

AGENDA

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

2500 Pittsburg-Antioch Highway | Antioch, CA 94509
(Note: There will be no in-person meeting at the District.)
WEDNESDAY, APRIL 14, 2021
4:30 P.M.

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

The Board of Directors Meeting on April 14, 2021 will not be physically open to the public and all Board Members will be teleconferencing into the meeting. Members of the public can observe the meeting by following the steps listed below to view and listen to the Board Meeting.

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

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

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

How to view, listen to, and provide a Public Comment during the meeting via ZOOM:

- **Using your computer, access the Zoom meeting at: <https://us02web.zoom.us/j/88581642558>**

How to listen and provide a Public Comment during the meeting via ZOOM:

- **Using your telephone, access the Zoom meeting by dialing (669) 900-6833**
- **Meeting ID: 885 8164 2558**

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

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WEDNESDAY, APRIL 14, 2021
4:30 P.M.

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. RECOGNITION

Congratulate Dustin Bloomfield on His Promotion to Maintenance Manager (Dean Eckerson)

E. CONSENT CALENDAR

- 1) **Approve** Minutes of the Special Board of Directors Meeting, March 25, 2021 (Cecelia Nichols-Fritzler)
- 2) **Receive** District Monthly Check Register, February 2021 (Eka Ekanem)
- 3) **Receive** Notes from Finance Committee Meeting, April 7, 2021 (Cecelia Nichols-Fritzler)
- 4) **Approve** Emergency Retention Basin Improvements Project and Determination that Project is Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Class 1; and **Authorize** General Manager to File CEQA Notice of Exemption with Contra Costa County Recorder's Office, Emergency Retention Basin Improvements, Project No. 19110 (Thank Vo)
- 5) **Adopt** Ordinance No. 120 to Eliminate Capital Facilities Capacity Charge Adjustments that May be Available for Specified Developments and to Require Initial Sewer Service Charges to be Paid as a Condition of the District Engineer's, or Designee's, Approval of Connection to the District Sewer System; and Direct Secretary to the Board, or Designee, to Cause Ordinance No. 120 to be Published Once in the East Bay Times, with Names of Directors Voting For and Against It, within 15 Days of its Adoption, (Thank Vo)

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- 6) **Authorize** General Manager to Approve Purchase Order in the Amount of \$318,329, Altec Cranes, Industrial Crane Truck; and **Approve** Appropriation in the Amount of \$318,329 From Wastewater Capital Asset Replacement Fund (Dustin Bloomfield)

F. DELIBERATION ITEMS

Review Proposed Sewer Service Charges for Fiscal Year 2021/22, Including Increases for Certain Ratepayer Classes; **Set** Public Hearing for June 9, 2021, at 4:30 P.M., to Consider Protests Against Sewer Service Charge Increases for Fiscal Year 2021/22, and to Consider Authorizing Collection of Fiscal Year 2021/22 Sewer Service Charges on the Tax Roll; and **Authorize** Distribution of Proposition 218 Hearing Notices and Publication of Hearing Notices (Brian Thomas)

G. PRESENTATIONS AND REPORTS

H. MANAGER'S COMMENTS

I. DIRECTORS' COMMENTS

J. CORRESPONDENCE

Receive Monthly Lobbyist Report Dated March 2021, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024 (Jayne Strommer)

K. CLOSED SESSION

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

Agency Negotiators: Vince De Lange, Michael Jarvis

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

Unrepresented Employees: All unrepresented employees

L. ADJOURNMENT

The next Board of Directors meeting will be held on May 12, 2021, at 4:30 p.m.

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ITEM D

April 14, 2021

CONGRATULATE DUSTIN BLOOMFIELD ON HIS PROMOTION TO MAINTENANCE MANAGER

Recommendation

Recognize and congratulate Mr. Dustin Bloomfield on his promotion to Maintenance Manager, effective Monday, March 8, 2021.

Background Information

The District recently completed the recruitment and selection process to fill the vacant Maintenance Manager position. Mr. Bloomfield, who began his service with the District on August 27, 2018 as the Maintenance Supervisor, was selected as the top candidate following completion of the oral interview process. Beginning on May 22, 2019, he served as the Acting Maintenance Manager until this recent promotion. This critical management-level position provides leadership and direction for the Maintenance Division with overall responsibility for the District's comprehensive maintenance and repair services and activities.

Analysis

Prior to joining the District, Mr. Bloomfield worked at the City of Brentwood for 20 years in progressively more responsible positions, including lead positions responsible for maintenance of the wastewater collection and treatment, and storm water systems. During his time at the District, he has demonstrated initiative in identifying and implementing key improvements to the District's comprehensive facility maintenance and repair program to support effective, efficient, and reliable operations. In addition, his leadership skills assisted the District in establishing the new Maintenance Planner/Scheduler position and supporting current efforts to implement an advanced reliability-centered Asset Management Program. Mr. Bloomfield has made significant contributions to the success of the Maintenance Division to date, most recently in meeting the extraordinary challenges associated with the COVID-19 pandemic. Please join in congratulating Mr. Bloomfield on his promotion as we wish him much success in his new role.

Financial Impact

The approved Fiscal Year 2020/2021 Budget includes sufficient funds for the Maintenance Manager position.

Attachments

None

Prepared by: _____



Dean Eckerson
Resource Recovery Services Director

cc: Dustin Bloomfield, Maintenance Manager
District File No. HR.01-PEF-00016304



April 14, 2021

APPROVE MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING,
MARCH 25, 2021

Recommendation

Approve Minutes of the Special Board of Directors Meeting on March 25, 2021

DRAFT
Minutes of the Special Board of Directors Meeting

DELTA DIABLO
March 25, 2021

The meeting was called to order by Chair Glover at 4:30 p.m. on Thursday, March 25, 2021, via Zoom. Present were Vice Chair Monica Wilson and Director Juan Banales. Also present on the call were: Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Acting Business Services Director; Thanh Vo, Acting Engineering Services Director; Joaquin Gonzalez, Operations Manager; and Ryan Cain, Wastewater Treatment Plant Operator II.

Chair Glover read the following statement: “To slow the spread of COVID-19, in lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor’s Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public hearings.”

The Secretary to the Board read a statement regarding the process for receiving public comments.

PUBLIC COMMENTS

None.

RECOGNITION

Introduction of Ryan Cain, Wastewater Treatment Plant Operator II, to the District

Mr. Gonzalez introduced Mr. Ryan, who began his employment with the District on March 10, 2021 as a WWTP Operator II. Prior to joining the District, Mr. Cain most recently worked for the City of Sunnyvale. The Board welcomed him to the District.

CONSENT CALENDAR

Chair Glover moved approval of the Consent Calendar, seconded by Director Wilson and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the following Consent items were approved: Approve Minutes of the Board of Directors Meeting, February 10, 2021; Receive District Monthly Check Register, January 2021; Receive Notes from Finance Committee Meeting, March 17, 2021; Receive Notes from Personnel Committee Meeting, March 19, 2021; Approve Onsite Fueling Station Replacement Project and Determination that Project is Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Class 3;



Authorize General Manager to File CEQA Notice of Exemption with Contra Costa County Clerk-Recorder and State Clearinghouse; and Authorize General Manager to Execute Amendment No. 2 in an Amount Not to Exceed \$9,500, Woodard & Curran, Inc., Engineering Services, Onsite Fueling Station Replacement, Project No. 19112; Authorize General Manager to Transfer Monies to the Sodium Bisulfite Tanks Replacement Project from the Site Security Improvements Project within the Wastewater Capital Asset Replacement Fund in the Amount of \$50,000, for a Total Project Budget of \$850,000; and Authorize General Manager or His Designee to Approve Construction Contract Change Orders in an Amount Not to Exceed 15% of the Contract Amount for a New Total Contract Authorization of \$578,335, Sodium Bisulfite Tanks Replacement Project No. 17139; Authorize General Manager to Execute Amendment No. 6 to Consulting Services Contract in the Amount of \$75,525, for a New Total Contract Amount Not to Exceed \$2,065,832, Carollo Engineers, Inc., Engineering Services; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in the Amount of \$275,280, for a New Total Contract Amount Not to Exceed \$1,055,461, Psomas, Construction Management and Inspection Services, Headworks Improvements, Project No. 17117; Approve and Authorize General Manager to Refund Bay Point Family Apartments, L.P. (BPFA) \$218,590.83 and a Pro-rated Amount of the Second Installment of Fiscal Year 2020/2021 Sewer Service Charges Paid Prior to Connecting BPFA's Development Located at 3600 Willow Pass Road to District's Sewer System in Bay Point, California; Authorize Reduction of Capital Facilities Capacity Charges in Accordance with District Code Section 2.16.070; Approve and Authorize Refund of Pro-rated Sewer Service Charges; and Authorize Budget Adjustment Transferring Funds from Wastewater Capital Asset Replacement Fund to Wastewater Expansion Fund, 2575 Railroad Ave., L.P., The Atchison in Pittsburg, California; Adopt Resolution to Approve New Operations Support and Construction Coordinator/Retired Annuitant Classification, Job Description, and Updated District Salary Schedule; Authorize Amendment to Purchase Order in the Amount of \$28,000, for a New Total Amount Not to Exceed \$348,000, Chemtrade Chemicals US, LLC, Supply and Delivery of Liquid Aluminum Sulfate; and Authorize Amendment to Purchase Order in the Amount of \$55,000, for a New Total Amount Not to Exceed \$348,000, Polydyne, Inc., Supply and Delivery of Dry Polymer, for Fiscal Year 2020/2021; Approve Updated District Strategic Business Plan.

PRESENTATION AND REPORTS

Receive Report on Financial Impact of Funding Scenarios for Secondary Process Improvements Project

Mr. Thomas provided an overview of the existing secondary treatment process at the District's Wastewater Treatment Plant (WWTP) and the key drivers for replacing the existing tower trickling filters (TTFs) with expanded aeration basin and secondary clarifier capacity. He reviewed the preliminary capital cost estimate (\$60.0 million) and associated cost allocation to District funds, including Wastewater Capital Asset/Capital Asset Replacement (78%), the Wastewater Expansion fund (16%), and the Advanced Treatment Fund (6%).

Following a review of financial sustainability guiding principles, Mr. Thomas highlighted preliminary estimates of how the \$60.0 million capital cost would impact sewer service charge (SSC) increases over five years under various funding approaches. He stated that staff is likely to recommend an SSC increase for Fiscal Year 2021/2022 (FY21/22) that would allow the District to maximize cash funding of the project cost directly from SSC revenues, with the remainder funded by debt issuance.



Chair Glover thanked Mr. Thomas for the presentation. Director Banales commented that the recommended scenario provides flexibility with cash funding and debt financing. Vice Chair Wilson commented that she understands the cash versus debt funding considerations and would be supportive of the recommended SSC increase range under that scenario. Mr. De Lange noted staff will continue to further refine the information ahead of submitting the proposed SSC adjustments for Board consideration at the April 14, 2021 meeting.

DELIBERATION

Consider Introducing Ordinance No. 120 to Eliminate the Capital Facilities Capacity Charge Adjustments that May be Available for Specified Developments, and to Require Initial Sewer Service Charges to be Paid as a Condition of the District Engineer's or His Designee's Approval of Connection to District Sewer System; Waive Reading; and Fix April 14, 2021 for Adoption

Mr. Vo highlighted key issues associated with District Code Section 2.16.070, which currently allows the Board to consider approving a 75% CFCC reduction for specified developments, and District Code section 2.20.040(B), which currently requires the District to begin collecting initial SSCs for new developments at the time the District issues a permit to connect to the District's sewer system.

Mr. Vo provided an overview of District Code Section 2.16.070, which currently allows the Board to consider approving CFCC reductions for specified developments, reviewed anticipated financial impacts of planned District priorities and projects, including the new \$60.0 million Secondary Process Improvements Project, and noted that staff is recommending that the Board amend the District Code by deleting Section 2.16.070 (Alternative 1). Ordinance No. 120 reflects the staff recommendation. Mr. Vo explained that the CFCC adjustments are funded from Ad Valorem Tax revenue, and that deleting Section 2.16.070 would increase the annual budgeted Ad Valorem Tax revenue that could be used for other District priorities. Mr. Vo described a second alternative that would amend Section 2.16.070 to reduce, rather than eliminate, the amount of the CFCC reductions that the Board could consider approving for specified developments. Alternative 2 would include amending Section 2.16.070 to authorize the Board to consider approving reductions of 25% for specified developments, not to exceed \$250,000 per individual development, and not to exceed an annual aggregate limit of \$500,000 for all approved adjustments in any fiscal year.

