

AGENDA

REGULAR BOARD OF DIRECTORS MEETING

DELTA DIABLO

(a California Special District)

2500 Pittsburg-Antioch Highway | Antioch, CA | 94509

WEDNESDAY, FEBRUARY 14, 2018

4:30 P.M.

This meeting will begin immediately following the Special Integrated Financing Corporation Meeting

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

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. CONSENT CALENDAR

- 1) **Approve** Minutes of Regular Board of Directors Meeting, January 10, 2018 (Denise Jones)
- 2) **Approve** District Monthly Check Register, December 2017 (Eka Ekanem)
- 3) **Receive** Notes from Finance Committee Meeting, February 6, 2018 (Denise Jones)
- 4) **Authorize** General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$140,500, Drake Haglan & Associates, Engineering Services, Sodium Bisulfite Tank and Chemical Building Replacement, Project No. 17139 (Ian Bronswick)
- 5) **Authorize** General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$425,000, Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120 (Irene O'Sullivan)
- 6) **Accept** and **Authorize** General Manager to File Notice of Completion, GSE Construction Company, Inc., Primary Clarifier Effluent Pipe and Slide Gate Replacements, Project No. 17121 (Sean Williams)
- 7) **Authorize** General Manager to Execute a Construction Services Contract in an Amount Not to Exceed \$1,044,257, Clyde G. Steagall, Inc.; and **Authorize** General Manager or his Designee to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount, Recycled Water Facility Emergency Backup Generator, Project No. 15126 (Sean Williams)

Note: The District will provide reasonable accommodations for persons with disabilities planning to participate in Board (or committee) meetings who contact the Office Manager/Secretary to the Board at (925) 756-1927 at least 24 hours prior to the scheduled meeting. Note: Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the District to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspection at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal working business hours.



- 8) **Authorize** General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount not to Exceed \$36,000, Collison Engineering, Zeolite-Anammox Pilot, Project No. 17123 (Amanda Roa)
- 9) **Authorize** General Manager to Execute Materials Procurement Contract in an Amount Not to Exceed \$70,166, Alan Pre-Fab Building Corporation; **Authorize** General Manager to Execute Construction Services Contract in an Amount Not to Exceed \$50,000; and **Authorize** General Manager or his Designee to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount, Recycled Water Facility Analyzer Room Installation, Project No. 10187 (Ian Bronswick)
- 10) **Accept** and **Authorize** General Manager to File Notice of Completion, SAK Construction, LLC, Antioch Force Main 102 Repair, Project No. 18122 (Thanh Vo)
- 11) **Accept** and **Authorize** General Manager to File Notice of Completion, GSE Construction Company, Inc., Tower Pump Station Rehabilitation, Project No. 13106 (Thanh Vo)

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

Approve Updated Administrative Handbook Policy No. 3020, *Investment of District Funds* (Carol Margetich)

F. **PRESENTATIONS AND REPORTS:** *The Board may consider and take action on the following:*

East County Bioenergy Project Update (Amanda Roa)

G. **MANAGER'S COMMENTS**

H. **DIRECTORS' COMMENTS**

I. **CORRESPONDENCE**

Receive Monthly Lobbyist Report dated January 2018, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024 (Jayne Strommer)

J. **CLOSED SESSION**

None

K. **ADJOURNMENT**

The next regular monthly meeting will be Wednesday, March 14, 2018 at 4:30 p.m.

Note: The District will provide reasonable accommodations for persons with disabilities planning to participate in Board (or committee) meetings who contact the Office Manager Secretary to the Board at (925) 756-1927 at least 24 hours prior to the scheduled meeting. Note: Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the District to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspection at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal working business hours.



February 14, 2018

APPROVE MINUTES OF REGULAR BOARD OF DIRECTORS MEETING, JANUARY 10, 2018RECOMMENDATION

Approve Minutes of the Regular Board of Directors Meeting of January 10, 2018.

DRAFT**Minutes of the Regular Board of Directors Meeting
DELTA DIABLO
January 10, 2018**

The meeting was called to order by Chair Longmire on Wednesday, January 10, 2018, at 4:44 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Directors Federal Glover and Sean Wright, and Chair D. Pete Longmire. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Mike Bakaldin, Deputy General Manager; Denise Cappucini Jones, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Amanda Roa, Environmental Programs Manager; Jayne Strommer, Government Affairs Manager; Angela Lowrey, Public Information Manager; Thanh Vo, Senior Engineer; Steve Rodriguez, Operations Supervisor; Patricia Chapman, Associate Engineer; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Nick Steiner, Recycled Water Program Coordinator/P&T Bargaining Unit Representative; Cheryl Rhodes Alexander, Human Resources and Risk Manager; and Holland White, Office of Supervisor Federal Glover.

PUBLIC COMMENTS

None

REORGANIZATION OF THE BOARD FOR 2018

Mr. De Lange outlined the recommended traditional rotation of the board positions, committee members, alternates and representatives for 2018, proposed to take effect February 1, 2018.

Director Glover moved approval, seconded by Director Wright, and by unanimous voice vote (*Ayes: Glover, Wright and Longmire; Noes: None; Absent: None*), the Board approved reorganization of the Board and appointment of committee members, alternates and representatives for 2018.

CONSENT CALENDAR

Vice Chair Glover moved approval, seconded by Director Wright, and by unanimous voice vote (*Ayes: Glover, Wright and Longmire; Noes: None; Absent: None*), the Board approved the following Consent Calendar according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, December 13, 2017; Approve District Monthly Check Register, November 2017; Adopt Resolution Commending and Congratulating Ron Bielski, Maintenance Mechanic III (Lead), on his Retirement from the District; Adopt Resolution Updating the District's Records Retention Schedule; and Acting in the Capacity as Lead Agency of the Western Recycled Water Coalition, Authorize General Manager to Execute Amendment No. 3 to Consulting Services Contract in the Amount of \$82,800, for a New Total Contract Amount Not to Exceed \$322,800, Key Advocates, Inc., 2018 Legislative Advocacy Services, Western Recycled Water Coalition, Project No. 90024.



DELIBERATION**Adopt California Environmental Quality Act Mitigated Negative Declaration and Related Findings and Adopt Mitigation Monitoring and Reporting Program, East County Bioenergy Project, Project No. 16117**

Ms. Roa provided an update on the project status. Anaergia is nearing completion of 30% design for preprocessing equipment at the Mt. Diablo Resource Recovery (MDRR) site. Staff is reviewing the financial model and 30% design plans for required plant improvements. The Sidestream Treatment Evaluation is 95% complete, the environmental package for the State Revolving Fund (SRF) loan has been drafted, and approval has been received for a \$500,000 planning grant from the State Water Resources Control Board.

Upcoming activities include review of the financial model framework, feedstock agreement negotiations, solicitation of consultant assistance for design-build contract development, submittal of PG&E interconnection and air permit applications, and adoption of the Initial Study/Mitigated Negative Declaration (IS/MND). She noted that a conservative evaluation scenario is being used to allow design flexibility and potential future expansion. Vice Chair Glover asked if the IS/MND addresses traffic. Ms. Roa responded yes, the IS results show that the project could have a significant effect on the environment, including air quality, due to traffic and biogas combustion without the proposed mitigation measures that were outlined.

The IS/MND was circulated for public comment from October to November 20, 2017, with one comment being received from CalRecycle, which was related to a clarification on expected tons per day. In addition, a verbal question from the Bay Area Air Quality Management District was addressed, but no formal comment letter was received.

Ms. Roa outlined the proposed recommendation, which does not include project approval at this time. Director Wright requested clarification on the truck traffic, asking if additional trucks coming to the District equates to fewer trucks going to another location. Ms. Roa responded yes; however, even though this is a joint project with MDRR, the environmental portion is reported separately, so the reduction is reported on MDRR's end.

Vice Chair Glover recused himself and left the room.

Director Wright moved approval, seconded by Chair Longmire, and by voice vote (Ayes: *Wright and Longmire*; Noes: *None*; Absent: *None*; Abstain: *Glover*) the Board adopted the CEQA Mitigated Negative Declaration and Related Findings and adopted the Mitigation Monitoring and Reporting Program. The recommendation was fully approved as stated in the Docket.

Vice Chair Glover rejoined the meeting.

Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$500,000, Engineering Services, Facility Condition Assessment, Project No. 18121

Mr. Vo reported on the status of the Facility Condition Assessment Project, which was included in last year's Capital Improvement Program. Staff has accelerated this project to ensure that the District is addressing infrastructure renewal and rehabilitation from a proactive rather than reactive position. He provided background on the District's extensive wastewater conveyance system, which was constructed in the late 1970s and early 1980s, and of which there is very limited condition assessment information.



The project includes a multi-phased approach, including inspection, condition assessment, and prioritization based on the assessment. Phase 1 will include the Wastewater Conveyance System, and Phase 2 will address the Treatment Plant. Mr. Vo discussed some of the inspection technologies that will be utilized and the project schedule. It is anticipated that findings will be presented in early 2019. Staff is in the process of evaluating proposals from three firms and anticipates making a decision early next week. If approved, a contract will be awarded to the selected Consultant.

Director Wright moved approval, seconded by Vice Chair Glover, and by unanimous voice vote (Ayes: *Wright, Glover; and Longmire; Noes: None; Absent: None*) the Board authorized the General Manager to execute the Consulting Services Contract with the selected consultant.

PRESENTATIONS AND REPORT

Receive Government Code Section 7507 Actuarial Report from Bartel Associates, LLC

Ms. Rhodes Alexander reported on a proposed change to the retiree healthcare premium subsidy affecting employees hired post-2008. She outlined past Board actions, including contracting with the California Public Employees' Retirement System (CalPERS) in 2008, establishment of the Other Post-Employment Benefits (OPEB) fund, adoption of Memorandum of Understanding Bargaining Unit Side Letter Agreements for employee contributions, and adoption of the Retiree Health Funding Plan. Current post-retirement medical benefits for employees hired pre-2009 and post-2008 were outlined.

Government Code Section 7507 requires government agencies to obtain actuary services when considering changes to post-employment benefits, and the District's report has been prepared by Mr. Joseph D'Onofrio of Bartel Associates, LLC. A table of the Delta Diablo Retiree Healthcare Plan was presented indicating the cost of the proposed change.

Next steps include Board consideration of the General Manager's written acknowledgement of the cost of the change, and adoption of the proposed benefits changes at the March 14, 2018 Board meeting. Mr. D'Onofrio will be present at the March meeting. Director Wright asked for clarification on the difference in cost. Ms. Rhodes Alexander responded that the overall cost is a 1.88% increase. The current annual cost increase is \$41,000.

Director Wright moved approval, seconded by Vice Chair Glover, and by unanimous voice vote (Ayes: *Wright, Glover; and Longmire; Noes: None; Absent: None*) the Board received and filed the report.

MANAGER'S COMMENTS

Mr. De Lange reported on the District's recent regulatory compliance concerns and acknowledged staff who implemented corrective actions individually by name. The District has a 14-year successful compliance record, which is very critical and important to staff. Possible causes will continue to be evaluated.

Mr. De Lange reported that Thanh Vo has been appointed as Acting Engineering Services Director. He acknowledged Deputy General Manager, Mike Bakaldin, who has done an excellent job over the past few months covering that role.



DIRECTOR'S COMMENTS

Director Longmire noted that this is his last meeting as Chair and that it has been an exciting year with several changes to the organization. He is proud, thankful, and impressed with the professionalism of staff and thanked everyone for their hard work.

CORRESPONDENCE

Receive Monthly Federal Report dated December 2017, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

Chair Longmire adjourned the meeting to Closed Session at 5:40 p.m. for the purpose of:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8)

Property: Antioch Pump Station Property Acquisition, Portions of Parcel Nos. 065-050-037 and 065-020-002

Agency Negotiators: Vince De Lange, Thanh Vo

Negotiating Party: City of Antioch

Under Negotiation: Price and Terms of Payment

Chair Longmire reconvened the regular session at 5:49 p.m. stating there was nothing to report out.

ADJOURNMENT

Chair Longmire adjourned the meeting at 5:49 p.m. The next regular meeting of the Board of Directors will be on Wednesday, February 14, 2018, at 4:30 p.m.

D. Pete Longmire
Board Secretary

(Recording Secretary:

Denise Cappucini Jones)



ITEM D/2

February 14, 2018

APPROVE DISTRICT MONTHLY CHECK REGISTER, DECEMBER 2017

RECOMMENDATION

Approve District Monthly Check Register for the month ending December 31, 2017.

