

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

2500 Pittsburg-Antioch Highway | Antioch, CA 94509
WEDNESDAY, FEBRUARY 12, 2020
4:30 P.M.

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

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. RECOGNITION

- 1) **Adopt** Resolution Commending Outgoing Board Chair Sean K. Wright for his service to the District as Board Chair
- 2) **Recognize and Congratulate** Trevor Simpson, Maintenance Mechanic II, for receiving California Water Environment Association San Francisco Bay Section 2019 Mechanical Technician of the Year Award (Dustin Bloomfield)
- 3) **Receive** California Water Environment Association San Francisco Bay Section 2019 Community Engagement and Outreach Project of the Year (Small Budget) Award (Carol Margetich)

E. CONSENT CALENDAR

- 1) **Approve** Minutes of Regular Board of Directors Meeting, January 15, 2020 (Cecelia Nichols-Fritzler)
- 2) **Receive** District Monthly Check Register, December 2019 (Eka Ekanem)
- 3) **Receive** Notes from Finance Committee Meeting, February 6, 2020 (Cecelia Nichols-Fritzler)
- 4) **Adopt** Resolution Designating the General Manager or His Designee as the Agent Authorized to File a Hazard Mitigation Grant Program Application, Execute Grant Agreements, and Provide Required Assurances to the California Office of Emergency Services and Federal Emergency Management Agency, Pump Station Flood Mitigation, Project No. 80008 (Jayne Strommer)

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

- 5) **Authorize** General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$265,919, V.W. Housen & Associates, Engineering Services, Antioch Pump Station and Conveyance System Improvements Project, Project No. 20121
- 6) **Receive** First-Half of Fiscal Year 2019/2020 Operating Budget Expenditure Report (Carol Margetich)

F. DELIBERATION ITEMS

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

G. PRESENTATIONS AND REPORTS

H. MANAGER'S COMMENTS

I. DIRECTORS' COMMENTS

J. CORRESPONDENCE

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

K. CLOSED SESSION

None

L. ADJOURNMENT

The next regular Board meeting will be March 11, 2020 at 4:30 p.m.

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

ITEM D/1

February 12, 2020

ADOPT RESOLUTION COMMENDING OUTGOING BOARD CHAIR SEAN K. WRIGHT FOR HIS SERVICE TO THE DISTRICT AS BOARD CHAIR

RECOMMENDATION

Adopt a Resolution commending Dr. Sean K. Wright for his service as outgoing Chair of the Board of Directors.

Background Information

Director Wright served as Chair of the Board of Directors for one year from February 1, 2019 to January 31, 2020.

Analysis

In recognition of Director Wright's service to the District as Board Chair, staff has prepared a proposed resolution (attached) highlighting key District accomplishments and direct contributions to the District during his tenure. Following approval of the traditional Board officer position rotation at the January 15, 2020 Board meeting, Director Wright will now serve as the Board Secretary through January 31, 2021.

Financial Impact

None.

Attachment

Proposed Resolution Commending Outgoing Board Chair Sean K. Wright on His Service to the District as Chair

Prepared by:



Cecelia Nichols-Fritzler
Office Manager/Secretary to the Board

Reviewed by:



Vince De Lange
General Manager

cc: District File BRD.01



**BEFORE THE BOARD OF DIRECTORS
OF
DELTA DIABLO
(a Special District)**

**Re: Commending Outgoing Board)
Chair Sean K. Wright on His)
Service to the District as Chair)**

RESOLUTION NO. xx/2020

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Director Sean K. Wright was appointed to serve as Chair of the Board of Directors of Delta Diablo from February 1, 2019 to January 31, 2020; and

WHEREAS, under his able leadership, the District continued its path as a “Utility of the Future” by fostering an organizational culture that embraces innovative approaches, sustainable solutions, and community engagement in achieving its core mission of protecting public health and the environment, while maintaining reasonable rates and serving as a responsible steward of the public’s resources and trust; and

WHEREAS, the District achieved the following key accomplishments during his tenure:

- No violations of the National Pollutant Discharge Elimination System (NPDES) permit for the District’s Wastewater Treatment Plant, continuing an exemplary regulatory compliance record
- Implemented priority capital improvement projects, initiated a long-term Resource Recovery Facility Master Plan, and began development of an Asset Management Program to support the District’s effective investment in its wastewater conveyance and treatment system infrastructure
- Made significant progress toward implementation of key initiatives to drive organization excellence in support of the District’s Strategic Business Plan
- Reduced the Fiscal Year 2019/2020 operating budget by \$1.4 million relative to the prior year’s projection, which supported a significant reduction in projected annual rate increases over the next five years—from 6.2-6.4% to 4.1-4.5% (Antioch/Pittsburg customers) and from 5.2-5.4% to 3.2-3.5% (Bay Point customers)
- Prepared an award-winning Comprehensive Annual Financial Report (CAFR) to improve contextual framing and transparency for the reader
- Developed a Strategic Communications Plan to guide public communications and outreach activities with key initiatives to drive organizational improvement
- Prepared a Business Continuity Plan to guide District response and recovery activities following a major emergency event
- Successfully negotiated a new 5-year NPDES permit and 5-year Nutrient Watershed Permit with the Regional Water Quality Control Board to provide certainty regarding near-term regulatory requirements

WHEREAS, Director Wright, as Chair of the Finance Committee, guided development and review of the proposed Capital Improvement Program, operating budget, Sewer Service Charges, and Recycled Water Service Charges; supported revisions to an existing fund investment policy and development of a new debt management policy; and reviewed results of a successful “clean” annual financial audit; and

WHEREAS, the District continued its long-standing tradition of being recognized as an industry leader at the agency, team, and individual levels in receiving the following awards during his tenure:

- National Association of Clean Water Agencies (NACWA) “Utility of the Future”
- NACWA Silver Peak Performance
- Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the CAFR
- GFOA Award of Financial Reporting Achievement for the CAFR
- California Water Environment Association San Francisco Bay Section 2018 Laboratory Person of the Year
- California Association of Public Information Officials (CAPIO) Communicator of the Year
- CAPIO Video Production Award - “No Wipes in the Pipes”

WHEREAS, Director Wright consistently recognized staff for its commitment and dedication to organizational excellence, continuous improvement, and innovation.

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

Dr. Sean K. Wright is hereby commended for his outstanding service and leadership while serving the District for one year as Chair of the Board of Directors.

PASSED AND ADOPTED on February 12, 2020, by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on February 12, 2020.

ATTEST: Juan Banales
Board Chair

February 12, 2020

RECOGNIZE AND CONGRATULATE TREVOR SIMPSON, MAINTENANCE MECHANIC II, FOR RECEIVING CALIFORNIA WATER ENVIRONMENT ASSOCIATION SAN FRANCISCO BAY SECTION 2019 MECHANICAL TECHNICIAN OF THE YEAR AWARD

RECOMMENDATION

Recognize and congratulate Mr. Trevor Simpson for receiving the California Water Environment Association (CWEA) San Francisco Bay Section 2019 Mechanical Technician of the Year award.

Background Information

CWEA awards are designed to recognize outstanding achievements and honor exceptional members in their field of work. By highlighting the significant achievements of its members, this program improves the professional status of all personnel working in the wastewater industry and related fields and stimulates public awareness of the importance of wastewater treatment to public health and the environment.

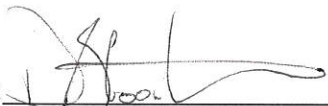
Mr. Simpson received the 2019 Mechanical Technician of the Year award at the CWEA San Francisco Bay Section Annual Awards Dinner on January 24, 2020. As an employee with 13 years of service, he was nominated in recognition of his significant experience in plant mechanical maintenance and machining. Mr. Simpson is a knowledgeable resource to his fellow maintenance mechanics with expertise in a variety of disciplines, including machining, welding, fabrication, general pump maintenance, and equipment troubleshooting. He possesses “encyclopedic” knowledge and the drive to research and retain information on equipment throughout the District’s facilities. In addition to his mechanical knowledge and expertise, his positive attitude and dedication is greatly appreciated.

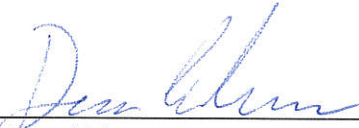
Analysis

Mr. Simpson will represent the CWEA San Francisco Bay Section and compete against other local section Mechanical Technician of the Year award winners statewide. The statewide winners will be announced during the awards luncheon at the CWEA Annual Conference in April 2020. Mr. Simpson is a first-time winner of this award.

Financial Impact

None.

Prepared by: 
Dustin Bloomfield
Maintenance Supervisor

Reviewed by: 
Dean Eckerson
Resource Recovery
Services Director

cc: Trevor Simpson, Maintenance Mechanic II
District File



February 12, 2020

RECEIVE CALIFORNIA WATER ENVIRONMENT ASSOCIATION SAN FRANCISCO BAY SECTION 2019 COMMUNITY ENGAGEMENT AND OUTREACH PROJECT OF THE YEAR (SMALL BUDGET) AWARD

RECOMMENDATION

Receive the California Water Environment Association (CWEA) San Francisco Bay Section 2019 Community Engagement and Outreach Project of the Year (Small Budget) Award.

Background Information

Following submittal of a nomination by Ironhouse Sanitary District (ISD), the District was recognized at the CWEA Annual Awards Dinner on January 24, 2020 for participating in a regional "No Wipes in the Pipes" campaign, along with ISD, Byron Sanitary District, City of Brentwood, and Town of Discovery Bay. This collaborative public education campaign was designed to raise awareness regarding the operational and environmental impacts caused by flushing wipes, which are inappropriately marked as "flushable" or "flush-friendly," down the toilet. The two-month, regional campaign featured bilingual advertising to reach an estimated population of 340,000 residents, businessowners, daycare facilities, and senior centers.

Analysis

Communicating the operational and environmental impacts associated with non-flushable wipes was identified as a key focus area in the District's Strategic Communications Plan, which was presented to the Board of Directors on October 9, 2019. In the months following the initial campaign, ISD and Delta Diablo experienced a significant reduction in the frequency of pump station clogging due to wipes. Staff will continue to monitor potential impacts to operational effectiveness and reliability in the wastewater collection and treatment system and may recommend reinvigorating the "No Wipes in the Pipes" campaign if warranted.

In addition, this remains a priority issue at the national and state level as the National Association of Clean Water Agencies and California Association of Sanitation Agencies, respectively, continue to advocate on behalf of the wastewater sector and negotiate resolution of this critical issue with wipes manufacturers.

The coalition agencies will represent the CWEA San Francisco Bay Section and compete with other local section winners for the state CWEA Community Engagement and Outreach Project of the Year (Small Budget) Award, which will be announced at the annual conference in April.

Financial Impact

None.

Prepared by: _____

Dean Eckerson
Resource Recovery Services
Director

Reviewed by: _____

Carol Margetich
Business Services Director

cc: District File



February 12, 2020

APPROVE MINUTES OF REGULAR BOARD OF DIRECTORS MEETING, JANUARY 15, 2020RECOMMENDATION

Approve Minutes of the Regular Board of Directors Meeting of January 15, 2020

DRAFT**Minutes of the Regular Board of Directors Meeting
JANUARY 15, 2020**

The meeting was called to order by Chair Wright on Wednesday, January 15, 2020 at 4:44 p.m. in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Chair Sean Wright, and Directors Juan Banales and Federal Glover. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Joaquin Gonzalez, Operations Manager; Darrell Cain, Laboratory Manager; Jayne Strommer, Government Affairs Manager; Amanda Roa, Environmental Programs Manager/P&T Bargaining Unit Representative; Thanh Vo, Senior Engineer; Steve Rodriguez, Operations Supervisor; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Jose Martinez, Wastewater Treatment Plant Operator III; Chris Phillips, Senior Operator; and Mishell Bacher, Administrative Assistant II.