In addition, Mr. Vo explained that Ordinance No. 120 reflects the staff recommendation that District Code Section 2.20.040(B) be revised to initiate collection of initial SSCs for new developments when the District Engineer has confirmed the sewer connection satisfies code requirements and passes inspection, rather than at the time of application for a District sewer permit.

Chair Glover thanked Mr. Vo for the report. Director Banales concurred with the staff recommendation. Director Banales moved, seconded by Director Wilson, and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the Board approved Introducing Ordinance No. 120, Waiving Reading, and Fixing April 14, 2021 for Adoption.

MANAGER'S COMMENTS

None.

DIRECTORS' COMMENTS

None.



CORRESPONDENCE

Receive Monthly Lobbyist Report dated January 2021, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

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

Agency Negotiators: Vince De Lange, Michael Jarvis

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

Unrepresented Employees: All unrepresented employees

Before adjourning to Closed Session, the Secretary to the Board asked if there were any public comments on the Closed Session item. No comments were made. At 5:13 p.m., Chair Glover convened the Board of Directors meeting in Closed Session. Following Closed Session, Vice Chair Wilson reconvened the Board of Directors meeting in open session at 5:54 p.m. and stated there was nothing to report from Closed Session.

ADJOURNMENT

Vice Chair Wilson adjourned the meeting at 5:55 p.m.

Juan Banales
Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)



April 14, 2021

RECEIVE DISTRICT MONTHLY CHECK REGISTER, FEBRUARY 2021

Recommendation

Receive District Monthly Check Register for the month ending February 28, 2021.

Background Information

Attached is the Check Register for the month of February 2021. The report reflects payments to the District's suppliers, consultants, service providers, and contractors. A total of \$1,887,411.67 was disbursed in the month of February 2021, which includes 136 checks.

Financial Impact

All payments made during the month are within funding levels included in the adopted Fiscal Year 2020/2021 Budget.

Attachment

Check Register for month ending February 28, 2021

Reviewed by:



Brian Thomas
Acting Business Services Director



**CHECK REGISTER
DELTA DIABLO**

CASH DISBURSEMENTS FOR THE MONTH OF FEBRUARY 2021

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/4/2021	ASSOCIATED SERVICES COMPANY	53601	35032	666.07	PROVIDE PREMIUM COFFEE SERVICE TO DISTRICT	666.07
2/4/2021	BARTEL ASSOCIATES, LLC	53685 53686	35033	8,000.00 4,500.00	ACTUARIAL SERVICES FY 2020-2022 ACTUARIAL SERVICES FY 2020-2022	12,500.00
2/4/2021	BASIC BENEFITS, LLC	53683 53684	35034	70.00 70.00	FSA FSA	140.00
2/4/2021	CHEMSEARCH	53619	35035	2,900.92	INVENTORY	2,900.92
2/4/2021	CHEMTRADE CHEMICALS US LLC	53658	35036	4,304.06	ALUMINUM SULFATE	4,304.06
2/4/2021	CONCENTRA/OCCUPATIONAL HEALTH CENTERS	53668	35037	545.00	OCCUP SAFETY	545.00
2/4/2021	DELL COMPUTER CORP. MARKETING	53605 53606	35038	9,841.08 5,940.91	SCADA Desktops, Engineering laptops, Peripherals SCADA Desktops, Engineering laptops, Peripherals	15,781.99
2/4/2021	DEPT OF GENERAL SERVICES	53669	35039	17,204.33	UTILITIES	17,204.33
2/4/2021	DEWBERRY ENGINEERS INC	53603	35040	3,460.00	CONSULTING SERVICES SODIUM BIS	3,460.00
2/4/2021	ENVIRONMENTAL RESOURCE ASSOCIATES, INC	53652	35041	207.92	ERA PROFICIENCY TESTING SAMPLES	207.92
2/4/2021	FREMONT ANALYTICAL INC.	53575	35042	906.78	DIGESTER GAS ANALYSIS	906.78
2/4/2021	GOLDEN STATE WATER CO.	53695 53696	35043	850.34 1,679.16	UTILITIES UTILITIES	2,529.50
2/4/2021	GRAYBAR ELECTRIC COMPANY, INC.	53670	35044	6,364.14	POC SOLAR ARRAY REPLACEMENT LED LIGHT FIXTURES	6,364.14
2/4/2021	IN SHAPE HEALTH CLUBS	53693	35045	382.00	GYM	382.00
2/4/2021	KEMIRA WATER SOLUTIONS, INC.	53592 53625	35046	6,411.28 6,792.14	FERROUS CHLORIDE FERROUS CHLORIDE	13,203.42
2/4/2021	KEY ADVOCATES INC.	53699	35047	7,083.33	FEDERAL ADVOCACY FOR WRWC PN	7,083.33
2/4/2021	McCAULEY AGRICULTURAL & PEST SERVICES	53568 53569 53570 53571 53572 53573 53578	35048	75.00 825.00 60.00 60.00 60.00 60.00 60.00	PEST CONTROL PEST CONTROL PEST CONTROL PEST CONTROL PEST CONTROL PEST CONTROL PEST CONTROL	1,200.00
2/4/2021	MCMASTER CARR SUPPLY CO	53690	35049	129.66	INVENTORY	129.66
2/4/2021	MILLER SPATIAL SERVICES, LLC	53589	35050	2,160.00	GIS ASSISTANCE	2,160.00
2/4/2021	NWN CORPORATION	53700	35051	4,175.14	PHONE EXPENSE	4,175.14
2/4/2021	PACIFIC GAS & ELECTRIC COMPANY	53674	35052	32,583.40	UTILITIES	32,583.40
2/4/2021	DANNY LEE WILLIAMS	53641	35053	1,073.00	DAYTIME JANITORIAL SERVICES	1,073.00
2/4/2021	RED WING SHOE STORE 165	53701	35054	491.26	SAFETY SHOES - 3 STAFF	491.26
2/4/2021	REGIONAL GOVERNMENT SERVICES	53697 53698	35055	345.00 1,725.00	LABOR RELATIONS CONSULTING WORK LABOR RELATIONS CONSULTING WORK	2,070.00
2/4/2021	RH TECHNOLOGY	53348 53349 53350 53351	35056	4,466.00 2,679.60 4,466.00 4,466.00	O/S TEMP O/S TEMP O/S TEMP O/S TEMP	16,077.60

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/4/2021	STANDARD INSURANCE COMPANY	53694	35057	3,686.20	LIFE AND LTD INSURANCE	3,686.20
2/4/2021	TRANSENE COMPANY, INC.	53689	35058	357.00	INVENTORY	357.00
2/4/2021	UNIFIRST CORPORATION	53579 53580 53581	35059	129.19 177.12 31.66	UNIFORM/ LAUNDRY SERVICE UNIFORM/ LAUNDRY SERVICE UNIFORM/ LAUNDRY SERVICE	337.97
2/4/2021	UNIVAR USA INC	53623 53661	35060	3,315.53 4,119.83	SODIUM HYPOCHLORITE SODIUM BISULFITE	7,435.36
2/4/2021	US POSTAL SERVICE-NEOPOST	53691	35061	1,500.00	POSTAGE	1,500.00
2/4/2021	VERIZON WIRELESS	53702	35062	622.71	PHONE EXPENSE	622.71
2/4/2021	VISION SERVICE PLAN	53681 53682	35063	1,646.08 31.00	VISION INSURANCE VSP COBRA	1,677.08
2/4/2021	WM LYLES COMPANY	53688	35064	38,634.88	CONSTRUCTION SERVICES PN 17140	38,634.88
2/11/2021	CITY OF ANTIOCH- WATER	53766 53767 53768 53769 53770 53771 53772	35065	72.49 1,563.18 94.60 5,865.54 94.60 94.60 94.60	UTILITIES UTILITIES UTILITIES UTILITIES UTILITIES UTILITIES UTILITIES	7,879.61
2/11/2021	CALTEST ANALYTICAL LABORATORY	53705	35066	523.80	PROVIDE LABORATORY SERVICES FOR NPDES TESTING	523.80
2/11/2021	REGINA CARTWRIGHT-MORALES	50152	35067	10.00	REIMBURSEMENT	10.00
2/11/2021	CHEMTRADE CHEMICALS US LLC	53659	35068	4,275.89	ALUMINUM SULFATE	4,275.89
2/11/2021	COMCAST BUSINESS COMMUNICATIONS, LLC	53774	35069	548.19	PHON EXPENSE	548.19
2/11/2021	CONCENTRA/OCCUPATIONAL HEALTH CENTERS	53724	35070	233.00	OCCUP SAFETY	233.00
2/11/2021	CONTRA COSTA COUNTY	53757	35071	46,624.61	LEGAL SERVICES	46,624.61
2/11/2021	CORELOGIC INFORMATION SOLUTIONS, INC	53773	35072	165.00	REALQUEST PROPERTY INFORMATION	165.00
2/11/2021	DATCO	53709	35073	52.00	O/S	52.00
2/11/2021	FASTENAL COMPANY	53777	35074	366.16	SAFETY VEST WITH DISTRICT LOGO	366.16
2/11/2021	FLETCHER CONSULTANTS, INC.	53599	35075	3,846.00	HAZARDOUS WASTE TANK CERTIFICATION	3,846.00
2/11/2021	FEDERAL GLOVER	49305	35076	651.61	T&M	651.61
2/11/2021	HAZEN & SAWYER	53752	35077	20,710.00	RESOURCE RECOVERY FACILITY MASTER PLAN PN 18120	20,710.00
2/11/2021	JW BACKHOE & CONSTRUCTION, INC	53687	35078	19,141.75	BRIDGEHEAD FM TEMPORARY BYPASS	19,141.75
2/11/2021	KEMIRA WATER SOLUTIONS, INC.	53665	35079	6,683.32	FERROUS CHLORIDE	6,683.32
2/11/2021	KENNEDY/JENKS CONSULTANTS INC.	53628	35080	1,144.89	ASSET MANAGEMENT PROGRAM DEVELOPMENT PN 19109	1,144.89
2/11/2021	KOA HILLS CONSULTING LLC.	53637	35081	656.25	ERP FUNCTIONALITY IMPROVEMENTS	656.25
2/11/2021	LARRY WALKER ASSOCIATES	53759	35082	274.00	NPDES PERMIT REISSUANCE ASSIST	274.00
2/11/2021	LEGAL SHIELD	53778	35083	122.15	LEGAL MEMB	122.15
2/11/2021	MANAGED HEALTH NETWORK		35084			379.85

