

AGENDA

REGULAR BOARD OF DIRECTORS MEETING

DELTA DIABLO

(a California Special District)

2500 Pittsburg-Antioch Highway | Antioch, CA 94509

WEDNESDAY, JUNE 13, 2018

4:30 P.M.

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

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. PUBLIC HEARING

Receive Report on Capital Improvement Program Implementation Status; **Conduct** Public Hearing on Fiscal Year 2018/2019 through 2022/2023 Capital Improvement Program; **Adopt** Resolution Approving the Program; and **Authorize** Filing of Notice of Exemption in Compliance with Public Resources Code Section 21152 (Thank Vo)

E. CONSENT CALENDAR

- 1) **Authorize** General Manager to Execute Amendment No. 1 to Consulting Services Contract in the Amount of \$20,000, Yorke Engineering, Air Permit Acquisition Services; and **Authorize** General Manager to Execute Legal Services Agreement in the Amount of \$100,000, Hawkins Delafield & Woods LLP, East County Bioenergy, Project No. 16117 (Amanda Roa)
- 2) **Approve** District Monthly Check Register, April 2018 (Eka Ekanem)
- 3) **Receive** Third Quarter Fiscal Year 2017/2018 District Investment Report (Kathy Chang)
- 4) **Receive** Notes from Finance Committee Meeting, June 5, 2018 (Denise Jones)
- 5) **Authorize** General Manager to Execute Amendment No. 3 to Professional Services Agreement, Stericycle Environmental Solutions, Inc., Contract Extension and 2.5% Increase in Unit Costs, Household Hazardous Waste Management Services (Amanda Roa)
- 6) **Adopt** Resolution Commending and Congratulating Fred Ciapusci, Maintenance Supervisor, on his Retirement from the District (Terry Spurgeon)
- 7) **Accept** and **Authorize** General Manager to File Notice of Completion, Alex Kushner General Contractor, Operations Equipment and Storage Facility Improvements, Project No. 10143 (Sean Williams)

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

- 8) **Authorize** General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$68,300, Carollo Engineers, Inc., Engineering Services, Headworks Improvements, Project No. 17117 (Patricia Chapman)
- 9) **Authorize** Issuance of the following Purchase Orders for Fiscal Year 2018/2019: in an Amount Not to Exceed \$688,700, Univar USA, Inc., Supply and Delivery of Sodium Hypochlorite and Sodium Bisulfite; in an Amount Not to Exceed \$205,800, California Water Technologies, Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed \$329,000, Chemtrade Chemicals US, LLC, Supply and Delivery of Liquid Aluminum Sulfate; and in an Amount Not to Exceed \$429,900, SNF Polydyne, Inc., Supply and Delivery of Dry Polymer and Liquid Polymer (Kathy Chang)
- 10) **Reject** Incomplete, Non-Responsive Bid Submitted by Lowest Apparent Bidder; **Award** and **Authorize** General Manager to Execute Construction Services Contract In an Amount Not to Exceed \$1,849,796, Alcal Specialty Contracting, Inc.; **Authorize** General Manager or His Designee to Approve Contract Change Orders In an Amount Not To Exceed 10% of Contract Amount; and **Authorize** General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$165,000, Interactive Resources, Inc., District Office Building Roof Replacement, Project No. 18112 (Irene O'Sullivan)
- 11) **Authorize** General Manager to Execute Amendment No. 1 to Professional Services Consulting Agreement in the Amount of \$8,500 and Extending Agreement Term, Regional Government Services, District Job Classification and Job Description Project (Cheryl Rhodes Alexander)
- 12) **Adopt** Resolution Establishing Fiscal Year 2018/2019 Appropriations (GANN) Limit for Expenditures that can be funded from Proceeds of Taxes (Kathy Chang)
- 13) **Adopt** Resolution Authorizing Filing of California Infrastructure and Economic Development ("IBank") Financing Application and Incurring an Obligation Payable to IBank for Financing of and Approving Certain Other Matters in Connection Therewith, Headworks Improvements, Project No. 17117 (Jayne Strommer)

