions.

**3075.5 Ethics and Conflicts of Interest.** Members of the Board of Directors and District staff members who have roles and responsibilities under this Policy: (a) will not engage in any personal business activities that could conflict with proper and lawful execution of securing capital financing, (b) will comply with the District's Conflict of Interest Code, as may be updated from time to time; and (c) will comply with all other applicable state and federal conflict of interest laws and regulations.

**3075.6 Integration with Other Financial Policies and Documents.** The District is committed to long-term capital and financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. Policies related to these topics are adopted separately but affect this Debt Policy. If debt service is a component of proposed new or increased fees or charges (e.g., Sewer Service Charges), at the time the Board of Directors is asked to approve those new or increased fees or charges, the Board of Directors will be presented with financial information in support of the proposed fees or charges, including but not limited to the District budget, any relevant provisions of the CIP, and the terms of any debt service repaid by the fees or charges.

**3075.7 Standards for Use of Debt Financing.** In financial planning, the District will evaluate the use of various alternatives including, but not limited to, current year funding of capital projects through rates, various forms of debt financing, use of reserves, and inter-fund loans and transfers. The District will utilize the most advantageous financing alternative and balance the goals of long-term cost minimization, risk exposure, and compliance with generally accepted rate-setting principles. The District's debt management program will consider debt issuance where public policy, equity (including intergenerational equity), generally-accepted rate-setting principles, economic efficiency, and compliance with long-term financial planning parameters that favor financing over cash funding.

**3075.7.1 Use and Timing of Debt.** The District will integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are planned when needed in furtherance of the District's public purposes (as articulated in, inter alia, the District's mission, vision, and goals) and are consistent with the District's budget, any applicable debt or appropriations limits, and other financial information the General Manager or Business Services Director deems relevant. When the Board of Directors is asked to approve new or increased fees or charges (e.g., Sewer Service Charges), the Board of Directors will be provided all legally-required financial information in support of the new or increased fees or charges, and additional financial information the General Manager or Business Services Director deems relevant.

**3075.7.1.1** All capital projects in the CIP are eligible to use debt financing, so long as the minimum revenues are generated as described in Section 3075.7.1.

Debt financing will be used to finance eligible capital projects, including the acquisition, construction, or rehabilitation of capital facilities, when funding requirements cannot be met with current

revenues, cash reserves or interfund loans and/or transfers or the use of such funds would be contrary to rate-setting principles. The proceeds derived from long-term borrowing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures.

With respect to debt repayment and amortization, the debt repayment period will be structured so that the weighted average maturity of the debt does not exceed 100% of the expected average useful life of the project being financed.

**3075.7.2 Credit Quality.** All District debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the District's debt management objectives and legal terms and covenants of outstanding debt obligations. As debt service coverage is a key ratings consideration, the District shall target a debt service coverage ratio of at least 1.75 for financial planning and rate-setting purposes.

**3075.7.3 Ongoing Debt Administration and Internal Controls.** The District will maintain all debt-related records according to the District's Retention Policy or debt financing documents, whichever retention timeline is longer. The District will maintain internal controls to ensure compliance with the Debt Policy (including use of bond proceeds for purposes specified in the applicable Bond Official Statements and in compliance with this debt policy), all debt covenants, and any applicable requirements of federal and state law, including but not limited to the following: initial bond disclosure, continuing disclosure, tax-exemption, post-issuance compliance, investment of bond proceeds (including, for example, any continuing disclosure obligations under Securities and Exchange Commission (SEC) Rule 15c2-12, and tax covenants, and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements), and annual transparency reporting to California Debt and Investment Advisory Commission.

**3075.7.4 Rebate Policy and System.** The District will develop a system of reporting interest earnings that relates to and complies with Internal Revenue Code requirements relating to rebate, yield limits, and arbitrage. The District will accurately account for all interest earnings in debt-related funds to ensure that the District is compliant with all debt covenants and with state and federal laws. The District will invest funds in accordance with the investment parameters set forth in each respective bond indenture, and as permitted by the District's Investment of District Funds (Policy No. 3020).

**3075.8 Financing Criteria.** When staff intends to recommend that the District incur indebtedness, or when requested by the Board of Directors, the General Manager will provide a report to the Board that, among other things:

**3075.8.1** Describes the intended use of the financing proceeds (i.e., funding for new projects or to refund existing bonds);

**3075.8.2** Recommends a specific debt type to include duration, type, interest rate characteristics, call features, credit enhancement, or financial derivatives to be used in the transaction;

**3075.8.3** Presents the impact of the bonds on the District's forecasted rates based on the anticipated maturity schedule; and,

**3075.8.4** For refunding transactions, includes a comprehensive report on the debt to be redeemed, the replacement debt, and the anticipated benefits of the transaction shall be provided.

**3075.9 Terms and Conditions of Debt.** The Board of Directors will approve all terms and conditions relating to the issuance of debt, and will approve the control, management, and investment all debt proceeds. The proposed debt terms, coupon structure, debt service structure, redemption features, any use of capitalized interest, and lien structure must be approved by the Board of Directors.

**3075.10 Types of Debt.** Subject to the approval of the Board of Directors in accordance with applicable state and federal laws and regulations, the following types of debt are allowable under this Debt Policy:

- State Revolving Fund loans
- California Infrastructure and Economic Development Bank loans
- Revenue bonds
- Lease revenue bonds and certificates of participation
- Commercial paper
- General obligation bonds
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Refunding Obligations
- Bond or grant anticipation notes
- Tax and revenue anticipation notes
- Federal loans
- Lines of credit

**3075.11 Derivatives.** The District will not use municipal derivative products in connection with its borrowing needs.

**3075.12 Credit Enhancements.** The District may consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or other measurable advantages can be shown will the Board of Directors consider authorizing the enhancement.

**3075.13 Refunding Outstanding Debt.** Refundings are important debt management strategies for the District. Refundings are commonly used to lower future debt service costs but can also be used to change existing legal terms/covenants or restructure debt service. The District will periodically evaluate outstanding bond issues for refunding opportunities and will bring to the attention of the Board those opportunities that are in the District's interest. Reports to the Board on potential refunding shall describe

anticipated savings and the structure of refunding and refunded debt, and any refunding transaction executed will be followed with a report on actual savings. Unless necessary or beneficial to do so, the District's refundings will not extend the final maturity of the debt being refunded.

There are two types of refundings: current refundings and advance refundings. These two refunding types differ by the timing in which they occur.

*Current Refunding.* A current refunding is one in which the refinancing is closed within 90 days of the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set minimum Present Value (PV) Savings threshold of 3% of refunded par for a current refunding.

*Advance Refunding.* An advance refunding is one in which the refinancing is closed more than 90 days prior to the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set a minimum PV Savings threshold of 5% of refunded par for an advanced refunding. Lower savings thresholds for both current and advance refundings may be justified in certain circumstances. In those situations, the Business Services Director, in consultation with the District's financial advisor, will recommend an appropriate action by the Board of Directors.

**3075.14 Methods of Issuance.** District bonds may be sold by way of a competitive sale, negotiated sale, or private placement. A recommendation regarding the proposed use method will be prepared by the Business Services Director and General Manager, or his/her designee, and provided to the Board of Directors at the time the Board of Directors is asked to consider approval a proposed bond issuance.

The District will consider the following factors when determining the appropriate method of sale:

**3075.14.1 Competitive Sale.** In a competitive sale, the District's bonds will be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- Bond prices are stable and/or demand is strong
- Market timing and interest rate sensitivity are not critical to the pricing
- There are no complex explanations required during marketing regarding the District's projects, media coverage, political structure, political support, funding, or credit quality
- The bond type and structure are conventional
- Manageable transaction size
- The bonds carry strong credit ratings
- Issuer is well known to investors

**3075.14.2 Negotiated Sale.** The District recognizes that some securities are best sold through negotiation under the following conditions:

- Bond prices are volatile
- Demand is weak or supply of competing bonds is high
- Market timing is important, such as for refundings

- The bonds will carry lower credit ratings or are not rated
- Issuer is not well known to investors
- The bond type and/or structural features are unusual, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products
- Bond insurance is not available
- Early structuring and market participation by underwriters are desired
- The par amount for the transaction is significantly larger than normal
- Demand for the bonds by retail investors is expected to be high

**3075.14.3 Private Placement.** If authorized by law, the District may elect to privately place its debt under certain conditions. Such placement will only be considered where a cost savings can be achieved by the District relative to other methods of debt issuance, or to enable the financing to be completed within a shorter timeframe. Private placements will include not only direct placements with investors or lenders, but also state and federal loan programs.