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
		53750		379.85	EAP	
2/11/2021	MDRR PITTSBURG		35085			4,518.65
		53712		1,202.20	WASTE	
		53741		3,316.45	WASTE	
2/11/2021	OFFICE DEPOT		35086			363.86
		53713		315.24	OFFICE SUPPLIES	
		53751		48.62	OFFICE SUPPLIES	
2/11/2021	PACIFIC GAS & ELECTRIC COMPANY		35087			403.24
		53779		345.15	UTILITIES	
		53780		58.09	UTILITIES	
2/11/2021	DANNY LEE WILLIAMS		35088			535.92
		53673		535.92	DAYTIME JANITORIAL SERVICES	
2/11/2021	CRAIG PERRY		35089			175.00
		51664		175.00	SAFETY SHOES	
2/11/2021	PUBLIC EMPLOYEES UNION		35090			1,724.98
		3163368		1,724.98	UNION DUES P&T	
2/11/2021	PUBLIC EMPLOYEES UNION		35091			3,564.27
		3163268		3,564.27	UNION DUES O&M	
2/11/2021	RH TECHNOLOGY		35092			8,119.44
		53716		3,608.64	O/S TEMP	
		53717		4,510.80	O/S TEMP	
2/11/2021	STEPHEN SIPTROTH		35093			100.00
		53762		100.00	REGISTRATION FEE	
2/11/2021	CA STATE DISBURSEMENT UNIT		35094			750.00
		CS9648322		750.00	GARNISHMENT	
2/11/2021	SYNAGRO WEST, LLC		35095			56,977.00
		53370		56,977.00	BIOSOLIDS HAULING	
2/11/2021	SYSTEM 1 STAFFING		35096			7,327.80
		53740		2,074.60	O/S TEMP	
		53742		2,626.60	O/S TEMP	
		53746		2,626.60	O/S TEMP	
2/11/2021	TERRYBERRY		35097			1,297.54
		53784		1,297.54	EMPLOYEE RECOG	
2/11/2021	TRI-VALLEY JANITORIAL SERVICE & SUPPLY INC,		35098			8,986.00
		53783		8,986.00	NIGHTLY JANITORIAL SERVICES	
2/11/2021	STACY TUCKER		35099			86.34
		53753		86.34	REIMBURSEMENT	
2/11/2021	TYLER TECHNOLOGIES, INC.		35100			3,360.00
		53763		1,404.00	MUNIS PERMITS AND CODE ENFORCEMENT MODULE	
		53785		1,956.00	MUNIS PERMITS AND CODE ENFORCEMENT MODULE	
2/11/2021	UNIFIRST CORPORATION		35101			405.54
		53675		163.89	UNIFORM/ LAUNDRY SERVICE	
		53676		215.73	UNIFORM/ LAUNDRY SERVICE	
		53677		25.92	UNIFORM/ LAUNDRY SERVICE	
2/11/2021	UNITED PARCEL SERVICE		35102			32.51
		53787		32.51	POSTAGE	
2/11/2021	UNIVAR USA INC		35103			6,630.55
		53662		3,314.94	SODIUM HYPOCHLORITE	
		53663		3,315.61	SODIUM HYPOCHLORITE	
2/11/2021	WM LYLES COMPANY		35104			547,623.89
		53723		547,623.89	CONSTRUCTION SERVICES PN 80008	
2/18/2021	AQUA METRIC SALES COMPANY		35105			1,518.57
		53850		1,518.57	RECYCLED WATER HYDRANT METER	
2/18/2021	BARNETT MEDICAL SERVICES, LLC		35106			2,541.00
		53824		1,644.00	SHARPS/PHARMACEUTICAL DISPOSAL	
		53829		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53830		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53831		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53832		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53833		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53834		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53835		351.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53836		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53837		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
		53838		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53839		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53840		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53842		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53843		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
		53844		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORTATION/DISPOSAL	
2/18/2021	BASIC BENEFITS, LLC		35107			75.00
		53825		75.00	FSA	
2/18/2021	CALTEST ANALYTICAL LABORATORY		35108			1,163.70
		53704		827.10	PROVIDE LABORATORY SERVICES FOR NPDES TESTING	
		53707		336.60	PROVIDE LABORATORY SERVICES FOR NPDES TESTING	
2/18/2021	CAROLLO ENGINEERS		35109			10,827.00
		53808		10,827.00	CONSULTING SERVICES HEADWORK I	
2/18/2021	CDW GOVERNMENT, INC.		35110			4,545.98
		53708		4,545.98	ANTIVIRUS SOFTWARE RENEWAL	
2/18/2021	CHEMTRADE CHEMICALS US LLC		35111			8,606.35
		53660		4,277.65	ALUMINUM SULFATE	
		53720		4,328.70	ALUMINUM SULFATE	
2/18/2021	CONTRA COSTA WATER DISTRICT		35112			27.25
		53845		27.25	UTILITIES	
2/18/2021	DIABLO WATER DISTRICT		35113			144.85
		53788		144.85	UTILITIES	
2/18/2021	FASTENAL COMPANY		35114			348.66
		53793		125.35	MAINTENANCE CONSUMABLE ITEMS	
		53846		223.31	MAINTENANCE CONSUMABLE ITEMS	
2/18/2021	MICHAEL CRAMBLIT FOSTER		35115			11,869.53
		53794		11,869.53	ARI AIR RELIEF VALVES FOR ANTIOCH RW DISTRIBUTION	
2/18/2021	GLADWELL GOVERNMENTAL SERVICES		35116			250.00
		53692		250.00	LEGAL SERVICES	
2/18/2021	GP CRANE & HOIST SERVICES		35117			555.00
		53795		555.00	DISTRICT CRANE SERVICE/ TESTIN	
2/18/2021	KOA HILLS CONSULTING LLC.		35118			1,618.75
		53648		1,618.75	ERP FUNCTIONALITY IMPROVEMENTS	
2/18/2021	LIEBERT, CASSIDY, WHITMORE		35119			2,515.00
		53828		2,515.00	M&D - C, RHODES-ALEXANDER	
2/18/2021	OFFICE DEPOT		35120			895.02
		53744		895.02	OFFICE SUPPLIES	
2/18/2021	PACIFIC GAS & ELECTRIC COMPANY		35121			35,314.50
		53847		35,314.50	UTILITIES	
2/18/2021	PACIFIC INFRASTRUCTURE		35122			245,606.99
		53827		245,606.99	SODIUM BISULFITE TANKS REPLACEMENT PROJECT	
2/18/2021	PACIFIC WATER RESOURCES		35123			18,986.92
		53714		18,986.92	RWF INVENTORY	
2/18/2021	DANNY LEE WILLIAMS		35124			706.44
		53798		706.44	DAYTIME JANITORIAL SERVICES	
2/18/2021	PSOMAS		35125			100,034.32
		53747		1,140.00	CONSTRUCTION MANAGEMENT SERVICES	
		53852		98,894.32	CONSTRUCTION MGMT & INSPECTION PN 17117	
2/18/2021	READY PRINT		35126			144.21
		53781		144.21	EMPLOYEE RECOG	
2/18/2021	RED WING SHOE STORE 165		35127			175.00
		53715		175.00	SAFETY SHOES - J. NAVARETTE	
2/18/2021	REPUBLIC SERVICES #210		35128			4,918.37
		53848		3,832.95	WASTE	
		53849		1,085.42	WASTE	
2/18/2021	SENTRY WATER MONITORING AND CONTROL INC		35129			16,830.00
		53718		16,830.00	SENTRY Service (1 year) – 1st system - 1 control a	
2/18/2021	NICHOLAS STEINER		35130			35.00
		53851		35.00	EMPL RECOG	
2/18/2021	TYLER TECHNOLOGIES, INC.		35131			1,956.00
		53786		1,956.00	MUNIS PERMITS AND CODE ENFORCEMENT MODULE	
2/18/2021	UNIFIRST CORPORATION		35132			370.84
		53678		129.19	UNIFORM/ LAUNDRY SERVICE	
		53679		215.73	UNIFORM/ LAUNDRY SERVICE	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
		53680		25.92	UNIFORM/ LAUNDRY SERVICE	
2/18/2021	UNIVAR USA INC		35133			7,724.94
		53664		4,407.56	SODIUM BISULFITE	
		53721		3,317.38	SODIUM HYPOCHLORITE	
2/24/2021	ASSOCIATED SERVICES COMPANY		35134			547.40
		53758		547.40	PROVIDE PREMIUM COFFEE SERVICE TO DISTRICT	
2/24/2021	MICHAEL AUER		35135			178.46
		53853		178.46	REIMBURSEMENT	
2/24/2021	MICHAEL BAKALDIN		35136			178.46
		53854		178.46	REIMBURSEMENT	
2/24/2021	BARNETT MEDICAL SERVICES, LLC		35137			351.00
		53855		273.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORATION/DISPOSAL	
		53856		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORATION/DISPOSAL	
		53857		39.00	HHW-SHARPS/PHARMACEUTICAL TRANSPORATION/DISPOSAL	
2/24/2021	C.W.ROEN CONSTRUCTION COMPANY		35138			337,862.75
		53899		337,862.75	CONSTRUCTION SVCS, HEADWORKS IMPROVEMENTS PN 17117	
2/24/2021	CALIFORNIA BANK OF COMMERCE		35139			17,782.25
		53900		17,782.25	RETENTION ACCOUNT	
2/24/2021	CALTEST ANALYTICAL LABORATORY		35140			577.80
		53789		241.20	PROVIDE LABORATORY SERVICES FOR NPDES TESTING	
		53859		336.60	PROVIDE LABORATORY SERVICES FOR NPDES TESTING	
2/24/2021	CDW GOVERNMENT, INC.		35141			3,782.91
		53745		3,782.91	UPS FOR SERVER ROOM	
2/24/2021	CHEMTRADE CHEMICALS US LLC		35142			4,372.71
		53861		4,372.71	ALUMINUM SULFATE	
2/24/2021	DISCOVERY BENEFITS, INC.		35143			105.00
		53776		105.00	FSA	
2/24/2021	DU-ALL SAFETY, LLC		35144			3,800.00
		53864		3,800.00	MOBILE EQUIPMENT TRAINING-	
2/24/2021	FASTENAL COMPANY		35145			970.36
		53865		970.36	MAINTENANCE CONSUMABLE ITEMS	
2/24/2021	TIMOTHY J. HAMMETT		35146			72.18
		53891		72.18	REIMBURSEMENT	
2/24/2021	HIRERIGHT, INC.		35147			13.54
		53710		13.54	PRE EMPL COST	
2/24/2021	JENSEN INSTRUMENT CO.		35148			1,259.42
		53897		1,259.42	(2) Precision Digital PD6700-0L1 Displays	
2/24/2021	JW BACKHOE & CONSTRUCTION, INC		35149			3,546.91
		53807		3,546.91	BRIDGEHEAD FM TEMPORARY BYPASS	
2/24/2021	KEMIRA WATER SOLUTIONS, INC.		35150			6,418.06
		53811		6,418.06	FERROUS CHLORIDE	
2/24/2021	KOA HILLS CONSULTING LLC.		35151			1,487.50
		53711		1,487.50	ERP FUNCTIONALITY IMPROVEMENTS	
2/24/2021	KONE. INC.		35152			110.40
		53796		110.40	ELEVATOR SERVICE	
2/24/2021	MARY THERESA ROEMER		35153			9,120.00
		53755		9,120.00	LEGAL SERVICES	
2/24/2021	MDRR-PARK (MT. DIABLO RESOURCE RECOVERY PARK)		35154			118.65
		53901		118.65	WASTE	
2/24/2021	NEW IMAGE LANDSCAPE COMPANY		35155			2,563.00
		53797		2,563.00	LANDSCAPE SERVICES	
2/24/2021	ABEL PALACIO		35156			1,105.21
		53871		1,105.21	REIMBURSEMENT	
2/24/2021	RH TECHNOLOGY		35157			8,119.44
		53894		4,510.80	O/S TEMP	
		53895		3,608.64	O/S TEMP	
2/24/2021	TERRY SPURGEON		35158			332.20
		53872		332.20	REIMBURSEMENT	
2/24/2021	STANDARD INSURANCE COMPANY		35159			3,680.35
		53889		3,680.35	LIFE INSURANCE	
2/24/2021	CA STATE DISBURSEMENT UNIT		35160			750.00
		CS9648323		750.00	GARNISHMENT	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/24/2021	STREAMLINE		35161			550.00
		53719		550.00	SUBSCRIPTION WEBSITE	
2/24/2021	TRI-VALLEY JANITORIAL SERVICE & SUPPLY INC,		35162			14,046.00
		53799		8,986.00	NIGHTLY JANITORIAL SERVICES	
		53898		5,060.00	COVID-19 RESPONSE DAYTIME JANITORIAL SERVICES	
2/24/2021	STACY TUCKER		35163			83.12
		53890		83.12	REIMBURSEMENT	
2/24/2021	TYLER TECHNOLOGIES, INC.		35164			652.00
		53761		652.00	MUNIS PERMITS AND CODE ENFORCEMENT MODULE	
2/24/2021	UNIFIRST CORPORATION		35165			367.52
		53802		129.19	UNIFORM/ LAUNDRY SERVICE	
		53803		212.41	UNIFORM/ LAUNDRY SERVICE	
		53804		25.92	UNIFORM/ LAUNDRY SERVICE	
2/24/2021	UNIVAR USA INC		35166			5,260.55
		53722		5,260.55	SODIUM BISULFITE	
2/24/2021	V.W. HOUSEN & ASSOCIATES, INC.		35167			7,280.00
		53892		7,280.00	CONSULTING SERVICES BRIDGEHEAD PIPELINE PN 21123	
GRAND TOTAL						<u>1,887,411.67</u>

April 14, 2021

RECEIVE NOTES FROM FINANCE COMMITTEE MEETING, APRIL 7, 2021

Recommendation

Note receipt and file.

Background Information

The Finance Committee met on April 7, 2021. The meeting was attended by Committee Chair, Juan Banales; Vince De Lange, General Manager; Brian Thomas, Acting Business Services Director; Thanh Vo, Acting Engineering Services Director; Dean Eckerson, Resource Recovery Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

The purpose of the meeting was to review and receive comments on proposed Sewer Service Charge (SSC) adjustments for Fiscal Year 2021/2022 (FY21/22) and the draft Proposition 218 Notice detailing the proposed SSC adjustments and notifying property owners of the associated public hearing and receive approval to submit the proposed FY21/22 SSC adjustments, draft Prop. 218 Notice, and public hearing date (June 9, 2021) for consideration at the April 14, 2021 Board Meeting.