PUBLIC COMMENTS

None

BOARD REORGANIZATIONApprove Reorganization of the Board for 2020, Appoint Board Committee Members, Alternates, and Representatives

Mr. De Lange outlined the recommended traditional rotation of the Board positions, committee members, and representatives for 2020, proposed to take effect on February 1, 2020. Director Glover moved approval, seconded by Director Banales, and by unanimous voice vote (Ayes: *Banales, Glover, and Wright*; Noes: *None*, Absent: *None*), the Board approved reorganization of the Board and appointment of committee members, alternates, and representatives for 2020.

RECOGNITIONRecognize and Congratulate Jose Martinez on his Promotion to Wastewater Treatment Plant Operator III

Mr. Gonzalez highlighted Mr. Martinez's recent promotion to Wastewater Treatment Plant Operator III. During the competitive recruitment process, Mr. Martinez demonstrated the technical aptitude and strong leadership skills that are essential to this position. Mr. Gonzalez

noted that these qualities, along with his excellent work ethic and attention to detail, will be a great asset to the District in this position, which is entrusted with handling day-to-day operational activities.

Director Wright congratulated Mr. Martinez on his promotion and commended the District for promoting an internal staff member. Mr. Martinez thanked the Board and his co-workers for their support.

CONSENT CALENDAR

Director Glover moved approval, seconded by Director Banales and by unanimous voice vote (Ayes: *Banales, Glover, and Wright*; Noes: *None*; Absent: *None*) the following consent items were approved according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, December 11, 2019; Receive District Monthly Check Register, November 2019; Acting in the Capacity as Lead Agency of the Western Recycled Water Coalition, Authorize General Manager to Execute Amendment No. 5 to Consulting Services Contract in the Amount of \$90,000, Key Advocates, Inc., 2020 Legislative Advocacy Services, Western Recycled Water Coalition, Project No. 90024; Approve Side Letter Agreement to Memorandum of Understanding With the Operations & Maintenance Bargaining Unit; and Adopt Resolution Approving Salary Schedules Incorporating New Classification for Maintenance Planner/Scheduler; Approve, and Authorize the General Manager, or His Designee, to Implement a Process for Preparing and Approving Capital Improvement Programs, Beginning with the Fiscal Year 2020/2021 to Fiscal Year 2024/2025 Capital Improvement Program; Authorize General Manager to Execute Three-Year Consulting Services Contract with Caltest Analytical Laboratory from January 15, 2020 through December 31, 2022 in an Amount Not to Exceed \$65,000 per Year for a Total Amount of \$195,000, Laboratory Services; Authorize General Manager to Execute Amendment No. 4 to Consulting Services Contract in the Amount of \$116,165, Lee & Ro, Inc., Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; Authorize General Manager to Transfer \$225,000 from Pump Station Facilities Repair, Project No. 80008 to Primary Clarifier Area Improvements, Project No. 17140 in the Wastewater Capital Asset Replacement Fund.

DELIBERATION ITEMS

Adopt Resolution Declaring that Public Interest and Necessity Demand Immediate Expenditure of Public Money to Safeguard Life, Health, and Property Without Submitting the Expenditure to Bid; Authorize General Manager to Establish a New Fiscal Year 2019/2020 Project in the Wastewater Capital Asset Replacement Fund and a Budget Transfer to the Project from the Wastewater Capital Asset Replacement Fund Project, Pump Station Facilities Repair, Project No. 80008 in the Amount of \$1,000,000; Authorize General Manager to Negotiate and Execute Materials Procurement, Construction, and Other Related Services Contracts in a Total Combined Amount Not to Exceed \$350,000; and Take Related Actions Under the California Environmental Quality Act, Antioch Pump Station and Conveyance System Improvements Project, District Tracking No. 90085

Mr. Thomas provided a status update on the Antioch Force Main 102 (AFM) rupture and repair efforts in support of creating a project to implement a long-term solution to restoring operational reliability. In the weeks following the December 3, 2019 rupture, staff developed a plan to repair the failed section of AFM 102 on an expedited basis; investigated the cause of the failure at the failure point; and conducted limited closed-circuit television inspections along limited sections at

other potentially vulnerable locations. It was determined that removal and replacement of 60 linear feet with new corrosion-resistant pipe material was the best solution to quickly restore operability at the failure point. Emergency repairs were made to AFM 102 to mitigate immediate risks and to protect life, health, and property. A preliminary root cause investigation has been completed. Mr. Thomas noted that multiple failures in recent years and pipe material and configuration issues at the Antioch Pump Station has driven the need for a new capital project to restore the long-term reliability of this asset. He emphasized that staff would work to initiate these efforts immediately to allow planning for condition assessment and other potential repair activities this summer.

Director Wright thanked Mr. Thomas for the presentation and inquired regarding the pipe diameter. Mr. Thomas stated the thickness of the pipe is 3/16-inch. Director Glover moved approval, seconded by Director Banales and by unanimous voice vote (*Ayes: Banales, Glover, and Wright; Noes: None; Absent: None*) the following items were approved according to staff recommendations:

1. Adopt a resolution 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 20783;
2. Authorize the General Manager to establish a new Fiscal Year 2019/2020 (FY19/20) project within the Wastewater Capital Asset Replacement Fund entitled Antioch Pump Station and Conveyance System Improvements Project and transfer budget from the Wastewater Capital Asset Replacement Fund project, Pump Station Facilities Repair, Project No. 80008 in the amount of \$1,000,000, for a total project budget of \$1,000,000;
3. Authorize the General Manager to negotiate and execute Materials Procurement, Construction, and other related Services Contracts in a total combined amount not to exceed \$350,000, as are required to complete the emergency repair of AFM 102;
4. Determine that the emergency repair of AFM 102 is exempt from environmental review under the California Environmental Quality Act (CEQA), pursuant to Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, and direct the General Manager, or his designee, to file a CEQA Notice of Exemption (NOE) with the County Clerk-Recorder.

PRESENTATIONS AND REPORTS

Receive Report on Capital Improvement Program (CIP) and Status of Construction Projects

Mr. Vo provided an overview of the five-year CIP and the District's focus on addressing aging infrastructure, meeting future regulatory requirements, expanding recycled water services, and improving energy management. Mr. Vo highlighted key CIP construction projects in the wastewater conveyance and treatment system, and Recycled Water Facility. He compared budgeted to actual expenditures for FY18/19 and FY19/20 (year to date) and highlighted some of the major drivers for lower than expected capital spending. Mr. Vo reviewed strategic initiatives associated with capital project delivery that will help drive organizational improvement. Mr. Vo reviewed the next steps and associated schedule in developing the upcoming 5-year CIP.

Chair Wright thanked Mr. Vo for the presentation and commented that he appreciates the staff focus on infrastructure, because it was a key focus area for the Board when Mr. De Lange was

hired. Directors Banales and Glover thanked Mr. Vo for the update. The Board received and filed the report.

MANAGER'S COMMENTS

As a follow to Mr. Vo's presentation, Mr. De Lange noted the benefit of having several large capital projects versus many smaller capital projects from a project delivery efficiency standpoint, but also noted the significant impact this can have on actual capital expenditures if there are delays in these larger projects. In addition, Mr. De Lange noted he will be attending the California Association of Sanitation Agencies (CASA) conference next week and will be leading a "Wastewater 101" roundtable discussion geared toward educating new Board members across the state.

DIRECTORS' COMMENTS

Director Wright stated this is his last meeting serving as the Board Chair and commented that it has been a pleasure and honor to serve the District and he is looking forward to continuing to serve on the Board.

CORRESPONDENCE

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

The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Wright adjourned the meeting at 5:20 pm. The next regular Board meeting will be February 12, 2020 at 4:30 p.m.

February 12, 2020

RECEIVE DISTRICT MONTHLY CHECK REGISTER, DECEMBER 2019

RECOMMENDATION

Receive District Monthly Check Register for the month ending December 31, 2019.

Background Information

The Check Register for the month of December 2019 is attached. The report reflects payments to the District's suppliers, consultants, service providers, and contractors. A total of \$2,081,285.96 was disbursed in December 2019, which includes 172 checks.

Financial Impact

All payments made during the month are within funding levels included in the adopted operating and capital budgets for Fiscal Year 2019/2020.

Attachment

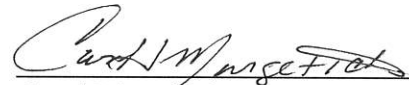
Check Register, month ending December 31, 2019

Prepared by:



Eka Ekanem
Senior Accountant

Reviewed by:



Carol Margetich
Business Services Director



CHECK REGISTER

DELTA DIABLO

CASH DISBURSEMENTS FOR THE MONTH OF DECEMBER 2019

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
12/6/2019	AFLAC		32815	974.34
		49599	974.34	INSURANCE
12/6/2019	AIRGAS USA, LLC		32816	2,850.14
		49605	2,569.35	INVENTORY
		49606	280.79	INVENTORY
12/6/2019	ALHAMBRA & SIERRA SPRGS WATER		32817	283.17
		49616	283.17	BOTTLED WATER SERVICE
12/6/2019	ANALYSTS INC/INSPECTORATE AMERICA CC		32818	1,032.28
		49634	1,032.28	INVENTORY
12/6/2019	AT&T		32819	1,207.00
		49622	1,207.00	PHONE EXP
12/6/2019	BAYVIEW ENGINEERING & CONSTRUCTION		32820	11,400.00
		49614	11,400.00	BLOWDOWN PIPELINE RE-ROUTE WOR
12/6/2019	CALTEST ANALYTICAL LABORATORY		32821	913.50
		49489	913.50	NPDES LABORATORY SERVICES
12/6/2019	CDW GOVERNMENT, INC.		32822	2,878.57
		49588	2,878.57	THREAT PROTECTION RENEWAL
12/6/2019	CHEMTRADE CHEMICALS US LLC		32823	3,521.11
		49623	3,521.11	ALUMINUM SULFATE
12/6/2019	CONCENTRA/OCCUPATIONAL HEALTH CENT		32824	108.00
		49624	108.00	OCCUPATIONAL SAFETY
12/6/2019	CUES		32825	3,200.00
		49625	3,200.00	CUES GraniteNet Software Suppo
12/6/2019	VINCENT DE LANGE		32826	369.94
		49627	254.94	T&M
		49628	115.00	M&D
12/6/2019	DEPT OF GENERAL SERVICES		32827	15,176.31
		49626	15,176.31	UTILITIES
12/6/2019	ECS IMAGING INC.		32828	5,400.00
		49629	5,400.00	PROFESSIONAL SERVICES FOR SERV
12/6/2019	FEDERAL EXPRESS		32829	145.92
		49611	145.92	OE - POSTAGE
12/6/2019	FRAXIA ENGINEERING		32830	1,500.00
		49496	1,500.00	DESIGN SERVICES BP SEWER REHAB
12/6/2019	GENERAL ELECTRIC COMPANY		32831	18,226.07
		49630	18,226.07	SCADA SUPPORT AS PER GE QUOTE NUM
12/6/2019	GOLDEN STATE FLOW MEASUREMENT		32832	340.13