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

- 1) **Determine** That There Was No Majority Protest to the Proposed Sewer Service Charges or to Collection of the Charges on the Tax Roll; **Adopt** Ordinance Establishing Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; **Adopt** Resolution Approving Final Engineer's Report and Directing Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll (Carol Margetich)
- 2) **Approve** Fiscal Year 2018/2019 Budget and **Adopt** Resolution Approving Fiscal Year 2018/2019 Budget Appropriations (Carol Margetich)
- 3) **Review** Proposed Recycled Water Service Charges and Set Public Hearing for July 11, 2018 (Carol Margetich)
- 4) **Approve** Standard Form Employment Agreement for Executive Team Members and **Authorize** General Manager to Execute Such Agreement with Engineering Services Director/District Engineer; **Authorize** General Manager to Execute Such Agreements with Business Services Director and Resource Recovery Services Director Effective July 1, 2018; **Approve** and **Authorize** General Manager to Execute Revised Employment Agreement with Human Resources and Risk Manager Effective July 1, 2018 (Cheryl Rhodes Alexander)

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



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

None

H. MANAGER'S COMMENTS

I. DIRECTORS' COMMENTS

J. CORRESPONDENCE

Receive Monthly State and Federal Reports dated May 2018, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024 (Jayne Strommer)

K. CLOSED SESSION

None

L. ADJOURNMENT

The next regular meeting of the Board of Directors will be **Wednesday, July 11, 2018, at 4:30 p.m.**

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



June 13, 2018

RECEIVE REPORT ON CAPITAL IMPROVEMENT PROGRAM IMPLEMENTATION STATUS; CONDUCT PUBLIC HEARING ON FISCAL YEAR 2018/2019 THROUGH 2022/2023 CAPITAL IMPROVEMENT PROGRAM; ADOPT RESOLUTION APPROVING THE PROGRAM; AND AUTHORIZE FILING OF NOTICE OF EXEMPTION IN COMPLIANCE WITH PUBLIC RESOURCES CODE SECTION 21152

RECOMMENDATION

1. Receive Report on Capital Improvement Program (CIP) Implementation Status.
2. Conduct a public hearing on the Fiscal Year 2018/2019 – 2022/2023 (FY18/19 – FY22/23) CIP.
3. Close public hearing and consider any testimony received.
4. Adopt Resolution approving the FY18/19 – FY22/23 CIP.
5. Authorize the General Manager to file a California Environmental Quality Act (CEQA) Notice of Exemption.

Background Information

At the April 11, 2018 meeting, the Board received a report on the draft FY18/19 – FY22/23 CIP and set June 13, 2018 at 4:30 p.m. as the date and time of the public hearing on the program. The CIP presents the District's capital needs in the Wastewater, Recycled Water, Bay Point, and Household Hazardous Waste programs over the next five years. The CIP represents a major component of the District's project costs and resource needs, and includes a summary of projected expenditures and revenues for each of the program funds. Each proposed project includes a detailed description and justification, completion schedule, estimated cost, and funding source. A copy of the draft CIP document was provided to the Board under separate cover and was available for public review at the District's offices.

Analysis

The preliminary CIP was circulated to the cities of Antioch and Pittsburg, and Contra Costa County in April 2018 for review. While the preliminary CIP is based on respective General Plans, the cities of Antioch and Pittsburg, and Contra Costa County did not notify the District of any CIP finding, therefore, by statute, the CIP is considered to be consistent with their general plans. Statutes also require the Board to conduct a public hearing on the CIP before it considers its adoption. As of the date of the Board Agenda completion, no written or oral comments have been received.

Staff completed a final review of the April 2018 preliminary CIP and proposed one minor adjustment to the Wastewater Capital Asset Replacement Fund. Staff decreased the budget appropriation for the District Office Building Rehabilitation Project from \$1.0 million to \$600,000 and increased the budget appropriation for the District Office Building Roof Replacement Project from \$1.0 million to \$1.4 million, a net zero impact to the overall FY18/19 budget. This adjustment was necessary to ensure the required work for the District Office Building Roof Replacement Project can be completed prior to the upcoming wet weather season.