Background Information

The Check Register for the month of December 2017 is attached. The Check Register Report reflects payments for one month to the District's suppliers, consultants, service providers, and contractors. A total of 161 checks totaling \$1,556,314.90 were disbursed for December 2017.


Financial Impact

All payments made during the month of December 2017 are within funding levels included in the adopted operating and capital budgets for Fiscal Year 2017/2018.

Attachment

Check Register, Month ending December 31, 2017

Prepared by:



Eka Ekanem
Senior Accountant

Reviewed by:



Carol Margetich
Business Services Director



CHECK REGISTER

DELTA DIABLO

CASH DISBURSEMENTS FOR THE MONTH OF DECEMBER 2017

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
12/7/2017	ACCOUNTING PRINCIPALS, INC.		28664	5,275.20
		41648	1,318.80	O/S TEMP
		41649	1,318.80	O/S TEMP
		41650	1,318.80	O/S TEMP
		41651	1,318.80	O/S TEMP
12/7/2017	ANTIOCH UNIFIED SCHOOL DIST		28665	128.00
		41647	128.00	O/S TEMP
12/7/2017	AT&T		28666	668.04
		41623	668.04	PHONE EXP
12/7/2017	BARTEL ASSOCIATES, LLC		28667	3,500.00
		41458	3,500.00	ACTUARIAL SERVICES
12/7/2017	JASON BOOE		28668	699.17
		41612	524.17	COMPUTER LOAN
		41613	175.00	SAFETY SHOES
12/7/2017	CALTEST ANALYTICAL LABORATORY		28669	2,069.90
		41465	2,069.90	PROVIDE LAB ANALYTICAL FOR NPD
12/7/2017	CHARLES M. SALTER ASSOCIATES INC.		28670	107.46
		41627	107.46	O/S
12/7/2017	CHEMTRADE CHEMICALS US LLC		28671	2,958.48
		41546	2,958.48	ALUMINUM SULFATE
12/7/2017	DARRIN G. STANLEY		28672	3,193.94
		41658	3,193.94	REMOVE ICE PLANT AT COOLING TO
12/7/2017	JOSEPH PETRONIO		28673	510.00
		41659	510.00	CMMS SUPPORT & SERVICES
12/7/2017	FREMONT ANALYTICAL INC.		28674	1,045.00
		41548	1,045.00	DIGESTER GAS ANALYSIS
12/7/2017	CINTAS CORPORATION # 38K		28675	950.52
		41549	205.58	UNIFORM/LAUNDRY SERVICE AGREEM
		41550	342.29	UNIFORM/LAUNDRY SERVICE AGREEM
		41551	382.93	UNIFORM/LAUNDRY SERVICE AGREEM
		41552	19.72	UNIFORM/LAUNDRY SERVICE AGREEM
12/7/2017	JOE GOIS		28676	300.00
		41615	125.00	O/S - OCCUP SAFETY
		41616	175.00	SAFETY SHOES
12/7/2017	GOLDEN GATE PETROLEUM		28677	1,201.91
		41638	1,201.91	BLANKET PO FUEL

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/7/2017	GOLDEN STATE WATER CO.		28678	1,722.41	
		41695	644.27		UTILITIES
		41696	1,078.14		UTILITIES
12/7/2017	GP CRANE & HOIST SERVICES		28679	555.00	
		41665	555.00		CRANE TESTING, SERVICE AND CER
12/7/2017	H & R PLUMBING AND DRAIN CLEANING, INC		28680	9,150.00	
		41669	9,150.00		Manhole Rehab and Coating at 4
12/7/2017	HACH COMPANY		28681	7,870.53	
		41482	7,870.53		AERATION DO PROBES
12/7/2017	KEN GRADY COMPANY		28682	6,158.90	
		41670	6,158.90		RAS FT5502 REPLACEMENT FLOW ME
12/7/2017	LARRY WALKER ASSOCIATES		28683	912.50	
		41671	912.50		REGULATORY ASSISTANCE & LOCAL
12/7/2017	MANAGED HEALTH NETWORK		28684	433.35	
		41642	433.35		EAP
12/7/2017	MDRR PITTSBURG		28685	2,369.50	
		41699	567.15		WASTE
		41700	1,802.35		WASTE
12/7/2017	NELSON STAFFING		28686	744.00	
		41631	744.00		O/S TEMP
12/7/2017	OAKLEYS PEST CONTROL		28687	145.00	
		41574	145.00		STOP GAP PEST CONTROL SERVICES
12/7/2017	PACIFIC GAS & ELECTRIC COMPANY		28688	26,485.65	
		41632	26,485.65		UTILITIES
12/7/2017	PRECISION DESIGN		28689	355.08	
		41463	355.08		DESIGN AND PRINTING
12/7/2017	PUBLIC EMPLOYEES UNION		28690	1,517.07	
		3163330	1,517.07		UNION DUES P&T
12/7/2017	PUBLIC EMPLOYEES UNION		28691	4,263.42	
		3163230	4,263.42		UNION DUES O&M
12/7/2017	PURSUIT NORTH		28692	4,278.56	
		41672	4,278.56		FORD F250 (#74) INSTALL SAFET
12/7/2017	RAIN FOR RENT		28693	1,071.93	
		41639	1,071.93		PROVIDE BI-LEVEL TANK PN 14116
12/7/2017	REBUILD-IT SERVICES GROUP, LLC		28694	28,800.86	
		41657	28,800.86		#4 PRIMARY CLARIFIER GEAR BOX
12/7/2017	RES ENVIRONMENTAL SERVICES		28695	4,542.68	
		41674	4,542.68		2 VACUUM TRUCKS FOR WATER REMO
12/7/2017	SCHAAF & WHEELER, CONSULTING CIVIL EI		28696	18,436.54	
		41634	18,436.54		DESIGN FOR PUMP STATION FACILI

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/7/2017	TAC AMERICAS, INC.		28697	7,532.30	
		41676	1,506.46	1,506.46	POC HVAC SYSTEM SERVICE AGREEM
		41677	1,506.46	1,506.46	POC HVAC SYSTEM SERVICE AGREEM
		41678	1,506.46	1,506.46	POC HVAC SYSTEM SERVICE AGREEM
		41679	1,506.46	1,506.46	POC HVAC SYSTEM SERVICE AGREEM
		41680	1,506.46	1,506.46	POC HVAC SYSTEM SERVICE AGREEM
12/7/2017	STANDARD INSURANCE COMPANY		28698	4,434.75	
		41643	4,434.75	4,434.75	LIFE INSURANCE
12/7/2017	CA STATE DISBURSEMENT UNIT		28699	750.00	
		CS9648246	750.00	750.00	GARNISHMENT
12/7/2017	SUBTRONIC CORP.		28700	1,472.50	
		41689	1,472.50	1,472.50	LOACATE DISTRICT UTILITIES WAS
12/7/2017	SYSTEM 1 STAFFING		28701	2,760.00	
		41633	2,760.00	2,760.00	O/S TEMP
12/7/2017	UNIQUE SCAFFOLD		28702	277.70	
		41691	277.70	277.70	PRIMARY CLARIFIER #4 SCAFFOLDI
12/7/2017	UNIVAR USA INC		28703	14,270.22	
		41483	2,275.60	2,275.60	SODIUM HYPOCHLORITE
		41484	4,385.08	4,385.08	SODIUM BISULFITE
		41587	5,334.45	5,334.45	SODIUM BISULFITE
		41588	2,275.09	2,275.09	SODIUM HYPOCHLORITE
12/7/2017	VERIZON WIRELESS		28704	2,538.04	
		41637	2,538.04	2,538.04	PHONE EXP
12/7/2017	VINCENT ELECTRIC MOTOR		28705	1,952.50	
		41692	1,952.50	1,952.50	BHPS P613 MOTOR
12/7/2017	VISION SERVICE PLAN		28706	1,993.51	
		41644	38.20	38.20	VISION COBRA INS
		41645	1,955.31	1,955.31	VISION INS
12/7/2017	WOODARD & CURRAN INC.		28707	9,491.53	
		41592	9,491.53	9,491.53	SRF APPLICATION ASST HEADWORKS
12/14/2017	ACCOUNTING PRINCIPALS, INC.		28708	1,318.80	
		41744	1,318.80	1,318.80	O/S TEMP
12/14/2017	CITY OF ANTIOCH- WATER		28709	10,094.25	
		41734	122.23	122.23	UTILITIES
		41750	1,145.15	1,145.15	UTILITIES
		41751	109.60	109.60	UTILITIES
		41752	8,372.03	8,372.03	UTILITIES
		41753	115.08	115.08	UTILITIES
		41754	115.08	115.08	UTILITIES
		41755	115.08	115.08	UTILITIES

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/14/2017	CALIFORNIA WATER TECHNOLOGIES, L.L.C.		28710	4,285.65	
		41624	4,285.65		FERROUS CHLORIDE
12/14/2017	CALTEST ANALYTICAL LABORATORY		28711	1,641.60	
		41603	307.80		PROVIDE LAB ANALYTICAL FOR NPD
		41604	65.70		PROVIDE LAB ANALYTICAL FOR NPD
		41605	652.50		PROVIDE LAB ANALYTICAL FOR NPD
		41704	307.80		PROVIDE LAB ANALYTICAL FOR NPD
		41705	307.80		PROVIDE LAB ANALYTICAL FOR NPD
12/14/2017	CHEMTRADE CHEMICALS US LLC		28712	2,820.02	
		41652	2,820.02		ALUMINUM SULFATE
12/14/2017	CITY NATIONAL BANK		28713	66,592.96	
		41614	66,592.96		LOAN PAYABLE
12/14/2017	COMCAST BUSINESS COMMUNICATIONS, LI		28714	1,074.26	
		41735	1,074.26		PHONE EXP
12/14/2017	CONCENTRA/OCCUPATIONAL HEALTH CENT		28715	45.00	
		41736	45.00		OCCUP SAFETY
12/14/2017	CONTRACT SWEEPING SERVICES		28716	54,688.82	
		41747	27,810.96		STREET SWEEPING SERVICES ANTIO
		41748	26,877.86		STREET SWEEPING SERVICES ANTIO
12/14/2017	CORELOGIC INFORMATION SOLUTIONS, INC		28717	225.00	
		41732	225.00		REALQUEST PROPERTY INFORMATION
12/14/2017	HSBC BUSINESS SOLUTIONS-COSTCO		28718	139.80	
		41729	139.80		E/R
12/14/2017	CUSTOM COFFEE PLAN		28719	468.55	
		41543	260.27		COFFEE SERVICE PLAN
		41545	208.28		COFFEE SERVICE PLAN
12/14/2017	DEPT OF GENERAL SERVICES		28720	11,130.04	
		41706	11,130.04		UTILITIES
12/14/2017	CINTAS CORPORATION # 38K		28721	1,208.01	
		41553	304.39		UNIFORM/LAUNDRY SERVICE AGREEM
		41554	363.98		UNIFORM/LAUNDRY SERVICE AGREEM
		41555	19.72		UNIFORM/LAUNDRY SERVICE AGREEM
		41707	519.92		UNIFORM/LAUNDRY SERVICE AGREEM
12/14/2017	HACH COMPANY		28722	4,011.53	
		41618	4,011.53		INVENTORY
12/14/2017	MARY HARVEY		28723	199.74	
		41641	199.74		T&M
12/14/2017	IN SHAPE HEALTH CLUBS		28724	1,144.00	
		41743	1,144.00		GYM
12/14/2017	LARRY WALKER ASSOCIATES		28725	3,961.25	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		41721	3,961.25	REGULATORY ASSISTANCE & LOCAL
12/14/2017	LEGAL SHIELD		28726	173.55
		41762	173.55	LEGAL MEMB
12/14/2017	MCCAMPBELL ANALYTICAL, INC.		28727	4,730.00
		41708	4,730.00	LAB ANALYTICAL SERVICES FOR PR
12/14/2017	MSC INDUSTRIAL SUPPLY CO. INC.		28728	635.95
		41572	635.95	INVENTORY
12/14/2017	NV5 INC.		28729	13,887.00
		41597	13,887.00	RWF EMERGENCY BACKUP GENERATOR
12/14/2017	OAKLEYS PEST CONTROL		28730	1,130.00
		41573	815.00	STOP GAP PEST CONTROL SERVICES
		41575	315.00	STOP GAP PEST CONTROL SERVICES
12/14/2017	PACIFIC GAS & ELECTRIC COMPANY		28731	74,584.03
		41757	37,970.68	UTILITIES
		41758	36,613.35	UTILITIES
12/14/2017	PAN PACIFIC SUPPLY CO.		28732	1,898.58
		41673	1,898.58	RWF NEW 155 SEAL
12/14/2017	POLYDYNE INC		28733	31,401.56
		41606	31,401.56	DRY POLYMER
12/14/2017	PRAXAIR, INC.		28734	860.48
		41709	430.24	PRAXAIR MONTHLY RENTALS
		41710	430.24	PRAXAIR MONTHLY RENTALS
12/14/2017	REPUBLIC SERVICES #210		28735	5,547.61
		41759	4,630.03	WASTE
		41760	917.58	WASTE
12/14/2017	ROTO ROOTER SEWER SERVICE		28736	366.98
		41711	366.98	EMERGENCY SERVICES AS NEEDED
12/14/2017	SCHAAF & WHEELER, CONSULTING CIVIL EI		28737	14,600.00
		41761	14,600.00	DESIGN FOR PUMP STATION FACILI
12/14/2017	STATE OF CALIFORNIA, ENERGY RESOURCI		28738	26,957.81
		41617	26,957.81	2015 CEC LOAN PAYABLE
12/14/2017	STERICYCLE ENVIRONMENTAL SOLUTIONS		28739	9,978.08
		41701	9,978.08	TRANS/DISPOSAL/LABOR FOR HHW F
12/14/2017	SYNAGRO WEST, LLC		28740	42,497.68
		41607	42,497.68	BIOSOLIDS HAULING
12/14/2017	SYSTEM 1 STAFFING		28741	2,940.00
		41745	2,940.00	O/S TEMP
12/14/2017	TURBO MACHINERY, INC		28742	8,996.02
		41712	8,996.02	PEERLESS PUMP MODIFICATION (R
12/14/2017	UNIVAR USA INC		28743	10,015.69