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		49631	340.13		RECYCLED WATER METER AND REGISTE
12/6/2019	GOLDEN STATE WATER CO.		32833	2,355.77	
		49632	708.51		UTILITIES
		49633	1,647.26		UTILITIES
12/6/2019	GRAINGER		32834	2,413.78	
		49607	1,125.83		INVENTORY
		49608	59.18		INVENTORY
		49609	20.84		INVENTORY
		49619	1,207.93		INVENTORY
12/6/2019	JW BACKHOE & CONSTRUCTION, INC		32835	9,878.33	
		49635	9,878.33		WATER LEAK WHARF & PORT CHICAGO E
12/6/2019	KENNEDY/JENKS CONSULTANTS INC.		32836	30,628.75	
		49463	13,352.73		FACILITY CONDITION ASSESSMENT
		49521	17,276.02		ASSET MANAGEMENT PLANNING PROJ
12/6/2019	MANAGED HEALTH NETWORK		32837	401.25	
		49637	401.25		EAP
12/6/2019	MAZE & ASSOCIATES		32838	1,664.00	
		49636	1,664.00		Audit Services FYE 6/30/2019
12/6/2019	NEW IMAGE LANDSCAPE COMPANY		32839	14,465.00	
		49597	14,465.00		TREE TRIMMING / CLEAN UP
12/6/2019	CECELIA NICHOLS-FRITZLER		32840	324.12	
		49638	324.12		T&M
12/6/2019	OFFICE DEPOT		32841	192.83	
		49617	92.11		OFFICE SUPPLIES
		49618	100.72		OFFICE SUPPLIES
12/6/2019	PACIFIC ECO-RISK LABORATORIES		32842	3,298.00	
		49534	3,298.00		CHRONIC TOXICITY
12/6/2019	PACIFIC GAS & ELECTRIC COMPANY		32843	36,846.67	
		49639	36,846.67		UTILITIES
12/6/2019	PHIL'S DIESEL CLINIC INC.		32844	665.00	
		49586	665.00		HEAVY DUTY TRUCK REPAIR(S)
12/6/2019	CITY OF PITTSBURG		32845	599.90	
		49610	599.90		UTILITIES
12/6/2019	PSOMAS		32846	19,126.50	
		49600	1,821.50		CONSTRUCTION MANAGEMENT SERVIC
		49601	17,305.00		CONSTRUCTION MANAGEMENT SERVIC
12/6/2019	PUBLIC EMPLOYEES UNION		32847	1,601.03	
		3163354	1,601.03		UNION DUES P&T
12/6/2019	PUBLIC EMPLOYEES UNION		32848	3,514.52	
		3163254	3,514.52		UNION DUES O&M

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/6/2019	RED WING SHOE STORE 165		32849	204.57	
		49640	204.57		SAFETY SHOES - A. MORA
12/6/2019	SCHAAF & WHEELER CONSULTING		32850	1,995.00	
		49645	1,995.00		DESIGN FOR PUMP STATION FACILI
12/6/2019	STANDARD INSURANCE COMPANY		32851	3,666.92	
		49642	3,666.92		LIFE INSURANCE
12/6/2019	CA STATE DISBURSEMENT UNIT		32852	750.00	
		CS9648294	750.00		GARNISHMENT
12/6/2019	STATE OF CALIFORNIA		32853	150.00	
		4461733	150.00		INCOME TAX WITHHOLDING ORDER
12/6/2019	SYNAGRO WEST, LLC		32854	33,862.72	
		49641	33,862.72		BIOSOLIDS HAULING
12/6/2019	SYSTEM 1 STAFFING		32855	11,281.08	
		49604	3,603.24		O/S TEMP
		49643	4,155.24		O/S TEMP
		49644	3,522.60		O/S TEMP
12/6/2019	TECHNICAL SAFETY SERVICES, INC		32856	205.00	
		49646	205.00		LABORATORY BIOSAFETY CABINET T
12/6/2019	UNIFIRST CORPORATION		32857	320.67	
		49545	127.53		UNIFORM/ LAUNDRY SERVICE
		49546	167.24		UNIFORM/ LAUNDRY SERVICE
		49547	25.90		UNIFORM/ LAUNDRY SERVICE
12/6/2019	UNIVAR USA INC		32858	8,089.52	
		49515	4,771.64		SODIUM BISULFITE
		49517	3,317.88		SODIUM HYPOCHLORITE
12/6/2019	VERIZON WIRELESS		32859	2,554.92	
		49647	2,554.92		PHONE EXP
12/6/2019	VISION SERVICE PLAN		32860	1,845.78	
		49649	1,804.46		VISION INSURANCE
		49650	41.32		VISION COBRA INS
12/6/2019	WOLLBORG MICHELSON PERSONNEL		32861	12,258.00	
		49651	6,204.00		O/S TEMP
		49652	6,054.00		O/S TEMP
12/6/2019	ZORO TOOLS, INC		32862	907.34	
		49474	907.34		INVENTORY
12/12/2019	APG NEUROS INC.		32863	5,023.59	
		49701	5,023.59		REPLACEMENT CHECK VALVE FOR BL
12/12/2019	BARNETT MEDICAL SERVICES, LLC		32864	1,223.00	
		49695	131.00		SHARPS/PHARMACEUTICAL DISPOSAL
		49696	936.00		SHARPS/PHARMACEUTICAL DISPOSAL

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		49697	78.00	SHARPS/PHARMACEUTICAL DISPOSAL
		49698	78.00	SHARPS/PHARMACEUTICAL DISPOSAL
12/12/2019	BELLECCI & ASSOCIATES, INC.		32865	37,119.00
		49653	37,119.00	TP ROADWAY MAINTENANCE PN 1811
12/12/2019	CALTEST ANALYTICAL LABORATORY		32866	949.50
		49655	307.80	NPDES LABORATORY SERVICES
		49656	333.90	NPDES LABORATORY SERVICES
		49714	307.80	NPDES LABORATORY SERVICES
12/12/2019	CHEMTRADE CHEMICALS US LLC		32867	7,317.30
		49658	3,622.77	ALUMINUM SULFATE
		49690	3,694.53	ALUMINUM SULFATE
12/12/2019	CITY NATIONAL BANK		32868	69,871.96
		49662	69,871.96	LOAN PAYABLE
12/12/2019	COMCAST BUSINESS COMMUNICATIONS, LI		32869	542.72
		49726	542.72	PHONE EXP
12/12/2019	CONTRA COSTA WATER DISTRICT		32870	20.87
		49767	20.87	UTILITIES
12/12/2019	CORELOGIC INFORMATION SOLUTIONS, INC		32871	165.00
		49730	165.00	REALQUEST PROPERTY INFORMATION
12/12/2019	DRAKE HAGLAN & ASSOCIATES, INC		32872	2,079.00
		49659	2,079.00	CONSULTING SERVICES SODIUM BIS
12/12/2019	EATON CORPORATION		32873	975.00
		49735	-975.00	CREDIT MEMO
		49736	1,950.00	TROUBLESHOOT UTILITY AND TIE D
12/12/2019	MICHAEL CRAMBLIT FOSTER		32874	2,633.20
		49709	980.21	INVENTORY
		49710	1,652.99	INVENTORY
12/12/2019	FRAXIA ENGINEERING		32875	3,375.00
		49661	3,375.00	DESIGN SERVICES BP SEWER REHAB
12/12/2019	FRONTIER ANALYTICAL LABORATORY		32876	1,600.00
		49663	1,600.00	CONTRACT LABORATORY SERVICES
12/12/2019	GOVERNMT FINANCE OFFICERS ASSC		32877	560.00
		49665	560.00	O/S - CAFR REVIEW
12/12/2019	GOLDEN STATE FLOW MEASUREMENT		32878	981.73
		49666	981.73	RECYCLED WATER METER AND REGISTE
12/12/2019	GRAINGER		32879	528.68
		49668	528.68	INVENTORY
12/12/2019	HAZEN & SAWYER		32880	27,402.50
		49727	25,502.50	RESOURCE RECOVERY FACILITY MASTEI
		49728	1,900.00	CONSULTING SERVICES 2019

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
12/12/2019	IN SHAPE HEALTH CLUBS		32881	944.00	
		49719	944.00		GYM MEMBERSHIPS
12/12/2019	JAC INDUSTRIAL TECHNOLOGIES, LLC		32882	2,265.26	
		49700	2,265.26		INVENTORY
12/12/2019	JWC ENVIRONMENTAL		32883	32,624.21	
		49706	32,624.21		REPLACEMENT GRINDER
12/12/2019	KEMIRA WATER SOLUTIONS, INC.		32884	7,436.00	
		49671	7,436.00		FERROUS CHLORIDE
12/12/2019	LARRY WALKER ASSOCIATES		32885	2,406.50	
		49712	2,406.50		NPDES PERMIT REISSUANCE ASSIST
12/12/2019	CAROL MARGETICH		32886	311.94	
		49741	311.94		T&M
12/12/2019	MCCAMPBELL ANALYTICAL, INC.		32887	1,160.60	
		49674	1,160.60		LABORATORY SERVICES FOR PRETRE
12/12/2019	MDRR PITTSBURG		32888	3,223.20	
		49737	2,061.55		WASTE
		49738	1,161.65		WASTE
12/12/2019	NV5 INC.		32889	945.00	
		49675	945.00		RWF EMERGENCY BACKUP GENERATOR
12/12/2019	OFFICE DEPOT		32890	370.74	
		49676	190.22		OFFICE SUPPLIES
		49677	93.69		OFFICE SUPPLIES
		49678	86.83		OFFICE SUPPLIES
12/12/2019	PACIFIC GAS & ELECTRIC COMPANY		32891	403.24	
		49740	58.09		UTILITIES
		49742	345.15		UTILITIES
12/12/2019	PEOPLE 2.0 GLOBAL INC.		32892	612.00	
		49724	408.00		O/S TEMP
		49725	204.00		O/S TEMP
12/12/2019	PILLSBURY WINTHROP SHAW PITTMAN LLP		32893	4,818.00	
		49679	4,818.00		LEGAL SERVICES
12/12/2019	REGIONAL GOVERNMENT SERVICES		32894	91.35	
		49715	91.35		JOB DESCRIPTION PROJECT
12/12/2019	REPUBLIC SERVICES #210		32895	5,110.97	
		49761	1,054.73		WASTE
		49762	4,056.24		WASTE
12/12/2019	TAC AMERICAS, INC.		32896	1,598.17	
		49717	1,598.17		POC BUILDING HVAC SERVICES
12/12/2019	SHARP ELECTRONICS CORP		32897	3,276.30	
		49683	3,276.30		SHARP MAINTENANCE SERVICES

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/12/2019	SHORELINE DIESEL MAINTENANCE INC		32898	3,289.15	
		49716	3,289.15		ENGINE BARRING MOTOR
12/12/2019	SPEARHEAD PROTECTION		32899	9,120.00	
		49763	9,120.00		Patrolled Security Service
12/12/2019	STERICYCLE ENVIRONMENTAL SOLUTIONS		32900	43,204.30	
		49718	43,204.30		PROVIDE TRANS/DISPOSAL/LABOR FOR H
12/12/2019	TRANSENE COMPANY, INC.		32901	2,067.71	
		49613	2,067.71		INVENTORY
12/12/2019	TURBO MACHINERY, INC		32902	2,198.00	
		49720	2,198.00		SIZE COUPLERS TO GIVEN SPEC
12/12/2019	UNIFIRST CORPORATION		32903	320.67	
		49548	127.53		UNIFORM/ LAUNDRY SERVICE
		49549	167.24		UNIFORM/ LAUNDRY SERVICE
		49550	25.90		UNIFORM/ LAUNDRY SERVICE
12/12/2019	UNIVAR USA INC		32904	8,789.80	
		49560	5,438.75		SODIUM BISULFITE
		49561	3,351.05		SODIUM HYPOCHLORITE
12/12/2019	WOLLBORG MICHELSON PERSONNEL		32905	5,960.25	
		49723	5,960.25		O/S TEMP
12/19/2019	CITY OF ANTIOCH- WATER		32906	5,653.86	
		49802	808.38		UTILITIES
		49803	94.60		UTILITIES
		49831	66.74		UTILITIES
		49832	4,400.34		UTILITIES
		49833	94.60		UTILITIES
		49834	94.60		UTILITIES
		49835	94.60		UTILITIES
12/19/2019	MICHAEL AUER		32907	130.07	
		49849	130.07		REIMBURSEMENT
12/19/2019	MICHAEL BAKALDIN		32908	130.07	
		49850	130.07		REIMBURSEMENT
12/19/2019	CALTEST ANALYTICAL LABORATORY		32909	378.00	
		49657	378.00		NPDES LABORATORY SERVICES
12/19/2019	CHEMTRADE CHEMICALS US LLC		32910	7,048.17	
		49816	3,467.27		ALUMINUM SULFATE
		49817	3,580.90		ALUMINUM SULFATE
12/19/2019	CONTRACT SWEEPING SERVICES		32911	29,881.10	
		49765	29,881.10		STREET SWEEPING SERVICES
12/19/2019	DARRIN G. STANLEY		32912	6,500.00	
		49620	2,800.00		INSTALL NEW 24 IN CULVERT-3100