### **3075.15 Market Relationships**

**3075.15.1 Rating Agencies and Investors.** The General Manager and Business Services Director will be responsible for maintaining the District's relationships with rating agencies, which will typically include two or more of the nationally-recognized statistical rating agencies.

**3075.15.2 Board Communication.** The General Manager will make available to the Board any ratings report or other relevant feedback provided from rating agencies and/or investors regarding the District's financial strengths and weaknesses and recommendations for addressing any weaknesses.

**3075.15.3 Continuing Disclosure.** The District will remain in compliance with SEC Rule 15c2-12, which addresses continuing disclosure obligations. The District will also comply with state reporting requirements as specified in Senate Bill (SB) 1029, which requires initial and ongoing debt reporting requirements for California public agencies.

**3075.15.4 Rebate Reporting.** The use and investment of bond proceeds shall be monitored to ensure compliance with arbitrage restrictions.

**3075.15.5 Other Jurisdictions.** From time to time, the District may issue bonds to fund projects that provide a benefit to other public entities that the District serves. The District will conduct such analyses as deemed necessary to assure adequate cost recovery for such funding and mitigate risks to the District (including consideration of the use of limited bonding capacity).

### **3075.16 Consultants**

**3075.16.1 Selection of Financing Team Members.** The Business Services Director will make recommendations for all financing team members, and the Board of Directors providing final approval. Financing team members may include a financial advisor, bond counsel, disclosure counsel (which may be the



same firm as bond counsel), and underwriter. In the event of a competitive bond sale, the District's debt will be offered to the underwriter providing the most cost-advantageous proposal to the District, as determined by the Board of Directors.

**3075.16.2 Financial Advisor.** The District may utilize a financial advisor to assist in its debt issuance and debt administration processes as is deemed prudent and necessary by the Board of Directors and in compliance with applicable Municipal Securities Rulemaking Board (MSRB) regulations. The District's financial advisor should be independent and not provide underwriting services to ensure they are free of real or perceived conflicts of interest.

**3075.16.3 Bond Counsel.** District debt will include a written opinion by legal bond counsel affirming that the District is authorized to issue the proposed debt, and that the District has met all constitutional and statutory requirements necessary for issuance and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by bond counsel with extensive experience in public finance and tax issues. Bond counsel will be retained by the Board of Directors.

**3075.16.4 Disclosure Counsel.** The District may utilize a separate law firm to serve as disclosure counsel whenever the Board of Directors deems necessary. If cost effective, the Board of Directors may retain the same firm to serve both as bond counsel and as disclosure counsel.

**3075.16.5 Underwriter.** The District's Board of Directors will have the right to select a senior manager for a proposed negotiated sale, as well as co-managers and selling group members, as appropriate.

**3075.16.6 Conflict of Interest Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosures relative to agreements with other financing team members and outside parties. The extent of each disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted that could compromise the firm's ability to provide independent advice that is solely in the District's interests (to the extent the firm's role involves a duty to do so) or which could reasonably be perceived as a conflict of interest.

### **3075.17 Initial and Continuing Disclosure Compliance**

#### **3075.17.1 Disclosure Coordinator and Overall Requirements for Initial and Continuing Disclosure**

The Business Services Director or his/her designee will be the disclosure coordinator of the District (Disclosure Coordinator). The Disclosure Coordinator will perform the following functions:

- 3075.17.1.1** Ensure that any Official Statement meets appropriate standards and is approved by the Board of Directors, as required.

**3075.17.1.2** Ensure that initial and continuing disclosure obligations undertaken by the District related to each debt issuance are met, including State of California requirements, and MSRB requirements that the District commits to undertake in the Continuing Disclosure Certificate or Agreement over the life of the bonds to investors.

**3075.17.1.2.1** Initial Disclosure requirements include preparation of the Bond Official statement and reports on the issuance to the California Debt and Investment Advisory Commission (CDIAC).

**3075.17.1.2.2** Ongoing disclosure requirements include annual reports with the MSRB Electronic Municipal Market Access (EMMA) system and the CDIAC.

**3075.18 Exceptions.** In the event there are any deviations or exceptions from the Debt Policy when a certain bond issue is structured, those exceptions will be discussed in the staff report at the time that the bond proposal is presented to the Board of Directors for its consideration.

**3075.19 Policy Review.** Any proposed changes to this Debt Policy must be approved by the Board of Directors.



July 16, 2020

ADOPT RESOLUTION APPROVING SALARY SCHEDULES INCORPORATING 2020 ANNUAL COST-OF-LIVING ADJUSTMENT AND ADOPT RESOLUTION APPROVING TIER II APPLICABLE PERCENTAGE, AS PROVIDED FOR IN DISTRICT BARGAINING UNIT MEMORANDA OF UNDERSTANDING, BARGAINING UNIT SIDE LETTER AGREEMENTS, AND UNREPRESENTED EMPLOYEES' EMPLOYMENT AGREEMENTS

RECOMMENDATION

- 1) Adopt Resolution approving updated District Salary Schedules with the 2020 annual Cost-of-Living Adjustment (COLA), as provided for in District Bargaining Unit Memoranda of Understanding and unrepresented employees' Employment Agreements.
- 2) Adopt Resolution approving Tier II Applicable Percentage as provided for in District Bargaining Unit Side Letter Agreements and unrepresented employees' Employment Agreements.

Background Information

Most of the District's employees are represented by one of three separate Bargaining Units: the Operations & Maintenance Bargaining Unit, Public Employees Union/Local One; the Professional & Technical Bargaining Unit, or the Management Association. Each bargaining unit has a separate Memorandum of Understanding (MOU) with a provision for an annual COLA applied to employee salaries. The MOUs stipulate that the COLA will be based on the San Francisco Bay Area's April-to-April Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers. The COLA provision is the same in all three MOUs. The individual Employment Agreements for the District's unrepresented management employees have a similar provision that provides the same annual COLA provision as the bargaining units.

Analysis

The various MOUs provide for a minimum COLA of 2% and a maximum of 5%, based on the April-to-April CPI. In May 2020, the Bureau of Labor Statistics released the April 2019 to April 2020 CPI for the San Francisco Bay Area Urban Wage Earners and Clerical Workers. The CPI was 0.7%. Since the MOUs stimulates a minimum of 2%, the Fiscal Year 2020/2021 (FY20/21) salary schedules will be adjusted by a 2% COLA increase, effective July 12, 2020.

In addition, effective July 12, 2020, employees in the Tier I California Public Employees' Retirement System (CalPERS) plan will begin contributing an additional 1.0% into the CalPERS pension fund, increasing the Tier I employee CalPERS contribution rate to the maximum 8.0% and decreasing the District contributions from 1.0% to 0%. Employees in the Tier II and Tier III retirement plans currently pay the full cost of the employee CalPERS contribution rate, which is 7.0% and 7.25%, respectively.

Effective July 12, 2020 pursuant to Side Letter Agreements to the MOUs dated September 14, 2016, the District will contribute to each Tier II employee's 401(a) Plan account "an amount equal to the Applicable Percentage of the employee's pensionable compensation with the District." The Applicable Percentage is defined as the difference between the Total Employer Normal Cost percentages for any fiscal year for the 2.5% at age 55 and the 2.0% at age 55 formulas under CalPERS (each with the 3% COLA Class 1 Optional Benefit), as actuarially



determined annually by CalPERS. The Side Letters further state, "Should the Applicable Percentage change for a new fiscal year, the revised Applicable Percentage shall be implemented at the same time as the Cost of Living Adjustments." For the upcoming fiscal year, the CalPERS formula was reviewed and staff has determined that an adjustment is necessary. The current Applicable Percentage is 1.282% and the new Applicable Percentage is 1.381% (an increase of 0.099%).