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		41589		2,274.09	SODIUM HYPOCHLORITE
		41590		5,466.00	SODIUM BISULFITE
		41591		2,275.60	SODIUM HYPOCHLORITE
12/14/2017	WEST YOST & ASSOCIATES		28744	16,486.50	
		41725		16,486.50	PRELIM PLANS & ANALYSIS PN 171
12/14/2017	ERIC WISE		28745	132.18	
		41716		132.18	T&M
12/21/2017	ACCOUNTING PRINCIPALS, INC.		28746	1,318.80	
		41764		1,318.80	O/S TEMP
12/21/2017	SCOT ALLISON CAMPBELL		28747	1,829.62	
		41807		1,829.62	IMPCO 600D THROTTLE BODY
12/21/2017	MARTHA G. BRONITSKY		28748	175.00	
		2486351		175.00	GARNISHMENT
12/21/2017	CALIFORNIA WATER TECHNOLOGIES, L.L.C.		28749	4,391.29	
		41625		4,391.29	FERROUS CHLORIDE
12/21/2017	CALTEST ANALYTICAL LABORATORY		28750	1,301.40	
		41626		1,301.40	PROVIDE LAB ANALYTICAL FOR NPD
12/21/2017	CLASS C SOLUTIONS GROUP/		28751	827.44	
		41808		827.44	OPERATING STOCK
12/21/2017	CONTRA COSTA WATER DISTRICT		28752	202.79	
		41770		202.79	UTILITIES
12/21/2017	DARRIN G. STANLEY		28753	27,971.78	
		41782		3,234.00	EMER - REPAIR 24" ANTIOCH FORC
		41783		1,880.00	EMER - REPAIR 24" ANTIOCH FORC
		41784		9,671.78	EMER - REPAIR 24" ANTIOCH FORC
		41785		9,730.75	EMER - REPAIR 24" ANTIOCH FORC
		41786		3,455.25	EMER - REPAIR 24" ANTIOCH FORC
12/21/2017	DATCO		28754	104.00	
		41737		104.00	O/S
12/21/2017	DIABLO WATER DISTRICT		28755	274.82	
		41771		274.82	UTILITIES
12/21/2017	EVOQUA WATER TECHNOLOGIES, LLC		28756	650.12	
		41653		650.12	DI WATER FOR LABORATORY
12/21/2017	FLYERS ENERGY LLC		28757	8,901.64	
		41661		8,901.64	MOBIL PEGASUS 805
12/21/2017	MICHAEL CRAMBLIT FOSTER		28758	2,120.57	
		41823		2,120.57	INVENTORY
12/21/2017	GSE CONSTRUCTION CO., INC.		28759	104,706.81	
		41663		104,706.81	PRIMARY CLARIFIER EFFLUENT PIP
12/21/2017	MARY HARVEY		28760	39.42	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		41774		39.42	T&M
12/21/2017	MCMaster CARR SUPPLY CO		28761		474.32
		41825		474.32	INVENTORY
12/21/2017	NICK MUCHMORE		28762		950.00
		41730		600.00	TRAINING COST REIMB
		41776		350.00	M&D
12/21/2017	VICTOR NICOLE OLAN		28763		1,700.00
		41777		1,700.00	FIT & WELD 24" BUTTSTRAPS AFM
12/21/2017	NWN CORPORATION		28764		3,832.53
		41778		3,832.53	PHONE EXP
12/21/2017	PACIFIC GAS & ELECTRIC COMPANY		28765		438.77
		41780		373.01	UTILITIES
		41781		65.76	UTILITIES
12/21/2017	ABEL PALACIO		28766		4,701.79
		41779		4,701.79	RETIREE MED
12/21/2017	R & B COMPANY		28767		1,947.93
		41722		1,500.00	AFM 102 REPAIR - PIPE MATERIAL
		41723		447.93	AFM 102 REPAIR - PIPE MATERIAL
12/21/2017	RAIN FOR RENT		28768		682.08
		41640		682.08	PROVIDE BI-LEVEL TANK PN 14116
12/21/2017	CHERYL RHODES ALEXANDER		28769		421.95
		41822		421.95	T&M
12/21/2017	SHAPE PRODUCTS COMPANY		28770		3,105.83
		41654		3,105.83	INVENTORY
12/21/2017	CA STATE DISBURSEMENT UNIT		28771		750.00
		CS9648247		750.00	GARNISHMENT
12/21/2017	STATE WATER RESOURCES		28772		318,832.10
		41622		318,832.10	LOAN PAYABLE
12/21/2017	JAYNE STROMMER		28773		160.71
		41795		160.71	T&M
12/21/2017	SURFACE PREPARATIONS SOLUTIONS, INC.		28774		426.21
		41621		426.21	PROVIDE LAB ANALYTICAL FOR NPD
12/21/2017	SYSTEM 1 STAFFING		28775		4,548.75
		41796		4,548.75	O/S TEMP
12/21/2017	UNIQUE SCAFFOLD		28776		829.73
		41713		829.73	PRIMARY CLARIFIER #4 SCAFFOLDI
12/21/2017	UNIVAR USA INC		28777		7,622.68
		41655		5,321.30	SODIUM BISULFITE
		41714		2,301.38	SODIUM HYPOCHLORITE
12/21/2017	US POSTAL SERVICE-NEOPOST		28778		1,500.00

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		41804	1,500.00	POSTAGE
12/21/2017	V.W. HOUSEN & ASSOCIATES, INC.		28779	1,694.80
		41724	1,694.80	PSFR ENGINEERING SERVICES
12/28/2017	BANNER BANK		28780	6,169.89
		41727	6,169.89	RETENTION
12/28/2017	BARNETT MEDICAL SERVICES, LLC		28781	741.00
		41693	741.00	TRANSPORTATION AND DISPOSAL OF
12/28/2017	BARTEL ASSOCIATES, LLC		28782	2,605.00
		41733	2,605.00	ACTUARIAL SERVICES
12/28/2017	CALTEST ANALYTICAL LABORATORY		28783	455.40
		41656	455.40	PROVIDE LAB ANALYTICAL FOR NPD
12/28/2017	REGINA CARTWRIGHT-MORALES		28784	55.00
		41860	55.00	MED REIMB
12/28/2017	CDW GOVERNMENT, INC.		28785	19,783.00
		41719	19,783.00	OFFICE 365 RENEWAL
12/28/2017	CHEMTRADE CHEMICALS US LLC		28786	2,975.49
		41818	2,975.49	ALUMINUM SULFATE
12/28/2017	FRED CIAPUSCI		28787	153.37
		41861	52.46	MED REIMB
		41862	74.36	MED REIMB
		41863	26.55	MED REIMB
12/28/2017	COMCAST BUSINESS COMMUNICATIONS, LI		28788	537.13
		41875	537.13	UTILITIES
12/28/2017	DARRIN G. STANLEY		28789	63,730.09
		41787	17,573.94	EMER - REPAIR 24" ANTIOCH FORC
		41788	8,860.05	EMER - REPAIR 24" ANTIOCH FORC
		41789	7,494.00	EMER - REPAIR 24" ANTIOCH FORC
		41790	5,148.00	EMER - REPAIR 24" ANTIOCH FORC
		41791	17,227.11	EMER - REPAIR 24" ANTIOCH FORC
		41792	7,426.99	EMER - REPAIR 24" ANTIOCH FORC
12/28/2017	DEPT OF GENERAL SERVICES		28790	13,073.08
		41878	13,073.08	UTILITIES
12/28/2017	DIGITAL ENGINEERING SYSTEMS CORPORA		28791	3,051.15
		41720	3,051.15	COLORTRAC SCANNER MAINTENANCE
12/28/2017	DISCOVERY BENEFITS, INC.		28792	115.50
		41738	115.50	FSA
12/28/2017	ENTERPRISE RENT A CAR GOV 43-1514861		28793	45.97
		41660	45.97	T&M
12/28/2017	CITY OF FOSTER CITY		28794	250.00
		41718	250.00	AD

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/28/2017	MICHAEL CRAMBLIT FOSTER		28795	2,074.01	
		41662	2,074.01	2.5" CLA-VAL	
12/28/2017	FRONTIER ANALYTICAL LABORATORY		28796	1,700.00	
		41739	1,700.00	ANALYTICAL LAB TESTING IN SUPP	
12/28/2017	CINTAS CORPORATION # 38K		28797	744.94	
		41666	323.34	UNIFORM/LAUNDRY SERVICE AGREEM	
		41667	401.88	UNIFORM/LAUNDRY SERVICE AGREEM	
		41668	19.72	UNIFORM/LAUNDRY SERVICE AGREEM	
12/28/2017	GURMUKH SINGH GREWAL		28798	44.00	
		41864	44.00	MED REIMB	
12/28/2017	HDR ENGINEERING, INC.		28799	7,999.55	
		41879	7,999.55	HDR TASK ORDER NO. 1 - SIDESTR	
12/28/2017	HERWIT ENGINEERING		28800	5,750.00	
		41628	5,750.00	PO FOR HERWIT CONTRACT	
12/28/2017	JEFF IMACHI		28801	231.34	
		41865	144.34	MED REIMB	
		41866	87.00	MED REIMB	
12/28/2017	INDUSTRIAL ASSOC OF C.C.C./THE		28802	700.00	
		41880	700.00	M&D	
12/28/2017	INTERACTIVE RESOURCES INC.		28803	21,867.50	
		41775	21,867.50	ROOF REPLACEMENT DESIGN - PN 1	
12/28/2017	JAC INDUSTRIAL TECHNOLOGIES, LLC		28804	1,416.06	
		41824	1,416.06	INVENTORY	
12/28/2017	JOHN MUIR HEALTH		28805	761.25	
		41728	761.25	Service Agreement - Wellness P	
12/28/2017	KEY ADVOCATES INC.		28806	9,000.00	
		41629	9,000.00	FEDERAL ADVOCACY WRWC PN 90024	
12/28/2017	KRUGER, INC		28807	6,560.06	
		41756	6,560.06	MICROSAND	
12/28/2017	LEE & RO, INC.		28808	5,671.00	
		41697	5,671.00	ELECTRICAL PREDESIGN SERVICES	
12/28/2017	LINDE, INC.		28809	527.44	
		41698	527.44	LIQUID OXYGEN	
12/28/2017	JACQUELINE MCDUFFIE		28810	375.54	
		41883	375.54	T&M	
12/28/2017	MEYERS NAVE		28811	5,705.64	
		41717	5,705.64	LEGAL	
12/28/2017	SUE THOMASON		28812	265.00	
		41630	265.00	INDOOR PLANT MAINTENANCE	
12/28/2017	MOTION INDUSTRIES INC.		28813	555.11	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		41884	555.11	INVENTORY
12/28/2017	NELSON STAFFING		28814	1,080.00
		41888	1,080.00	O/S TEMP
12/28/2017	LEONARD M. POMPA		28815	214.67
		41867	137.67	MED REIMB
		41868	77.00	MED REIMB
12/28/2017	SCHAAF & WHEELER, CONSULTING CIVIL EI		28816	8,947.50
		41742	8,947.50	DESIGN FOR PUMP STATION FACILI
12/28/2017	STEVE P RADOS INC.		28817	117,228.05
		41726	117,228.05	PROVIDE CONSTRUCTION SERVICES
12/28/2017	SWRCB-FEES		28818	89,367.50
		41798	11,195.00	PERMIT
		41799	4,699.00	PERMIT
		41800	1,252.50	PERMIT
		41801	72,221.00	PERMIT
12/28/2017	SYSTEM 1 STAFFING		28819	4,387.50
		41890	4,387.50	O/S TEMP
12/28/2017	TRI-VALLEY JANITORIAL SERVICE & SUPPL'		28820	6,666.00
		41690	6,666.00	JANITORIAL SERVICES
12/28/2017	STACY TUCKER		28821	120.00
		41869	120.00	MED REIMB
12/28/2017	UNIVAR USA INC		28822	8,928.19
		41635	2,274.09	SODIUM HYPOCHLORITE
		41636	2,275.60	SODIUM HYPOCHLORITE
		41715	4,378.50	SODIUM BISULFITE
12/28/2017	V.W. HOUSEN & ASSOCIATES, INC.		28823	1,462.00
		41702	1,462.00	TPS REHABILITATION - ESDC
12/28/2017	JASON WONG		28824	25.67
		41870	25.67	MED REIMB
	GRAND TOTAL			<u>1,556,314.90</u>

ITEM D/3

February 14, 2018

RECEIVE NOTES FROM FINANCE COMMITTEE MEETING, FEBRUARY 6, 2018

RECOMMENDATION

Note receipt and file.