Analysis

Committee Chair Banales recommended the proposed Sewer Service Charge (SSC) adjustments for FY21/22, draft Prop. 218 Notice, and public hearing date be submitted for consideration at the Board of Directors meeting on April 14, 2021. Committee meeting notes are provided as an informational report at regular Board Meetings as part of the Consent Calendar.


Financial Impact

None

Attachments

1. Finance Committee Meeting Notes, April 7, 2021
2. Finance Committee Agenda, April 7, 2021

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

Reviewed by: 
Vince De Lange
General Manager

MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING DELTA DIABLO

WEDNESDAY, APRIL 7, 2021
4:30 P.M.

The Finance Committee meeting was called to order by Chair Banales at 4:30 pm. Chair Banales read the following statement: “To slow the spread of COVID-19, in lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor’s Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public meetings.” The presentation is available online at <https://www.deltadiablo.org/finance-subcommittee-meetings>

PUBLIC COMMENTS

None.

REVIEW AND COMMENT ON PROPOSED SEWER SERVICE CHARGES FOR FISCAL YEAR 2021/2022 AND DRAFT PROPOSITION 218 NOTICE

Mr. Thomas reviewed the District’s Sewer Service Charge (SSC), Capital Improvement Program (CIP), and budget development schedule for Fiscal Year 2021/2022 (FY21/22). He noted the importance of SSC adjustments to ensure sufficient revenue is generated to support critical capital investment needs in aging infrastructure and increasing operating costs. Mr. Thomas reviewed key actions staff has implemented in developing the proposed FY21/22 SSCs to support the District’s guiding principles for ensuring long-term financial sustainability. He discussed key assumptions used in developing the updated 5-year financial plan, including operating costs, 5-year CIP costs, debt management, Ad Valorem Tax revenue, and incorporation of recommendations from the 2021 Cost-of-Service (CoS) Study.

Regarding the CoS Study, Mr. Thomas summarized the methodology, key findings, and associated rebalancing of annual revenue requirements from non-residential (i.e., commercial, industrial) to residential customers, noting that associated reductions in SSCs would be required for most non-residential customers. He reviewed the proposed SSC increases required for residential customers in FY21/22—6.5% for Antioch/Pittsburg residents, 5.9% for Bay Point residents—and presented proposed SSC adjustments for non-residential customers, which vary by business class. Mr. Thomas stated that the proposed SSC adjustments are expected to generate an additional \$1.6 million in FY21/22 to meet the District’s capital and operating financial needs. He noted that staff is proposing a significant reduction in Wastewater O&M Fund balance to support allocating additional SSC revenue to meet capital funding needs.

Mr. Thomas presented a comparison of the District’s SSCs relative to its peer agencies in the San Francisco Bay Area, which highlighted that the District remains well below average costs for providing wastewater collection, conveyance, and treatment services. He compared the updated 5-year SSC increase projection to last year’s projection and noted two key changes—the addition of the \$60.0 million Secondary Process Improvements Project and implementation of 2021 CoS

Study findings. Last, Mr. Thomas noted inter-fund loans included in the updated 5-year financial plan. He closed by reviewing the draft Proposition 218 Notice, the associated SSC review and approval schedule, and staff recommendations to the Finance Committee.

Chair Banales questioned whether the staff reference to use of available of WW O&M Fund balance was sustainable in the long term. Mr. De Lange noted that this was a one-time adjustment for FY21/22 to allow additional SSC revenue to be allocated to meet near-term capital investment needs and that future SSC revenue allocation would be adjusted to meet annual operating budget funding needs. In reference to the CoS Study, Chair Banales asked whether the study assumptions had been well reviewed and if implementation of the study findings could be deferred given the shift in revenue needs from non-residential to residential customers. Mr. De Lange stated that the CoS Study assumptions and methodology have been well reviewed by staff and that implementation of the study findings is necessary in FY21/22, because the District is obligated to assess SSCs each year that are based on cost-of-service.

Chair Banales thanked Mr. Thomas for the report and recommended the item be submitted for consideration by the Board at its April 14, 2021 meeting.

ADJOURNMENT

The meeting was adjourned by Chair Banales at 5:12 pm.

(Recording Secretary: Cecelia Nichols-Fritzler)

AGENDA

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

(Note: There will be no in-person meeting at the District.)

WEDNESDAY, APRIL 7, 2021

4:30 P.M.

A. PUBLIC COMMENTS

B. REVIEW AND COMMENT ON PROPOSED SEWER SERVICE CHARGES FOR FISCAL YEAR 2021/2022 AND DRAFT PROPOSITION 218 NOTICE (Brian Thomas)

C. ADJOURNMENT

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

April 14, 2021

APPROVE EMERGENCY RETENTION BASIN IMPROVEMENTS PROJECT AND DETERMINATION THAT PROJECT IS CATEGORICALLY EXEMPT UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES CLASS 1; AND AUTHORIZE GENERAL MANAGER TO FILE CEQA NOTICE OF EXEMPTION WITH CONTRA COSTA COUNTY RECORDER'S OFFICE, EMERGENCY RETENTION BASIN IMPROVEMENTS, PROJECT NO. 19110

Recommendations

1. Approve the Emergency Retention Basin (ERB) Improvements Project and determination that the project is categorically exempt under CEQA Guidelines Class 1.
2. Authorize the General Manager to file a CEQA Notice of Exemption (NOE) with the Contra Costa County Recorder's Office for the Project in accordance with CEQA Guidelines Section 15062 and in compliance with Public Resources Code Section 21152.

Background Information

The District's ERB is an earthen, unlined storage basin at the District's Wastewater Treatment Plant, which is used to temporarily store diverted plant effluent during treatment process disruptions, high flows, or other emergency periods. During normal conditions, the ERB has a maximum capacity of 15 million gallons; however, vegetative overgrowth in the basin has resulted in diminished storage capacity. Staff has initiated a multi-phase project to remove and dispose of accumulated landscape and vegetation overgrowth within a defined region of the existing ERB footprint. Construction for the initial phase is anticipated to commence in summer 2021 with the remaining phases to occur in 2022.

Analysis

California Code of Regulations Section 15062 requires the District's governing body approve the project prior to filing the CEQA NOE for the project. The project is categorically exempt under CEQA guidelines (California Code of Regulations Title 14) Class 1 - Existing Facilities. A Class 1 categorical exemption consists of the operation, repair, maintenance, or minor alternation of existing public or private structures, facilities, or topographical features, involving negligible or no expansion of existing or former use. Staff recommends approval of the project so that the attached NOE can be filed with the Contra Costa County Recorder's Office in compliance with Public Resources Code Section 21152.

CEQA action is required to be filed prior to the commencement of construction to satisfy State of California requirements. If the NOE is not filed at this time, the statute of limitations period for legal challenges to the project will increase from 35 days to 180 days, resulting in a risk of project delays and associated costs.

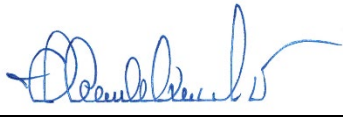
Financial Impact

The adopted Fiscal Year 2020/2021 – 2024/2025 (FY20/21 – FY24/25) Capital Improvement Program budget includes appropriations of \$50,000 through FY20/21 for the Emergency Retention Basin Improvements Project in the Wastewater Capital Asset Replacement Fund. Sufficient funding is available in the current fiscal year for the planned expenditures. Staff will include additional appropriations in the upcoming CIP update to account for the proposed project

cost estimate of \$1.05 million, which includes planning, design, construction, and ongoing maintenance.

Attachment

Draft Notice of Exemption

Prepared by: 

Thanh Vo
Acting Engineering Services Director

cc: District File No. P.19110.01.01



NOTICE OF EXEMPTION

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

Vincent P. De Lange

Date

PROJECT

APPLICANT: Delta Diablo, Local Public Agency
2500 Pittsburg-Antioch Highway
Antioch, CA 94509-1373
Telephone: (925) 756-1900

SUBJECT: FILING OF NOTICE OF EXEMPTION IN COMPLIANCE WITH PUBLIC RESOURCES CODE 21152

PROJECT TITLE: Emergency Retention Basin Improvements, Project No. 19110

DATE ON WHICH AGENCY APPROVED THE PROJECT: April 14, 2021

STATE CLEARINGHOUSE NUMBER: N/A

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

PROJECT DESCRIPTION: This project includes removal of vegetation and restoration of capacity of the Emergency Retention Basin. Removed vegetation will be hauled and disposed at an approved Green Waste disposal facility.

LEAD AGENCY APPROVING AND CARRYING OUT PROJECT: Delta Diablo

CONTACT PERSON: Chris Thomas – (925) 260-5207

EXEMPT STATUS: The Board of Directors of the District finds this project is categorically exempt from CEQA as a Class 1 Categorical Exemption under Public Resources Code Section 21084.

REASONS WHY PROJECT IS EXEMPT: The proposed project is categorically exempt from CEQA as it involves vegetation removal for the upkeep and maintenance of an existing ERB. This project will not involve any expansion of existing capacity or new facilities.

AFFIDAVIT OF POSTING

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

Signature

Title

April 14, 2021

ADOPT ORDINANCE NO. 120 TO ELIMINATE CAPITAL FACILITIES CAPACITY CHARGE ADJUSTMENTS THAT MAY BE AVAILABLE FOR SPECIFIED DEVELOPMENTS, AND TO REQUIRE INITIAL SEWER SERVICE CHARGES TO BE PAID AS A CONDITION OF THE DISTRICT ENGINEER'S, OR DESIGNEE'S, APPROVAL OF CONNECTION TO DISTRICT SEWER SYSTEM; AND DIRECT SECRETARY TO THE BOARD, OR DESIGNEE, TO CAUSE ORDINANCE NO. 120 TO BE PUBLISHED ONCE IN THE EAST BAY TIMES, WITH NAMES OF DIRECTORS VOTING FOR AND AGAINST IT, WITHIN 15 DAYS OF ITS ADOPTION

Recommendation

1. Adopt Ordinance No. 120 (attached) to eliminate Capital Facilities Capacity Charge (CFCC) adjustments that may be available for specified developments, and to require initial Sewer Service Charges (SSCs) to be paid as a condition of the District Engineer's, or designee's, approval of the connection to the District sewer system.
2. Direct the Secretary to the Board, or Designee, to cause Ordinance No. 120 to be published once in the East Bay Times, with the names of the Directors voting for and against it, within 15 days of its adoption.

Background Information

On March 25, 2021, staff made a presentation to the Board regarding proposed District Code revisions that would eliminate CFCC reductions the Board may authorize for specified developments, and that would change to time for collection of initial SSCs.

Eliminating CFCC Reductions

In 1988, the District adopted Ordinance 34 to provide for the ability to reduce and defer connection and development fees for certain qualified developments. The deferral portion of the ordinance was removed in early 2000s. The adoption of Ordinance 34 and removal of the deferral portion of the ordinance resulted in the current CFCC reduction program. Currently, District Code Section 2.16.070 authorizes the Board to approve a 75% reduction in CFCCs for new developments that meet specified criteria for use, including: 1) property is used exclusively for physically or mentally [disabled] persons; 2) property has received a density bonus or other incentive from the public agency with land use jurisdiction, or will be used for low-income housing; 3) property will consist of senior citizen housing; and/or 4) property will be used by a non-profit association as a child day care facility.

In 2006, the District's CFCCs were updated to comply with Government Code (GC) Section 66013 and Assembly Bill (AB) 1600 to recover costs associated with development projects that require the construction or improvement of its facilities. The development of these CFCCs included cost-of-service principles that do not allow the use of rate/fee revenue (i.e., SSC and CFCC revenue) received from one customer class to subsidize fee reductions for another customer class. The CFCC reductions available under Section 2.16.070 have been funded with



Ad Valorem Tax revenue or other revenue sources that are not subject to the GC Section 66013, AB 1600, and Proposition 218 restrictions.

Because Ad Valorem Tax revenue must be used to offset any CFCC reductions the Board may approve, CFCC reductions reduce the availability of that tax revenue to meet other District financial needs. Further, Section 2.16.070 does not include a monetary cap for an individual development, or an aggregate fiscal year cap. Staff is proposing revisions to District Code to delete Section 2.16.070 to increase the availability of Ad Valorem Tax revenue to meet capital investment and operating needs that benefit all District ratepayers.