#### Financial Impact

The COLA was included in the FY20/21 Operating Budget and represents an approximate \$249,128 increase in annual labor costs. The Applicable Percentage represents an approximate \$2,443 increase in the annual District contribution to Tier II employee 401(a) Plans.

#### Attachments

- 1) Proposed Resolution Approving FY20/21 Salary Schedules
- 2) Proposed Resolution Approving Tier II Applicable Percentage

Reviewed by:  for  
Carol Margetich  
Business Service Director

cc: Finance Division  
Human Resources Division  
District File HR.05.08.01-DOCS



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

**Re: Approving 2020 Salary Schedules )  
Incorporating Cost-of-Living Adjustment )  
as Provided for in Bargaining Unit )  
Memoranda of Understanding )**

**RESOLUTION NO. X/2020**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS HEREBY DETERMINED THAT:

WHEREAS, Delta Diablo has three separate Memoranda of Understanding (MOU) with individual Bargaining Units (Operations & Maintenance Bargaining Unit, Public Employees Union/Local One; Professional & Technical Bargaining Unit, Public Employees Union/Local One; and the Management Association); and

WHEREAS, the authorized salary ranges are administered in accordance with these MOUs; and

WHEREAS, these MOUs provide that salaries are to be adjusted on the first full pay period after July 1, 2020 from a minimum of 2.0% up to a maximum of 5.0% across the board, based on the April 2019 to April 2020 change in the Consumer Price Index (CPI) for the San Francisco Bay Area Urban Wage Earners and Clerical Workers; and

WHEREAS, the Unrepresented Managers' individual Employment Agreements provide for the same salary adjustments as the Management Association MOU; and

WHEREAS, the 2020 cost-of-living adjustment factor determined by the change in CPI is 2.0%; and

WHEREAS, updated salary schedules have been prepared to incorporate the cost-of-living adjustment factor.

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

1. The attached Fiscal Year 2020/2021 (FY20/21) salary schedules identifying the salaries for: Section I - Operations & Maintenance Bargaining Unit, Public Employees Union/Local One; Section II - Professional & Technical Bargaining Unit, Public Employees Union/Local One; Section III - Management Association; Section IV - Unrepresented Management Group, and Section V - Unrepresented Part-Time and Temporary Classifications, shall be as described in the schedules attached hereto and by reference made a part hereof.
2. The salaries as stated in this Resolution shall become effective July 12, 2020.

PASSED AND ADOPTED on July 16, 2020, 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

Exhibit: FY20/21 Salary Schedules

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

**Re: Approving 2020 Applicable Percentage )  
Contribution as Provided for in )  
Side Letter Agreements )**

**RESOLUTION NO. XX/2020**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Delta Diablo has three Memoranda of Understanding (MOU) with individual Bargaining Units (Operations & Maintenance Bargaining Unit, Public Employees Union/Local One; Professional & Technical Bargaining Unit, Public Employees Union/Local One; and the Management Association); and

WHEREAS, Side Letter Agreements were signed by each Bargaining Unit on September 14, 2016 modifying the retirement benefits for existing and new Tier II "classic" employees on a prospective basis only. Tier II "classic" employees are those employees hired from July 1, 2012 through December 31, 2012; and, employees hired on or after January 1, 2013 who are not new members of a public retirement system as defined by Assembly Bill 340; and

WHEREAS, the Applicable Percentage is defined in the Side Letter Agreements as the difference between the Total Employer Normal Cost percentage for any fiscal year for the 2.5% at age 55 and the 2.0% at age 55 formulas under California Public Employees' Retirement System (CalPERS) (each with the 3% Cost-of-Living Adjustment [COLA] Class 1 Optional Benefit), as actuarially determined annually by CalPERS; and

WHEREAS, the three Side Letter Agreements provide that the District shall contribute to each Tier II employee's 401(a) Plan account an amount equal to the Applicable Percentage of the employee's pensionable compensation with the District; and

WHEREAS the three Side Letter Agreements provide that should the Applicable Percentage change for a new fiscal year, the revised Applicable Percentage shall be implemented at the same time as COLA on the first full pay period after July 1, 2020; and

WHEREAS, the Unrepresented Managers' individual Employment Agreements provide for the same contribution adjustments as the Management Association MOU; and

WHEREAS, the 2020 Applicable Percentage adjustment factor determined by CalPERS is +0.099% and this equates to 1.381% of pensionable compensation.

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

1. Effective July 12, 2020, the District shall contribute to each Tier II employee's 401(a) Plan account an amount equal to 1.381% of the employee's pensionable compensation.

PASSED AND ADOPTED on July 16, 2020, 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 July 16, 2020.

ATTEST: Sean Wright  
Board Secretary

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

**DELTA DIABLO SALARY RANGES (Effective July 12, 2020)**  
**Section IV - Unrepresented Managers**

RANGE	CLASSIFICATIONS	Monthly Salary at Step Level										
		A	B	C	D	E	F	G	H	I	J	
GM	General Manager	-	-	-	-	-	-	-	-	-	-	\$24,094.04
DGM	Deputy General Manager	\$17,781.95	\$18,226.50	\$18,682.16	\$19,149.22	\$19,627.95	\$20,118.64	\$20,621.61	\$21,137.15	\$21,665.58	\$22,207.22	
BSD	Business Services Director	\$15,789.51	\$16,184.24	\$16,588.85	\$17,003.57	\$17,428.66	\$17,864.38	\$18,310.99	\$18,768.76	\$19,237.98	\$19,718.93	
ESD	Engineering Services Director	\$15,789.51	\$16,184.24	\$16,588.85	\$17,003.57	\$17,428.66	\$17,864.38	\$18,310.99	\$18,768.76	\$19,237.98	\$19,718.93	
OSD	Resource Recovery Services Director	\$15,789.51	\$16,184.24	\$16,588.85	\$17,003.57	\$17,428.66	\$17,864.38	\$18,310.99	\$18,768.76	\$19,237.98	\$19,718.93	
HRM	Human Resources & Risk Manager	\$11,174.85	\$11,454.22	\$11,740.57	\$12,034.09	\$12,334.94	\$12,643.31	\$12,959.40	\$13,283.38	\$13,615.47	\$13,955.85	
OMSB	Office Mgr./Secretary to the Board	\$9,722.23	\$9,965.29	\$10,214.42	\$10,469.78	\$10,731.52	\$10,999.81	\$11,274.81	\$11,556.68	\$11,845.59	\$12,141.73	

Note: The General Manager's salary is designated by the Board of Directors; there is no established range

Approved: \_\_\_\_\_ **Dr. Sean Wright, Board Secretary**                      Date: \_\_\_\_\_