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
		49660	3,700.00	PITTSBURG PUMP STATION GATE IN
12/19/2019	DELTA FENCE CO		32913	4,228.00
		49703	4,228.00	FENCE REPAIRS @ ANTIOCH PUMP STATI
12/19/2019	DIABLO WATER DISTRICT		32914	414.85
		49804	414.85	UTILITIES
12/19/2019	JOSEPH PETRONIO		32915	375.00
		49704	375.00	CMMS SUPPORT
12/19/2019	EPIC COMPLIANCE SYSTEMS, INC.		32916	450.00
		49798	300.00	MONTHLY UNDERGROUND STORAGE TA
		49799	150.00	MONTHLY UNDERGROUND STORAGE TA
12/19/2019	FASTENAL COMPANY		32917	142.12
		49858	142.12	MAINTENANCE CONSUMABLE ITEMS
12/19/2019	MICHAEL CRAMBLIT FOSTER		32918	5,811.15
		49705	5,811.15	SERVICE WATER STRAINER REPLACM
12/19/2019	FRONTIER ANALYTICAL LABORATORY		32919	1,700.00
		49664	1,700.00	CONTRACT LABORATORY SERVICES
12/19/2019	GRAINGER		32920	1,696.93
		49667	70.00	INVENTORY
		49836	1,431.95	INVENTORY
		49837	97.49	INVENTORY
		49838	97.49	INVENTORY
12/19/2019	INTERACTIVE RESOURCES INC.		32921	24,501.63
		49670	24,501.63	ROOF REPLACEMENT DESIGN - PN 1
12/19/2019	JIFCO INC.		32922	27,968.00
		49860	27,968.00	SAPS PIG LAUNCH AREA REPAIRS
12/19/2019	LEGAL SHIELD		32923	214.40
		49807	107.20	LEGAL MEMB
		49808	107.20	LEGAL MEMB
12/19/2019	MICROBIZ SECURITY COMPANY		32924	25,185.78
		49848	25,185.78	SECURITY CAMERA NVR REPLACEMEN
12/19/2019	MOTION INDUSTRIES INC.		32925	1,818.92
		49819	1,818.92	INVENTORY
12/19/2019	NWN CORPORATION		32926	4,017.29
		49826	4,017.29	PHONE EXP
12/19/2019	OFFICE DEPOT		32927	98.30
		49739	98.30	OFFICE SUPPLIES
12/19/2019	ONSITE ERGONOMICS, INC.		32928	1,972.60
		49809	1,473.40	OCCUP SAFETY
		49810	499.20	OCCUP SAFETY
12/19/2019	PACIFIC GAS & ELECTRIC COMPANY		32929	61,507.14

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		49805		23,884.48	UTILITIES
		49824		37,622.66	UTILITIES
12/19/2019	ABEL PALACIO		32930	1,064.20	
		49852		1,064.20	REIMBURSEMENT
12/19/2019	PILLSBURY WINTHROP SHAW PITTMAN LLP		32931	6,996.00	
		49680		6,996.00	LEGAL SERVICES
12/19/2019	PITTSBURG WINSUPPLY		32932	69.88	
		49823		69.88	INVENTORY
12/19/2019	RGM KRAMER INC		32933	1,242.50	
		49821		1,242.50	LABOR COMPLIANCE MONITORING PN
12/19/2019	RH TECHNOLOGY		32934	24,437.50	
		49839		4,600.00	O/S TEMP
		49840		4,600.00	O/S TEMP
		49841		3,680.00	O/S TEMP
		49842		4,197.50	O/S TEMP
		49844		2,760.00	O/S TEMP
		49845		4,600.00	O/S TEMP
12/19/2019	DARLENE D.RHODES		32935	4,790.63	
		49681		4,790.63	HR CONSULTANT
12/19/2019	PAULETTE RIOS		32936	417.84	
		49851		417.84	REIMBURSEMENT
12/19/2019	CA STATE DISBURSEMENT UNIT		32937	750.00	
		CS9648295		750.00	GARNISHMENT
12/19/2019	STATE OF CALIFORNIA		32938	150.00	
		4461734		150.00	INCOME TAX WITHOLDING ORDER
12/19/2019	SYSTEM 1 STAFFING		32939	9,134.83	
		49811		4,537.40	O/S TEMP
		49846		4,597.43	O/S TEMP
12/19/2019	TERRYBERRY		32940	298.52	
		49812		298.52	EMPL RECOG
12/19/2019	STACY TUCKER		32941	8.00	
		49615		8.00	REIMBURSEMENT
12/19/2019	TURBO MACHINERY, INC		32942	39,085.83	
		49863		9,749.30	MAINTENANCE BACKFILL LABOR
		49864		10,635.60	MAINTENANCE BACKFILL LABOR
		49865		8,951.63	MAINTENANCE BACKFILL LABOR
		49866		9,749.30	MAINTENANCE BACKFILL LABOR
12/19/2019	UNIFIRST CORPORATION		32943	132.48	
		49743		132.48	UNIFORM/ LAUNDRY SERVICE
12/19/2019	UNIVAR USA INC		32944	6,701.29	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
		49684		3,383.04	SODIUM HYPOCHLORITE
		49685		3,318.25	SODIUM HYPOCHLORITE
12/19/2019	V.W. HOUSEN & ASSOCIATES, INC.		32945	4,391.63	
		49689		4,391.63	DESIGN WORK
12/19/2019	WM LYLES COMPANY		32946	118,940.00	
		49693		26,315.00	CONSTRUCTION SERVICES PN 80008
		49694		92,625.00	10/31/2019
12/19/2019	WOLLBORG MICHELSON PERSONNEL		32947	5,323.50	
		49813		5,323.50	O/S TEMP
12/26/2019	AFLAC		32948	974.34	
		49908		974.34	INSURANCE
12/26/2019	ASSOCIATED SERVICES COMPANY		32949	866.90	
		49732		96.74	PROVIDE PREMIUM COFFEE SERVICE
		49733		770.16	PROVIDE PREMIUM COFFEE SERVICE
12/26/2019	BARNETT MEDICAL SERVICES, LLC		32950	96.00	
		49699		96.00	SHARPS/PHARMACEUTICAL DISPOSAL
12/26/2019	WILLIAM WESLEY BRANNON		32951	3,021.20	
		49880		3,021.20	EMPLOYEES RECOGNITION
12/26/2019	DARRELL CAIN		32952	92.41	
		49755		92.41	REIMBURSEMENT
12/26/2019	LESLIE J. CAIN		32953	239.00	
		49752		121.00	REIMBURSEMENT
		49753		114.00	REIMBURSEMENT
		49754		4.00	REIMBURSEMENT
12/26/2019	CALIFORNIA CHAMBER OF COMMERCE		32954	102.62	
		49872		102.62	POSTER - SUPPLIES
12/26/2019	CAROLLO ENGINEERS		32955	7,856.10	
		49797		7,856.10	CONSULTING SERVICES HEADWORK I
12/26/2019	REGINA CARTWRIGHT-MORALES		32956	23.00	
		49751		23.00	REIMBURSEMENT
12/26/2019	TOM DACY		32957	40.00	
		49757		40.00	REIMBURSEMENT
12/26/2019	DARRIN G. STANLEY		32958	4,497.63	
		49847		4,497.63	EMERGENCY PO- ANTIOCH SEWER LINE
12/26/2019	JERRY EASTLAND		32959	68.07	
		49756		68.07	REIMBURSEMENT
12/26/2019	FASTENAL COMPANY		32960	414.51	
		49859		414.51	MAINTENANCE CONSUMABLE ITEMS
12/26/2019	FRAXIA ENGINEERING		32961	2,700.00	
		49818		2,700.00	DESIGN SERVICES BP SEWER REHAB

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/26/2019	FRESCHI AIR SYSTEMS		32962	2,741.25	
		49909	2,741.25		REPAIR OF HVAC 8901 FOR MAIN MCC
12/26/2019	GURMUKH SINGH GREWAL		32963	125.00	
		49750	125.00		REIMBURSEMENT
12/26/2019	HUNT & SONS INC		32964	2,111.98	
		49861	2,111.98		FUEL SERVICES FOR THE DISTRICT
12/26/2019	HYDROSCIENCE ENGINEERS, INC		32965	770.00	
		49895	770.00		RECYCLED WATER STANDARDS REVIE
12/26/2019	JEFF IMACHI		32966	115.00	
		49758	115.00		REIMBURSEMENT
12/26/2019	INFERRERA CONSTRUCTION MANAGEMENT		32967	43,577.35	
		49669	43,577.35		CSC PN 80008 (17128, 17129, 17
12/26/2019	JOHN MUIR HEALTH		32968	822.50	
		49806	822.50		2019 CORPORATE WELLNESS SERVIC
12/26/2019	KEMIRA WATER SOLUTIONS, INC.		32969	14,654.37	
		49707	7,417.87		FERROUS CHLORIDE
		49711	7,236.50		FERROUS CHLORIDE
12/26/2019	KEY ADVOCATES INC.		32970	7,750.00	
		49672	7,750.00		FEDERAL ADVOCACY FOR WRWC PN
12/26/2019	LEE & RO, INC.		32971	39,578.14	
		49890	39,578.14		SWGR DESIGN SERVICES
12/26/2019	MESSER LLC		32972	639.11	
		49760	639.11		LIQUID OXYGEN
12/26/2019	SUE THOMASON		32973	275.00	
		49673	275.00		INDOOR PLANT MAINTENANCE
12/26/2019	OFFICE DEPOT		32974	426.46	
		49882	34.94		OFFICE SUPPLIES
		49883	152.12		OFFICE SUPPLIES
		49884	177.36		OFFICE SUPPLIES
		49885	62.04		OFFICE SUPPLIES
12/26/2019	CITY OF PITTSBURG		32975	25,368.08	
		49900	25,368.08		STREET SWEEPING SERVICE
12/26/2019	CITY OF PITTSBURG		32976	22,680.38	
		49901	22,680.38		STREET SWEEPING SERVICE
12/26/2019	RANGER PIPELINES INC		32977	643,435.00	
		49691	643,435.00		CONSTRUCTION SERVICES PROJECT
12/26/2019	RED WING SHOE STORE 165		32978	155.87	
		49682	155.87		T. ROA - SAFETY SHOES
12/26/2019	SCBA SAFETY CHECK INC		32979	125.22	
		49892	125.22		EMERGENCY RESPIRATOR AIR TANK SER

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
12/26/2019	STATE WATER RESOURCES		32980	110.00	
		49729	110.00		M&D - N. STEINER
12/26/2019	TRI-VALLEY JANITORIAL SERVICE & SUPPL'		32981	6,966.00	
		49801	6,966.00		BASIC JANITORIAL SERVICES
12/26/2019	STACY TUCKER		32982	61.34	
		49766	20.00		REIMBURSEMENT
		49768	33.34		REIMBURSEMENT
		49769	8.00		REIMBURSEMENT
12/26/2019	TURBO MACHINERY, INC		32983	4,963.28	
		49867	4,963.28		MAINTENANCE BACKFILL LABOR
12/26/2019	UNIFIRST CORPORATION		32984	367.98	
		49744	127.53		UNIFORM/ LAUNDRY SERVICE
		49745	208.79		UNIFORM/ LAUNDRY SERVICE
		49746	31.66		UNIFORM/ LAUNDRY SERVICE
12/26/2019	UNIVAR USA INC		32985	14,298.44	
		49687	5,494.76		SODIUM BISULFITE
		49688	3,316.56		SODIUM HYPOCHLORITE
		49721	5,487.12		SODIUM BISULFITE
12/26/2019	WM LYLES COMPANY		32986	211,909.56	
		49692	211,909.56		CONSTRUCTION SERVICES PN 17140
			GRAND TOTAL		<u>2,081,285.96</u>

February 12, 2020

RECEIVE NOTES FROM FINANCE COMMITTEE MEETING, FEBRUARY 6, 2020

RECOMMENDATION

Note receipt and file.