Background Information

The Finance Committee Chair and Personnel Committee Chair are appointed every January by the Board of Directors. Committee meetings are held on an as-needed basis and are attended by the Committee Chair and members of staff.

Analysis

Committee meeting notes are provided as an informational report at regular Board Meetings as part of the Consent Calendar.

Financial Impact

None

Attachment

Finance Committee Meeting Notes, February 6, 2018

Signature:



Denise Cappucini Jones, Office Manager/Secretary to the Board



MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

DELTA DIABLO

(a California Special District)

Plant Operations Center Conference Room
2600 Pittsburg-Antioch Highway
Pittsburg, California

TUESDAY, FEBRUARY 6, 2018
1:00 P.M.

The meeting was called to order by Committee Chair D. Pete Longmire on Tuesday, February 6, 2018, at 1:02 p.m. in the Plant Operations Center Conference Room of Delta Diablo, 2600 Pittsburg-Antioch Highway, Pittsburg, CA. Also present were Vince De Lange, General Manager; Carol Margetich, Business Services Director; and Denise Cappucini Jones, Office Manager/Secretary to the Board.

PUBLIC COMMENTS

None

REVIEW AND COMMENT ON PROPOSED MODIFICATIONS TO ADMINISTRATIVE HANDBOOK POLICY NO. 3020, INVESTMENT OF DISTRICT FUNDS

Ms. Margetich reported on the annual review of the District's investment policy. She outlined the objectives and diversification of the policy and the District's total investments of \$45.1 million, of which \$5.0 million is managed by the District's investment advisor, PFM Asset Management (PFM). The District's current return on investment exceeds the Local Agency Investment Fund (LAIF) and is comparable to six-month Treasury Bills. Investments are conservative and very liquid.

PFM reviewed the District's policy and determined that no legal changes are required based on Government Code. Staff is proposing language revisions to improve clarity in key sections, as well as the addition of Joint Powers Authorities (JPAs) as an allowable investment, and a glossary. Ms. Margetich outlined the current authorized investment instruments.

Chair Longmire requested that staff's report to the full Board provide clear bullet points that show reserve funds and an explanation of how current reserves compare to the District's fund reserve policy. He asked that staff research fiscal reserve fund policies and fund designations. Ms. Margetich will follow-up.

Ms. Margetich reported that the last policy update was March 2014. Staff will be reviewing the investment portfolio with PFM again in the next few months, once the new Finance Manager is onboard.

Chair Longmire thanked Ms. Margetich for the report and recommended the item be brought to the full Board.

ADJOURNMENT

With no further business to come before the Finance Committee, the meeting was adjourned at 1:15 p.m.

(Recording Secretary:
Denise Cappucini Jones)



February 14, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$140,500, DRAKE HAGLAN & ASSOCIATES, ENGINEERING SERVICES, SODIUM BISULFITE TANK AND CHEMICAL BUILDING REPLACEMENT, PROJECT NO. 17139

RECOMMENDATION

Authorize General Manager to execute Consulting Services Contract with Drake Haglan & Associates in an amount not to exceed \$140,500 for engineering services for the Sodium Bisulfite Tank and Chemical Building Replacement Project.

Background Information

The Sodium Bisulfite Tank and Chemical Building Canopy Replacement Project is included in the adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program. This project involves the replacement of two existing chemical storage tanks and chemical feed piping that have reached the end of their service life. The project also allocates funding to assess the condition of the existing Chemical Building Canopy structure to determine what repair and/or replacement work may be necessary to extend its service life.

Analysis

In December 2017, the District issued a competitive Request for Proposals (RFP) to solicit interested, qualified engineering consultants to provide engineering design services for the project. In response to the RFP, the District received proposals from Drake Haglan & Associates, Herwit Engineers, and Trident Engineering on January 12, 2018. A committee consisting of Operations, Maintenance, and Engineering departments evaluated the proposals and identified Drake Haglan & Associates as the best qualified consultant for the project. The proposed project team has extensive experience with chemical tank design and building rehabilitation. It is recommended that the Board authorize the General Manager to execute a Consulting Services Contract to provide engineering design services for the Sodium Bisulfite Tank and Chemical Building Replacement Project. A summary of the project scope and cost estimate is provided as an attachment.

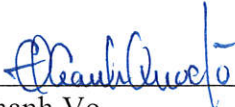
Financial Impact

The adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program Wastewater Capital Asset Replacement Fund includes an appropriation of \$500,000 through Fiscal Year 2017/2018 with an overall project budget of \$500,000 for the Sodium Bisulfite Tank and Chemical Building Replacement Project. The estimated cost for this design scope of work is \$140,500. There is sufficient budget to cover this work.

Attachment

Scope and Cost Estimate Summary

Prepared by: 
Ian Bronswick
Assistant Engineer

Reviewed by: 
Thanh Vo
Acting Engineering Services Director

cc: Project File No. P.17139.09.02



SCOPE AND COST ESTIMATE SUMMARY

Project: Sodium Bisulfite Tank and Chemical Building Replacement Project, Project No. 17139

Consultant: Drake Haglan & Associates

Scope of Work Items:

Estimated Cost:

TASK 1 – PROJECT MANAGEMENT	\$ 36,000.00
TASK 2 – DESIGN	
1. Design (50%, 90%, and Final)	\$ 81,100.00
TASK 3 – BID PHASE SERVICES	\$ 8,400.00
TASK 4 – OPTIONAL SERVICES (As Directed by Staff)	\$ 15,000.00
TOTAL CONTRACT COST	\$ 140,500.00

February 14, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$425,000, ENGINEERING SERVICES, TREATMENT PLANT ELECTRICAL SWITCHGEAR REPLACEMENT, PROJECT NO. 17120

RECOMMENDATION

Authorize General Manager to execute Consulting Services Contract in an amount not to exceed \$425,000 for engineering services for the Treatment Plant Electrical Switchgear Replacement Project.

Background Information

The Treatment Plant Electrical Switchgear Replacement Project is included in the adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program. This project includes design and construction of new electrical switchgear to replace the existing main electrical switchgear. The existing switchgear was constructed and placed into operation in 1982. It is over 30 years old and has reached the end its useful life and capacity. It is the only system available for distributing utility, cogeneration, and standby emergency power to all 17 load distribution centers at the District’s Wastewater Treatment Plant, Treatment Plant office building, and Household Hazardous Waste Collection Facility.

Analysis

The existing main electrical switchgear is considered high risk due to its age along with the recent history of control system failures. This project has been designated as a priority in the current fiscal year, because of the significance of the switchgear and the time required to complete design, permitting, and construction.

In December 2017, staff issued a request for proposals to firms with experience in evaluating and designing electrical switchgears. Proposals were received from Lee & Ro and Drake Haglan & Associates on January 16, 2018. Because staff is currently completing the consultant selection process and this is a high priority project, it is recommended that the Board grant the General Manager advanced authority to execute a Consulting Services Contract in an amount up to \$425,000 for completion of design documents, California Environmental Quality Act (CEQA) documentation preparation, permitting, and cost estimating services for this project. The selected firm will provide all engineering services necessary to complete a detailed design effort to specify the switchgear equipment, interconnection plan, and siting and housing. The final product will comprise specifications and plans issued for public works construction bids.

Financial Impact

The adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program Wastewater Capital Asset Replacement Fund includes an appropriation of \$1.3 million through Fiscal Year 2017/2018 with an overall project budget of \$3.7 million for the Treatment Plant Electrical Switchgear Replacement Project. The estimated cost for this design scope of work is \$425,000. There is sufficient budget to cover this work.

Attachments

Scope of Work and Cost Estimate Summary

Prepared by: I/O Irene O’Sullivan
Associate Engineer

Reviewed by: Thanh Vo Thanh Vo
Acting Engineering Services Director

cc: District File No. 17120.01.01



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

SCOPE OF WORK SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED COST</u>
<u>Projected Expenses:</u>	
<i>Base Scope of Work:</i>	
Project management controls	\$35,000
Background investigation and preliminary assessment	\$21,000
Design work	\$217,000
*Switchgear evaluation and selection	
*50%, 75%, 100% design documents	
*Bid-level documents	
California Environmental Quality Act (CEQA)	\$17,000
Regulatory Agency and Permits Coordination	\$40,000
Cost Estimating	\$22,000
Implementation plan w/safety plan and schedule	\$34,000
 <i>Subtotal for Base Scope of Work</i>	 <i>\$386,000</i>
 <i>District As Needed Task:</i>	
As-Needed Services (10%)*	\$38,600
<hr/>	
<i>GRAND TOTAL (ROUNDED)</i>	<i>\$425,000</i>

*This task requires additional approval in writing from District staff, prior to initiation and prior to billing by the Consultant.

February 14, 2018

ACCEPT AND AUTHORIZE GENERAL MANAGER TO FILE NOTICE OF COMPLETION, GSE CONSTRUCTION COMPANY, INC., PRIMARY CLARIFIER EFFLUENT PIPE AND SLIDE GATE REPLACEMENTS, PROJECT NO. 17121

RECOMMENDATION

Accept the Primary Clarifier Effluent Pipe and Slide Gate Replacements Project as complete and authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.

Background Information

In May 2017, the Board approved award of the agreement for construction of the subject project to GSE Construction Company, Inc. (GSE) in the amount of \$437,800. The construction work primarily included replacing and rehabilitating four 30-inch primary clarifier effluent pipes and four slide gate valves. These critical components were nearly 30 years old and exhibited significant corrosion, especially in the facility's discharge piping. The Notice to Proceed for the project was issued on June 14, 2017 and construction commenced in July 2017.

Analysis

GSE has completed construction of the Primary Clarifier Effluent Pipe and Slide Gate Replacements Project. The work has been inspected and found to meet all District requirements. Staff recommends full acceptance of the project by the Board of Directors. Additionally, staff recommends that the Board authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.

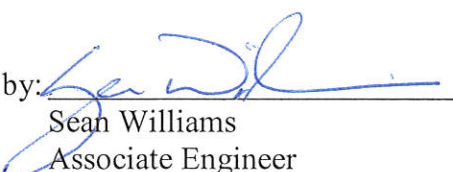
As provided for under California Civil Code Section 3093, filing the Notice of Completion will provide notification to subcontractors, vendors, and suppliers of the completion of work, and will require such parties to submit any claims within thirty (30) days of the notice. Presently, there are no pending claims and staff is not aware of any unresolved issues that could lead to a claim on this project.