Changing the Time for Initial SSC Collection

District Code Section 2.20.040(B) requires new development to pay initial SSCs at the point of application for District sewer permit (i.e., before a physical connection is made). Staff is proposing revisions to District Code Section 2.20.040(B) to require initial SSCs to be paid at the time the District Engineer, or designee, confirms a connection to the District sewer system has been made in accordance with all applicable code requirements.

Analysis

Eliminating CFCC Reductions

As presented at recent Board meetings (November 2020 – March 2021), staff anticipates implementing a new \$60.0 million Secondary Process Improvements Project as part of the upcoming new 5-year capital improvement program (CIP). Consistent with the District's financial sustainability principles, at the March 25, 2021 Board meeting staff proposed to eliminate CFCC reductions that may be available to specified developments. Deleting Section 2.16.070 will ensure that District Ad Valorem Tax revenue can be allocated to other District expenses, including the Secondary Process Improvements Project, that benefit all District ratepayers. Specifically, the deletion of that section will result in an additional \$1.0 million in annual Ad Valorem Tax revenue to be allocated each year for other District financial needs.

Changing the Time for Initial SSC Collection

On March 25, 2021, staff recommended revisions to District Code Section 2.20.040(B), which currently requires collection of initial SSCs for new developments at the point of application for a District sewer permit (along with payment of CFCCs). Staff recommended amending Section 2.20.040(B) to require collecting initial SSCs for new developments once the District Engineer, or designee, has confirmed that the sewer connection satisfies applicable code requirements and passes inspection. In general, this occurs at or around the time a new development receives a certificate of occupancy from the Pittsburg, Antioch, or Contra Costa County, depending on the location of the new development. This proposed code revision is consistent with SSC collection practices at other agencies in the Bay Area.

Ordinance No. 120 (attached) will delete Section 2.16.070 from the District Code, and it will amend Section 2.20.040(B) to require collection of initial SSCs when the District Engineer, or Designee, has confirmed that a development's sewer service connection satisfies all applicable code sections and passes inspection. On March 25, 2021, the Board approved introducing Ordinance No. 120, waived reading of the ordinance, and set April 14, 2021 as the date to




consider adopting Ordinance No. 120. Staff recommends that the Board of Directors adopt Ordinance No. 120. The ordinance will become effective 30 days after its adoption.

Financial Impact

Implementation of the proposed elimination of District Code provisions for CFCC reduction will allow an additional \$1.0 million in Ad Valorem Tax revenue to be allocated to meet capital investment and/or operating budget needs in FY21/22 with associated increases over time depending on future tax revenue growth. Although the proposed District Code revisions regarding collection of initial SSCs will defer SSC collection until the point of a compliant sewer connection, revenue collection will be better aligned with provision of District services and is not expected to have a significant financial impact.

Attachment

Ordinance No. 120

Reviewed by: 

Thanh Vo
Acting Engineering Services Director

cc: District File CORP.07-CORRES-XXX



ORDINANCE NO. 120

BEFORE THE BOARD OF DIRECTORS
OF DELTA DIABLO

**AN ORDINANCE ELIMINATING CAPITAL FACILITIES CAPACITY CHARGE
ADJUSTMENTS, AND CHANGING THE TIME FOR COLLECTION OF
INITIAL ANNUAL SEWER SERVICE CHARGES**

The Board of Directors of Delta Diablo ordains as follows:

SECTION 1. SUMMARY. This ordinance deletes Section 2.16.070 of the District Code to eliminate the capital facilities capacity charge adjustment that may be available to specified developments. This ordinance also amends Section 2.20.040(B) of the District Code to require initial sewer service charges to be paid at the time the District Engineer, or designee, approves a connection to the District's sewer system. This ordinance is enacted pursuant to Health and Safety Code section 4766 and other applicable laws.

SECTION 2. CAPITAL FACILITIES CAPACITY CHARGE ADJUSTMENT. Section 2.16.070 (Capital Facilities Capacity Charge Adjustment) of the District Code is deleted in its entirety and of no further force or effect.

SECTION 3. INITIAL ANNUAL SEWER SERVICE CHARGES. Section 2.20.040(B) ("Initial Annual Sewer Service Charges") is deleted in its entirety and replaced with new Section 2.20.040(B) ("Initial Annual Sewer Service Charges") to read:

"B. Initial Annual Sewer Service Charges. The initial annual sewer service charges shall be paid to the District following the Engineer's inspection of the connection to the District's sewer system, and as a condition of the Engineer's approval of the connection as having been made in accordance with all applicable District standards and specifications. The initial annual sewer service charges shall be calculated based on the number of months, and portions thereof, remaining in the fiscal year in which the connection is approved by the Engineer, beginning with the month in which the connection is approved. The District's fiscal year begins on July 1, and it ends on June 30 of the next calendar year. The initial annual sewer service charges for less than one year, and other bills requiring proration, shall be prorated only on the basis of the number of months in the period, and any period less than a full month shall be counted as one full month. (Ord. 120, § 3, 2021; Ord 9, § 4, 1978.)"

SECTION 4. EFFECTIVE DATE. This Ordinance becomes effective 30 days after passage, and within 15 days of passage shall be published once with the names of Directors voting for and

against it in the East Bay Times, a newspaper of published in this county and circulated in the District.

PASSED AND ADOPTED on _____, 2021, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

Board Chair

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

ATTESTED: _____, 2021

Cecelia Nichols-Fritzler
Secretary to the Board of Directors

DRAFT

April 14, 2021

AUTHORIZE GENERAL MANAGER TO APPROVE PURCHASE ORDER IN THE AMOUNT OF \$318,329, ALTEC CRANES, INDUSTRIAL CRANE TRUCK; AND APPROVE APPROPRIATION IN THE AMOUNT OF \$318,329 FROM WASTEWATER CAPITAL ASSET REPLACEMENT FUND

Recommendation

Authorize General Manager to approve purchase order in the amount of \$318,329, Altec Cranes, Industrial Crane Truck and approve appropriation in the amount of \$318,329 from Wastewater Capital Asset Replacement Fund.

Background Information

The Maintenance Division is responsible for maintenance and repair of critical assets in the District's wastewater collection, conveyance, and treatment systems, which are located throughout the service area. This work requires periodic use of an industrial crane truck for safely lifting heavy equipment. The District currently owns a 28-year-old boom truck for performing this function, which does not meet heavy equipment lifting requirements and is no longer cost effective to operate and maintain. Staff intends to surplus this vehicle after procuring a replacement unit.

Analysis

Based on lifting requirements and available crane truck replacement options, staff is proposing to purchase a new industrial crane truck that meets functional needs, and safety and reliability requirements. A comprehensive crane truck specification was developed to solicit proposals. A request for proposals (RFP) for supply of a new industrial crane truck and purchase of the existing District boom truck (as a trade-in) were sent out to vendors on March 3, 2021. On March 29, 2021, proposals were received from two vendors: Velocity Truck Center and Altec, Inc. Staff reviewed the two proposals and concluded Velocity Truck Center and Altec Inc. successfully complied with the RFP, as specified, and were accepted as responsive.

The two responsive proposals were evaluated using the evaluation criteria described in the RFP. The Altec, Inc. proposal provides an extended boom reach up to 102 feet with use of remote-control for safe and efficient operation. In addition, it includes new stabilizing technology with intermediate adjustment to allow more accessibility throughout the District's Wastewater Treatment Plant and pump stations. The Velocity Truck Center proposal did not provide equivalent operator safety features and required a longer delivery time of 220-260 days at a higher cost.

Based on a thorough evaluation of the responsive proposals, staff determined the Altec, Inc., proposal provides the best overall value and recommends the Board authorize the General Manager to execute a purchase order with Altec, Inc., in the amount of \$318,329.00

Financial Impact

The adopted Fiscal Year 2020/2021 Budget includes sufficient funding in the Wastewater Capital Asset Replacement Fund, including a \$400,000 budget appropriation for this purchase.

Reviewed by: _____



Dean Eckerson
Resource Recovery Services Director

cc: District File No. MNT.02-DOCS-XXX



ITEM F

April 14, 2021

REVIEW PROPOSED SEWER SERVICE CHARGES FOR FISCAL YEAR 2021/22, INCLUDING INCREASES FOR CERTAIN RATEPAYER CLASSES; SET PUBLIC HEARING FOR JUNE 9, 2021, AT 4:30 P.M., TO CONSIDER PROTESTS AGAINST SEWER SERVICE CHARGE INCREASES FOR FISCAL YEAR 2021/22, AND TO CONSIDER AUTHORIZING COLLECTION OF FISCAL YEAR 2021/22 SEWER SERVICE CHARGES ON THE TAX ROLL; AND AUTHORIZE DISTRIBUTION OF PROPOSITION 218 HEARING NOTICES AND PUBLICATION OF HEARING NOTICES

Recommendations

- 1) Review proposed Sewer Service Charge (SSC) adjustments for Fiscal Year 2021/2022 (FY21/22).
- 2) Set public hearing for June 9, 2021 at 4:30 pm, at which the Board will do the following: receive public comments; consider all protests received; consider whether to adopt an ordinance establishing adjusted SSCs effective FY21/22; and consider whether to adopt a resolution authorizing collection of the adjusted SSCs on the tax roll.
- 3) Authorize distribution of Proposition 218 Hearing Notices addressing proposed SSC adjustments and notifying property owners of the associated public hearing; and authorize publication of hearing notices in accordance with Health and Safety Code Section 5473.1.

Summary

The following key actions are associated with the proposed FY21/22 SSC adjustments:

- Generate an additional \$1.6 million in annual revenue to meet the District's capital investment and operational financial needs, which represents a 4.8% increase in anticipated FY21/22 revenue (without an SSC increase)
- 2021 Cost-of-Service (CoS) Study: Adjust FY21/22 SSCs to incorporate key findings:
 - Shift approximately \$550,000 in cost reallocation from non-residential customers to residential customers
 - Adjust potable water consumption basis for calculating an annual minimum charge for non-residential customers to 80 hundred cubic feet per year (HCF) (from 90 HCF in FY21/22)
 - Eliminate differences in SSCs for same business classes in different District zones
 - Implement associated SSC adjustments for residential and non-residential customers (SSC adjustments referenced below include CoS findings)
- Residential Customers
 - Implement a 6.5% SSC increase for Antioch (District Zone 3) and Pittsburg (District Zone 2). The proposed SSC increase (does not include wastewater collection services, which are provided by the respective cities) equates to an SSC increase of \$26.32 per year (or approximately \$2.19 per month)
 - Implement a 5.9% SSC increase for Bay Point (District Zone 1). The proposed SSC increase (includes wastewater collection services provided by the District) equate to an SSC increase of \$32.78 per year (or approximately \$2.73 per month)



- Non-residential Customers: Implement SSC adjustments to specific business classes based on updated CoS findings (refer to Table 2 in attached draft Prop. 218 Notice)
- Street Sweeping Charges: No proposed changes (required service level varies by community)
 - Annual single-family residential: \$4.58 for Bay Point, \$10.26 for Pittsburg, \$5.60 for Antioch
 - Annual non-residential unit: \$45.80 for Bay Point, \$51.35 for Pittsburg, \$56.00 for Antioch

Background Information

In developing proposed SSC adjustments to meet revenue requirements each year, staff utilizes the following guiding principles to ensure long-term financial sustainability:

- Critically review operating budget each year to identify budget adjustment needs and opportunities
- Ensure effective prioritization of a capital improvement program (CIP) that addresses critical infrastructure needs
- Utilize a 5-year rate model to identify SSC revenue needed to meet cost projections without sharp rate increases
- Maximize cash funding of CIP (vs. debt financing) to ensure lowest overall costs for District customers
- Meet District policy to maintain minimum reserve balance of 40% of annual budgeted operating expenses in the Wastewater Operations & Maintenance (WW O&M) Fund
- Factor growth into SSC calculation each year to ensure equitable cost allocation across customers
- Reserve debt management capacity for long-term secondary capacity expansion and nutrient management treatment plant upgrades
- Maintain SSCs below average relative to peer agencies
- Comply with legal requirements for revenue collection

During the Board Meeting, staff will highlight the District's efforts to integrate these guiding principles in its financial planning activities.