**DELTA DIABLO SALARY RANGES (Effective July 12, 2020)**  
**Section II - Professional & Technical Bargaining Unit**

RANGE	CLASSIFICATIONS	Note	Monthly Salary at Step Level									
			A	B	C	D	E	F	G	H	I	J
P 109	Administrative Assistant I	00	\$5,068.08	\$5,194.78	\$5,324.65	\$5,457.77	\$5,594.21	\$5,734.07	\$5,877.42	\$6,024.35	\$6,174.96	\$6,329.34
		01	\$5,194.78	\$5,324.65	\$5,457.77	\$5,594.21	\$5,734.07	\$5,877.42	\$6,024.35	\$6,174.96	\$6,329.34	\$6,487.57
		02	\$5,321.48	\$5,454.52	\$5,590.88	\$5,730.66	\$5,873.92	\$6,020.77	\$6,171.29	\$6,325.57	\$6,483.71	\$6,645.80
P 117	Administrative Assistant II	00	\$5,574.88	\$5,714.25	\$5,857.10	\$6,003.53	\$6,153.62	\$6,307.46	\$6,465.15	\$6,626.78	\$6,792.45	\$6,962.26
		01	\$5,714.25	\$5,857.10	\$6,003.53	\$6,153.62	\$6,307.46	\$6,465.15	\$6,626.78	\$6,792.45	\$6,962.26	\$7,136.31
		02	\$5,853.62	\$5,999.96	\$6,149.96	\$6,303.71	\$6,461.30	\$6,622.83	\$6,788.40	\$6,958.11	\$7,132.07	\$7,310.37
P 118	Account Clerk I	00	\$5,663.28	\$5,804.86	\$5,949.99	\$6,098.74	\$6,251.20	\$6,407.48	\$6,567.67	\$6,731.86	\$6,900.16	\$7,072.66
		01	\$5,804.86	\$5,949.99	\$6,098.74	\$6,251.20	\$6,407.48	\$6,567.67	\$6,731.86	\$6,900.16	\$7,072.66	\$7,249.48
		02	\$5,946.45	\$6,095.11	\$6,247.48	\$6,403.67	\$6,563.76	\$6,727.86	\$6,896.05	\$7,068.46	\$7,245.17	\$7,426.30
P 126	Administrative Assistant III Account Clerk II	00	\$6,229.59	\$6,385.33	\$6,544.96	\$6,708.58	\$6,876.30	\$7,048.21	\$7,224.41	\$7,405.02	\$7,590.15	\$7,779.90
		01	\$6,385.33	\$6,544.96	\$6,708.58	\$6,876.30	\$7,048.21	\$7,224.41	\$7,405.02	\$7,590.15	\$7,779.90	\$7,974.40
		02	\$6,541.07	\$6,704.59	\$6,872.21	\$7,044.01	\$7,220.11	\$7,400.62	\$7,585.63	\$7,775.27	\$7,969.65	\$8,168.89
P 128	Human Resources Assistant	00	\$6,164.02	\$6,318.12	\$6,476.08	\$6,637.98	\$6,803.93	\$6,974.03	\$7,148.38	\$7,327.09	\$7,510.26	\$7,698.02
		01	\$6,318.12	\$6,476.08	\$6,637.98	\$6,803.93	\$6,974.03	\$7,148.38	\$7,327.09	\$7,510.26	\$7,698.02	\$7,890.47
		02	\$6,472.22	\$6,634.03	\$6,799.88	\$6,969.88	\$7,144.12	\$7,322.73	\$7,505.80	\$7,693.44	\$7,885.78	\$8,082.92
P 129	Laboratory Technician	00	\$6,597.15	\$6,762.08	\$6,931.13	\$7,104.41	\$7,282.02	\$7,464.07	\$7,650.67	\$7,841.94	\$8,037.99	\$8,238.94
		01	\$6,762.08	\$6,931.13	\$7,104.41	\$7,282.02	\$7,464.07	\$7,650.67	\$7,841.94	\$8,037.99	\$8,238.94	\$8,444.91
		02	\$6,927.01	\$7,100.18	\$7,277.69	\$7,459.63	\$7,646.12	\$7,837.27	\$8,033.21	\$8,234.04	\$8,439.89	\$8,650.88
P 130	Sr. Admin. Asst./Records Specialist	00	\$6,852.57	\$7,023.88	\$7,199.48	\$7,379.47	\$7,563.95	\$7,753.05	\$7,946.88	\$8,145.55	\$8,349.19	\$8,557.92
		01	\$7,023.88	\$7,199.48	\$7,379.47	\$7,563.95	\$7,753.05	\$7,946.88	\$8,145.55	\$8,349.19	\$8,557.92	\$8,771.87
		02	\$7,195.20	\$7,375.08	\$7,559.46	\$7,748.44	\$7,942.15	\$8,140.71	\$8,344.22	\$8,552.83	\$8,766.65	\$8,985.82
P 135	Accounting Technician	00	\$6,852.76	\$7,024.07	\$7,199.68	\$7,379.67	\$7,564.16	\$7,753.26	\$7,947.10	\$8,145.77	\$8,349.42	\$8,558.15
		01	\$7,024.07	\$7,199.68	\$7,379.67	\$7,564.16	\$7,753.26	\$7,947.10	\$8,145.77	\$8,349.42	\$8,558.15	\$8,772.11
		02	\$7,195.39	\$7,375.28	\$7,559.66	\$7,748.65	\$7,942.37	\$8,140.93	\$8,344.45	\$8,553.06	\$8,766.89	\$8,986.06
P 141	Engineering Technician	00	\$7,171.26	\$7,350.55	\$7,534.31	\$7,722.67	\$7,915.73	\$8,113.63	\$8,316.47	\$8,524.38	\$8,737.49	\$8,955.93
		01	\$7,350.55	\$7,534.31	\$7,722.67	\$7,915.73	\$8,113.63	\$8,316.47	\$8,524.38	\$8,737.49	\$8,955.93	\$9,179.83
		02	\$7,529.83	\$7,718.07	\$7,911.03	\$8,108.80	\$8,311.52	\$8,519.31	\$8,732.29	\$8,950.60	\$9,174.36	\$9,403.72
P 143	Accountant	00	\$7,538.85	\$7,727.32	\$7,920.50	\$8,118.51	\$8,321.48	\$8,529.51	\$8,742.75	\$8,961.32	\$9,185.35	\$9,414.99
		01	\$7,727.32	\$7,920.50	\$8,118.51	\$8,321.48	\$8,529.51	\$8,742.75	\$8,961.32	\$9,185.35	\$9,414.99	\$9,650.36
		02	\$7,915.79	\$8,113.68	\$8,316.53	\$8,524.44	\$8,737.55	\$8,955.99	\$9,179.89	\$9,409.39	\$9,644.62	\$9,885.74
P 145	Chemist I Environ. Compliance Specialist I	00	\$7,586.70	\$7,776.37	\$7,970.78	\$8,170.05	\$8,374.30	\$8,583.65	\$8,798.25	\$9,018.20	\$9,243.66	\$9,474.75
		01	\$7,776.37	\$7,970.78	\$8,170.05	\$8,374.30	\$8,583.65	\$8,798.25	\$9,018.20	\$9,243.66	\$9,474.75	\$9,711.62
		02	\$7,966.03	\$8,165.19	\$8,369.32	\$8,578.55	\$8,793.01	\$9,012.84	\$9,238.16	\$9,469.11	\$9,705.84	\$9,948.49

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\*Notes: 00 = base range; 01 = base range plus 2.5% longevity adjustment for employees with 10-15 years of service; 02 = base range plus 5% longevity adjustment for employees with 15 or more years of service.