Financial Impact

The adopted Fiscal Year 2016/2017 – 2020/2021 Capital Improvement Program Wastewater Capital Asset Replacement Fund includes an appropriation of \$650,000 through Fiscal Year 2017/2018, with an overall project budget of \$650,000, for the Primary Clarifier Effluent Pipe and Slide Gate Replacements Project. In May 2017, the Board authorized the General Manager to execute a Construction Services Agreement with GSE in the amount of \$437,800, plus an additional 10% in contingency for change orders, for a total authorization of \$481,580. The final contract amount, including change orders, is \$442,198. The total project cost is \$630,325. Unused funds will be returned to the Wastewater Capital Asset Replacement Fund Reserves.

Attachments

Notice of Completion

Prepared by: 
Sean Williams
Associate Engineer

Reviewed by: 
Thanh Vo
Acting Engineering Services Director

cc: Project File No. P.17121.11.04



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 9th day of January 2018, there was completed upon the hereinafter-described real property a work of improvement as a whole known as PRIMARY CLARIFIER EFFLUENT PIPE AND SLIDE GATE REPLACEMENTS, PROJECT NO. 17121.
4. The name of the original contractor for the work of improvement as a whole was GSE Construction Company, Inc., Livermore, CA.
5. The real property herein referred to is situated in the City of Antioch, County of Contra Costa, State of California, and described as follows:

2500 Pittsburg-Antioch Highway

DELTA DIABLO
(Owner)

By:
Vince 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 February 15, 2018, at Antioch, California. I declare under penalty of perjury that the foregoing is true and correct.

Vince De Lange
General Manager

February 14, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE A CONSTRUCTION SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$1,044,257, CLYDE G. STEAGALL, INC.; AND AUTHORIZE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE CONTRACT CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF CONTRACT AMOUNT, RECYCLED WATER FACILITY EMERGENCY BACKUP GENERATOR, PROJECT NO. 15126

RECOMMENDATION

1. Authorize the General Manager to execute a Construction Services Contract with Clyde G. Steagall, Inc. in an amount not to exceed \$1,044,257 for the Recycled Water Facility (RWF) Emergency Backup Generator Project.
2. Authorize the General Manager or his Designee to approve construction change orders up to 10% of the contract amount, for a total authorization of \$1,148,683.

Background Information

The RWF Emergency Backup Generator Project is included in the adopted Fiscal Year 2016/2017 – 2020/2021 Capital Improvement Program. This project includes installation of a new standby diesel generator to ensure ongoing RWF operation during power outages and improve operational flexibility to meet peak recycled water demands within the District’s service area.

The final design for the updated project was completed in December 2017 and the project was advertised for bids on December 21, 2017. A pre-bid meeting and site visit was held for contractors to thoroughly review the project requirements and site conditions. Bids were publicly opened on January 29, 2018.

The 2013 Recycled Water Master Plan recommendations included the scope for this project and has addressed the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) environmental review process. The Board adopted the project Mitigated Negative Declaration on November 13, 2013, and subsequently, staff filed a Notice of Determination with the County Clerk.

Analysis

Five bids were received for the project, as shown in the attached Bid Summary. The apparent low bid was submitted by Clyde G. Steagall, Inc. with a base bid amount of \$1,006,530. Additionally, an additive bid item to construct restroom fixtures and their utility connections was included for consideration. The intent of this item is to address the lack of toilet facilities at the RWF if the cost is reasonable. The low bidder’s price for the additive bid items is \$37,727. Staff has reviewed the proposed additive bid item, and has found that its inclusion will provide further enhancement of the project at a good value.

Staff recommends that the Board authorize the General Manager to execute a Construction Services Agreement with Clyde G. Steagall, Inc. for the Base Bid and Additive Bid Item 1A in the amount of \$1,044,257. In addition, staff requests that the Board authorize the General Manager or his Designee to execute change orders up to 10% of the original contract amount to account for potential changes, for total contract authorization of \$1,148,683.


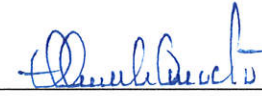
Financial Impact

The adopted Fiscal Year 2016/2017 – 2020/2021 Capital Improvement Program Recycled Water Capital Asset Fund includes an appropriation of \$1.4 million through Fiscal Year 2017/2018 with an overall



project budget of \$1.4 million for the RWF Emergency Back-Up Generator Project. The District has secured a United States Bureau of Reclamation WaterSMART Water and Energy Efficiency Grant in the amount of \$296,959 and State of California, Department of Water Resources, Proposition 84 Grant in the amount of \$309,341 to reimburse design and construction expenditures. No additional funding is requested at this time.

Attachment
Bid Summary

Prepared by:  Reviewed by: 
Sean Williams
Associate Engineer
Thanh Vo
Acting Engineering Services Director

cc: Project File No. P.15126.09.02



DELTA DIABLO
RWF EMERGENCY BACKUP GENERATOR
PROJECT NO. 15126

Bid Opening: Monday, January 29, 2018

BID SUMMARY

<u>BIDDER</u>	<u>BASE BID AMOUNT</u>
<u>*Clyde G. Steagall, Inc.</u>	<u>\$1,006,530.00</u>
<u>GEMS Environmental Management Services, Inc.</u>	<u>\$1,073,810.44</u>
<u>Pacific Infrastructure Corp.</u>	<u>\$1,166,000.00</u>
<u>DMZ Builders</u>	<u>\$1,395,000.00</u>
<u>Blocka Construction, Inc.</u>	<u>\$1,692,000.00</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

* Lowest responsible and responsive bidder

February 14, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$36,000, COLLISON ENGINEERING, ZEOLITE-ANAMMOX PILOT, PROJECT NO. 17123

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 1 to the Consulting Services Contract with Collison Engineering for six months of additional pilot testing in an amount not to exceed \$36,000, for a new total contract amount not to exceed \$186,000.

Background Information

Over the last few years, there has been increased regulatory focus regarding the impacts of nutrient (i.e., nitrogen and phosphorus) loading on the health of San Francisco Bay and Sacramento-San Joaquin River Delta. Consequently, the District has taken various actions to plan for potential regulatory requirements to address the potential negative impacts of nutrient over-enrichment. These actions include the creation of a sewer service charge component to fund future treatment upgrades, the formation of the Advanced Treatment Reserve Fund, and the inclusion of several Capital Improvement Program projects to improve nutrient management.

Additionally, high recycled water nutrient levels have caused problems in the cooling towers at the two power plants that receive recycled water from the District. These problems adversely affect Calpine's ability to meet cooling tower water discharge limits to the District, which requires significant additional effort by the District to comply with treatment plant final effluent limits. Removal of nutrients from recycled water is in the long-term best interest of both Calpine and the District to optimize recycled water use and cooling tower operation.

Analysis

On April 13, 2016, the Board approved a contract with Collison Engineering to pilot test an innovative nitrogen removal technology known as Zeolite-Anammox (Z-A), which has the potential to reduce the capital and operating costs for nutrient removal by up to half, as compared to conventional technologies. The pilot scope includes testing the Z-A system on treatment plant centrate (i.e., the sidestream flow that results from biosolids dewatering), as well as recycled water. The cost for design, fabrication, operation, and maintenance of the two pilot systems was \$150,000 with an approximate project duration of one year. As shown in Attachment 2, Calpine agreed to pay a 50% share of the project costs.

Because of several delays affecting startup, operation of the pilots did not begin until late September 2016. Because Z-A is a biological process, the delay affected the project schedule because bacteria grow faster during warmer weather and missing most of the summer extended the time required for bacteria to grow to the levels needed for full treatment. While current results are promising, additional time is needed to achieve the nitrogen removal levels expected from the pilot.

Based on progress on the East County Bioenergy Project and the likelihood that a different technology will be used for treatment of centrate, staff is recommending discontinuation of the centrate pilot. Staff recommends a six-month extension of the recycled water pilot at a cost of \$36,000 on a time and material basis. Staff will request that Calpine share in the additional costs.



Financial Impact

The adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program Advanced Treatment Fund includes an appropriation of \$200,000 through Fiscal Year 2017/2018, with an overall project budget of \$300,000, for the Nutrient Technology Research and Innovation Project. There is sufficient budget to cover the additional cost for extending the recycled water pilot another six months. This project offers the potential for a future cost-effective advanced treatment project and is consistent with the purpose of the Advanced Treatment Reserve Fund.

Attachments

- 1) Scope and Cost Estimate Summary – Collison Engineering
- 2) Letter dated April 7, 2016, Calpine Costs Share Letter

Prepared by: *Amanda Roa*
Amanda Roa
Environmental Programs Manager

Reviewed by: *Thanh Vo*
Thanh Vo
Acting Engineering Services Director

cc: Rob Collison, Collison Engineering
District File No. P.17123.01.01



SCOPE AND COST ESTIMATE SUMMARY

Project: Zeolite-Anammox Pilot Project

Consultant: Collison Engineering

Scope of Work Items:

Estimated Cost:

ORIGINAL CONTRACT	
TASK 1 – PILOT PLANT DESIGN & FABRICATION	
Labor, material, equipment and costs associated with coordination, design, construction, transport, commissioning and decommissioning of 2 pilot plants	
Lump Sum Subtotal	\$66,000.00
TASK 2 – PILOT PLANT OPERATION	
Site visits, monitoring, maintenance, coordination and evaluation of pilot plants (520 hours @ \$150/hr)	
Time & Material Subtotal	\$78,000.00
TASK 3 – FINAL REPORT	
Prepare draft report, address comments, produce final report (40 hours @ \$150/hr)	
Time & Material Subtotal	\$6,000.00
Original Contract Subtotal	\$150,000.00
AMENDMENT	
Task 2 – PILOT PLANT OPERATION	
Extend the operation of the water reuse pilot for an additional 6 months (240 hours @ \$150/hr)	
Time & Material Subtotal	\$36,000.00
Amendment Subtotal	\$36,000.00
TOTAL CONTRACT	
TOTAL CONTRACT COST	\$186,000.00



CALPINE CORPORATION

ROBERT PARKER
Vice President
4160 Dublin Blvd.
Suite 100
Dublin, California 94568
925-557-2259

April 7, 2016

Delta Diablo
fka Delta Diablo Sanitation District
Attn: Gary Darling
2500 Pittsburg-Antioch Hwy
Antioch, CA 94509

Re: Zeolite Anammox De-Ammonification Pilot Study

Dear Gary:

I appreciate Delta Diablo's continued efforts to work with Los Medanos Energy Center, LLC and Delta Energy Center, LLC (collectively, "Calpine") to come to a mutually acceptable resolution with respect to the blowdown issues that the parties have been discussing over the past several months. To that end, and pursuant to our recent discussions, this letter will confirm the agreement of Calpine to reimburse Delta Diablo for 50% of the costs incurred by Delta Diablo (up to no more than \$75,000) for work performed by its contractor, Collision Engineering, in the performance of a zeolite anammox de-ammonification pilot study.

Upon completion of the work, please deliver an invoice setting forth the amounts payable, together with an explanation setting forth in reasonable detail the basis on which such amounts were calculated to the following address:

Dale Donmoyer
General Manager, Delta Projects
Delta Energy Center
P.O. Box 551
Pittsburg, CA 94565-0055

If you have any questions, please do not hesitate to contact me.

Sincerely,

Robert Parker
Vice President, West Region

cc: Dale Donmoyer, Delta Energy Center

February 14, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE MATERIALS PROCUREMENT CONTRACT IN AN AMOUNT NOT TO EXCEED \$70,166, ALAN PRE-FAB BUILDING CORPORATION; AUTHORIZE GENERAL MANAGER TO EXECUTE CONSTRUCTION SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$50,000; AND AUTHORIZE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE CONTRACT CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF CONTRACT AMOUNT, RECYCLED WATER FACILITY ANALYZER ROOM INSTALLATION, PROJECT NO. 10187

RECOMMENDATION

- 1) Authorize General Manager to execute Materials Procurement Contract with Alan Pre-Fab Building Corporation in an amount not to exceed \$70,166 for the purchase of a new modular building.
- 2) Authorize General Manager to execute Construction Services Contract in an amount not to exceed \$50,000.
- 3) Authorize General Manager or his Designee to approve construction change orders not to exceed 10% of contract amount, for a total contract authorization of \$55,000.

Background Information

The Analyzer Room Installation Project is included in the adopted Fiscal Year 2017/18 – 2021/22 Capital Improvement Program. This project includes replacing the existing analyzer building with a new modular building at the District's Recycled Water Facility. The existing analyzer building was previously an office trailer that was refurbished to provide a controlled environment for staff to conduct sampling of treated wastewater and recycled water to ensure compliance with the District's Recycled Water Monitoring Program and Title 22 Water Quality Requirements. It is over 25 years old and has reached the end of its useful life.