Staff has developed a 5-year financial plan (with a 10-year outlook) to effectively identify the District's capital investment and operational financial needs, while meeting District fiscal policy requirements. This financial planning approach ensures the District is charging rates that are appropriate to recover costs of providing service and in compliance with California law, including Proposition 218. Staff has determined that the proposed FY21/22 SSC adjustments are necessary and meet the following requirements:

- Collects sufficient revenue to meet current and long-term projected costs of operations and maintenance, fund capital investment in aging infrastructure necessary to maintain effective and reliable services, and maintain overall financial stability
- Complies with state-mandated regulatory requirements
- Meets and complies with annual debt service requirements
- Avoids generating operational deficits and depleting reserves
- Complies with California Constitution Article XIII D, Section 6, which includes the following requirements:
 - An agency cannot collect revenue beyond what is necessary to provide service



- No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property
- Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed
- The amount of the charge must be proportional to the cost of the service, and the apportionment of total costs of service amongst ratepayer classes must be reasonable (e.g., avoidance of subsidization across customer classes)
- Meets District fiscal policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (WW O&M) Fund
- Meets commitments made in loan agreements

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

On April 7, 2021, staff presented the proposed SSC adjustments and associated recommendations to the Finance Committee (Committee), and the Committee recommended that these items be submitted to the Board for consideration on April 14, 2021.

Analysis

Key assumptions in developing the updated 5-year financial plan and associated FY21/22 SSC adjustments include:

- Preliminary FY21/22 Operating Budget: \$26.2M funded by SSCs (\$28.9M total) with escalation in subsequent years to address increasing operating costs over time
- Preliminary 5-year CIP: \$113M for Wastewater (\$127M total). Staff has highlighted major capital investment needs in recent Board meetings (November 2020 to March 2021), including the new \$60M Secondary Process Improvements Project and \$11M for prioritized new projects resulting from recent condition assessment work completed as part of the Resource Recovery Facility Master Plan.
- Debt Utilization: Following engagement with the Board on March 25, 2021 regarding financial impacts associated with various funding approaches for the \$60M Secondary Process Improvements Project, staff is recommending that the District fund this project with \$30M in cash with the remainder funded by a new debt issuance (i.e., 50% cash/50% debt scenario).
- FY20/21 Service Area Growth: A total of 1,099 equivalent residential units (ERUs) have been added to the 5-year financial plan, which generates an additional \$450,000 annual SSC revenue. Staff updates the District's 5-year financial plan each year to reflect any growth that has occurred in the service area during the current year.
- Ad Valorem Taxes: Based on the assumption that District Ordinance No. 120 will be adopted by the Board on April 14, 2021 to eliminate Capital Facilities Capacity Charge (CFCC) reductions for certain development types and support the District's financial needs, staff has increased the annual Ad Valorem Tax revenue assumption from \$2.0M to \$3.0M (i.e., \$1M



had previously been set aside to offset CFCC reductions to restore lost CFCC revenue in the Wastewater Expansion Fund).

- **Advanced Treatment (AT) Fund:** Based on the extended timeline for implementation of nutrient removal regulatory requirements, staff is recommending that the District continue suspending collection of this SSC revenue component.
- **2021 Cost-of-Service (CoS) Study:** As referenced above, adjustments to SSCs are required for both residential and non-residential to rebalance cost allocation between these customer categories. Implementation of CoS findings only (without an SSC revenue increase) in FY21/22 would result in aggregate (i.e., adjustments vary by individual communities and business classes) SSC adjustments of +1.7% and -15.8% for residential and non-residential customers, respectively. Staff has also implemented the recommended changes to annual minimum charges for non-residential customers (i.e., 80 HCF) and elimination of SSC differences for the same business classes in different District zones.
- **Inter-fund Loans:** The 5-year financial plan includes: 1) repayment of the FY20/21 Board-approved \$3.0M loan from the AT Fund to the WW Capital Asset Replacement (WW CAR) Fund in FY21/22; 2) a \$9.6M loan from the WW CAR Fund to the WW Expansion Fund in FY24/25 with a subsequent annual \$1.0M payment until the loan is repaid.

In June 2020, the Board adopted an FY20/21 SSC increase of 3.5% for Antioch/Pittsburg customers and 3.0% for Bay Point customers. At that time, staff projected a future FY21/22 SSC increase of 4.0% for Antioch/Pittsburg residential customers (current proposed SSC increase = 6.5%) and 3.5% for Bay Point residential customers (current proposed SSC increase = 5.9%). Key changes driving these differences from last year's 5-year SSC projection include recommended implementation of: 1) the \$60M Secondary Process Improvements Project, which has emerged as a near-term priority in Year 3-5 of the new 5-year CIP, and 2) the 2021 Cost-of-Service Study findings.

Public Communication and Outreach

In compliance with Article XIII D, Section 6 of the California Constitution, and Government Code Section 53750, *et seq.*, notices on proposed rate adjustments are planned to be sent to all utility customer accounts by April 23, 2021 (a minimum of 45 days prior to the public hearing in June) (refer to attachment). The Notice includes the information required under Proposition 218 and outlines the process for protesting the proposed rate increases. Written protests can be mailed, or hand delivered to the District on or before the public hearing date or in person at the public hearing that is expected to be set for June 9, 2021. In addition, notices of the public hearing will be published twice in the East County Times, in accordance with Health and Safety Code Section 5473.1 to provide notice of the proposed collection of SSCs on the tax roll. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses. If written protests against the proposed rate adjustments are presented by a majority of the parcel owners in the District's service area, the District cannot implement the SSC rate adjustments.

If state and local COVID-19 restrictions remain in effect, the June 9, 2021 Board Meeting agenda posted on the District's website will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor's executive orders.



Fiscal Impact

If the Board approves the proposed SSC adjustments after the June 9, 2021 public hearing, an additional \$1.6 million in annual SSC revenue would be generated to meet the District's capital investment and operational financial needs.

Following implementation of the proposed SSC adjustments, the District's cost for providing wastewater collection, conveyance, and treatment services would remain amongst the lowest when compared to peer agencies in the San Francisco Bay Area region. A comparison of District SSCs to regional peer agencies will be highlighted during the Board Meeting.

Attachments

- 1) Finance Committee Staff Report Memorandum dated April 7, 2021 (w/o attachment)
- 2) Draft Prop. 218 Notice for Proposed FY21/22 SSC Adjustments

Prepared by:



Brian Thomas
Acting Business Services Director

cc: District File No. CORP.07-CORRES-XXX





MEMORANDUM

DATE: April 7, 2021

TO: Juan Banales, Chair, Finance Committee

FROM: Brian Thomas, Acting Business Services Director ^{BAT}

SUBJECT: REVIEW AND COMMENT ON PROPOSED SEWER SERVICE CHARGES FOR FISCAL YEAR 2021/2022 AND DRAFT PROPOSITION 218 NOTICE

Recommendations

- 1) Review and comment on proposed Sewer Service Charge (SSC) adjustments for Fiscal Year 2021/2022 (FY21/22) and draft Prop. 218 Notice detailing the proposed SSC adjustments and notifying property owners of the associated public hearing.
- 2) Approve submitting the proposed FY21/22 SSC adjustments, draft Prop. 218 Notice, and public hearing date (June 9, 2021) for consideration at the April 14, 2021 Board Meeting.

Summary

The following key actions are associated with the proposed FY21/22 SSC adjustments:

- Generate an additional \$1.6 million in annual revenue to meet the District's capital investment and operational financial needs, which represents a 4.8% increase in anticipated FY21/22 revenue (without an SSC increase)
- 2021 Cost-of-Service (CoS) Study: Adjust FY21/22 SSCs to incorporate key findings:
 - Shift approximately \$550,000 in cost reallocation from non-residential customers to residential customers
 - Adjust potable water consumption basis for calculating an annual minimum charge for non-residential customers to 80 hundred cubic feet per year (HCF) (from 90 HCF in FY21/22)
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Background Information

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- Maximize cash funding of CIP (vs. debt financing) to ensure lowest overall costs for District customers
- Meet District policy to maintain minimum reserve balance of 40% of annual budgeted operating expenses in the Wastewater Operations & Maintenance (WW O&M) Fund
- Factor growth into SSC calculation each year to ensure equitable cost allocation across customers
- Reserve debt management capacity for long-term secondary capacity expansion and nutrient management treatment plant upgrades
- Maintain SSCs below average relative to peer agencies
- Comply with legal requirements for revenue collection

During the Finance Committee Meeting, staff will highlight the District's efforts to integrate these guiding principles in its financial planning activities.

Staff has developed a 5-year financial plan (with a 10-year outlook) to effectively identify the District's capital investment and operational financial needs, while meeting District fiscal policy requirements. This financial planning approach ensures the District is charging rates that are appropriate to recover costs of providing service and in compliance with California law, including Proposition 218. Staff has determined that the proposed FY21/22 SSC adjustments are necessary and meet the following requirements:

- Collects sufficient revenue to meet current and long-term projected costs of operations and maintenance, fund capital investment in aging infrastructure necessary to maintain effective and reliable services, and maintain overall financial stability
- Complies with state-mandated regulatory requirements
- Meets and complies with annual debt service requirements
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 - The amount of the charge must be proportional to the cost of the service, and the apportionment of total costs of service amongst ratepayer classes must be reasonable (e.g., avoidance of subsidization across customer classes)
- Meets District fiscal policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (WW O&M) Fund
- Meets commitments made in loan agreements

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Analysis

Key assumptions in developing the updated 5-year financial plan and associated FY21/22 SSC adjustments include:

- **Preliminary FY21/22 Operating Budget:** \$26.2M funded by SSCs (\$28.9M total) with escalation in subsequent years to address increasing operating costs over time
- **Preliminary 5-year CIP:** \$113M for Wastewater (\$127M total). Staff has highlighted major capital investment needs in recent Board meetings (November 2020 to March 2021), including the new \$60M Secondary Process Improvements Project and \$11M for prioritized new projects resulting from recent condition assessment work completed as part of the Resource Recovery Facility Master Plan.
- **Debt Utilization:** Following engagement with the Board on March 25, 2021 regarding financial impacts associated with various funding approaches for the \$60M Secondary Process Improvements Project, staff is recommending that the District fund this project with \$30M in cash with the remainder funded by a new debt issuance (i.e., 50% cash/50% debt scenario).
- **FY20/21 Service Area Growth:** A total of 1,099 equivalent residential units (ERUs) have been added to the 5-year financial plan, which generates an additional \$450,000 annual SSC revenue. Staff updates the District's 5-year financial plan each year to reflect any growth that has occurred in the service area during the current year.
- **Ad Valorem Taxes:** Based on the assumption that District Ordinance No. 120 will be adopted by the Board on April 14, 2021 to eliminate Capital Facilities Capacity Charge (CFCC) reductions for certain development types and support the District's financial needs, staff has increased the annual Ad Valorem Tax revenue assumption from \$2.0M to \$3.0M (i.e., \$1M had previously been set aside to offset CFCC reductions to restore lost CFCC revenue in the Wastewater Expansion Fund).
- **Advanced Treatment (AT) Fund:** Based on the extended timeline for implementation of nutrient removal regulatory requirements, staff is recommending that the District continue suspending collection of this SSC revenue component.
- **2021 Cost-of-Service (CoS) Study:** As referenced above, adjustments to SSCs are required for both residential and non-residential to rebalance cost allocation between these customer categories. Implementation of CoS findings only (without an SSC revenue increase) in FY21/22 would result in aggregate (i.e., adjustments vary by individual communities and business classes) SSC adjustments of +1.7% and -15.8% for residential and non-residential customers, respectively. Staff has also implemented the recommended changes to annual minimum charges for non-residential customers (i.e., 80 HCF) and elimination of SSC differences for the same business classes in different District zones.
- **Inter-fund Loans:** The 5-year financial plan includes: 1) repayment of the FY20/21 Board-approved \$3.0M loan from the AT Fund to the WW Capital Asset Replacement (WW CAR) Fund in FY21/22; 2) a \$9.6M loan from the WW CAR Fund to the WW Expansion Fund in FY24/25 with a subsequent annual \$1.0M payment until the loan is repaid.

In June 2020, the Board adopted an FY20/21 SSC increase of 3.5% for Antioch/Pittsburg customers and 3.0% for Bay Point customers. At that time, staff projected a future FY21/22 SSC increase of

4.0% for Antioch/Pittsburg residential customers (current proposed SSC increase = 6.5%) and 3.5% for Bay Point residential customers (current proposed SSC increase = 5.9%). Key changes driving these differences from last year's 5-year SSC projection include recommended implementation of: 1) the \$60M Secondary Process Improvements Project, which has emerged as a near-term priority in Year 3-5 of the new 5-year CIP, and 2) the 2021 Cost-of-Service Study findings.