Approved: \_\_\_\_\_ Dr. Sean Wright, Board Secretary Date: \_\_\_\_\_

RANGE	CLASSIFICATIONS	Note	Monthly Salary at Step Level									
			A	B	C	D	E	F	G	H	I	J
P 146	Junior Engineer	00	\$7,604.15	\$7,794.25	\$7,989.11	\$8,188.83	\$8,393.56	\$8,603.39	\$8,818.48	\$9,038.94	\$9,264.91	\$9,496.54
		01	\$7,794.25	\$7,989.11	\$8,188.83	\$8,393.56	\$8,603.39	\$8,818.48	\$9,038.94	\$9,264.91	\$9,496.54	\$9,733.95
		02	\$7,984.35	\$8,183.96	\$8,388.56	\$8,598.28	\$8,813.23	\$9,033.56	\$9,259.40	\$9,490.89	\$9,728.16	\$9,971.36
P 147	Program Analyst I	00	\$7,953.43	\$8,152.27	\$8,356.08	\$8,564.98	\$8,779.10	\$8,998.58	\$9,223.55	\$9,454.13	\$9,690.49	\$9,932.75
		01	\$8,152.27	\$8,356.08	\$8,564.98	\$8,779.10	\$8,998.58	\$9,223.55	\$9,454.13	\$9,690.49	\$9,932.75	\$10,181.07
		02	\$8,351.11	\$8,559.88	\$8,773.88	\$8,993.23	\$9,218.06	\$9,448.51	\$9,684.72	\$9,926.84	\$10,175.01	\$10,429.39
P 148	Construction Inspector Buyer	00	\$7,989.09	\$8,188.82	\$8,393.54	\$8,603.38	\$8,818.46	\$9,038.92	\$9,264.90	\$9,496.52	\$9,733.93	\$9,977.28
		01	\$8,188.82	\$8,393.54	\$8,603.38	\$8,818.46	\$9,038.92	\$9,264.90	\$9,496.52	\$9,733.93	\$9,977.28	\$10,226.71
		02	\$8,388.55	\$8,598.26	\$8,813.22	\$9,033.55	\$9,259.39	\$9,490.87	\$9,728.14	\$9,971.35	\$10,220.63	\$10,476.14
P 152	Chemist II Environ. Compliance Specialist II	00	\$8,345.45	\$8,554.09	\$8,767.94	\$8,987.14	\$9,211.82	\$9,442.11	\$9,678.16	\$9,920.12	\$10,168.12	\$10,422.32
		01	\$8,554.09	\$8,767.94	\$8,987.14	\$9,211.82	\$9,442.11	\$9,678.16	\$9,920.12	\$10,168.12	\$10,422.32	\$10,682.88
		02	\$8,762.72	\$8,981.79	\$9,206.34	\$9,436.49	\$9,672.41	\$9,914.22	\$10,162.07	\$10,416.12	\$10,676.53	\$10,943.44
P 154	Computer Analyst Program Analyst II	00	\$8,748.77	\$8,967.49	\$9,191.68	\$9,421.47	\$9,657.01	\$9,898.44	\$10,145.90	\$10,399.54	\$10,659.53	\$10,926.02
		01	\$8,967.49	\$9,191.68	\$9,421.47	\$9,657.01	\$9,898.44	\$10,145.90	\$10,399.54	\$10,659.53	\$10,926.02	\$11,199.17
		02	\$9,186.21	\$9,415.87	\$9,651.27	\$9,892.55	\$10,139.86	\$10,393.36	\$10,653.19	\$10,919.52	\$11,192.51	\$11,472.32
P 156	Chemist III	00	\$8,762.73	\$8,981.80	\$9,206.35	\$9,436.50	\$9,672.42	\$9,914.23	\$10,162.08	\$10,416.14	\$10,676.54	\$10,943.45
		01	\$8,981.80	\$9,206.35	\$9,436.50	\$9,672.42	\$9,914.23	\$10,162.08	\$10,416.14	\$10,676.54	\$10,943.45	\$11,217.04
		02	\$9,200.87	\$9,430.89	\$9,666.66	\$9,908.33	\$10,156.04	\$10,409.94	\$10,670.19	\$10,936.94	\$11,210.37	\$11,490.62
P 160	Recycled Water Coordinator	00	\$8,857.86	\$9,079.31	\$9,306.29	\$9,538.95	\$9,777.42	\$10,021.86	\$10,272.41	\$10,529.22	\$10,792.45	\$11,062.26
		01	\$9,079.31	\$9,306.29	\$9,538.95	\$9,777.42	\$10,021.86	\$10,272.41	\$10,529.22	\$10,792.45	\$11,062.26	\$11,338.81
		02	\$9,300.76	\$9,533.28	\$9,771.61	\$10,015.90	\$10,266.29	\$10,522.95	\$10,786.03	\$11,055.68	\$11,332.07	\$11,615.37
P 164	Assistant Engineer	00	\$9,379.28	\$9,613.76	\$9,854.10	\$10,100.46	\$10,352.97	\$10,611.79	\$10,877.09	\$11,149.02	\$11,427.74	\$11,713.43
		01	\$9,613.76	\$9,854.10	\$10,100.46	\$10,352.97	\$10,611.79	\$10,877.09	\$11,149.02	\$11,427.74	\$11,713.43	\$12,006.27
		02	\$9,848.24	\$10,094.45	\$10,346.81	\$10,605.48	\$10,870.62	\$11,142.38	\$11,420.94	\$11,706.47	\$11,999.13	\$12,299.11
P 165	Program Analyst III	00	\$9,623.66	\$9,864.25	\$10,110.86	\$10,363.63	\$10,622.72	\$10,888.29	\$11,160.50	\$11,439.51	\$11,725.50	\$12,018.63
		01	\$9,864.25	\$10,110.86	\$10,363.63	\$10,622.72	\$10,888.29	\$11,160.50	\$11,439.51	\$11,725.50	\$12,018.63	\$12,319.10
		02	\$10,104.84	\$10,357.47	\$10,616.40	\$10,881.81	\$11,153.86	\$11,432.70	\$11,718.52	\$12,011.48	\$12,311.77	\$12,619.57
P 170	Operations Supervisor Maintenance Supervisor	00	\$10,408.25	\$10,668.46	\$10,935.17	\$11,208.55	\$11,488.76	\$11,775.98	\$12,070.38	\$12,372.14	\$12,681.45	\$12,998.48
		01	\$10,668.46	\$10,935.17	\$11,208.55	\$11,488.76	\$11,775.98	\$12,070.38	\$12,372.14	\$12,681.45	\$12,998.48	\$13,323.44
		02	\$10,928.67	\$11,201.88	\$11,481.93	\$11,768.98	\$12,063.20	\$12,364.78	\$12,673.90	\$12,990.75	\$13,315.52	\$13,648.41
P 176	Associate Engineer	00	\$10,877.11	\$11,149.03	\$11,427.76	\$11,713.45	\$12,006.29	\$12,306.45	\$12,614.11	\$12,929.46	\$13,252.70	\$13,584.02
		01	\$11,149.03	\$11,427.76	\$11,713.45	\$12,006.29	\$12,306.45	\$12,614.11	\$12,929.46	\$13,252.70	\$13,584.02	\$13,923.62
		02	\$11,420.96	\$11,706.49	\$11,999.15	\$12,299.13	\$12,606.60	\$12,921.77	\$13,244.81	\$13,575.93	\$13,915.33	\$14,263.22

\*Notes: 00 = base range; 01 = base range plus 2.5% longevity adjustment for employees with 10-15 years of service; 02 = base range plus 5% longevity adjustment for employees with 15 or more years of service.