Analysis

In October 2017, the District solicited bids from interested building manufacturers to provide a new modular building for the project. In response to the request, the District received five bids on November 30, 2017. A summary of the bids is attached. The low bid was submitted by Alan Pre-Fab Building Corporation (Alan Building) in the amount of \$70,166, which is \$12,166 more than the engineer's cost estimate of \$58,000. The additional cost above the engineer's estimate is attributed to the current bidding environment for this type of custom building work. No unusual circumstances were discovered based on a detailed review of the submitted bid documents. It is recommended that the Board authorize the General Manager to execute a Materials Procurement Contract with Alan Building in an amount not to exceed \$70,166 to purchase the modular building for the project.

The District also requested proposals for the installation of the new modular building but did not receive any bids. To ensure the work is completed in the upcoming construction season, staff anticipates using an on-call contractor to install the new modular building. Staff recommends that the Board provide advance authorization for the General Manager to execute a Construction Services Contract in an amount not to exceed \$50,000. This authority enables staff to issue a Notice to Proceed as soon as practical after quotations are received. In addition, to account for potential changes due to unforeseen project conditions, it is also recommended that the Board authorize the General Manager or his Designee to execute change orders in an amount not to exceed 10% of the construction contract amount, for a total contract authorization of \$55,000.





Financial Impact

The adopted Fiscal Year 2017/2018 – 2021/2022 Capital Improvement Program Recycled Water Capital Asset Fund includes an appropriation of \$150,000 through Fiscal Year 2017/2018 with an overall of project budget of \$150,000 for the Analyzer Room Installation Project. The total authority requested, including change orders, is in an amount not to exceed \$125,166. Sufficient funding is available within the project budget.

Attachments

Bid Summary

Prepared by: 
Ian Bronswick
Assistant Engineer

Reviewed by: 
Thanh Vo
Acting Engineering Services Director

cc: Project File No. 17120.01.03



DELTA DIABLO
RWF ANALYZER ROOM INSTALLATION
PROJECT NO. 10187

Bid Opening: Thursday, November 30, 2017

BID SUMMARY

<u>BIDDER</u>	<u>BID AMOUNT</u>
<u>*Alan Pre-Fab Building Corporation</u>	<u>\$70,166.00</u>
<u>Atlas Performance Industries, Inc.</u>	<u>\$71,312.80</u>
<u>Pacific Mobile Structures, Inc.</u>	<u>\$82,906.00</u>
<u>Design Space Modular Buildings</u>	<u>\$92,146.00</u>
<u>Guardian Booth, LCC</u>	<u>\$129,991.90</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

* Lowest responsible and responsive bidder

February 14, 2018

ACCEPT AND AUTHORIZE GENERAL MANAGER TO FILE NOTICE OF COMPLETION, SAK CONSTRUCTION, LLC, ANTIOCH FORCE MAIN 102 REPAIR, PROJECT NO. 18122

RECOMMENDATION

Accept the Antioch Force Main (AFM) 102 Repair Project as complete and authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.

Background Information

On September 9, 2017, a portion of AFM 102, near the District's wastewater treatment plant, failed due to severe corrosion rendering the force main inoperable. In response to this incident, the Board adopted a resolution in October 2017 declaring that public interest and necessity demand immediate expenditure of public money to repair the unanticipated structural failure of AFM 102 to safeguard life, health, and property, without submitting the expenditure to bid, in accordance with Public Contract Code Section 20788. Additionally, the Board also provided advance authorization for the General Manager to execute materials procurement and construction services contracts to complete the repair of AFM 102.

In October 2017, staff initiated efforts to procure necessary materials and contracting services with SAK Construction, LLC (SAK) to complete the repair work. The primary scope of work consisted of closed-circuit television inspection and rehabilitation of approximately 1,600 lineal feet of 24-inch sanitary sewer force main. Construction for the project commenced in early November 2017. By early December 2017, service to AFM 102 was fully restored.

Analysis

SAK has completed construction of the AFM 102 Repair Project. The work has been inspected and found to meet all District requirements. Staff recommends full acceptance of the project by the Board of Directors. Additionally, staff recommends that the Board authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.


As provided for under California Civil Code Section 3093, filing the Notice of Completion 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 on this project.

Financial Impact

In October 2017, the Board authorized the General Manager to establish the AFM 102 Repair Project within the Wastewater Capital Asset Replacement Fund and appropriated \$1 million to the project budget. SAK's final contract amount, including change orders, is \$682,750. The total project cost is \$858,779. Unused funds will be returned to the Wastewater Capital Asset Replacement Fund Reserves.

Attachments

Notice of Completion

Prepared by: 
Thanh Vo
Acting Engineering Services Director

Reviewed by: 
Mike Bakaldin
Deputy General Manager

cc: Project File No. P.13106.11.04



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 14th day of February 2018, there was completed upon the hereinafter-described real property a work of improvement as a whole known as ANTIOCH FORCE MAIN 102 REPAIR, PROJECT NO. 18122.
4. The name of the original contractor for the work of improvement as a whole was SAK Construction, LLC in St. Louis, MO.
5. The real property herein referred to is situated in the City of Antioch, County of Contra Costa, State of California, and described as follows:

The Antioch conveyance system on Pittsburg-Antioch Highway in Antioch, CA.

DELTA DIABLO
(Owner)

By: _____
Vince 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 February 15, 2018, at Antioch, California. I declare under penalty of perjury that the foregoing is true and correct.

Vince De Lange
General Manager

February 14, 2018

ACCEPT AND AUTHORIZE GENERAL MANAGER TO FILE NOTICE OF COMPLETION,
GSE CONSTRUCTION COMPANY, INC., TOWER PUMP STATION REHABILITATION,
PROJECT NO. 13106

RECOMMENDATION

Accept the Tower Pump Station Rehabilitation Project as complete and authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.

Background Information

The Tower Pump Station (TPS) Rehabilitation Project was initiated by the District to rehabilitate and replace TPS components that have reached the end of their useful life. The primary scope of work consisted of removing and replacing the existing discharge piping and rehabilitating the wetwell. In October 2015, the Board authorized the General Manager to execute a Consulting Services Contract with HDR, Inc. to provide design services and prepare plans and specifications for the project. The final design for the project was completed and advertised for bids in January 2016. Bids were publicly opened on February 25, 2016. The lowest responsive bid was submitted by GSE Construction Company, Inc. (GSE) in the amount of \$1,075,556. In April 2016, the District awarded a construction contract to GSE and construction commenced.

Analysis

GSE has completed construction of the TPS Rehabilitation Project. The work has been inspected and found to meet all District requirements. Staff recommends full acceptance of the project by the Board of Directors. Additionally, staff recommends that the Board authorize the General Manager to file a Notice of Completion with the Contra Costa County Recorder's Office.


As provided for under California Civil Code Section 3093, filing the Notice of Completion 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 on this project.

Financial Impact

The adopted Fiscal Year 2016/2017 – 2020/2021 Capital Improvement Program Wastewater Capital Asset Replacement Fund includes an appropriation of \$3.1 million through Fiscal Year 2017/2018 with an overall project budget of \$3.1 million for the TPS Rehabilitation Project. In March 2016, the Board authorized the General Manager to execute a Construction Services Contract with GSE in the amount of \$1,075,556, plus an additional 10% in contingency for change orders, for a total authorization of \$1,183,112. The final contract amount, including change orders, is \$1,070,604. The total project cost is \$2,060,018. Unused funds will be returned to the Wastewater Capital Asset Replacement Fund Reserves.

Attachments

Notice of Completion

Prepared by: 
Thanh Vo
Acting Engineering Services Director

Reviewed by: 
Mike Bakaldin
Deputy General Manager

cc: Project File No. P.13106.11.04



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 14th day of February 2018, there was completed upon the hereinafter-described real property a work of improvement as a whole known as TOWER PUMP STATION REHABILITATION, PROJECT NO. 13106.
4. The name of the original contractor for the work of improvement as a whole was GSE Construction Company, Inc., Livermore, CA.
5. The real property herein referred to is situated in the City of Antioch, County of Contra Costa, State of California, and described as follows:

2500 Pittsburg-Antioch Highway

DELTA DIABLO
(Owner)

By: _____
Vince 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 February 15, 2018, at Antioch, California. I declare under penalty of perjury that the foregoing is true and correct.

Vince De Lange
General Manager

February 14, 2018

APPROVE UPDATED ADMINISTRATIVE HANDBOOK POLICY NO. 3020, INVESTMENT OF DISTRICT FUNDSRECOMMENDATION

Approve updated Administrative Handbook Policy No. 3020, *Investment of District Funds*.

Background Information

The District's current Investment Policy (Policy) was adopted on March 12, 2014, based on staff recommended clarifications to further define allowable investments and the qualifications for investment brokers and dealers with whom the District does business. The District's investment advisor, PFM Asset Management (PFM), also reviewed the policy, as it does each year, to assure that it continues to meet legal requirements and best practices for the management of public funds.

Consideration by the Board of Directors is required by state law if any changes are proposed to the District's policy. Additionally, when there are proposed changes, a meeting with the Finance Committee to review and comment on the Policy is necessary. However, the Delta Diablo Board of Directors annually reviews the Policy at a public meeting even if there are no proposed changes to ensure full transparency of the Policy to the public. The following outlines the legal criteria for a review.

Government Code Section 53646(a)(2): In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

The Policy states that all District funds governed by the Policy will be invested in accordance with the California Government Code and the District's Investment Policy. The primary objectives of the policy, in priority order, are: safety of principal invested, sufficient liquidity to meet ongoing cash flow requirements, and a return on investment exceeding the State of California's Local Agency Investment Fund (LAIF) and comparable to the six-month Treasury return within the constraints of the preceding two objectives.

The policy also calls for diversification of the District's investment portfolio to minimize investment risks. Authorized instruments include: U.S. Treasuries, Federal Agency Securities, Bonds issued by the State of California or Any Local Agency, Banker's Acceptances, Commercial Paper, U.S. Corporate Debt, Negotiable Certificates of Deposit (CDs), LAIF, Local Government Investment Pools (LGIP), Joint Powers Authorities (JPAs), insured savings account or money market accounts, and Money Market Mutual Funds. Bonds, Commercial Paper, and Corporate debt are also subject to having very high credit ratings from one or more rating agencies.

Analysis

Staff is proposing a number of minor changes to the Policy this year for various reasons summarized below. The existing and proposed language is shown in Attachment 1 in "track changes" format with the "clean" version provided as Attachment 2. PFM reviewed and assisted in drafting the policy to assure that it met legal requirements, as well as best practices for the management of government



funds. PFM has advised the District that the policy is in compliance with the sections of the California Government Code that govern the investment of public funds.

Summary of Changes

- Minor changes were made to bring additional clarity to the “Introduction” section and the “Scope” section.
- Minor changes were made to ensure that the rating language was consistent across the policy.
- Within the “Negotiable CDs” section, deleted the last sentence in the first paragraph because that language is applicable to Bank CDs and is not relevant to negotiable CDs.
- In the “LAIF” section of the policy, the District lists a maximum investment limit of \$40 million dollar permitted in LAIF. The dollar amount reference was removed and now simply states that the District may invest up to the maximum permitted by LAIF. This language allows the District greater flexibility and will not require future updates to the Policy should the maximum LAIF limit change.
- Under “Authorized Investments”, added JPAs as an allowable investment. This increases the liquidity and diversification profile of the District’s portfolio and is in-line with the District’s three primary objectives for safety, liquidity, and return on investment.
- In the “Money Market Mutual Funds” section, removed the last section of the paragraph to create additional flexibility in the selection of money market mutual funds that the District can invest in.
- A glossary was added (Section 3020.14).

The proposed revisions to the policy were discussed with the Finance Committee at its meeting of February 6, 2018, and the Committee recommended that the Policy be brought to the Board of Directors for consideration.

Financial Impact

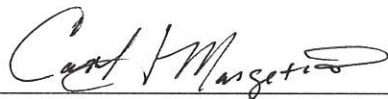
The District’s target rate of return specified in the Investment Policy for assets under the management of PFM is the Merrill Lynch 1-3 Year Government Index, which is not proposed to change. The remaining District funds are invested in LAIF, which ensures a rate of return while maintaining sufficient liquidity to meet the District’s ongoing cash flow requirements. Interest income in the Wastewater Operations and Maintenance, Capital Asset, and Capital Asset Replacement funds are applied to costs that otherwise would be paid by Sewer Service Charges.