The FY18/19 – FY22/23 CIP includes approximately \$83 million in planned improvements. These planned improvements, along with prior fiscal year appropriations, total \$108 million in estimated project costs. Thirteen new projects were added with an estimated combined total cost of \$10.8 million. Attachment 1 provides a program summary of the proposed five-year CIP with these new projects highlighted. These recommended projects are largely needed to address the District's aging



infrastructure, with most of the physical assets nearly 40 years old, in the wastewater conveyance and treatment system. This continued investment in infrastructure renewal and rehabilitation is necessary to ensure operational reliability and avoid unanticipated infrastructure and equipment failures leading to costly repairs and potentially impacting public health.

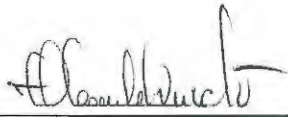
It is requested that the Board open the public hearing on the CIP, receive testimony, close the public hearing, and, if no substantive comments are received, adopt a resolution (Attachment 3) approving the CIP. The Board must also determine that the CIP is exempt from the CEQA and authorize the General Manager to file a Notice of Exemption with the County Recorder. The attached Notice (Attachment 4) describes the justification for the exemption.


Financial Impact

The FY18/19 – FY22/23 CIP includes approximately \$83 million for planned projects over five years with over \$22 million funded with low-interest (2% to 4%) State Revolving Fund (SRF) and IBank loans. Approval of this program establishes the basis for the proposed FY18/19 budget appropriation of approximately \$22 million, as summarized in Attachment 4, which will be presented to the Board for consideration in a separation Board action.