Approved: \_\_\_\_\_ Dr. Sean Wright, Board Secretary Date: \_\_\_\_\_



**DELTA DIABLO SALARY RANGES (Effective July 12, 2020)**  
**Section I - Operations & Maintenance Bargaining Unit**

RANGE	CLASSIFICATIONS	Note	Monthly Salary at Step Level									
			A	B	C	D	E	F	G	H	I	J
OM 120	Utility Laborer	00	\$5,761.83	\$5,905.88	\$6,053.53	\$6,204.87	\$6,359.99	\$6,518.99	\$6,681.96	\$6,849.01	\$7,020.24	\$7,195.74
		01	\$5,905.88	\$6,053.53	\$6,204.87	\$6,359.99	\$6,518.99	\$6,681.96	\$6,849.01	\$7,020.24	\$7,195.74	\$7,375.64
		02	\$6,049.93	\$6,201.17	\$6,356.20	\$6,515.11	\$6,677.99	\$6,844.94	\$7,016.06	\$7,191.46	\$7,371.25	\$7,555.53
OM 124	Maintenance Mechanic Trainee; Maintenance Worker; WWTP Operator-In-Training;	00	\$6,033.21	\$6,184.04	\$6,338.64	\$6,497.11	\$6,659.53	\$6,826.02	\$6,996.67	\$7,171.59	\$7,350.88	\$7,534.65
		01	\$6,184.04	\$6,338.64	\$6,497.11	\$6,659.53	\$6,826.02	\$6,996.67	\$7,171.59	\$7,350.88	\$7,534.65	\$7,723.02
		02	\$6,334.87	\$6,493.24	\$6,655.57	\$6,821.96	\$6,992.51	\$7,167.32	\$7,346.51	\$7,530.17	\$7,718.42	\$7,911.38
OM 126	Electrical/Instrumentation Technician Trainee	00	\$6,197.11	\$6,352.03	\$6,510.83	\$6,673.60	\$6,840.44	\$7,011.46	\$7,186.74	\$7,366.41	\$7,550.57	\$7,739.34
		01	\$6,352.03	\$6,510.83	\$6,673.60	\$6,840.44	\$7,011.46	\$7,186.74	\$7,366.41	\$7,550.57	\$7,739.34	\$7,932.82
		02	\$6,506.96	\$6,669.63	\$6,836.38	\$7,007.28	\$7,182.47	\$7,362.03	\$7,546.08	\$7,734.73	\$7,928.10	\$8,126.30
OM 130	Warehouse Technician I	00	\$6,338.04	\$6,496.49	\$6,658.90	\$6,825.38	\$6,996.01	\$7,170.91	\$7,350.18	\$7,533.94	\$7,722.29	\$7,915.34
		01	\$6,496.49	\$6,658.90	\$6,825.38	\$6,996.01	\$7,170.91	\$7,350.18	\$7,533.94	\$7,722.29	\$7,915.34	\$8,113.23
		02	\$6,654.94	\$6,821.32	\$6,991.85	\$7,166.64	\$7,345.81	\$7,529.46	\$7,717.69	\$7,910.63	\$8,108.40	\$8,311.11
OM 134	Collection Systems Worker I; Maint. Mech. I; WWTP Operator I; Household Hazardous Waste Tech I;	00	\$6,636.54	\$6,802.46	\$6,972.52	\$7,146.83	\$7,325.50	\$7,508.64	\$7,696.36	\$7,888.76	\$8,085.98	\$8,288.13
		01	\$6,802.46	\$6,972.52	\$7,146.83	\$7,325.50	\$7,508.64	\$7,696.36	\$7,888.76	\$8,085.98	\$8,288.13	\$8,495.34
		02	\$6,968.37	\$7,142.58	\$7,321.14	\$7,504.17	\$7,691.78	\$7,884.07	\$8,081.17	\$8,283.20	\$8,490.28	\$8,702.54
OM 140	Electrical/Instrumentation Technician I	00	\$6,816.80	\$6,987.22	\$7,161.90	\$7,340.95	\$7,524.47	\$7,712.59	\$7,905.40	\$8,103.04	\$8,305.61	\$8,513.25
		01	\$6,987.22	\$7,161.90	\$7,340.95	\$7,524.47	\$7,712.59	\$7,905.40	\$8,103.04	\$8,305.61	\$8,513.25	\$8,726.08
		02	\$7,157.64	\$7,336.58	\$7,520.00	\$7,708.00	\$7,900.70	\$8,098.22	\$8,300.67	\$8,508.19	\$8,720.89	\$8,938.91
OM 142	Collection Systems Worker II; Maint. Mech. II; Warehouse Technician II; WWTP Operator II; Household Hazardous Waste Tech. II	00	\$7,300.22	\$7,482.73	\$7,669.80	\$7,861.54	\$8,058.08	\$8,259.53	\$8,466.02	\$8,677.67	\$8,894.61	\$9,116.98
		01	\$7,482.73	\$7,669.80	\$7,861.54	\$8,058.08	\$8,259.53	\$8,466.02	\$8,677.67	\$8,894.61	\$9,116.98	\$9,344.90
		02	\$7,665.23	\$7,856.87	\$8,053.29	\$8,254.62	\$8,460.98	\$8,672.51	\$8,889.32	\$9,111.55	\$9,339.34	\$9,572.83
OM 150	Electrical/Instrumentation Technician II	00	\$7,497.76	\$7,685.20	\$7,877.33	\$8,074.27	\$8,276.12	\$8,483.03	\$8,695.10	\$8,912.48	\$9,135.29	\$9,363.68
		01	\$7,685.20	\$7,877.33	\$8,074.27	\$8,276.12	\$8,483.03	\$8,695.10	\$8,912.48	\$9,135.29	\$9,363.68	\$9,597.77
		02	\$7,872.65	\$8,069.46	\$8,271.20	\$8,477.98	\$8,689.93	\$8,907.18	\$9,129.86	\$9,358.10	\$9,592.06	\$9,831.86
OM 152	Collection Systems Worker III; Maint. Mech. III; WWTP Operator III; Household Hazardous Waste Tech. III;	00	\$8,030.30	\$8,231.06	\$8,436.84	\$8,647.76	\$8,863.95	\$9,085.55	\$9,312.69	\$9,545.51	\$9,784.15	\$10,028.75
		01	\$8,231.06	\$8,436.84	\$8,647.76	\$8,863.95	\$9,085.55	\$9,312.69	\$9,545.51	\$9,784.15	\$10,028.75	\$10,279.47
		02	\$8,431.82	\$8,642.62	\$8,858.68	\$9,080.15	\$9,307.15	\$9,539.83	\$9,778.33	\$10,022.78	\$10,273.35	\$10,530.19
OM 156	Electrical/Instrumentation Technician III Control Systems Specialist	00	\$8,248.35	\$8,454.56	\$8,665.92	\$8,882.57	\$9,104.63	\$9,332.25	\$9,565.55	\$9,804.69	\$10,049.81	\$10,301.05
		01	\$8,454.56	\$8,665.92	\$8,882.57	\$9,104.63	\$9,332.25	\$9,565.55	\$9,804.69	\$10,049.81	\$10,301.05	\$10,558.58
		02	\$8,660.76	\$8,877.28	\$9,099.22	\$9,326.70	\$9,559.86	\$9,798.86	\$10,043.83	\$10,294.93	\$10,552.30	\$10,816.11
OM 158	WWTP Senior Operator	00	\$8,431.80	\$8,642.59	\$8,858.66	\$9,080.13	\$9,307.13	\$9,539.81	\$9,778.30	\$10,022.76	\$10,273.33	\$10,530.16
		01	\$8,642.59	\$8,858.66	\$9,080.13	\$9,307.13	\$9,539.81	\$9,778.30	\$10,022.76	\$10,273.33	\$10,530.16	\$10,793.42
		02	\$8,853.39	\$9,074.72	\$9,301.59	\$9,534.13	\$9,772.48	\$10,016.80	\$10,267.22	\$10,523.90	\$10,786.99	\$11,056.67
OM 160	WWTP Senior Operator - Grade IV/V	00	\$8,684.79	\$8,901.91	\$9,124.46	\$9,352.57	\$9,586.39	\$9,826.05	\$10,071.70	\$10,323.49	\$10,581.58	\$10,846.12
		01	\$8,901.91	\$9,124.46	\$9,352.57	\$9,586.39	\$9,826.05	\$10,071.70	\$10,323.49	\$10,581.58	\$10,846.12	\$11,117.27
		02	\$9,119.03	\$9,347.01	\$9,580.69	\$9,820.20	\$10,065.71	\$10,317.35	\$10,575.28	\$10,839.67	\$11,110.66	\$11,388.42

\*Notes: 00 = base range; 01 = base range plus 2.5% longevity adjustment for employees with 10-15 years of service; 02 = base range plus 5% longevity adjustment for employees with 15 or more years of service.

Approved: \_\_\_\_\_ Dr. Sean Wright, Board Secretary Date: \_\_\_\_\_

**DELTA DIABLO SALARY RANGES (Effective July 12, 2020)**  
**Section V - Part-time and Temporary Classifications**

RANGE	CLASSIFICATIONS	Hourly Salary at Step Level										
		A	B	C	D	E	F	G	H	I	J	
N/A	Co-Op Laboratory	\$15.30	-	-	-	-	-	-	-	-	-	\$18.36
N/A	Co-Op Maintenance	\$15.30	-	-	-	-	-	-	-	-	-	\$18.36
FPRA	Finance Professional/Retired Annuitant	\$66.17	\$67.83	\$69.52	\$71.26	\$73.04	\$74.87	\$76.74	\$78.66	\$80.62	\$82.64	

Approved: \_\_\_\_\_ **Dr. Sean Wright, Board Secretary**

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

**ITEM J**

July 16, 2020

RECEIVE MONTHLY LOBBYIST REPORT DATED JUNE 2020, 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 June 2020, which was produced by KA and distributed to members of the Western Recycled Water Coalition.


Financial Impact

None

Attachment

Monthly Report, June 2020

Reviewed by:



for

Brian Thomas

Engineering Services Director/District Engineer

cc: Project File No. P.90024.06.01





1701 Pennsylvania Avenue  
Washington, D.C. 20006  
(703)340-4666  
[www.keyadvocates.com](http://www.keyadvocates.com)

June 30, 2020

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

### **Infrastructure**

NOTE: House passage expected this week.

The House Democratic Leadership has fashioned a multi-jurisdictional \$1.3T mega infrastructure proposal. See below for highlights and links to Fact Sheet, Section-by-Section, and Bill Text.

Of interest to the Coalition - -

- Alternative Water Source Program - \$600M - see p. 49 of the Section-by-Section and pp.1122-1124 of the Bill Text;
- Clean Water SRF -\$40B (\$8B annually for 5 years) - see p.50 of the Section-by-Section and pp.1132-1133 of the Bill Text;
- Safe Drinking Water SRF - \$4.140B for FY22; \$4.8B for FY23; and \$5.5B for FY 24 and 25 - see p.61 of the Section-by-Section and p.1463 of the Bill Text; and,
- Title 16 WIIN Grants - \$500M - sec p.78 of the Section-by-Section and pp.1781-1783 of the Bill Text.