Background Information

The Finance Committee met on February 6, 2020. The meeting was attended by Committee Chair, Sean Wright; Vince De Lange, General Manager; Carol Margetich, Business Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

The purpose of the meeting was to review and comment on proposed modifications to Administrative Handbook Policy No. 3020, Investment of District Funds. Ms. Margetich provided an overview of the policy review and proposed changes, which are summarized in the meeting notes.

Analysis

Committee Chair Wright recommended the proposed modifications to Administrative Handbook Policy No. 3020, Investment of District Funds, be submitted to the full Board for consideration at the February 12, 2020 meeting. Committee meeting notes are provided as an informational report at regular Board Meetings as part of the Consent Calendar.

Financial Impact

None

Attachment

Finance Committee Meeting Notes, February 6, 2020

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

Reviewed by: 
Vince De Lange
General Manager

cc: District File BRD.01



DRAFT MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

DELTA DIABLO

(a California Special District)

**PLANT OPERATIONS CONFERENCE ROOM
2500 PITTSBURG-ANTIOCH HIGHWAY, ANTIOCH, CA 94509
THURSDAY, FEBRUARY 6, 2020
10:30 A.M.**

The meeting was called to order by Committee Chair, Sean Wright, on Thursday, February 6, 2020 at 10:43 a.m. at the Plant Operations Conference Room, 2500 Pittsburg-Antioch Highway, Antioch, California. Present at the meeting were Vince De Lange, General Manager; Carol Margetich, Business Services Director; and Cecelia Nichols-Fritzler, 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 provided an overview of the policy review and approval process by the Board of Directors and the District's engagement with an outside consultant (PFM) to conduct an annual review to ensure compliance with legal requirements. She highlighted the primary policy objectives—safety, liquidity, yield, which the District uses to manage financial risks. Ms. Margetich stated that the policy governs \$56.6 million in investments, which includes \$51.4 million invested in Local Agency Investment Fund (LAIF) and other liquid accounts and \$5.2 million managed by PFM. She highlighted the range of authorized instruments available for cash investments and reviewed the proposed recommendation to add two permissible investment instruments: 1) Mortgage-backed Securities and 2) Asset-backed Securities to further support portfolio diversification, consistent with the stated policy objectives. In addition, she reviewed a policy revision that will eliminate the requirement to submit Investment Policy to the Board for consideration annually even if there are no changes, which is consistent with Government Code 53646(a) and does not change the requirement to submit the Investment Policy to the Board if there are changes.

Mr. De Lange commented that the policy will be clarified to highlight the Mortgage-backed and Asset-backed Securities category, while the presentation to the full Board would also include a reference to the 20% of portfolio limitation on this investment instrument.

Director Wright thanked Ms. Margetich for the presentation and recommended the policy revisions be submitted to the full Board for consideration at its February 12, 2020 meeting.

ADJOURNMENT

Chair Wright adjourned the meeting at 10:30 am.

Recording Secretary: Cecelia Nichols-Fritzler

February 12, 2020

ADOPT RESOLUTION DESIGNATING THE GENERAL MANAGER OR HIS DESIGNEE AS THE AGENT AUTHORIZED TO FILE A HAZARD MITIGATION GRANT PROGRAM APPLICATION, EXECUTE GRANT AGREEMENTS, AND PROVIDE REQUIRED ASSURANCES TO THE CALIFORNIA OFFICE OF EMERGENCY SERVICES AND FEDERAL EMERGENCY MANAGEMENT AGENCY, PUMP STATION FLOOD MITIGATION, PROJECT NO. 80008

RECOMMENDATION

Adopt Resolution designating the General Manager or his designee as the agent authorized to file a Hazard Mitigation Grant Program (HMGP) application, execute grant agreements, and provide required assurances to the California Office of Emergency Services (CalOES) and Federal Emergency Management Agency (FEMA) for the Pump Station Flood Mitigation Project.

Background Information

Three Major Disaster Declarations for “California Severe Winter Storms, Flooding, and Mudslides” were issued on February 14, 2017, March 16, 2017, and April 1, 2017 (DR-4301, DR-4305, and DR-4308, respectively) for incidents occurring between January 3, 2017 and February 23, 2017. These declarations included Contra Costa County. The District operates three pump stations (Antioch, Pittsburg, and Shore Acres) that are wholly or partially located in the 100-year flood plain. These three affected pump stations convey sewage from approximately 95% of the District’s service area, and interruption of service caused by flooding would significantly impact the District’s customers. Accordingly, the District included these facilities in the Contra Costa County Local Hazard Mitigation Plan, and identified potential solutions to mitigate flooding impacts through various improvements to the sites, such as installation of berms and/or raising the grade of the sites above the floodplain elevation. These improvements are planned as a component of the Pump Station Facilities Repair Project.

CalOES posted an opportunity for the HMGP with Notice of Interest submissions due by June 15, 2017. The District prepared an on-line submission for this flood mitigation project and was invited to submit a full application for funding by November 1, 2017. The District’s application was placed on a waiting list in July 2018 pending funding availability and was subsequently selected for a funding award.

Analysis

On January 14, 2020, the District received formal Notification of Subapplication Approval from CalOES, awarding \$487,642 for the project. A current Board-adopted resolution identifying the agent authorized to file the application, execute grant agreements, and provide required assurances is required by CalOES.

Financial Impact

The adopted Fiscal Year 2019/2020 - Fiscal Year 2023/2024 (FY19/20-FY23/24) Capital Improvement Program (CIP) includes approved budget appropriations of \$10.3 million for the Pump Station Facilities Repair Project through FY19/20 in the Wastewater Capital Asset



Replacement Fund. The flood mitigation project cost is estimated at \$650,190. The grant award of \$487,642 provides 75% of the cost of the improvements with the District committing the 25% share of \$162,548. Sufficient funding is available in the capital budget to complete this work.

Attachment

Proposed Resolution Designating the General Manager as the Agent Authorized to File a Hazard Mitigation Grant Program Application with California Office of Emergency Services, Execute Grant Agreements, and Provide Assurances for the Pump Station Flood Mitigation Project

Prepared by: 
Jayne Strommer
Government Affairs Manager

Reviewed by: 
Brian Thomas
Engineering Services
Director

cc: District File No. P.80008.04.04



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

**Re: Designating the General Manager as the Agent)
Authorized to File a Hazard Mitigation Grant)
Program Application with California Office of)
Emergency Services, Execute Grant Agreements,)
And Provide Assurances for the Pump Station)
Flood Mitigation Project)**

RESOLUTION NO. X/2020

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, three Major Disaster Declarations were issued in February (DR-4301), March (DR-4305) and April 2017 (DR-4308) for California Severe Winter Storms, Flooding, and Mudslides occurring between January 3, 2017 and February 23, 2017; and

WHEREAS, Delta Diablo operates three wastewater pump stations that are located within the 100-year floodplain, and has identified a need for hazard mitigation to prevent flooding impacts to the wastewater system and interruption of service to Delta Diablo customers; and

WHEREAS, flood mitigation for Delta Diablo pump stations is identified in the Contra Costa County Local Hazard Mitigation Plan; and

WHEREAS, Delta Diablo previously submitted an application to the California Office of Emergency Services for the Hazard Mitigation Grant Program available for these Disaster Declarations and was selected for an award;

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

1. The General Manager or his designee is hereby authorized to execute for and on behalf of Delta Diablo, a public entity established under the laws of the State of California, this application and to file it with the California Governor’s Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
2. Delta Diablo hereby authorizes the General Manager or his designee to provide to the California Governor’s Office of Emergency Services, for all matters pertaining to such state disaster assistance, the assurances and agreements required. This includes a match commitment letter and maintenance letter.
3. This is a Disaster/Grant specific resolution and is effective for only Disaster/Grants DR-4301, DR-4305, and DR-4308.

PASSED AND ADOPTED on February 12, 2020, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on February 12, 2020.

ATTEST: Sean Wright
Board Secretary

By: _____

February 12, 2020

AUTHORIZE GENERAL MANAGER TO EXECUTE CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$265,919, V.W. HOUSEN & ASSOCIATES, ENGINEERING SERVICES, ANTIOCH PUMP STATION AND CONVEYANCE SYSTEM IMPROVEMENTS PROJECT, PROJECT NO. 20121

RECOMMENDATION

Authorize the General Manager to execute a Consulting Services Contract with V.W. Housen & Associates (VWH) to provide engineering design services in an amount not to exceed \$265,919 for the Antioch Pump Station and Conveyance System Improvements Project.

Background Information

The District's Antioch Pump Station flow conveyance system consists of two 24-inch diameter force mains—Antioch Force Main 101 (AFM 101) and Antioch Force Main 102 (AFM 102)—which convey an average flow of 5 to 6 million gallons per day to the District's Wastewater Treatment Plant. AFM 102 has experienced multiple failures due to severe corrosion from corrosive gases, with the most recent failure occurring in December 2019. While AFM 102 was out of service for repairs, staff conducted a limited inspection and condition assessment of other potentially vulnerable locations along AFM 102. Preliminary inspection data indicates that other portions of AFM 102 are experiencing similar types of corrosions that could lead to another failure event. The buildup of corrosive gasses in the pipeline is due to multiple operational and force main material-type issues that exist within the Antioch Pump Station and associated flow conveyance system.

At its January 15, 2020 regular meeting, the Board authorized formation of a new capital project to assess the existing condition of these assets, identify potential operational improvements, and design and construct improvements to address deficiencies in these systems to ensure long-term operational reliability.

Analysis

The Antioch Pump Station and Conveyance System Project is anticipated to be a 4-year capital project that will be implemented in multiple phases. The proposed scope of work for the first phase includes three primary tasks, which are summarized below. A summary of the scope of work and estimated costs associated with these services is attached.

1. Define locations along the AFM 101 and AFM 102 pipeline alignments that have the potential for corrosive gases to accumulate in the pipeline. This information will be used to conduct external wall thickness measurements in coordination with a separate contractor hired by the District.
2. Use the wall thickness measurements to define portions of the force mains that need to be repaired immediately. VWH will evaluate repair options (i.e., remove and replace with HDPE or install a cured-in-place pipe [CIPP] liner system) and prepare construction contract documents that will be ready for public bidding in late-May 2020.