Attachment

Proposed Investment Policy - Mark-Up

Proposed Investment Policy - Clean

Signature:



Carol S. Margetich, Business Services Director

cc: District File FIN.12-REP-



Delta Diablo

ADMINISTRATIVE POLICY HANDBOOK

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 3020
PROCEDURE: N/A
DATE ADOPTED: ~~March 12, 2014~~ February 14, 2018 (*Supersedes 12/9/09*) ~~Mary Rocha,~~
~~Alternate 3/12/14)~~ D. Pete Longmire
Board Secretary

3020.1 Introduction

~~Member and Secretary (for
Wade Harper, Secretary)~~

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

~~3020.1 Introduction~~

The investment policies and practices of the 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 ~~and, Sections 53600 through 53659,~~ the ~~District's Investment Policy-~~authority governing investments for the District of public funds.

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 basis related to allowed investments. ~~Excluded funds include: Retirement Funds; Long Term Debt Funds~~

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 ~~will~~shall be invested in ~~securities permitted by~~accordance with investment objectives of this ~~Policy-~~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 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 exceeding the Local Agency Investment Fund (LAIF) and 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 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. -The 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 to 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 § 1090 et seq. and the California Political Reform Act (California Government Code § 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 advisor 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 re-certification of having read and agreeing to abide by the District's investment policy.

3020.8 Investments

California Government Code § 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 rating service.

3020.8.4 Banker's Acceptances. Banker's acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of banker's 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 nationally recognized rating service. -Investments in banker's acceptances are further limited to 40% of the District's investment portfolio with no more than 30% invested in the banker's acceptances of any one commercial bank.

3020.8.5 Commercial Paper. Commercial paper rated in the highest category by one or more nationally recognized statistical rating organization (NRSRO). -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). -(C) Has debt other than commercial paper, if any, that is rated "A" 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. -(C) Has commercial paper that is rated "A-1" and/or "P-1" or higher, or ~~theits~~ equivalent, or higher by a nationally recognized statistical-rating organization (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% 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 "AA" or its equivalent or better by a nationally recognized rating service.

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. -All purchases must be fully insured by the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) or fully collateralized.

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 State of California's Local Agency Investment Fund (LAIF). The District may invest in LAIF. -Investment in each LAIF account may not exceed -\$ 40 million or the current approved maximum deposit allowed by LAIF.

3020.8.9 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 nationally recognized rating service. -Participation in such a pool shall be consistent with the objectives stated as part of this policy.

~~3020.8.10~~**3020.8.10** Shares of beneficial interest issued by a joint powers authority. 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 joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

3020.8.10.1 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).

3020.8.11 Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code § 53561. The District, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

~~3020.8.11~~**3020.8.12**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.) that invest solely in U.S. treasuries, obligations of the U.S. Treasury, and repurchase agreements relating to such treasury obligations.

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 nationally recognized rating services. (2) Retained an investment adviser registered or exempt from registration with the ~~Securities~~securities and ~~Exchange Commission~~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% of surplus funds.

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 so as 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% 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, (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 section 53646(b) of the Government Code. -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's 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 advisor if it chooses one.

The only exception 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 shall 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.

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: Joint Powers Authority Pools (JPAs) are local government investment pools comprised of at least two entities and accredited by the California Joint Powers Authority (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 advisor that meets all of the following criteria: (1) the advisor is registered or exempt from registration with the Securities and Exchange Commission, (2) the advisor has not less than five years of experience investing in the securities and obligations in Section 53601, subdivisions (a) to (n), and (3) the advisor has assets under management in excess of five hundred million dollars (\$500,000,000).

CAMP (the California Asset Management Program), for instance, provides 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.

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.

Delta Diablo

ADMINISTRATIVE POLICY HANDBOOK

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 3020
PROCEDURE: N/A
DATE ADOPTED: February 14, 2018 (*Supersedes 3/12/14*)

D. Pete Longmire
Board Secretary

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 to organize and formalize investment-related activities.

The investment policies and practices of the 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 basis 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 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.

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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 exceeding the Local Agency Investment Fund (LAIF) and 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 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.

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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.

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

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Authorized Instruments

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- 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 rating service.
- 3020.8.4** Banker's Acceptances. Banker's acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of banker's 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 nationally recognized rating service. Investments in banker's acceptances are further limited to 40% of the District's investment portfolio with no more than 30% invested in the banker's acceptances of any one commercial bank.
- 3020.8.5** Commercial Paper. Commercial paper rated in the highest category by one or more nationally recognized statistical rating organization (NRSRO). 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). (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. (C) Has commercial paper that is rated "A-1" and/or "P-1" or its equivalent or higher by a nationally recognized statistical-rating organization (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% 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 "AA" or its equivalent or better by a nationally recognized rating service.

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 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.

3020.8.9 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 nationally recognized rating service. Participation in such a pool shall be consistent with the objectives stated as part of this policy.

3020.8.10 Shares of beneficial interest issued by a joint powers authority. 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 joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

3020.8.10.1 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).

3020.8.11 Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code § 53561. The District, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

3020.8.12 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 nationally recognized rating services. (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% of surplus funds.

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 so as 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% 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, (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 section 53646(b) of the Government Code. 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's 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 advisor if it chooses one.

The only exception 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 shall 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 of 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.

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: Joint Powers Authority Pools (JPAs) are local government investment pools comprised of at least two entities and accredited by the California Joint Powers Authority (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 advisor that meets all of the following criteria: (1) the advisor is registered or exempt from registration with the Securities and Exchange Commission, (2) the advisor has not less than five years of experience investing in the securities and obligations in Section 53601, subdivisions (a) to (n), and (3) the advisor has assets under management in excess of five hundred million dollars (\$500,000,000).

CAMP (the California Asset Management Program), for instance, provides 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.

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.

February 14, 2018

EAST COUNTY BIOENERGY PROJECT UPDATE

RECOMMENDATION

Receive report and file.

Background Information

The East County Bioenergy Project (ECBP) is a public-private partnership between the District and Contra Costa Waste Service, Inc., doing business as Mt. Diablo Resource Recovery (MDRR), a *Garaventa Company*, to find local, sustainable management solutions for food waste, biosolids, and wood waste, while creating renewable energy and reducing greenhouse gas emissions.

The District and MDRR have developed a project concept to extract and “polish” a food waste slurry from municipal solid waste for delivery to the District’s existing digesters to generate additional biogas and renewable energy. This project, referred to as the “food-waste-to-energy project,” if proven to be financially viable, would create a revenue stream for the District from tipping fees and electricity sales from the additional biogas produced, while providing MDRR with a sustainable means for complying with state landfill diversion goals.

Analysis


Staff will give an update on the status of the various project components including the preliminary design, financial model, feedstock agreement, air permit, PG&E interconnection, and design-build contract. Staff will also discuss key decision points and schedule considerations.

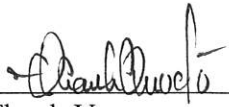
Financial Impact

The details of the financial impact of the project are still being examined. All efforts are being made to minimize financial risk while providing benefits for the District’s ratepayers and the environment.

Attachments

None

Prepared by: 
Amanda Roa
Environmental Programs Manager

Reviewed by: 
Thanh Vo
Acting Engineering Services Director

cc: District File No. 16117.01.01



ITEM I

February 14, 2018

RECEIVE MONTHLY LOBBYIST REPORT DATED JANUARY 2018, 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. Attached is the report for January 2018, which was produced by KA and distributed to members of the Western Recycled Water Coalition.

Analysis

None

Financial Impact

None


Attachment

Monthly Report, January 2018

Prepared by:


Jayne Strommer
Government Affairs Manager

Reviewed by:


Thanh Vo
Acting Engineering Services Director

cc: Project File No. P.90024.06.01





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

January 31, 2018

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

Administration Infrastructure Initiative

Publicly, the Administration continues to be committed to a \$1T 10-year infrastructure plan. The expectation is that the President will address infrastructure in his Jan. 30 State of the Union. Not clear whether the formal plan (advertised as a 70-page narrative) will be available before or soon thereafter. A leaked outline purported to be of the plan became available on Jan. 22 (copy provided previously). Briefly, the plan consist of five programs: (1) Infrastructure Incentives Initiative - \$100B for multimodal projects from a wide range of eligible entities, based on certain criteria, with a 20% Federal share cap; (2) Transformative Projects Program - \$20B for innovative projects across a number of modes, with varying percentages of Federal share based on funding tracks and with administration by the Department of Commerce; (3) Rural Infrastructure Program - \$50B for projects in rural areas with a population of less than 50,000, at 80/20 Federal/local share; (4) Federal Credit Programs - \$15B for various Federal loan and loan guarantee programs like TIFIA, WIFIA and RRIF; and, (5) Federal Capital Financing Fund - \$10B to finance purchases of federally owned civilian real property. Changes are also proposed for private activity bonds - broadening categories of public-private infrastructure and removal of state volume caps, etc. Once the Administration's proposal has been formally submitted to Congress, legislative deliberations will then begin in earnest.

State of the Union: Infrastructure

As referenced above, the President said: "As we rebuild our industries, it is also time to rebuild our crumbling infrastructure. America is a nation of builders. We built the Empire State Building in just 1 year -- is it not a disgrace that it can now take 10 years just to get a permit approved for a simple road? I am asking both parties to come together to give us the safe, fast, reliable, and modern infrastructure our economy needs and our people deserve. Tonight, I am calling on the Congress to produce a bill that generates at least \$1.5 trillion for the new infrastructure investment we need. Every Federal dollar should be leveraged by partnering with State and local governments and, where appropriate, tapping into private sector investment -- to permanently fix the infrastructure deficit. Any bill must also streamline the permitting and approval process -- getting it down to no more than two years, and perhaps even one. Together, we can reclaim our building heritage. We will build gleaming new roads, bridges, highways, railways, and

waterways across our land. And we will do it with American heart, American hands, and American grit.”

Senate Infrastructure Initiatives

Reviewing where we are as Congress anticipates formal submission of the Administration’s infrastructure proposal, the work that Senator Barasso, Chair of the Senate and Environment Committee (EPW), was doing regarding an infrastructure proposal focused solely on increased highway spending has come to a halt because of pushback from his own Committee members, including some senior key Republicans, who advocate a broader view of the scope of any infrastructure bill. The response to the Barasso effort by EPW Democrats (\$100B for roads and bridges, \$100B for local priorities, \$10B for TIGER, \$200B for major infrastructure projects, \$110B for drinking and wastewater needs, \$10B for ports, \$60B for Corps projects, \$25B for disasters and \$10B for leveraging projects) never went beyond a letter submission. The effort by Senator Carper, Ranking Member of EPW, regarding a GAO study on state funding via the Clean Water and Safe Drinking Water SRF’s never materialized. And, the Senate Democratic leadership proposal (\$1 trillion, 10-year infrastructure plan -\$75 billion for schools, \$210 billion for roads and bridges, \$110 billion for aging water and sewer systems, \$180 billion for expanded rail and bus lines, \$70 billion for deeper ports and upgraded airports, \$100 billion for an updated electrical grid, \$10 billion for VA hospitals, \$20 billion for broadband installations; \$200 billion for unspecified “vital infrastructure projects” and \$10 billion for an infrastructure bank to “unlock” private capital by providing loan guarantees or low-cost loans) has not progressed, at least publicly, beyond the original January 2017 outline.

House Infrastructure Initiatives

We continue to monitor further developments regarding the Energy and Commerce Committee’s bipartisan Safe Drinking Water SRF reauthorization bill which likely would seek inclusion in a mega infrastructure bill and "pull with it" reauthorization of the Clean Water SRF. We know that staff discussions continue in the Committee on Transportation and Infrastructure on an infrastructure bill. And we know that Congressman Peter DeFazio (D-OR-4), Ranking Member of the Committee, continues to tout his three major infrastructure bills - highways, aviation and water -with the White House. Also, we continue to await the promised report from the Pelosi appointed “Rebuild America” Task Force on general infrastructure.

Continue to reemphasize with Patrick Arness, LD, Congressman Jerry McNerney (D-CA-9), general support for the Congressman’s “WEST” Act (H.R. 3275) but concern for \$375 million Alternate Water Source program included therein regarding project funding eligibility. The bill reauthorizes the Clean Water SRF at \$2 billion for FY18 and \$2.4 billion for FY19 and the Safe Drinking SRF at \$1.2 billion for FY18 and FY19.

Continue to monitor Congressman Earl Blumenauer's (D-OR-3) H.R. 1647, the "Water Infrastructure Trust Fund Act of 2017," The bill establishes a Water Infrastructure Investment Trust Fund and appropriates to it amounts equivalent to voluntary water products related labeling fees received in the Treasury before January 1, 2022, approximately \$7 billion. Enactment of this legislation would be a critical first step in establishing a self-financed national clean water and safe drinking water trust fund.