\$500 billion investment to rebuild and reimagine the nation's transportation

\$130 billion in school infrastructure targeted at high-poverty schools

Addresses structural challenges and upgrades childcare facilities

\$100 billion into our nation's affordable housing infrastructure

\$25 billion for safe drinking water

\$70 billion to modernize energy infrastructure

\$100 billion for affordable high-speed broadband Internet access to all parts of the country

\$30 billion to modernize the health care infrastructure

\$25 billion to modernize and strengthen the Postal Service

Promotes new renewable energy infrastructure

Promotes investments in communities

**Text of the Moving Forward Act is [here](#).**

**A Section by Section is [here](#).**

**A Fact Sheet is [here](#).**

To review, in the Senate Senator Barrasso, Chair of the Environment and Public Works Committee, has said that he wants the Committee's bipartisan FAST Act and WRDA reauthorization bills included in any infrastructure package.

To review, in the Administration the President's FY21 Budget has two major infrastructure components. The first is a \$810 billion, 10-year reauthorization of surface transportation programs. The second is a \$190 billion in investments across a range of infrastructure, as follows:

- **\$60 Billion for a new Building Infrastructure Great grants program:** This “mega-projects” program will focus on delivery of such projects across a range of sectors: surface transportation road, bridge, rail, transit, pipeline, landside port, and intermodal connection capital investments; lock, dam, and canal investments; drinking water and waste treatment capital investments; and energy and broadband capital investments.
- **\$50 billion for a new Moving America's Freight Safely and Efficiently program.** This program will support projects with significant economic, mobility, and safety benefits on our strategic highway, rail, port, and waterway freight networks.
- **\$35 billion for a new Bridge Rebuilding program.** This program will make targeted investments in critical bridge infrastructure to restore them to good condition. \$12 billion will be provided for “off- system” bridges allocated via formula, and \$23 billion will be provided for larger bridges via a competitive process.
- **\$25 billion for a new Revitalizing Rural America program.** This program focuses on the needs and contributions to our economy made by rural communities and helps them deliver broadband, transportation, water, and other infrastructure projects.
- **\$20 billion for a Transit State of Good Repair Sprint program.** The program will focus exclusively on rehabilitating existing transit assets (no new capacity projects).

- **\$6.5 billion for a Public Lands Infrastructure Fund.** This program would address the deferred maintenance backlog in our national parks, forests, wildlife refuges and other public lands, along with Bureau of Indian Education

### **Coalition Projects Bill**

**Status:** Still waiting to hear back from the staff of Senator Hirono regarding the Coalition’s request that the Senator introduce the McNerney projects bill.

To review, on Feb. 26, the Coalition (Jayne, Ironhouse representatives and Key Advocates met with a number of Hill staffers on various issues (all referenced in this report). Two of the meetings were with the staffs of Senator Hirono (D-HI) – Jen Burks and Tiffany Crawford, LA’s - and Senator Schatz (D-HI) – Christine Blackburn and Jake Rascoff, LA’s. The purpose of the meeting was to request that the Senators – either one or both – introduce the companion bill to the McNerney Coalition project bill. At the meetings background information on the Coalition, a copy of the McNerney bill and a request letter from the Hawaii Water Service were provided. Our request was taken under advisement with more interest expressed by the Hirono staffers. A third meeting was held with Dave Chun (LD, Congresswoman Tulsi Gabbard (D-HI-2), a cosponsor of the McNerney bill. A very positive meeting. Chun agreed to contact Burks in support of our request. HR 5302 introduced on Dec. 4 by Congressman McNerney with Reps Gabbard, Swalwell, and Panetta as cosponsors. McNerney press release with Coalition quote.

### **Senate WRDA Bill**

**Status:** Floor action pending.

To review, on May 6, the Senate Environment and Public Works Committee reported two water bills – S. 3591, the “America’s Water Infrastructure Act of 2020” (AWIA) and S. 3590, the “Drinking Water Infrastructure Act of 2020.” The two bills are intended to form the Senate 2020 WRDA bill. There are two bills because of the split jurisdiction in the House - AWIA is a Corps of Engineers/clean water bill which is under the jurisdiction of the House T&I Committee; the Drinking Water bill falls under the jurisdiction of the House Energy and Commerce Committee.

Highlights and thoughts on both bills -

- \$25M for FY 2022-2024 for the Alternative Water Source Grants Program - the DeFazio bill authorizes \$75M for each of 5 fiscal years;
- \$2B in FY 2022, \$2.5B in FY 2023 and \$3B in FY 2024 for the Clean Water SRF (subject to scorekeeping and offsets if necessary) - the DeFazio bill authorizes \$14B over 5 fiscal years;
- Reauthorization and expansion of the Drinking Water Infrastructure Risk and Resiliency Program (\$10M for FY 2022-2024 of the Drinking Water bill), and the creation of a companion \$15M for FY2022-2024 program for clean water systems;
- \$250M for FY 2021-2022 for reauthorization of the Sewer Overflow and Stormwater Reuse Grant Program - the DeFazio bill authorizes \$225M for each of five fiscal years;
- \$50M for WIFIA for FY 2022-2024;

- No authorizations for the Safe Drinking Water SRF as that was re-authorized and increased last Congress;
- No funds for the Title XVI WIIN grant program as that falls under the jurisdiction of the Senate Energy and Natural Resources Committee;

### **House 2020 WRDA**

**Status:** Still waiting on a bill.

Current law expires Sept. 30 of this year. Goal is to re-authorize the program this year to keep it on a two-year cycle. The focus is on the Corps of Engineers – projects and process – although in the past WRDA has been the vehicle for inclusion of other “water” issues of interest.

### **S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”**

**Status:** No word on negotiations for a bipartisan bill.

To review, support by Senator Manchin, Ranking Democrats on the Energy and Natural Resources Committee, of the bipartisan compromise bill is still pending. His issue has to do with stormwater – funding and policy. Before the lockdown, Watts said agreement was reached in concept on funding with policy matters still undecided. The challenge has been how to resolve these given the shelter in place situation. Also, once agreement is reached, a hearing would follow. Those are also challenging. To review, the essence of the compromise is that the Republicans got “more” on the water storage issue in return for the Dems getting “more” on the recycled water issue (\$160M over 5 years).

To review, on June 20 by Senator Cory Gardner (R-CO) with cosponsors Senators Feinstein, McSally (R-AZ), Sinema (D-AZ) and Rosen (D-NV). The bill was referred to the Energy and Natural Resources Committee. McSally is the Chair of its Water and Power Subcommittee. Gardner is a member of the Subcommittee. Feinstein and Sinema are not on the Committee. The bill would authorize for FY19-24 \$670M for surface and groundwater storage projects, \$100M for water recycling projects, and \$60M for desalination projects. It would also create a new loan program at 30-year Treasury rates for water supply projects known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA). The \$150M authorized for the program would make available \$8 to \$12B in lending authority for the low interest loans. The loans would use existing criteria under the WIFIA program, with projects for funding to be recommended by the Bureau of Reclamation, and with the loans to be administered by EPA. The bill would also authorize \$140M for restoration and environmental compliance projects. The bill provides offsets, one of which is a process to de-authorize inactive water recycling projects – projects for which no Federal or sponsor funds were spent on construction in the past 10 years, with an allowance of two and one-half years to spend funds to prevent de-authorization.

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

**Status:** Included in the Democratic mega infrastructure bill.

To review, on Feb.13, Congresswoman Napolitano introduced the bill (with 17 cosponsors, now 27– all Dems) which the Coalition supports. The Coalition supported her bill last Congress. Two changes were made from last year’s version: the EPA grant program was dropped so the focus could be on Title XVI; and, the cap on the Federal share for individual projects was 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.*

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill. On March 11, the Full Committee marked up the bill.

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

**Status:** Bill marked up by House Natural Resources Full Committee on March 11. Floor schedule not yet determined.

To review, introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors. 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. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill.