Attachments

1. Program Summary
2. Draft CIP Resolution
3. Notice of Exemption
4. Proposed FY18/19 Budget Appropriation

Prepared by: 
Thanh Vo
Senior Engineer

Reviewed by: 
Brian Thomas
Engineering Services Director

cc: District File CORP.09-CORRES-9788



Delta Diablo
FY18/19 - FY22/23 Capital Improvement Program
Program Summary

Page	Project Name	Project No.	Priority	Lead Dept.*	Approved Budget through FY17/18	Anticipated Budgets					Estimated Total Project Cost
						FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	
Wastewater Capital Asset (Fund 120)											
CA-	Permanent Brine Transfer Facility	18109	1	ES	\$1,000,000						\$1,000,000
CA-	Resource Recovery Master Plan	18110	1	ES	\$2,000,000	\$500,000					\$2,500,000
CA-	Conveyance and Treatment System Reliability Improvements	18107	3	RRS	\$50,000						\$50,000
CA-	Desalination Study Coordination	TBA	3	ES	\$175,000						\$175,000
CA-	East County Bioenergy Project	16117	3	ES	\$1,500,000	\$5,000,000	\$10,000,000	\$11,000,000			\$27,500,000
CA-	Energy and Water Efficiency Improvements	18108	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
CA-	Future Use Project	18099	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
CA-	Small District Capital Asset Project	18100	3	ES	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$900,000
New	Asset Management Program	TBA	3	ES		\$300,000	\$1,000,000				\$1,300,000
New	RWF & TP Intertie	TBA	1	ES				\$500,000	\$1,200,000		\$1,700,000
Wastewater Capital Asset Fund Total					\$4,975,000	\$6,050,000	\$11,250,000	\$11,250,000	\$750,000	\$1,450,000	\$35,725,000
Wastewater Capital Asset Replacement (Fund 130)											
CAR -	Digester Gas Compressor Replacements	TBA	1	ES				\$500,000			\$500,000
CAR -	Digester No. 2 Evaluation and Repair	18111	1	ES	\$400,000	\$200,000					\$600,000
CAR -	District Office Building Roof Replacement	18112	1	ES	\$1,000,000	\$1,000,000					\$2,000,000
CAR -	District Office Building Rehabilitation	18113	1	ES	\$500,000	\$1,000,000	\$1,000,000	\$2,000,000			\$4,500,000
CAR -	Headworks Improvements	17117	1	ES	\$1,800,000	\$500,000	\$1,000,000	\$8,000,000			\$11,300,000
CAR -	Primary Clarifier Area Improvements	17140	1	ES	\$2,500,000	\$1,500,000					\$4,000,000
CAR -	Pump Station Facilities Repair	17122	1	ES	\$5,330,800	\$4,000,000	\$2,000,000				\$11,330,800
CAR -	SCADA Communication Network/PLC Processor Upgrade	18114	1	RRS	\$600,000	\$400,000					\$1,000,000
CAR -	Sodium Bisulfite Tank and Chemical Building Canopy Replacement	13105	1	ES	\$500,000	\$100,000					\$600,000
CAR -	Treatment Plant Roadway Maintenance Project	18115	1	ES	\$300,000			\$500,000	\$1,500,000		\$2,300,000
CAR -	Treatment Plant Electrical Switchgear Replacement	17120	1	ES	\$1,300,000	\$1,500,000					\$2,800,000
CAR -	Conveyance System Improvements - Sewer Main Blowoffs	TBA	1	ES					\$200,000		\$200,000
CAR -	Conveyance System Rehabilitation and Replacement	18101	2	ES	\$200,000	\$1,000,000	\$200,000	\$200,000	\$200,000	\$200,000	\$2,000,000
CAR -	Emergency Retention Basin Improvements	TBA	2	ES		\$100,000					\$100,000
CAR -	Sewer Permit Software Replacement	18107	2	ES	\$50,000						\$50,000
CAR -	Rehabilitations and Replacements	18102	3	RRS	\$1,000,000	\$2,000,000	\$1,000,000	\$1,250,000	\$1,000,000	\$1,000,000	\$7,250,000
New	APS Grinder & Diversion Structure	TBA	2	ES					\$2,000,000		\$2,000,000
New	Chlorine Contact Influent Gates Replacement	TBA	1	RRS				\$400,000	\$1,100,000		\$1,500,000
New	Primary Clarifier Nos. 1-4 Coating	TBA	1	ES		\$400,000	\$500,000	\$500,000			\$1,400,000
New	RAS Pump Rehabilitation	TBA	2	RRS				\$300,000			\$300,000
New	SCADA Master Plan	TBA	1	ES		\$500,000					\$500,000
New	Triangle Pump Station Replacement	TBA	1	ES		\$200,000	\$330,000				\$530,000
New	On-Site Fueling Station Replacement	TBA	1	ES		\$200,000	\$200,000				\$400,000
New	Primary Clarifier #5 Installation	TBA	2	ES					\$600,000		\$600,000
Wastewater Capital Asset Replacement Fund Total					\$15,480,800	\$13,700,000	\$6,630,000	\$12,450,000	\$4,600,000	\$4,900,000	\$57,760,800
Wastewater Expansion (Fund 140)											
E-	Bridgehead Phase IV Expansion - Force Main Completion	10178	3	ES	\$250,000			\$600,000	\$2,750,000		\$3,600,000
Wastewater Expansion Fund Total					\$250,000			\$600,000	\$2,750,000		\$3,600,000

