

Delta Diablo

(a California Special District)

Special Board of Directors Meeting

6:00 PM, Tuesday, May 23, 2023

2500 Pittsburg-Antioch Highway, Antioch, CA 94509

AGENDA

The Board of Directors meeting will be conducted as an in-person meeting that is open to members of the public. In addition, the meeting will be accessible to members of the public via Zoom or phone (access information is provided below).

Persons who wish to address the Board during Public Comments or with respect to a specific Agenda item will be limited to two (2) minutes. The Secretary to the Board will call on members of the public to establish a speaking order during Public Comments and on specific Agenda items. The Board Chair may reduce the amount of time allotted per speaker for Public Comments or specific Agenda item(s) depending on the number of speakers and the business of the day.

Presentations will be available online at <https://www.deltadiablo.org/board-meetings> approximately one hour prior to the start of the Board meeting. A copy of the presentations will also be available for inspection at the meeting and at the District Administration Building.

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/85703537238>

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: 85703537238**

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 and also at the District Administration Building located at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal business hours.

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AGENDA

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. RECOGNITION – None.

E. CONSENT CALENDAR – None.

F. DELIBERATION ITEMS

Set Public Hearing on June 14, 2023, at 5:30 p.m., to Consider Adopting Resolution Authorizing Collection of District's Fiscal Year 2023/24 Sewer Service Charges on Tax Roll; and **Direct** Secretary to Cause Notice of the Filing of a Written Report and Public Hearing to be Published in Accordance with Health and Safety Code Section 5473.1 (Brian Thomas)

G. PRESENTATIONS AND REPORTS – None.

H. GENERAL MANAGER COMMENTS

I. BOARD MEMBER COMMENTS

J. CORRESPONDENCE – None.

K. CLOSED SESSION – None.

L. ADJOURNMENT

The next regular Board of Directors Meeting will be held at 5:30 p.m. on June 14, 2023.

ITEM F

May 23, 2023

SET PUBLIC HEARING FOR JUNE 14, 2023, AT 5:30 P.M., TO CONSIDER ADOPTING RESOLUTION AUTHORIZING COLLECTION OF DISTRICT'S FISCAL YEAR 2023/24 SEWER SERVICE CHARGES ON TAX ROLL; AND DIRECT SECRETARY TO CAUSE NOTICE OF FILING OF A WRITTEN REPORT AND PUBLIC HEARING TO BE PUBLISHED IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 5473.1

Recommendations

1. Set a public hearing for June 14, 2023, at 5:30 pm, at which time the Board will do the following: receive public comments; consider all protests or objections received against collection of Fiscal Year 2023/24 (FY23/24) Sewer Service Charges on the tax roll; and consider adopting a resolution authorizing collection of the FY23/24 SSCs on the tax roll.
2. Direct the Secretary to the Board to cause notice of the filing of a Written Report and the public hearing to be published in accordance with Health and Safety Code Section 5473.1, and other applicable laws.

Background Information

Following critical review of operating budget adjustment needs and opportunities, staff has developed a proposed FY23/24 Operating Budget and 5-year (FY23/24-FY27/28) Capital Improvement Program (CIP). This critical review directly supports the District's focus on long-term financial sustainability and effective stewardship of limited ratepayer funds in operating and investing in critical infrastructure in the District's wastewater collection, conveyance, and treatment systems; recycled water system; household hazardous waste collection facility; and street sweeping services program.

On May 10, 2023, staff presented key assumptions for the FY23/24 Operating Budget and the proposed 5-year CIP to the Board. Staff will present the proposed FY23/24 Budget, which will include estimated revenues, operating expenses, and capital expenditures for Board consideration and approval at the June 14, 2023 Board meeting. In support of future financial planning considerations, the FY23/24 Budget will include an estimate of the FY24/25 Operating Budget; however, staff will not be requesting the Board to appropriate associated funding until June 2024.

Analysis

The proposed FY23/24 Operating Budget, including salaries and benefits, chemicals, utilities, office and operating, and outside services, totals \$32.3 million. This represents a \$0.6 million increase (2.0%) relative to FY22/23 (\$31.7 million), which is a significant positive financial outcome considered the ongoing cost increase pressures for labor, chemicals, biosolids management, utilities, and outside services. The proposed 5-year CIP totals \$138.7 million and represents a \$2.8 million increase from the current CIP. The requested CIP budget appropriation for FY23/24 is estimated at \$11.8 million.



At the March 8, 2023 meeting, staff informed the Board that based on the delays in major capital project expenditures, it was likely that no increase to SSCs would be required for FY23/24 (i.e., SSCs may be maintained at the same level as in FY22/23). Subsequent financial planning confirmed that rebalancing the allocation of projected FY23/24 SSC revenue between the District's operating and capital funds can meet cash flow needs and fund balance reserve requirements. At the May 10, 2023 meeting, staff confirmed that no SSC increase is required, but highlighted that future Board approval would be requested in June 2023 to authorize collection of FY23/24 SSCs on the tax roll. In FY23/24, SSCs will continue to be levied at the same rates set by Ordinance No. 122, which was adopted on June 22, 2022. These SSCs will remain in effect until changed by a Board action.

In order to collect SSCs on the tax roll in FY23/24, the District must conduct a public hearing to consider adopting a resolution approving a Written Report and directing collection of SSCs on the Contra Costa County tax roll. Notices of the public hearing will be published twice in the East County Times, in accordance with Health and Safety Code Section 5473.1 and Government Code Section 6066 to provide notice of the availability of the Written Report and of the proposed collection of SSCs on the tax roll. At the public hearing, the Board will consider any protests or objections against collection of the SSCs on the tax roll in FY23/24. At the close of the public hearing, the Secretary to the Board will announce the total number of protests and whether a majority protest exists. If a majority protest against the collecting SSCs on the tax roll is presented, the District would be prohibited from collecting SSCs via the tax roll and would be required to directly bill its customers.

Financial Impact

If the Board approves collection of SSCs on the tax roll after the June 14, 2023 public hearing, annual SSC revenue would be collected to meet the District's capital investment and operational financial needs. The District's cost for providing wastewater collection, conveyance, and treatment services would remain below the average of rates charged by peer agencies in the San Francisco Bay Area.

Attachments - None.

Reviewed by:



Brian Thomas
Deputy General Manager/District Engineer

cc: District File No. BRD.01-ACTS