Public Communication and Outreach

In compliance with Article XIII D, Section 6 of the California Constitution, and Government Code Section 53750, *et seq.*, notices on proposed rate adjustments are planned to be sent to all utility customer accounts by April 23, 2021 (a minimum of 45 days prior to the public hearing in June) (refer to attachment). The Notice includes the information required under Proposition 218, and outlines the process for protesting the proposed rate adjustments. Written protests can be mailed, or hand delivered to the District on or before the public hearing date or in person at the public hearing that is expected to be set for June 9, 2021. In addition, notices of the public hearing will be published twice in the East County Times, in accordance with Health and Safety Code Section 5473.1 to provide notice of the proposed collection of SSCs on the tax roll. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses. If written protests against the proposed rate adjustments are presented by a majority of the parcel owners in the District's service area, the District cannot implement the SSC rate adjustments.

If state and local COVID-19 restrictions remain in effect, the June 9, 2021 Board Meeting agenda posted on the District's website will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor's executive orders.

Fiscal Impact

If the Board approves the proposed SSC adjustments after the June 9, 2021 public hearing, an additional \$1.6 million in annual SSC revenue would be generated to meet the District's capital investment and operational financial needs.

Following implementation of the proposed SSC adjustments, the District's cost for providing wastewater collection, conveyance, and treatment services would remain among the lowest when compared to peer agencies in the San Francisco Bay Area region. A comparison of District SSCs to regional peer agencies will be highlighted during the Finance Committee Meeting.

Attachment

Draft Prop. 218 Notice for Proposed FY21/22 SSC Adjustments



Notice of Proposed Sewer Service Charge Rate Adjustments for Fiscal Year 2021/2022

Proposition 218 Notification to Property Owners of Public Hearing

NOTICE IS HEREBY GIVEN that the Delta Diablo Board of Directors will hold a public hearing on **Wednesday, June 9, 2021, at 4:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California**, to consider adoption of proposed rate adjustments for wastewater utility services. A summary of the proposed rates and associated financial needs and information, and instructions for protesting the rate adjustments (if desired) are provided below. In addition, related fact sheets and a “Frequently Asked Questions” document are available on the District’s website (www.deltadiablo.org).

If state and local COVID-19 restrictions remain in effect, the June 9, 2021 Board Meeting agenda posted on the District’s website will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor’s executive orders.

WHAT IS DELTA DIABLO?

Delta Diablo (“District”) provides wastewater conveyance and treatment services for over 70,000 customer accounts (residential and non-residential), representing approximately 214,000 residents in the cities of Antioch and Pittsburg, and the unincorporated community of Bay Point. As part of our core mission to protect public health and the environment, the District treats 13 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public’s resources and trust.

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

PROPOSED FISCAL YEAR 2021/2022 SEWER SERVICE CHARGES

The District collects Sewer Service Charges (SSCs) from its customers each year as the primary revenue source needed to fund capital infrastructure investments, labor, energy, chemicals, regulatory compliance obligations, plant maintenance, and Delta HHW Collection Facility operations. For Fiscal Year 2021/2022 (FY21/22) (July 1, 2021 – June 30, 2022), the District is proposing SSC adjustments of approximately 6.5% (+\$26.32 per year) for residential customers in Antioch and Pittsburg, and approximately 5.9% (+\$32.78 per year) for residential customers in Bay Point.

Because the District’s costs in the categories referenced above will increase in the next fiscal year, SSC adjustments are required to recover the District’s costs, maintain effective and reliable wastewater conveyance and treatment services, and ensure financial integrity and long-term sustainability. In addition, the proposed FY21/22 SSCs incorporate 2021 Cost-of-Service Study findings, which reapportioned certain costs from non-residential customers to residential customers to ensure SSCs accurately reflect the District’s cost of providing services to different customer classes. SSCs for non-residential customers (i.e., commercial, industrial) have been adjusted accordingly and vary based on customer class. Most District customers are billed on a fiscal-year basis and pay SSCs via annual property tax bills. Property tax bills also include a street sweeping service charge (no increase from FY20/21) that varies by community based on service frequency.

Residential Customers: The impact of the proposed SSC increase on the annual property tax bill for a single-family residential customer is shown in **Table 1**. The total annual charge for residential

properties with multiple units (e.g., duplex, fourplex, apartment complex, etc.) can be calculated by multiplying the applicable per unit SSC charge in **Table 1** by the total number of units.

Table 1 – Example Annual Residential SSC on Property Tax Bills for FY21/22

Residential Service Customers	Proposed SSC Increase*	Current FY20/21	Proposed FY21/22	Annual Change
Antioch/Pittsburg	6.5%	\$403.10	\$429.42	+\$26.32
Bay Point**	5.9%	\$556.47	\$589.25	+\$32.78

Notes: * Percentage increases are approximate.

** Delta Diablo provides wastewater collection services for Bay Point customers only (i.e., higher SSC), while the respective cities provide these services for Antioch and Pittsburg customers.

Non-residential Customers: The District is proposing SSCs adjustments for commercial and industrial customers based on 2021 Cost-of-Service Study findings and annual potable water consumption data (i.e., the SSC rates are per one hundred cubic feet per year [HCF/y] of potable water consumption), as presented in **Table 2**, by business class and community. A minimum annual charge of 80 HCF/y multiplied by the applicable rate for each business class will be assessed.

Table 2 – Non-residential Proposed User Charges: SSC (\$) per Hundred Cubic Feet per Year

Business Class (Commercial/Industrial)	Bay Point (Zone 1)		Pittsburg (Zone 2)		Antioch (Zone 3)	
	Current FY20/21	Proposed FY21/22	Current FY20/21	Proposed FY21/22	Current FY20/21	Proposed FY21/22
Bakeries/Restaurants	\$9.47	\$9.02	\$8.01	\$7.33	\$7.94	\$7.33
Hotels/Motels	-	\$4.57*	\$4.27	\$4.57	\$4.64	\$4.57
Institutional	\$6.52	\$5.91	\$4.89	\$4.22	\$4.85	\$4.22
Light Industrial	\$6.52	\$5.71	\$4.89	\$4.02	\$4.85	\$4.02
Marinas	-	\$6.03*	\$6.30	\$6.03	\$6.34	\$6.03
Misc. Commercial	\$6.52	\$5.91	\$4.89	\$4.22	\$4.79	\$4.22
Mortuaries	-	\$5.83*	\$5.53	\$5.83	\$5.55	\$5.83
Annual Minimum	\$556.47	varies**	\$403.10	varies**	\$403.10	varies**

Notes: * SSC per HCF for FY21/22 provided, although no businesses in these classes are known in Bay Point.

** Annual minimum charge is calculated by multiplying 80 HCF/y by the applicable SSC per HCF/y

WHAT DO SEWER SERVICE CHARGES FUND?

The SSC adjustments are necessary to fund \$1.6 million in increased costs attributable to providing wastewater services. The District utilizes annual SSC revenue to:

- **Meet the District’s core mission of protecting public health and the environment.** Achieving this mission requires sufficient capital investment and staffing levels to properly operate and maintain the District’s complex network of sewer pipes, pump stations, and treatment processes.
- **Address aging infrastructure through prioritized capital investment.** The District continues to strategically rehabilitate and replace essential elements of the wastewater collection, conveyance, and treatment systems to maintain effective and reliable services.
- **Recover increases in operating costs.** As a regulated utility that requires specialized employees, materials, and services to meet its mission, the District continues to experience progressive increases in annual operating costs due to escalations in labor, chemical, energy, materials, supplies, hauling, services, and regulatory compliance costs.
- **Prevent the need for more significant SSC adjustments in the future.** In developing its 5-year financial plan each year, the District works hard to balance direct economic impacts

to customers and the need for sufficient revenue to cover capital investment needs and operating costs. The District continues to maintain its rates well below the average of its peer agencies in the Bay Area. If SSC adjustments are not implemented this year, more significant rate adjustments may need to be proposed in subsequent years.

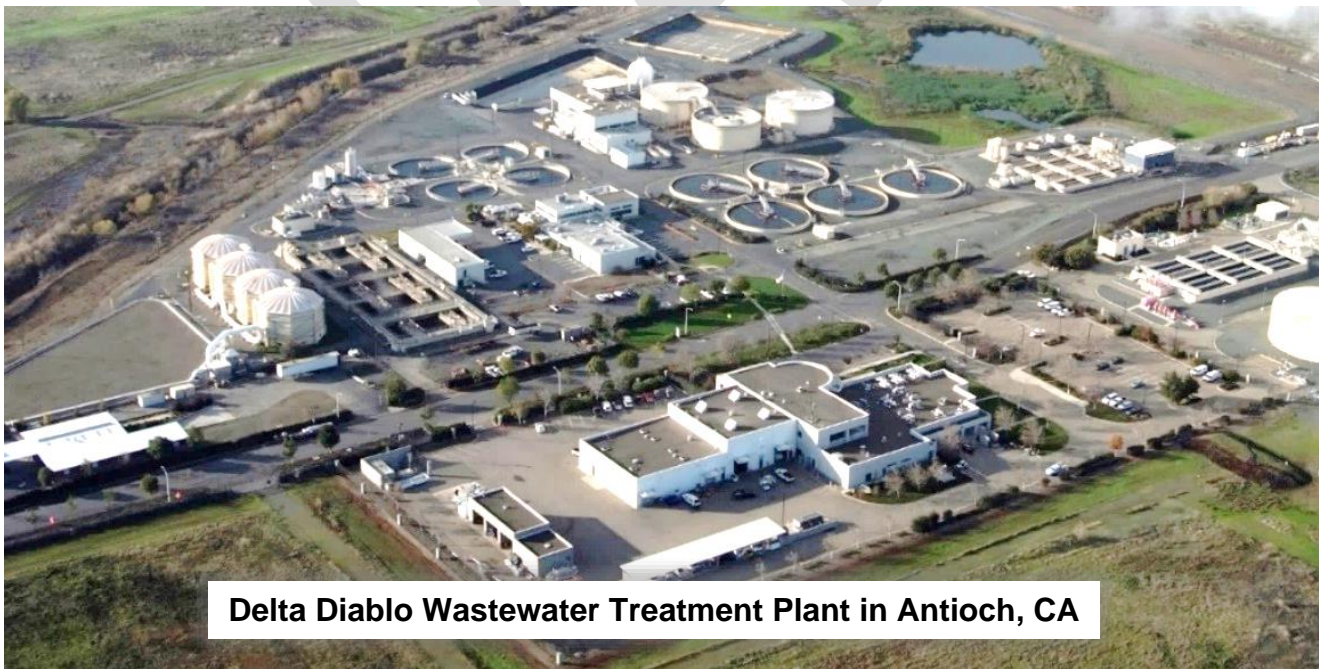
- **Focus on cash funding versus borrowing for capital improvements.** Increasing overall SSC revenue allows the District to continue cash funding a majority of necessary capital improvements in its wastewater conveyance and treatment systems.







Detailed information on operating and capital costs is available within the District’s budget and CIP documents, which are on file at the District’s offices.

PUBLIC HEARING AND PROTEST PROCEDURES

The Board of Directors will hold a public hearing on the proposed SSC adjustments on Wednesday, June 9, 2021, at 4:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. If state and local COVID-19 restrictions remain in effect, the June 9, 2021 Board Meeting agenda posted on the District’s website will inform members of the public as to how the public hearing will be conducted in accordance with applicable laws, health orders, and Governor’s executive orders. After the close of the public hearing and consideration of all public comments and written protests received, the Board of Directors will be asked to take action to implement the proposed SSC adjustments at this meeting.

Written protests may be sent to the District (attention of “Office Manager/Secretary to the Board”, 2500 Pittsburg-Antioch Highway, Antioch, California, 94509) prior to close of the public hearing and **must include your property address and the Assessor Parcel Number** found on your mailing label. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses, including any received by close of the public hearing. If written protests are presented by a majority of the parcel owners in the District’s service area, the District cannot implement the SSC increase.