3. Conduct preliminary design activities, including a hydraulic analysis of various operating scenarios, to further define the the conditions that result in the buildup of corrosive gases and other negative operational impacts.

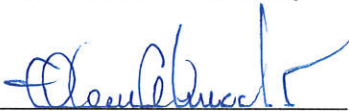
Financial Impact

On January 15, 2020, the Board authorized the General Manager to establish a new Fiscal Year 2019/2020 (FY19/20) project entitled Antioch Pump Station and Conveyance System Improvements Project with a total budget of \$1,000,000. Sufficient funding is available in the project budget for this contract.

Attachment

VWH Scope and Cost Estimate Summary

Prepared by:



Thanh Vo
Senior Engineer

Reviewed by:



Brian Thomas
Engineering Services
Director/District Engineer

cc: District File No. P.20121



SCOPE AND COST ESTIMATE SUMMARY

Project: Antioch Pump Station and Conveyance System Improvements Project

Consultant: V.W. Housen & Associates

Scope of Work Items:

Estimated Cost:

TASK	
1. Project Management	\$ 10,473
2. Review & Analyze Existing Antioch Conveyance System	\$ 20,256
3. Recommend Force Main Inspections	\$ 13,918
4. Perform Force Main Inspections	\$ 44,656
5. Analyze Existing Pump Station/Conveyance System Hydraulics	\$ 45,084
6. Develop Recommendation for Immediate Repair	\$ 19,366
7. Prepare Project Technical Memorandum	\$ 14,852
8. Prepare Design for Immediate Repair	\$ 97,314
TOTAL DESIGN SERVICES	\$ 265,919

February 12, 2020

RECEIVE FIRST-HALF OF FISCAL YEAR 2019/2020 OPERATING BUDGET
EXPENDITURE REPORT

RECOMMENDATION

Receive Fiscal Year 2019/2020 (FY19/20) operating budget expenditure report for July 1, 2019 through December 31, 2019.

Background Information

The operating budget expenditure report compares the District's actual and budgeted operating expenditures for the period July 1, 2019 through December 31, 2019.

Analysis

Operating expenditures compared to budget are provided by department category (Table 1), and by expense category (Table 2). For the first half of FY19/20 ending December 31, 2019, actual overall District expenditures are 45% or \$12,928,098 of the total operating budget of \$28,656,770.

By Department

Because of the timing of cash flows associated with specific budget items and seasonal plant flow variations, it is not uncommon that budget expenditures by department do not match straight line budget projections (i.e., each department budget is not 50% expended at 50% of the fiscal year). For example, Engineering services is currently at 59% of its annual budget largely due to an outside services contract (NPDES permit negotiations support) that was completed in the first half of the year without further expenses expected for the remainder of the fiscal year. Similarly, Business Services is only at 40% of budget because planned outside services contract expenditures are expected to increase significantly in the second half of the fiscal year. Resource Recovery Services, which comprises 64% of the District's overall operating budget, is at 44% of budget to date largely due to reduced operating costs (e.g., chemical usage) associated with lower than expected wet weather flows and recycled water production. Administration is currently at 42% of annual budget due to lower than expected resource, training, and professional service needs. All departments are expected to be within budget by the end of the fiscal year.

TABLE 1: OPERATING EXPENDITURES BY DEPARTMENT

	Original Appropriation	Revised Budget	YTD Actual	Remaining Budget	Percent Used
Administration	\$2,441,026	\$2,441,026	\$1,031,686	\$1,409,340	42%
Business Services	4,795,687	4,795,687	1,938,530	2,857,157	40%
Engineering Services	3,221,916	3,221,916	1,901,604	1,320,312	59%
Resource Recovery Services	18,198,141	18,198,141	8,056,278	10,141,863	44%
TOTAL	\$28,656,770	\$28,656,770	\$12,928,098	\$15,728,672	45%

Note: This budget report does not include depreciation, gain/loss on sale of fixed assets, transfers, other post-employment benefits (OPEB) liability, GASB 68, or accrued leave expenses.



By Expense Category

All expense categories are at or below budgeted levels of 50% for the first six months of FY19/20 (Table 2) except for Labor and Office Expenses.

TABLE 2: OPERATING EXPENDITURES BY CATEGORY

	Original Appropriation	Revised Budget	YTD Actual	Available Budget	Percent Used
Labor	\$17,130,790	\$17,130,790	\$8,705,087	\$8,425,703	51%
Chemicals	1,864,900	1,864,900	626,216	1,238,684	34%
Office Expenses	954,440	954,440	621,243	333,197	65%
Operating Expenses	1,022,294	1,022,294	332,259	690,035	33%
Outside Services and Maintenance	4,660,646	4,660,646	1,593,152	3,067,494	34%
Travel and Meetings	124,519	124,519	15,554	108,965	12%
Utilities	1,888,570	1,888,570	847,857	1,040,713	45%
Other Expenses	550,611	550,611	171,315	379,296	31%
Contingency Allowance	460,000	460,000	15,415	444,585	3%
TOTAL	\$28,656,770	\$28,656,770	\$12,928,098	\$15,728,672	45%

Note: This budget report does not include depreciation, loss on sale of fixed assets, transfers, other post-employment benefits (OPEB) liability, GASB 68, or accrued leave expenses.

Several budget categories are below budgeted levels for this period, including Chemicals, Operating Expenses, Outside Services and Maintenance, Travel and Meetings, Utilities, and Other Expenses. Staff projects that these categories will remain below budgeted levels at fiscal year-end due to a combination of lower usage and operational savings. However, the most significant savings are projected to be in the Chemicals and Outside Services categories. Chemical expenses have decreased due to Calpine's reduced recycled water consumption as a result of changes in the wholesale electricity market. The corresponding reduction in chemical usage is associated with decreased recycled water production. The Outside Services category has also experienced a decrease due to operational efficiencies. Finally, although utilities are lower than anticipated, this cost is expected to increase in the second half of the year. Utility expenses are lower due to a combination of reduced recycled water production and wastewater conveyance pumping costs associated with lower than expected wet weather season flows. All other expenditures, including Travel and Meetings and Other Expenses, are below budgeted levels, primarily due to cash flow timing differences, and are expected to be within budget at year-end. As of December 31, 2019, \$15,000 of the Board-approved Operating Contingency budget of \$460,000 has been expended.

Expenditure Summary by Type

During the first half of FY19/20, the major expenditure types comprising the \$12.9 million in total expenditures, including Labor (\$8.7 million or 67%); Materials and Supplies which includes Chemicals, Office Expenses, and Operating Expenses (\$1.6 million or 12%); Outside Services and Maintenance (\$1.6 million or 12%); Utilities (\$0.85 million or 6.6%); and Other Expenditures (\$0.17 million or 1%).



Financial Impact

Actual operating expenditures for the first six months of FY19/20 are at \$12,928,098 or 45% of the total \$28.7 million budget appropriation approved by the Board. Any unspent operating budget funds will be considered during the upcoming budget development and rate-setting process.

Prepared by: 
Carol S. Margetich
Business Services Director

cc: District File BRD.01



ITEM F

February 12, 2020

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

RECOMMENDATION

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

Background Information

The District's current Investment Policy (Policy) was adopted by the Board of Directors on February 13, 2019 to incorporate recommended clarifications to further define allowable investments and qualifications for investment brokers and dealers with whom the District conducts business. The District's investment advisor (PFM Asset Management [PFM]) recently conducted its annual review of the Policy to ensure it continues to meet legal requirements and best practices for management of public funds.

California Government Code (GC) Section 53646(a)(2) requires consideration by the Board if changes are proposed to the Policy. Staff typically submits any proposed revisions to the Finance Committee for review and incorporation of comments received prior to consideration of the revised Policy by the full Board. To ensure full transparency, the Board currently reviews the Policy during a public meeting on an annual basis even if there are no proposed changes. The following outlines legal requirements for review by the Board:

GC 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.

All District funds governed by the Policy are invested in accordance with GC requirements. The primary objectives of the Policy, in priority order, are to:

1. Ensure safety of principal invested (Safety),
2. Provide sufficient liquidity to meet ongoing cash flow requirements (Liquidity), and
3. Ensure a return on investment that exceeds the State of California's Local Agency Investment Fund (LAIF) and is comparable to the six-month Treasury return (Yield) within the constraints of the preceding two objectives.

In addition, the Policy requires 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), Supranationals, 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 required to have very high credit ratings from one or more rating agencies.



Analysis

GC Section 53646(a)(2) allows for the presentation of a statement of investment policy to the Board for consideration during a public meeting on an annual basis, even if there are no proposed changes, but does not require it. Therefore, staff recommends a minor change to the Policy to eliminate the requirement to submit the Policy to the Board for consideration even if there are no changes to the document.

In addition, to further diversify the District's portfolio, staff proposes minor changes to the Policy with the addition of two permissible investment authorized instruments, Mortgage-Backed Securities and Asset-Backed Securities allowable under GC Section 53601. High-quality mortgage-backed and asset-backed securities offer additional return potential on a risk-adjusted basis relative to U.S. Treasuries and Federal Agency securities. Over longer time horizons, both sectors have been strong performers relative to government options, while maintaining high credit quality consistent with GC requirements. Credit ratings for permitted mortgage-backed securities are currently "AA" by S&P and "AAA" by Moody's, while permitted asset-backed securities are rated "AAA" by Moody's and/or Fitch, making them an attractive alternative to corporate securities when spreads are at levels that warrant adding allocations to the asset-backed sector. The use of mortgage- and asset-backed securities is consistent with the Policy's primary objectives of Safety, Liquidity, and Yield, albeit with a slightly lower liquidity profile compared to U.S. Treasuries and Federal Agency securities.

PFM reviewed and assisted in drafting the Policy to ensure it meets legal requirements, as well as best practices for the management of government funds. PFM has advised the District that the Policy is compliant with state law. The Finance Committee reviewed the proposed Policy revisions at its meeting of February 6, 2020, and the Committee recommended the Policy be presented to the Board of Directors for consideration at its meeting on February 12, 2020.

Financial Impact

As specified in the Policy, the District's objective is to earn a return on investments that exceeds LAIF and is comparable to the six-month Treasury index. The District's investments are designed to meet this 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.

Attachments

- 1) Proposed Revised Administrative Handbook Policy No. 3020, *Investment of District Funds* (to supersede policy dated February 13, 2019) – Clean Version
- 2) Proposed Revised Administrative Handbook Policy No. 3020, *Investment of District Funds* (to supersede policy dated February 13, 2019) – Tracked Changes Version
- 3) Finance Committee Meeting Notes, February 6, 2020

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: February 12, 2020 (*Supersedes 2/13/19*)

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

3020.2 Scope

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

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

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

3020.3 Objectives

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

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

Investment Fund (LAIF) and is comparable to the six-month Treasury index consistent with the constraints imposed by the prevailing economic conditions and by its safety objective and cash flow considerations.

