

**Minutes of the Annual Meeting of the  
DELTA DIABLO INTEGRATED FINANCING CORPORATION  
January 9, 2019**

The meeting was called to order by Chair Glover on Wednesday, January 9, 2019 at 5:02 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Chair Federal Glover and Directors Sean Wright and Shanelle Preston-Scales (Alternate). Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Joaquin Gonzalez, Operations Manager/Management Association Representative; Darrell Cain, Laboratory Manager; Jayne Strommer, Government Affairs Manager; Amanda Roa, Environmental Programs Manager; Thanh Vo, Senior Engineer; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Cheryl Rhodes Alexander, Human Resources and Risk Manager; Garrett Evans, Acting City Manager, City of Pittsburg, and Holland White, City of Pittsburg Councilmember and Supervisor's Aide for Special Projects, Office of Supervisor Federal D. Glover.

**PUBLIC COMMENTS**

None.

**REORGANIZATION OF THE BOARD FOR 2019**

General Manager, Vince De Lange, outlined the recommended traditional rotation of the board positions, committee members, and representatives for 2019, proposed to take effect on February 1, 2019.

Director Wright moved approval, seconded by Director Scales-Preston, and by unanimous voice vote (*Ayes: Glover, Scales-Preston, and Wright; Noes: None, Absent: None*), the Board approved reorganization of the Board and appointment of committee members, alternates, and representatives for 2019.

**CONSENT CALENDAR**

None.

**DELIBERATION ITEMS:**

Approve Minutes of Special Integrated Financing Corporation Meeting, February 14, 2018

County Counsel instructed alternate Director, Shanelle Scales-Preston to abstain from the vote, as she was not present at the February 14, 2018 meeting.

Director Glover moved approval, seconded by Director Wright, and by voice vote (*Ayes: Glover and Wright; Noes: None, Abstain: Scales-Preston*), the Board approved the Minutes of the February 14, 2018 Special Integrated Financing Corporation Meeting.

## **PRESENTATIONS AND REPORTS**

### **Receive Report on Grants and Loans**

Ms. Strommer provided an update on grants and loans received by the District. Since 2008, the District has entered into 26 grant and loan agreements. The maximum grant awards total \$15.9 million and the maximum loan awards total \$37.6 million. In 2019, the District anticipates it will receive four grant and loan agreements totaling \$27.5 million (\$0.5 million in grant awards and \$27 million in loan awards). The grants are used for planning studies, research and development, and construction. The low-interest loans are used for construction and rehabilitation.

In 2018, two funded projects were completed: 1) Pittsburg Forcemain Improvement project, which was funded with an \$11.67 million loan from the California State Water Resources Control Board (SWRCB) and 2) Recycled Water Facility Emergency Backup Generator and Recycled Water Fill Stations, which were funded with a \$300,000 grant from United States Bureau of Reclamation (USBR) and a \$309,000 grant from California Department of Water Resources (DWR). The East County Bioenergy project is in progress. Mt. Diablo Resource Recovery (MDRR) awarded CalRecycle a \$4 million grant and Delta Diablo was awarded a \$500,000 grant for design and planning (to date, the District has received \$300,000). Staff continues to look for additional grant and loan opportunities. In 2019, the District anticipates the following projects to be funded: 1) Pump Station Facilities Repair project; 2) Bay Point Sewer Rehabilitation, Phase IV; and 3) Headworks Improvement project.

The Clean Water State Revolving Fund (CWSRF) program has experienced an increase in demand. The program is oversubscribed and has \$9 billion worth of projects. The CWSRF receives almost 200 applications and processes approximately 30 to 40 per year. The SWRCB amended its policy for implementing CWSRF with a new application scoring system, offer of partial funding, and reimbursement of construction costs prior to loan approval. The District is looking at other funding opportunities through the California Infrastructure Bank (IBank). The program is administered by the Governor's Office of Business and Economic Development and includes two programs that are applicable to local government: 1) Infrastructure State Revolving Fund (ISRF) and 2) California Lending for Energy and Environmental Needs (CLEEN). The interest rates are slightly below market rate and can be financed up to 30 years. The funding source is state-only funding and does not include any federal funding. Director Wright inquired about the differences in interest rates for IBank loans compared to the CWSRF program. Ms. Strommer responded the difference is approximately 1.5%. Director Glover asked if the District is currently looking at other grant and loan opportunities. Ms. Strommer replied that the District is looking at funding opportunities within the area of climate change initiatives such as greenhouse gas reduction, water and energy, renewable energy and energy efficiency, and alternative fuels. The Bay Area Air Quality Management District (BAAQMD) has partnered with IBank and created the Climate Tech Finance program for emerging technology projects that reduce greenhouse gas (GHG) emissions. Director Glover thanked Ms. Strommer for the presentation.

Director Wright moved approval, seconded by Director Preston-Scales, and by voice vote (Ayes: Glover Wright, and Scales-Preston; Noes: *None*, Abstain: *None*), the Board received the report.



Receive Report on Outstanding and Planned Debt

Ms. Margetich provided an overview of the Fiscal Year 2018/19 (FY18/19) Debt. As of July 1, 2018, the existing loan debt is comprised of seven loans, totaling \$24.6 million in outstanding principal and \$5.7 million in interest. The debt service is \$30.4 million. The Recycled Water Capital Facility Capacity Charge and the City of Antioch pay approximately \$3.9 million (13%). The pending debt estimate is \$2.9 million with total interest of \$936k. The long-term debt credit rating by Standard and Poor's is AA/stable. The District debt service coverage ration far exceeds the minimum requirements following the retirement of 1991 Certificates of Participation (COP) debt service in November 2016.

Director Glover thanked Ms. Margetich for the presentation. Director Wright moved approval, seconded by Director Preston-Scales, and by voice vote (Ayes: Glover Wright, and Scales-Preston; Noes: *None*, Abstain: *None*), the Board received the report.

ADJOURNMENT

Chair Glover adjourned the meeting at 5:20 pm. The next Regular meeting will be Wednesday, January 9, 2019.

  
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Sean Wright  
Board Secretary

(Recording Secretary:

Cecelia Nichols-Fritzler)