 214,000 residents	 13 million gallons of wastewater per day	 76 miles of sewer pipes, force mains	 5 pumps stations to convey wastewater	 Wastewater Treatment Plant	 Recycled Water Facility
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2500 Pittsburg-Antioch Highway
Antioch, CA 94509

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

**4:30 PM
WEDNESDAY, JUNE 9, 2021
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**



Delta Diablo provides wastewater conveyance and treatment services to approximately 214,000 customers in Pittsburg, Antioch, and Bay Point

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

**Environmental
Stewardship**

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

**Infrastructure
Investment**

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

**Fiscal
Responsibility**

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

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

ITEM J

April 14, 2021

RECEIVE MONTHLY LOBBYIST REPORT DATED MARCH 2021, 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 March 2021, which was produced by KA and distributed to members of the Western Recycled Water Coalition.

Financial Impact

None

Attachment

KA Monthly Report, March 2021

Reviewed by:



Thanh Vo
Acting Engineering Services Director

cc: Project File No. P.90024.06.01





(703) 340-4666

www.keyadvocates.com

March 31, 2021

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

Infrastructure Bill: March Activities

On March 1, the Senate Environment and Public Works Committee started work on a surface transportation reauthorization bill. The House Transportation and Infrastructure Committee has already begun work on its bill. The highway bill is likely to be the engine that drives the mega infrastructure train.

On March 2, Majority Leader Schumer said he planned to turn to President Biden's Build Back Better plan as soon as the COVID relief bill is dispensed with. Senate Budget Committee Chair Sanders said he would even move an infrastructure plan through reconciliation, allowing Democrats to make fewer compromises with Republicans. Senate Appropriations Committee Democrats said they'd rather go the traditional route with a bipartisan bill. The House will likely introduce a revamped version of the \$1.5 trillion infrastructure bill it passed in the last Congress (see below). Senate leaders plan to report their bill to the floor by Memorial Day.

On March 3, Chair of the House Committee on Transportation and Infrastructure DeFazio (D-OR) renewed his call for passing a mega infrastructure bill after the American Society of Civil Engineers gave U.S. infrastructure an overall grade of C- on its 2021 Infrastructure Report Card. ASCE releases its Card once every four years, assigning an overall letter grade to the Nation's infrastructure.

On March 5, the President and Transportation Secretary Buttigieg, met with Reps. DeFazio, Graves (R-Mo.), Davids (D-Kan.), Davis (R-Ill.), Garamendi (D-Calif.), Katko (R-N.Y.), Fitzpatrick (R-Pa.) and DC Delegate Eleanor Holmes Norton, to discuss infrastructure.

On March 11, Democrats on the House Energy and Commerce Committee unveiled the "LIFT America Act" - its \$312B infrastructure package that would authorize major investments in the country's electrical, energy, and water (Safe Drinking Water SRF at \$26B) infrastructure.

On March 14, Speaker Pelosi indicated that Democrats are moving full steam ahead in pursuit of an infrastructure and jobs package and that they will quickly work to pass a top priority of the Biden Administration.

On March 22, the House Energy and Commerce Committee held a full committee hearing on its LIFT Act.

On March 23, it was reported that the President's "Build Back Better" proposal could approach \$4T and that it would be pursued on two tracks: the first would center on roads, bridges, and other infrastructure as well as various climate change initiatives; the second on education and other priorities, including extending the child tax credit, universal pre-kindergarten and tuition-free community college.

On March 24, the Senate Environment and Public Works Committee marked up on a bipartisan basis the "Drinking Water and Wastewater Infrastructure Act of 2021" which includes \$14.65B over five fiscal years for both the CWSRF and SDWSRF and \$125M over five fiscal years for the Alternative Water Source Program, presumably for inclusion in a Senate mega infrastructure bill.

On March 25, Pete Buttigieg, Secretary of Transportation, testified before the House T&I Committee on infrastructure.

Also, on March 25 at his press conference, the President announced that infrastructure is his next priority and that there would be some announcement about his package the week of March 29.

Today, March 31, the President will announce the first part of his multi-trillion dollar economic recovery package, focusing on rebuilding roads, bridges and other infrastructure (see heading below) to be followed by a second plan later in April addressing child and health care. Biden wants the infrastructure bill passed this summer at the latest.

Last year the House Democrats passed their mega-infrastructure bill, H.R. 2 "Moving Forward Act" (\$1.5T) which included \$40B for the CWSRF, \$25B for the SDWSRF, \$600 M for the Alternative Water Source Program (AWSP), and \$500 M for water recycling grants under the WIIN Act with project de-authorization process for inactive projects.

Biden Infrastructure Proposal (note: follow-up email forthcoming as more details become available)

The report is that the infrastructure plan will come in at \$2.25T, contain funding for things like broadband, highways, and housing as follows: \$621B for highways (\$115B to modernize 20,000 miles of highways, roads, and main streets) and bridges (to fix the most economically significant large bridges and repair the worst 10,000 smaller bridges), highway safety (\$20B), transit (\$85B for modernization and system expansion), rail (including \$80B for Amtrak's repair backlog and to modernize the Northeast Corridor), ports and inland waterways and ferries (\$17B), airports (\$25B); electric vehicles (\$174B to accelerate the shift to electric vehicles, consumer rebates and tax incentives to buy American-made electric vehicles, a new grant and incentive program to build a national network of 500,000 charging stations by 2030, replace 50,000 diesel transit vehicles, and electrify at least 20% of yellow school buses); \$300B for housing; \$300B to booster U.S. manufacturing including \$50B for semiconductor manufacturing and \$30B for medical manufacturing; \$400B for elderly and disabled care; expand access to long-term

Medicaid care services; give caregiving workers the opportunity to join a union; \$213B for housing including building and rehabilitating more than 50,000 homes for low and middle income homebuyers; \$180B for research in critical technologies; \$111B for water infrastructure to replace all lead pipes and service lines and to upgrade clean water, drinking water, wastewater and storm water systems; \$100B to build new schools and upgrade existing buildings, \$12B for community colleges infrastructure needs; \$25B to upgrade child care facilities; \$100B for broadband; \$100B for workforce development including \$40B to retain dislocated workers; and, \$18B to modernize Veterans Affairs' hospitals and \$10B to modernize federal buildings.

The combined price tag for this package and the second one to be announced within weeks (health care, child tax credit, paid medical and family leave, etc.) could come in at more than \$4T. Spending would be offset by a tax increase of up to \$3T targeted at wealthier Americans and corporations – an increase in the top individual tax rate for those making over \$400,000 from 37% to 39.6% and an increase in the corporate tax rate from 21% to 28%. Also possibly included, though not verified, taxing capital gains as normal income and imposing a minimum tax on profits companies make from foreign subsidiaries. Not included are an increase in the gas tax and the imposition of a vehicle mileage tax.

H.R.1015, the “Water Recycling Investment and Improvement Act”

On February 11, Congresswoman Napolitano introduced H.R.1015 with 13 cosponsors - it is the same bill she introduced last Congress as H.R.1162. It increases the WIIN Act authorization for water recycling grants to \$500M, strikes certain requirements, and increases the Federal share from \$20 to \$30 M. Last Congress, H.R.1162 did not move on its own but was included in H.R.2, the omnibus mega infrastructure bill that passed the House but not the Senate.

S. 941, “Drinking Water and Wastewater Infrastructure Act of 2021”

On March 24, the Senate Environment and Public Works Committee, on a bipartisan basis, reported the above bill which provides, in part, \$14.65B over the next five fiscal years for both the Clean Water and Safe Drinking Water SRF's and \$125M over the next five fiscal years for the Alternative Water Source Program.

H.R. 1915, “Water Quality Protection and Job Creation Act of 2021”

On March 17, Chairman DeFazio (with Subcommittee Chair Napolitano) introduced the above bill. It does not include the language in H.R. 1497, as reported, from the last Congress which we successfully sought regarding eligibility for pre-construction recycled water projects in the Alternative Water Source Program. As a result, we have expressed our strong concerns to Subcommittee, Napolitano and Garamendi staffers. We are being told that they will make the “fix” as the bill moves through the process. To convey formally our position, the Coalition sent a letter to DeFazio/Napolitano on the issue. We have seen and approved the funding portions of the bill - \$40B over five fiscal years for the Clean Water SRF and \$1B for the Alternative Water Source Program. The Coalition was listed as one of the supporting entities.

Coalition Projects Bill

Per Svetlana Matt, the bill is at Legislative Counsel for final drafting. I told her time is of the essence given the guidelines on recycled water project earmarks in the appropriations process. Per her email of March 30, the review of the draft is almost complete. The next step is to take it to the Congressman for sign-off and then solicit cosponsors.

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

Still waiting on the Senate Energy and Natural Resources Committee regarding the plans for the above bill from last Congress. Last year the Gardner/Feinstein bill, which was in ongoing negotiations, had bipartisan support generally but Senator Manchin had some concerns (unknown) that created a roadblock that was not resolved. The last compromise we heard was the one that proposed \$160 M over 5 years for recycled water projects (WIIN Act).

Congressman Huffman’s Omnibus Water Bill

The plan is to introduce a Huffman omnibus water bill with modifications from the draft he had last Congress and which was included in H.R. 2. That draft included the Napolitano bill and a proposed \$300 water trust fund, with \$100M earmarked for recycled water projects. Introduction timing unclear.

Senator Hirono Water Bill

Senator Hirono staff has said that the Senator will be introducing a water bill. Still no further information.

Earmarks

The House Appropriations Committee is taking Members’ earmark requests by the end of April. The requests are subject to various guidelines, one of which is that the Energy and Water Appropriations Subcommittee will not accept any requests for funding unauthorized Title XVI projects. That being the case, we have suggested that Coalition members wishing to pursue a request might do so via the Interior Appropriations bill which funds recycled water projects through the State and Tribal Assistance Grant program at 80/20 Federal share.

USBR

On March 24, USBR announced the Title XVI WIIN Grant \$20M F21 funding opportunity with applications due April 21.

Consolidated Appropriations Act, 2021 and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021

To review, on December 27, the President signed into law, as one vehicle, the Consolidated Appropriations Act, 2021, which funds the government at \$1.4T through next September and the

Coronavirus Response and Relief Supplemental Appropriations Act, 2021.

“Water” highlights from the Appropriations portion are \$63.665M for Title XVI, of which \$20M is for WIIN Act projects, and \$55M for Water SMART grants. Also, funding for the CWSRF and the SDWSRF are the same as FY20 - \$1.6B and \$1.1B respectfully.

Bill Tracking - 117th Congress (2021-2022)

Summaries and updates included as available.

H.R.1915 — To amend the Federal Water Pollution Control Act to reauthorize certain water pollution control programs, and for other purposes.

Sponsor: Rep. DeFazio, Peter A. [D-OR-4] (Introduced 03/16/2021) Cosponsors: (2)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/17/2021 Referred to the Subcommittee on Water Resources and Environment

H.R.1660 — To make certain municipalities eligible for grants under the Federal Water Pollution Control Act, and for other purposes.

Sponsor: Rep. Trahan, Lori [D-MA-3] (Introduced 03/08/2021) Cosponsors: (4)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/09/2021 Referred to the Subcommittee on Water Resources and Environment

H.R.1563 — To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Sponsor: Rep. Garcia, Mike [R-CA-25] (Introduced 03/03/2021) Cosponsors: (10)

Committees: House - Natural Resources; Science, Space, and Technology

Latest Action: House - 03/03/2021 Referred to the Committee on Natural Resources, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R.1881 — 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 03/12/2021) Cosponsors: (1)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/15/2021 Referred to the Subcommittee on Water Resources and Environment.

H.R.227 — To provide dedicated funding for the national infrastructure investment program and the capital investment grant program, and for other purposes.

Sponsor: Rep. Hastings, Alcee L. [D-FL-20] (Introduced 01/06/2021) Cosponsors: (1)

Committees: Transportation and Infrastructure; Ways and Means

Latest Action: 01/06/2021 Referred to the Committee on Transportation and Infrastructure, and

in addition to the Committee on Ways and Means.

H.R.1289 — To require States to establish complete streets programs, and for other purposes.

Sponsor: Rep. Cohen, Steve [D-TN-9] (Introduced 02/24/2021) Cosponsors: (12)

Committees: House - Transportation and Infrastructure

Latest Action: House - 02/25/2021 Referred to the Subcommittee on Highways and Transit.

H.R.1812 — To amend titles 23 and 49, United States Code, to streamline the environmental review process for major projects, and for other purposes.

Sponsor: Rep. Davis, Rodney [R-IL-13] (Introduced 03/11/2021) Cosponsors: (18)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/11/2021 Referred to the House Committee on Transportation and Infrastructure.