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

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

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

3020.4 Delegation of Authority

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

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

3020.5. Ethics and Conflict of Interest

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

3020.6 Internal Controls

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

3020.7 Qualified Financial Institutions and Broker/Dealers

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

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

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

3020.8 Investments

California Government Code Section 53601 governs the investments permitted for purchase by the District. Within the investments permitted by Code, the District seeks to further restrict eligible investment to the investments listed under Authorized Instruments below. Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the Business Services Director shall notify the General Manager and the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Authorized Instruments

- 3020.8.1** U.S. Treasuries. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 3020.8.2** Federal Agency securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 3020.8.3** State of California or any local agency within the State. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by one or more nationally-recognized statistical rating organization (NRSRO).
- 3020.8.4** Bankers' Acceptances. Bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more NRSROs. Investments in banker's acceptances are further limited to 40 percent of the District's investment portfolio with no more than 30 percent invested in the bankers' acceptances of any one commercial bank.
- 3020.8.5** Commercial Paper. Commercial paper rated in the highest category by one or more NRSROs. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - 3020.8.5.1** The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

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

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

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

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

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

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

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

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

- 3020.8.9** State of California’s Local Agency Investment Fund (LAIF). The District may invest in LAIF. Investment in each LAIF account may not exceed the current approved maximum deposit allowed by LAIF.
- 3020.8.10** Local Government Investment Pools (LGIP). Upon approval of the Board of Directors by adoption of a Resolution the District may participate in other public agency investment pools, which serve to invest public agency funds in conformance with applicable California law and are rated “AAA” by one or more NRSROs. Participation in such a pool shall be consistent with the objectives stated as part of this policy.
- 3020.8.11** Shares of beneficial interest issued by a joint powers authority (JPA). Organized pursuant to Section 6509.7 that invests in the securities and obligations authorized by subdivisions (a) to (q) of California Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible under this section, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria:
- 3020.8.11.1** The entity meets the following criteria: (A) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (B) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) of California Government Code 53601, inclusive. (C) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
- 3020.8.12** Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code Section 53561. The District, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.
- 3020.8.13** Money Market Mutual Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §. 80a-1, et seq.)

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

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge.

Investments in Money Market Mutual Funds are further limited to 15 percent of surplus funds.

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

3020.9 Maximum Maturity

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

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

3020.10. Sales Prior to Maturity

Securities shall not be purchased directly by Staff for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement; or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment opportunities may involve the recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, and (3) estimation of time necessary to recoup the loss.

3020.11 Reporting Requirements

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

3020.12 Safekeeping and Custody

All securities purchased by or on behalf of the agency, whether negotiable, bearer, registered, or non-registered, shall be delivered, either by book entry or physical delivery, to the District’s third-party

custodian, and held in the District's name. The third-party custodian shall be independent from the company or firm which sold the security and from its investment adviser if it chooses one.

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

3020.13 Investment Policy Review

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

3020.14 Glossary

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

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

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

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

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

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

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

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

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

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

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

DRAFT

Delta Diablo

ADMINISTRATIVE POLICY HANDBOOK

POLICY TITLE: Investment of District Funds

POLICY NUMBER: 3020

PROCEDURE: N/A

DATE ADOPTED: February 123, 202019 (*Supersedes 2/134/198*) Sean Wright
Federal Glover

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

3020.2 Scope

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

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

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

3020.3 Objectives

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

- 3020.3.1** Safety. Safety of principal is the foremost objective of the investment program. District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 3020.3.2** Liquidity. The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.

3020.3.3 Return on Investment. The District's investment portfolio shall be designed with the objective of attaining a rate-of-return on its investments that exceeds the Local Agency Investment Fund (LAIF) and is comparable to the six-month Treasury index consistent with the constraints imposed by the prevailing economic conditions and by its safety objective and cash flow considerations.

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

3020.3.4 Benchmark for Investment. The performance of the portfolio will be measured against a benchmark with similar characteristics to the District's portfolio. This benchmark will be used to provide a comparison of risk and return in evaluating the District's investment strategy over time.

3020.3.5 Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. This shall also conform with applicable sections of the Government Code.

3020.3.6 Prudence. All persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor" standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

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

3020.4 Delegation of Authority

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

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

3020.5. Ethics and Conflict of Interest

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

3020.6 Internal Controls

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

3020.7 Qualified Financial Institutions and Broker/Dealers

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

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

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

3020.8 Investments

California Government Code Section 53601 governs the investments permitted for purchase by the District. Within the investments permitted by Code, the District seeks to further restrict eligible investment to the investments listed under Authorized Instruments below. Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the Business Services Director shall notify the General Manager and the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Authorized Instruments

- 3020.8.1** U.S. Treasuries. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 3020.8.2** Federal Agency securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 3020.8.3** State of California or any local agency within the State. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by one or more nationally-recognized statistical rating organization (NRSRO).
- 3020.8.4** Bankers' Acceptances. Bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more NRSROs. Investments in banker's acceptances are further limited to 40 percent of the District's investment portfolio with no more than 30 percent invested in the bankers' acceptances of any one commercial bank.
- 3020.8.5** Commercial Paper. Commercial paper rated in the highest category by one or more NRSROs. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- 3020.8.5.1** The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than

commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by a NRSRO.

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

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

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

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

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

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

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

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- 3020.8.10** Local Government Investment Pools (LGIP). Upon approval of the Board of Directors by adoption of a Resolution the District may participate in other public agency investment pools, which serve to invest public agency funds in conformance with applicable California law and are rated "AAA" by one or more NRSROs. Participation in such a pool shall be consistent with the objectives stated as part of this policy.
- 3020.8.11** Shares of beneficial interest issued by a joint powers authority (JPA). Organized pursuant to Section 6509.7 that invests in the securities and obligations authorized by subdivisions (a) to (q) of California Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible under this section, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria:
- 3020.8.11.1** The entity meets the following criteria: (A) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (B) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) of California Government Code 53601, inclusive. (C) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
- 3020.8.12** Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code Section 53561. The District, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.
- 3020.8.13** Money Market Mutual Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §. 80a-1, et seq.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

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

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

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

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

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

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

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

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

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

DRAFT MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

DELTA DIABLO

(a California Special District)

**PLANT OPERATIONS CONFERENCE ROOM
2500 PITTSBURG-ANTIOCH HIGHWAY, ANTIOCH, CA 94509
THURSDAY, FEBRUARY 6, 2020
10:30 A.M.**

The meeting was called to order by Committee Chair, Sean Wright, on Thursday, February 6, 2020 at 10:43 a.m. at the Plant Operations Conference Room, 2500 Pittsburg-Antioch Highway, Antioch, California. Present at the meeting were Vince De Lange, General Manager; Carol Margetich, Business Services Director; and Cecelia Nichols-Fritzler, 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 provided an overview of the policy review and approval process by the Board of Directors and the District's engagement with an outside consultant (PFM) to conduct an annual review to ensure compliance with legal requirements. She highlighted the primary policy objectives—safety, liquidity, yield, which the District uses to manage financial risks. Ms. Margetich stated that the policy governs \$56.6 million in investments, which includes \$51.4 million invested in Local Agency Investment Fund (LAIF) and other liquid accounts and \$5.2 million managed by PFM. She highlighted the range of authorized instruments available for cash investments and reviewed the proposed recommendation to add two permissible investment instruments: 1) Mortgage-backed Securities and 2) Asset-backed Securities to further support portfolio diversification, consistent with the stated policy objectives. In addition, she reviewed a policy revision that will eliminate the requirement to submit Investment Policy to the Board for consideration annually even if there are no changes, which is consistent with Government Code 53646(a) and does not change the requirement to submit the Investment Policy to the Board if there are changes.

Mr. De Lange commented that the policy will be clarified to highlight the Mortgage-backed and Asset-backed Securities category, while the presentation to the full Board would also include a reference to the 20% of portfolio limitation on this investment instrument.

Director Wright thanked Ms. Margetich for the presentation and recommended the policy revisions be submitted to the full Board for consideration at its February 12, 2020 meeting.

ADJOURNMENT

Chair Wright adjourned the meeting at 10:30 am.

Recording Secretary: Cecelia Nichols-Fritzler

ITEM J

February 12, 2020

RECEIVE MONTHLY LOBBYIST REPORT DATED JANUARY 2020, KEY ADVOCATES, INC., WESTERN RECYCLED WATER COALITION, PROJECT NO. 90024

RECOMMENDATION

Receive and file Report.

Background Information

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

Analysis

Attached is the report for January 2020, which was produced by KA and distributed to members of the Western Recycled Water Coalition.

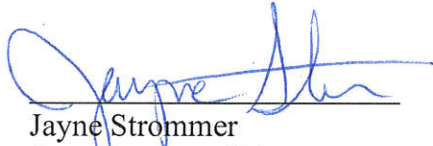
Financial Impact

None

Attachment

Monthly Report, January 2020

Prepared by:


Jayne Strommer

Government Affairs Manager

Reviewed by:



Brian Thomas

Engineering Services

Director/District Engineer

cc: Project File No. P.90024.06.01





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

January 31, 2020

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

Infrastructure

Four important developments -

On January 28, the House Democratic leadership (Speaker Pelosi, Majority Leader Hoyer, Majority Whip Clyburn, and Assistant Speaker Lujan) along with the chairs of the key congressional committees of jurisdiction (DeFazio of T&I, Pallone of Energy and Commerce, and Neal of Ways and Means) rolled out a mega infrastructure framework, having given up on crafting a package with the White House. "So far they have not come on board," Pelosi said. "However, we've decided now we'll just have to go forward." The framework – with more details and legislative language to follow as announced – focuses on traditional surface transportation issues, broadband, 911 updates, brownfields, safe drinking water, with mention of housing, education and natural resources. See the following:

<https://transportation.house.gov/imo/media/doc/Moving%20Forward%20Framework.pdf>.

Water Highlights of interest (note: these do **not** include water programs from other committees such as the Natural Resource Committee not yet available but to be included in the package) –

- **Clean Water & Wastewater Infrastructure — \$50.5 Billion**
 - Funds building new, modern clean water and wastewater infrastructure by investing \$40 billion in the Clean Water State Revolving Fund (CWSRF), to address local water quality challenges, with dedicated funds for urban and rural communities with affordability concerns.
 - Encourages the use of energy-efficient and water-efficient technologies.
 - Helps communities affordably address local sewer overflow and storm water infrastructure needs, preventing pollution in local rivers and waterways, and disruptions to service.
 - Establishes a new EPA program to detect, prevent, and treat discharge of industrial chemicals, including PFAS.

- **Water Infrastructure (Flood protection, navigation, etc.) — \$10 Billion**
 - Addresses the impact of severe weather events by tackling the backlog of Army

Corps' projects designed to protect communities at risk of flooding, to enhance community resiliency, and to enhance national, regional, and local economic growth.

- **Safe Drinking Water —\$25.4 Billion**
 - Protects Americans' drinking water – particularly for vulnerable communities – by investing in the Drinking Water State Revolving Fund and programs to ensure clean drinking water in schools, day care centers and on Native American Reservations.
 - Provides funding to local communities dealing with PFAS contamination in the drinking water and requires EPA identify and assist these and other communities with effective decontamination techniques.

- **Alternative Water Source Project - \$600 Million** Reauthorizes Federal investments in alternative water source projects to address critical water supply needs, especially in arid areas of the Nation.

The goal is to craft a package that looks to the future of infrastructure. Chairman DeFazio said that the bill will be a radical departure from past highway-era bills. He said that it is going to set a path for the 21st century to de-fossilize transportation. He noted building carbon neutral federal buildings, leading a transition to renewable fuels for aviation, using climate-friendly building materials and boosting rail and transit options. No decision on how to pay for the package until agreement is reached on that with the Administration. DeFazio has proposed issuing infrastructure bonds and paying them back by increasing fuel taxes and indexing them to inflation, but the leadership has not endorsed this. House Republicans oppose a gas tax increase, prioritizing innovation, streamlining permitting and focusing attention on rural infrastructure needs.