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

**Status:** Still waiting on Committee bill report. Bill could either go on its own or as part of WRDA. No matter which, she believes that its issues will end up in WRDA conference deliberations. Also, CWSRF and Alternative Water Source Program authorizations included in Democratic mega infrastructure bill.

To review, on March 10 Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 56 cosponsors) which was amended in markup to authorize \$14B over the next five fiscal years for the CWSRF, \$1.125B for overflow and sewer grants, \$1.295B for state water pollution control programs, \$110M for



innovative water grants, and \$150M for alternative water source projects. A Coalition support letter was submitted.

### **Huffman Omnibus Water Bill**

**Status:** Waiting on introduction.

To review, on January 10, Congressman Jared Huffman (D-CA-2), Chair of the Water, Oceans, and Wildlife Subcommittee of the Natural Resources Committee, unveiled a draft for comment of his omnibus water bill, the “FUTURE Drought Resiliency Act,” that includes Cong. Napolitano’s HR. 1162 and a section from Cong Harder’s HR. 2473 (both also included in this monthly report). The Coalition worked with both Members on these two efforts and with the Natural Resources Committee and Cong. Huffman’s personal staff on the omnibus bill.

The included Napolitano language increases from \$50M to \$500M the authorization for Title XVI WIIN grants and from \$20M to \$30M the Federal share.

The included Harder language authorizes \$300M per year for a new “Water Infrastructure and Drought Solutions Fund,” of which \$100M is for ground water storage projects, \$100M for water reclamation and reuse projects, and \$100M for WaterSMART grants. Because it will take years for revenues (they would come from the existing reclamation fund) to reach the \$300M level, the authorizations are for FY2030-2060.

Other provisions in the omnibus -

- \$750M for storage projects
- \$240M for desalination projects
- \$100M for disadvantaged communities without adequate drinking water
- Various technology provisions
- Various ecosystem protection provision

### **Earmarks**

**Status:** No new developments. Continue to monitor in conjunction with the Office of House Majority Leader.

To review, recent reports indicate discussion, and in some cases real interest, in bringing back earmarks. Many House Democrats have voiced support for overturning the current ban on earmarks. Most noticeably is Majority Leader Hoyer who is shopping an earmark return plan that would require for every earmark the recipient be a public, not a private entity, the Member requesting the earmark be identified, the earmark project be located in the Member’s district/state, and the Member acknowledge under penalty that he or she has no vested interest in the earmark project. Transparency and accountability, Hoyer says, are the cornerstones of his proposal. To date, House Republicans are either opposed or silent on the return as are Senate republicans. Senate Democrats support overturning the ban with accompanying stringent rules.

## President's FY21 "Water" Budget

- **Clean Water SRF** - \$1.119B versus \$1.638 for FY20
- **Safe Drinking Water SRF** - \$863.2M versus \$1.126B for FY20
- **Title XVI/WINN** - \$3M versus \$63.6M for FY20
- **WaterSMART grants** - \$7.8M versus \$55M for FY20
- **WIFIA** - \$28M versus \$63M for FY20
- **CALFED** - \$33M versus \$35M for FY20

## WIIN Grants

FY19 awardees still at OMB. The current plan is to apply the FY20 \$20M appropriations to the FY19 awardees – add more to what they would get from FY19 allocations only, transmit to Congress for inclusion in the appropriations bill in the next month or so and then focus on FY21 in late summer or early fall.

## Bill Tracking 116th Congress (2019-2020)

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

### S.40 — **Bureau of Reclamation Transparency Act**

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

### S.611 — **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.1764 — **To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.**

**Sponsor:** Rep. Garamendi, John [D-CA-3] (Introduced 03/14/2019) **Cosponsors:** (8, now 10) **Committees:** House - Transportation and Infrastructure

### H.R.5628 — **Clean Water Allotment Modernization Act**

Sponsor: Rep. Waltz, Michael [R-FL-6] (Introduced 01/16/2020) Cosponsors: (8) Committees: House - Transportation and Infrastructure

### S.3211 — **Clean Water Allotment Modernization Act**

Sponsor: Sen. Rubio, Marco [R-FL] (Introduced 01/16/2020) Cosponsors: (1) Committees: Senate - Environment and Public Works

### S.3160 — **Affordable Safe Drinking Water Act of 2020**

Sponsor: Sen. Warren, Elizabeth [D-MA] (Introduced 01/08/2020) Cosponsors: (1) Committees: Senate - Environment and Public Works

**H.R.5539 — Clean Water Standards for PFAS Act of 2020**

Sponsor: Rep. Pappas, Chris [D-NH-1] (Introduced 01/03/2020) Cosponsors: (13)  
 Committees: House - Transportation and Infrastructure

**H.R.5513 — Affordable Safe Drinking Water Act of 2019**

Sponsor: Rep. Kennedy, Joseph P., III [D-MA-4] (Introduced 12/19/2019) Cosponsors: (8)  
 Committees: House - Energy and Commerce; Transportation and Infrastructure

**H.R.5445 — Critical Infrastructure Act of 2019**

Sponsor: Rep. Stewart, Chris [R-UT-2] (Introduced 12/17/2019) Cosponsors: (6)  
 Committees: House - Natural Resources

**H.R.5361 — Safe Drinking Water Assistance Act of 2019**

Sponsor: Rep. Blunt Rochester, Lisa [D-DE-At Large] (Introduced 12/09/2019) Cosponsors: (1)  
 Committees: House - Energy and Commerce; Science, Space, and Technology

**H.R.4780 — National Infrastructure Investment Corporation Act of 2019**

**Sponsor:** Rep. Carbajal, Salud O. [D-CA-24] (Introduced 10/22/2019) **Cosponsors:** (0)  
**Committees:** House - Transportation and Infrastructure

**H.R.4687 — SMART Infrastructure Act**

Sponsor: Rep. Rouda, Harley [D-CA-48] (Introduced 10/16/2019) **Cosponsors:** (3, now 5)  
 Committees: Transportation and Infrastructure; Science, Space, and Technology; Agriculture; Energy and Commerce

**S.352 — BUILD Act**

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 — Build America Act of 2019**

Sponsor: Rep. Hastings, Alcee L. [D-FL-20] (Introduced 01/03/2019) Cosponsors: (7, now 12)  
 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 — 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 — 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 — RAPID Act**

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)  
Committees: Environment and Public Works This bill revises the transportation infrastructure finance and innovation (TIFIA) program to (1) require program applicants to obtain investment grade ratings from at least two credit rating agencies, unless the federal credit instrument is less than \$150 million (currently, less than \$75 million), in which case one rating will suffice; (2) require the Department of Transportation (DOT) to implement an expedited decision timeline for public agency borrowers seeking secured loans; and (3) require DOT to publish status reports on program applications on the TIFIA website.

**S.403 — IMAGINE Act**

Sponsor: Sen. Whitehouse, Sheldon [D-RI] (Introduced 02/07/2019) Cosponsors: (5, now 7)  
Committees: Environment and Public Works. Encourages the use of innovative construction materials and techniques to accelerate the deployment, extend the service life, improve the performance, and reduce the cost of domestic transportation and water infrastructure projects.

**H.R.228 — 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.880 — 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. This bill limits or repeals certain tax benefits for major integrated oil companies, including (1) the foreign tax credit for companies that are dual capacity taxpayers, (2) the tax deduction for intangible drilling and development costs, (3) the percentage depletion allowance for oil and gas wells, and (4) the tax deduction for qualified tertiary injectant expenses.

The bill modifies the definition of "major integrated oil company" to include certain successors in interest that control more than 50% of the crude oil production or natural gas production of the company. The bill establishes a Transportation Block Grant Fund and appropriates to the fund amounts equal to the increase in revenues as a result of this bill. The funds must be used for making grants under the Surface Transportation Block Grant Program.

**S.1518 — Rebuild America Now Act**

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 05/16/2019) Cosponsors: (4)

Committee: Environment and Public Works. To improve the processes by which environmental documents are prepared and permits and applications are processed and regulated by Federal departments and agencies, and for other purposes.

**H.R.3134 — To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.** Sponsor: Rep. Langevin, James R. [D-RI-2] (Introduced 06/05/2019) Cosponsors: (2) Committee: Transportation and Infrastructure. To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.