Continue to monitor to Congressman Jeff Denham's (R-CA-10) H.R. 434, the “New WATER Act.” The bill is a loan and loan guarantee program with the following concerns that we raised in an email to his staffer, as requested - \$20M de minimis requirement, interest rate not less than the prevailing Treasury rate, and private investors not eligible for funding.

Continue to monitor Congressman John Delaney's (D-MD-6) H.R. 1669, “Partnership to Build American Act of 2017.” In part, the bill provides a new loan and loan guarantee program to be administered by a board, not the Federal Government. The bill is silent as to certain specifics – interest rate, project funding size, and Federal share. In comments to the Congressman’s staff, as requested, we made the point that we are fine with that so long as the final outcome would not include limitations that constrain the programs applicability and appeal. We did confirm with her that the definition of “private persons” eligible to apply for loans does include private investor owned utilities.

FY18 Appropriations Status

After much public discourse between The White House, congressional Republicans and Democrats, the President signed a short-term spending bill, which also provides a six-year extension of the Children’s Health Insurance Program (CHIP), that will keep the government funded through Feb. 8 at FY17 levels. Issues left undecided include DACA, the wall, border security and immigration reform in general. To review, regarding the regular appropriations process, no change since the last report - 8 bills have been reported by both House and Senate Appropriations Committees and 4 by the House Appropriations Committee only. No bills have seen Floor action in either House.

FY18 Interior Appropriations

To review, the House FY18 Interior and Environment Appropriations bill provides \$1,143,887,000 for the Clean Water SRF (compared to \$1,393,887,000 for FY17). Also included is \$25M for WIFIA. No action to date in the Senate.

FY18 Energy and Water Appropriations

To review, the House bill includes \$10M for the WIIN recycled water projects program. Also included in the bill are the following: WaterSMART \$24M, Title XVI \$35M and CALFED \$37M. The Senate bill also includes \$10M for the WIIN recycled water projects program and for WaterSMART \$24M, Title XVI \$34.4M and CALFED \$37M

Napolitano Title XVI Bill

Congresswoman Napolitano is pursuing drafting legislation regarding Title XVI. Her office has asked for input from the Coalition. They have also reached out to ACWA, CASA, and WaterReuse. The primary purpose of the bill will be to increase the authorized level and remove the sunset of the WIIN Act Title XVI program. They are also taking input on other ideas too with regards to the SRFs, research programs and any other ideas. They will not include any Title XVI items that are controversial such as as the "1 pot, 2 pots" funding issue. The Coalition is in the process of gathering member comments in preparation for submission to the Congresswoman.

GAO Recycled Water Study

The original request (per a July 29, 2015, letter from Reps. Napolitano, Huffman and Tonko) was for a comprehensive water report that looked across agencies at the federal water role and addressed bureaucracy, redundancy and improving the government's role in water issues. GAO produced this report - http://www.gao.gov/products/GAO-17-559?utm_medium=email&utm_source=govdelivery. Given that the question asked of GAO at the time to investigate water recycling was prior to the WIIN Act program, GAO, in conjunction with the original requestors, has decided to do a second report focusing on the “new” Title XVI program. Input from the Coalition has been sought regarding this effort. The first step was a conference call between GAO, Jayne Strommer and Key Advocates. The Coalition provided background information as well as its history with Title XVI, pre- and post the WINN Act. The Coalition plans to submit formal, written comments.

Bureau of Reclamation \$50M Grant Program

To review, the three first round winners were the North Valley Regional Recycled Water Program (which includes the City of Turlock) at \$4.3 million, Orange Co. San. District at \$1.4 million, and the Water Replenishment Dist. Of SoCal at \$4.3 million. While the awardees have been made public, the Bureau will not be including the announcement on its website or via press release until the projects are listed in an appropriations bill as required by law. Per the Bureau, when and how that happens is up to Congress. To review, there were 23 applicants for the \$10M totaling \$91M in requests.

Hearings

On January 10, the Senate Committee on Environment and Public Works held a hearing entitled, “*America’s Water Infrastructure Needs and Challenges.*” Witnesses were Julie Ufner, Associate Legislative Director, National Association of Counties; Scott Robinson, Port Director, Muskogee City-County Port Authority, Oklahoma; Steve Cochran, Associate Vice-President for Coastal Protection, Environmental Defense Fund & Director, Restore the Mississippi Delta Coalition; William Friedman, Chairman-elect, American Association of Port Authorities; and, Nicole Carter, Natural Resources Policy Specialist, Congressional Research Service.

On January 17, the Subcommittee on Water and Power on the Senate Energy and Natural Resources Committee held a hearing to examine the Bureau of Reclamation’s Title Transfer Process and Potential Benefits to Federal and Non-Federal Stakeholders.

Witnesses were **Austin Ewell**, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior; **Paul Arrington**, Executive Director, Idaho Water Users Association; **Jerry Brown**, General Manager, Contra Costa Water District; **Mike DeVries**, Director, Provo River Water Users Association; **Jason Phillips**, Chief Executive Officer, Friant Water Authority; **Austin Ewell**, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior; and, **Paul Arrington**, Executive Director, Idaho Water Users Association.

On January 17, the Senate Committee on Environment and Public Works held a hearing entitled, “*America’s Water Infrastructure Needs and Challenges: Federal Panel.*” Witnesses were Lieutenant General Todd T. Semonite, Chief of engineers and commanding general, U.S. Army Corps of Engineers; and, Ryan Fisher, Principal deputy assistant secretary of the Army

(Civil Works) and acting assistant secretary of the Army (Civil Works), United States Department of the Army.

On January 17-18, the House Committee on Rules held hearings on earmarks. See discussion separate heading.

On January 18, the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure held a hearing on “America’s Water Resources Infrastructure: Approaches to Enhanced Project Delivery” and received testimony from witnesses representing the Army Corps of Engineers (Corps), a non-governmental organization representing project contractors, a regional governmental flood control agency, a real estate services and management company, and the Congressional Research Service.

Earmarks

On Jan. 17-18, the House Rules Committee held hearings on earmarks. The formal title of the hearings was “Article 1: Effective Oversight and the Power of the Purse.” Members of Congress were the witnesses for day one of the hearings. Over 25 testified and the support was overwhelming by both Republicans and Democrats for return of some form of earmarks. Note the following report regarding testimony by Transportation and Infrastructure Committee Chair Bill Shuster:

“A House Rules subcommittee heard from fellow lawmakers Wednesday about potentially bringing earmarks back to life. House Transportation Chairman [Bill Shuster](#) said that lawmakers "have steadily given away more of our power of the purse to the executive branch" over the years. “In the process, we have actually created less transparency and less accountability in how the people's money is spent,” the retiring Pennsylvania Republican said. “Bureaucrats may have good intentions, but they probably have never been to most of our districts, where these tax dollars are coming from or going to.” Shuster also said that the ban on earmarks hasn't reduced federal spending.”

Day two included the following witnesses: James Bass, Executive Director, Texas Dept. of Transportation; Steve Ellis, Vice President, Taxpayers for Common Sense; Jason Grumet, President, Bipartisan Policy Center; Thomas Schatz, President, Citizens Against Government Waste; and, Michael Quinn Sullivan, President and CEO, Empower Texas. Note: The Chairman of the Rules Committee is from Texas; i.e., the Texas witnesses. Note below comments from the “policy” witnesses.

The next step in the process is for the Rules Committee to issue a report. It is expected to include recommendations. Both will be of great interest.

Ellis

History suggests that the return of earmarks would divert needed funds from priority projects to less critical ones and increase the number of lobbyists and campaign cash. But there is little evidence that earmarks break gridlock and reduce the very real ideological divisions we see in today’s Congress. In fact, bringing earmarks back may reduce the impetus to obtain more substantive and transformative reforms.

Grumet

Mr. Chairman and members of the Committee, the constitutional prerogative for members to direct resources toward constituent priorities is not a begrudging “skid greasing” to be done in the shadows, but rather a core aspect of our democratic design that members of Congress should pursue openly, proudly and be held accountable for. Congress should rightly reclaim this legitimate legislative tool and establish a transparent and deliberative process that can regain the public trust.

Schatz

Earmarks benefit the few (appropriators, special interests, and lobbyists) at the expense of the many (taxpayers). They contribute to the deficit directly, by tacking on extra funding beyond authorized limits, and indirectly, by being used to buy votes for costly legislation that might not otherwise pass. Earmarks corrupt democracy by superseding more important legislative duties. They are corrupt, inequitable, and wasteful.

Bill Tracking

More information on each bill will be provided when it becomes available on the official site. Note: summary of subject matter will only appear once. Note further: “Latest Action” will only be included when substantive: hearing, markup, Floor action, etc.

H.R. 4419 - The “Bureau of Reclamation and Bureau of Indian Affairs Water Project Streamlining Act of 2017 Sponsor: [Rep. Newhouse, Dan \[R-WA-4\]](#) (Introduced 11/16/2017) **Cosponsors:** (2) **Committees:** House - Natural Resources **Latest Action:** House - 11/30/2017 Subcommittee Hearings Held.
Status Update: no change since the last report.

H.R.434 — 115th Congress (2017-2018) New WATER Act Sponsor: [Rep. Denham, Jeff \[R-CA-10\]](#) (Introduced 01/11/2017) **Cosponsors:** (9) **Committees:** House - Natural Resources
Status Update: no change since the last report.

H.R.23 — 115th Congress (2017-2018) Gaining Responsibility on Water Act of 2017 Sponsor: [Rep. Valadao, David G. \[R-CA-21\]](#) (Introduced 01/03/2017) **Cosponsors:** (14) **Committees:** House - Natural Resources, Agriculture **Latest Action:** Passed House on July 12.
Status Update: no change since the last report.

H.R.465 — 115th Congress (2017-2018) To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes. Sponsor: [Rep. Gibbs, Bob \[R-OH-7\]](#) (Introduced 01/12/2017) **Cosponsors:** (1, now 8) **Committees:** House - Transportation and Infrastructure
Status Update: one cosponsor added since the last report.

H.R.547 — 115th Congress (2017-2018) National Infrastructure Development Bank of 2017 Sponsor: [Rep. DeLauro, Rosa L. \[D-CT-3\]](#) (Introduced 01/13/2017) **Cosponsors:** (73, now 79) **Committees:** House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means

Status Update: no change since the last report.

H.R.875 — 115th Congress (2017-2018)

Bureau of Reclamation Water Project Streamlining Act

Sponsor: Rep. Newhouse, Dan [R-WA-4] (Introduced 02/06/2017) **Cosponsors:** (0)

Committees: House - Natural Resources

Status Update: no change since the last report.

H.R.660 — 115th Congress (2017-2018) **Bureau of Reclamation Transparency Act**

Sponsor: Rep. Gosar, Paul A. [R-AZ-4] (Introduced 01/24/2017) **Cosponsors:** (18, now 20)

Committees: House - Natural Resources

Status Update: no change since the last report.

S.216 — 115th Congress (2017-2018) **Bureau of Reclamation Transparency Act**

Sponsor: Sen. Barrasso, John [R-WY] (Introduced 1/24/2017) **Cosponsors:** (1)

Committees: Senate - Energy and Natural Resources

Status Update: no change since the last report.

H.R.1670 — 115th Congress (2017-2018)

Infrastructure 2.0 Act

Sponsor: Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (21)

Committees: House - Ways and Means, Transportation and Infrastructure, Rules

Status Update: no change since the last report.

H.R.1669 — 115th Congress (2017-2018)

Partnership to Build America Act of 2017

Sponsor: Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (23, now 27)

Committees: House - Transportation and Infrastructure, Ways and Means

Status Update: no change since the last report.

S.1756 — 115th Congress (2017-2018)

Rebuild America Now Act

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 08/03/2017) **Cosponsors:** (10)

Committees: Senate - Environment and Public Works

Status Update: no change since the last report.

S.2364 — 115th Congress (2017-2018)

Securing Required Funding for Water Infrastructure Now Act

Sponsor: Sen. Boozman, John [R-AR] (Introduced 01/30/2018) **Cosponsors:** (3)

Committees: Senate - Environment and Public Works

Summary: A bill to amend the Water Infrastructure Finance and Innovation Act of 2014 to provide to State infrastructure financing authorities additional opportunities to receive loans under that Act to support drinking water and clean water State revolving funds to deliver water infrastructure to communities across the United States, and for other purposes.

Status Update: Introduced since the last report.