The Chair of the House Ways and Means Committee, Rep. Richard Neal (D-Mass.) will meet with Treasury Secretary Steven Mnuchin to discuss an infrastructure package, saying he is hopeful about working with the White House on this important legislation following the passage of the bi-partisan trade deal. Neal told reporters in his home state of Massachusetts that he plans to meet with Mnuchin this week when he returns to Washington. “We need to agree on some numbers and proceed on the basis that the country badly needs it, and I think that it is doable,” Neal was optimistic that there is bipartisan support for improving the nation’s infrastructure. He said passing the USMCA trade deal showed him the House and Senate can get something done. “I think big things can get done in election years,” Neal said. “This is one of those issues that’s interesting because the President needs it and we want it.”

The Ways and Means Committee held a hearing, “Paving the Way for Funding and Financing Infrastructure Investments” on Jan. 29. The Committee heard from witnesses who gave the Members insight into the current condition of U.S. infrastructure. At a 2019 hearing, Mnuchin told Members of the Committee that he is fully committed to the passage of the Trump administration’s \$1.5 trillion infrastructure plan. Mnuchin, like Neal, emphasized bipartisanship. “I look forward to working with Chairman Neal and the Committee on a bipartisan basis,” Mnuchin told the House Ways and Means Committee, adding that the goal is to pass the

ambitious building plan “this year.” Trump’s long-term infrastructure plan would depend mostly on private investments, as well as local and state governments, to provide a lion’s share of the funding, with 200 billion of the \$1.5 trillion earmarked by the administration to pay for infrastructure in the short-term. “We’re going to sit down on a bipartisan basis, and we’ll see what we can agree on,” Mnuchin told the Committee. “This has to be a combination of the Administration, the House, and the Senate ... and see what we can get done. Everyone has got the same objective; we want to make infrastructure investments.” The Jan. 29, 2020, hearing witnesses were Joung lee, AASHTO; Dr. Philip Fischer, eBooleant Consulting; Laura canter, Mass Dev Financer Agency; Diane Gutierrez-Scaccetti, N.J. DOT; and, DJ Gribbon, Madrus LLC.

DOT-OMB Principles (excerpt)

The Administration’s Plan: Invest at Least \$1 Trillion in Infrastructure

The President has called upon the Congress to pass legislation that generates at least \$1 trillion in infrastructure investment. The **2020 Budget** supports achieving this goal by:

- Seeking a long-term surface transportation reauthorization. The Budget commits to working with the Congress on a long-term surface transportation reauthorization bill. The current authorization, the Fixing America’s Surface Transportation (FAST) Act of 2015, expires at the end of 2020. We must provide our State, local and private partners – who build, own and operate the vast majority of the Nation’s surface transportation infrastructure – the long-term funding certainty they need to effectively plan and deliver projects. Such reauthorization must, at a minimum, address the long-term solvency of the Highway Trust Fund in a fiscally responsible manner, focus on nationally and regionally significant projects (emphasizing projects on the Interstate Highway System and other nationally- strategic freight networks), support emerging technologies and innovation, encourage the revenue mechanisms of the future, and promote more efficient and effective permitting.
- Providing \$200 billion for other infrastructure priorities. In addition to a long-term surface transportation reauthorization, the Administration believes it is important to provide additional investments in infrastructure, across a range of sectors, including water infrastructure. The Administration looks forward to working with the Congress to develop a package that will significantly improve the Nation’s infrastructure, and the Budget includes \$200 billion towards this effort. Within that amount, \$10 billion is allocated to establish a Federal Capital Revolving Fund to support more cost-effective Federal investment in buildings and other property. The Administration will work with the Congress on allocating the remaining amount toward sectors and projects that address the most important needs and confer the largest benefits to the American people. The Administration does believe that a portion of this funding should promote visionary projects and technologies that can strengthen our economic competitiveness, including 5G wireless communications, rural broadband, advanced manufacturing, and artificial intelligence.

Earmarks

Recent reports indicate discussion, and in some cases real interest, in bringing back earmarks. Many House Democrats have voiced support for overturning the current ban on earmarks. Most noticeably is Majority Leader Hoyer who is shopping an earmark return plan that would require for every earmark the recipient be a public, not a private entity, the Member requesting the earmark be identified, the earmark project be located in the Member's district/state, and the Member acknowledge under penalty that he or she has no vested interest in the earmark project. Transparency and accountability, Hoyer says, are the cornerstones of his proposal. To date, House Republicans are either opposed or silent on the return as are Senate Republicans. Senate Democrats support overturning the ban with accompanying stringent rules.

S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

Status: Per the Energy and Natural Resources Committee, goal is markup by the end of March.

To review, introduced on June 20 by Senator Cory Gardner (R-CO) with cosponsors Senators Feinstein, McSally (R-AZ), Sinema (D-AZ) and Rosen (D-NV). The bill was referred to the Energy and Natural Resources Committee. McSally is the Chair of its Water and Power Subcommittee. Gardner is a member of the Subcommittee. Feinstein and Sinema are not on the Committee. The bill would authorize for FY19-24 \$670M for surface and groundwater storage projects, \$100M for water recycling projects, and \$60M for desalination projects. It would also create a new loan program at 30-year Treasury rates for water supply projects known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA). The \$150M authorized for the program would make available \$8 to \$12B in lending authority for the low interest loans. The loans would use existing criteria under the WIFIA program, with projects for funding to be recommended by the Bureau of Reclamation, and with the loans to be administered by EPA. The bill would also authorize \$140M for restoration and environmental compliance projects. The bill provides offsets, one of which is a process to de-authorize inactive water recycling projects – projects for which no Federal or sponsor funds were spent on construction in the past 10 years, with an allowance of two and one-half years to spend funds to prevent de-authorization.

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

Status: Per Joe Sheehy (Cong. Napolitano), primary goal is the Huffman omnibus water bill (see below); secondary is to move the bill on its own.

To review, on Feb.13, Congresswoman Napolitano introduced the bill (with 17 cosponsors, now 27– all Dems) which the Coalition supports. The Coalition supported her bill last Congress. Two changes were made from last year's version: the EPA grant program was dropped so the focus could be on Title XVI; and, the cap on the Federal share for individual projects was increased from \$20M to \$30M. Per the Congresswoman's office, the following summary was provided:

- Increases the WIIN Act authorization for Title XVI from \$50 million to \$500 million
- Makes the WIIN Act Title XVI program permanent as it currently expires in 2021.
- Strikes the requirement that projects must be in drought or disaster areas

- Strikes the requirement that the projects need to be designated in an appropriations legislation
- Increase the limitation on the federal share of individual Title XVI projects from the current \$20 million in October 1996 prices to \$30 million in January 2019 prices.

Does not change the 25% federal cost share.

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill.

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

Status: Section included in the Huffman omnibus bill (see below); unlikely to move on its own.

To review, introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors. The bill provides \$100M for Title XVI WIIN grants from deposits made to the Reclamation Fund; authorizes \$150M for a reclamation infrastructure finance and innovation pilot program; increases the current Title XVI WIIN grant authorization from \$50M to \$500M (the same increase as in Cong. Napolitano’s H.R. 1162) and raises the Federal share cap from \$20M to \$30M; and, establishes a water technology investment program to expand use of technology for improving the availability and resiliency of water supplies and power delivers, and authorizes \$5M per fiscal year for the program. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill.

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

Status: Per the T&I Majority staff, Floor action Feb or March.

To review, on March 10 Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 56 cosponsors) which was amended in markup to authorize \$14B over the next five fiscal years for the CWSRF, \$1.125B for overflow and sewer grants, \$1.295B for state water pollution control programs, \$110M for innovative water grants, and \$150M for alternative water source projects. A Coalition support letter was submitted.

Huffman Omnibus Water Bill

Status: Draft circulated to stakeholders for comment by Feb 5. Letters of support encouraged. Coalition drafting support letter.

On January 10, Congressman Jared Huffman (D-CA-2), Chair of the Water, Oceans, and Wildlife Subcommittee of the Natural Resources Committee, unveiled a draft for comment of his omnibus water bill, the “FUTURE Drought Resiliency Act,” that includes Cong. Napolitano’s HR. 1162 and a section from Congressman Harder’s HR. 2473 (both also included in this monthly report). The Coalition worked with both Members on these two efforts and with the

Natural Resources Committee and Cong. Huffman's personal staff on the omnibus bill.

The included Napolitano language increases from \$50M to \$500M the authorization for Title XVI WIIN grants and from \$20M to \$30M the Federal share.

The included Harder language authorizes \$300M per year for a new "Water Infrastructure and Drought Solutions Fund," of which \$100M is for ground water storage projects, \$100M for water reclamation and reuse projects, and \$100M for WaterSMART grants. Because it will take years for revenues (they would come from the existing reclamation fund) to reach the \$300M level, the authorizations are for FY2031-2061.

Other provisions in the omnibus -

- \$750M for storage projects
- \$240 for desalination projects
- \$100M for disadvantaged communities without adequate drinking water
- Various technology provisions
- Various ecosystem protection provisions

FY21 Appropriations

With FY20 appropriations finalized (see below) attention now turns to FY21 with State of the Union address on Feb. 4, President's budget next month, adoption of congressional budget resolution by April 15, and the FY21 appropriations bills.

FY20 Water Appropriations Highlights

- Clean Water SRF - \$1,639 billion (versus \$1,394 billion FY19 enacted)
- Safe Drinking Water SRF - \$1,126 billion (versus \$864 million FY19 enacted)
- Title XVI WIIN Grants - \$20 million (same as FY19 enacted)

Coalition Projects Bill

Focusing on Hawaii Senators Schatz and/or Hirono for introduction of companion bill. House bill has Hawaii Water Project and bill is cosponsored by Congresswoman Gabbard. Draft of bill introduction request letter to Senators Hirono and Schatz sent to Cal Water/Hawaii Water for review. To review, HR 5302 introduced on Dec. 4 by Congressman McNerney with Reps Gabbard, Swalwell, and Panetta as cosponsors. McNerney press release with Coalition quote.

WIIN Grants

FY18 waiting on transfer of funds to the regions and then USBR to proceed with contract discussions with awardees. FY19 stuck at OMB. FY20 ready to go but not until FY19 awards are announced/sent to Congress.

DC Meetings

Feb. 26. Depending on issues and their status but meeting candidates could include in the House (T&I, Huffman, Harder, Natural Resources, Napolitano and Garamendi) and in the Senate (Watts, Energy Committee, EPW and Hawaii Sens).

Bill Tracking

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

S.611 — **Water Affordability, Transparency, Equity, Reliability Act of 2019**

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

Committees: Environment and Public Works

S.1518 — **Rebuild America Now Act**

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 05/16/2019) Cosponsors: (4)

Committee: Environment and Public Works. To improve the processes by which environmental documents are prepared and permits and applications are processed and regulated by Federal departments and agencies, and for other purposes.

H.R.1764 — **To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.**

Sponsor: Rep. Garamendi, John [D-CA-3] (Introduced 03/14/2019) Cosponsors: (8)

Committees: House - Transportation

S.40 — **Bureau of Reclamation Transparency Act**

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

Energy and Natural Resources

H.R.180 — **Build America Act of 2019**

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

Committees: Transportation and Infrastructure and Ways and Means

S.146 — **Move America Act of 2019**

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

Committees: Finance

H.R.658 — **National Infrastructure Development Bank Act of 2019**

Sponsor: Rep. DeLauro, Rosa L. [D-CT-3] (Introduced 01/17/2019) Cosponsors: (60, now 61)

Committees: Energy and Commerce, Transportation and Infrastructure, Financial Services and Ways and Means

S.353 — **RAPID Act**

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

Committees: Environment and Public Works

S.403 — **IMAGINE Act**

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

H.R.880 — **Surface Transportation Investment Act of 2019**

Sponsor: Rep. Brownley, Julia [D-CA-26] (Introduced 01/30/2019) Cosponsors: (1)
Committees: Ways and Means and Transportation and Infrastructure