Delta Diablo
FY18/19 - FY22/23 Capital Improvement Program
Program Summary

Page	Project Name	Project No.	Priority	Lead Dept.*	Approved Budget through FY17/18	Anticipated Budgets					Estimated Total Project Cost
						FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	
Advanced Treatment (Fund 125)											
AT-	Nutrient Technology Research and Innovation	17123	1	ES	\$200,000	\$100,000					\$300,000
AT-	Treatment Plant Nutrient Removal	TBA	3	ES						\$500,000	\$500,000
Advanced Treatment Fund Total					\$200,000	\$100,000				\$500,000	\$800,000
Recycled Water Capital Asset (Fund 220)											
RWA-	Analyzer Room Installation	10187	1	ES	\$150,000						\$150,000
RWA-	Commercial/Residential Recycled Water Fill Station	17124	1	ES	\$50,000						\$50,000
RWA-	Emergency Back-Up Power Generator	15126	1	ES	\$1,400,000	\$300,000					\$1,700,000
RWA-	RWF Filter Backwash Valve Installation	18117	1	ES	\$100,000						\$100,000
RWA-	Recycled Water Asset Advanced Treatment Study and Evaluation	TBA	2	ES	\$100,000						\$100,000
RWA-	Influent Pump Station Improvements	10050	3	ES	\$200,000			\$100,000			\$300,000
RWA-	Power Plant Blowdown Re-routing	15115	3	ES	\$150,000			\$150,000			\$300,000
RWA-	Process Drain Line Modifications	10188	3	ES	\$175,000			\$225,000			\$400,000
RWA-	Recycled Water Facility Filter Cover Improvements Phase II	TBA	3	ES	\$35,000	\$15,000					\$50,000
RWA-	Recycled Water Master Plan Update	TBA	3	ES					\$250,000		\$250,000
RWA-	Small Recycled Water Facility Capital Asset Project	18103	3	ES	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
RWA-	Treatment Plant Flow Equalization Improvements (ESB)	TBA	3	ES				\$125,000			\$125,000
New	Recycled Water Distribution System Improvements	TBA	3	ES		\$300,000					\$300,000
Recycled Water Capital Asset Fund Total					\$2,410,000	\$665,000	\$50,000	\$650,000	\$50,000	\$300,000	\$4,125,000
Recycled Water Capital Asset Replacement (Fund 230)											
RWR-	RWF CCT Influent Valve Replacement	18118	1	ES	\$100,000						\$100,000
RWR-	FEB Diversion Gate and Control Replacement	TBA	3	ES			\$100,000	\$570,000			\$670,000
RWR-	Recycled Water Facility Repair & Replacement Project	18104	3	RRS	\$100,000	\$400,000	\$300,000	\$100,000	\$100,000	\$100,000	\$1,100,000
New	RWF DEC Drain Valve Automation	TBA	2	ES		\$120,000					\$120,000
New	RWF Sand Filter Backwash Optimization	TBA	2	ES		\$100,000					\$100,000
Recycled Water Capital Asset Replacement Fund Total					\$200,000	\$620,000	\$400,000	\$670,000	\$100,000	\$100,000	\$2,090,000
Recycled Water Expansion (Fund 240)											
RWE-	Distribution Expansion System	18110	3	ES	\$900,000						\$900,000
RWE-	Recycled Water Chlorine Contact Basin Study	TBA	3	ES				\$50,000			\$50,000
Recycled Water Expansion Fund Total					\$900,000			\$50,000			\$950,000
Bay Point Collection (Fund 520)											
BP-	Bay Point Rehabilitation Phase IV	18119	1	ES	\$500,000	\$600,000	\$1,000,000				\$2,100,000
BP-	Unanticipated Bay Point Repair and Replacement	18106	2	ES	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
Bay Point Collections Fund Total					\$600,000	\$700,000	\$1,100,000	\$100,000	\$100,000	\$100,000	\$2,700,000
Household Hazardous Waste (Fund 310)											
HHW-	Household Hazardous Waste Improvements	18105	3	ES	\$50,000	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000	\$200,000
Household Hazardous Waste Fund Total					\$50,000	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000	\$200,000
Total					\$25,065,800	\$21,885,000	\$19,455,000	\$25,795,000	\$8,375,000	\$7,375,000	\$107,950,800

NOTICE OF EXEMPTION

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

From: Vince De Lange, General Manager
Delta Diablo
2500 Pittsburg-Antioch Highway
Antioch, CA 94509-1373
Telephone: (925) 756-1900

Signature

SUBJECT: FILING OF NOTICE OF EXEMPTION, CALIFORNIA ENVIRONMENTAL QUALITY ACT IN COMPLIANCE WITH PUBLIC RESOURCES CODE 21152

PROJECT TITLE: Five-Year Capital Improvement Program, Fiscal Years 2018/2019 through 2022/2023

STATE CLEARANCE HOUSE NUMBER: N/A

PROJECT LOCATION: 2500 Pittsburg-Antioch Highway, Antioch, CA 94509-1373

AGENCY APPROVING AND CARRYING OUT PROJECT: Delta Diablo

EXEMPT STATUS: The Board of Directors of the District finds that this project qualifies for categorical and statutory exemptions from the provisions of CEQA under California Code of Regulations, Title 14, Section 15061 (b)(3) and Section 15262.

REASONS WHY PROJECT IS EXEMPT: This project is a planning study, which does not approve or adopt the specific projects, and preparation of this document has no adverse environmental impacts.

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 thirty (30) days.

Signature

Title

Page	Project Name	Project No.	Proposed Fiscal Year Budget Appropriation
Wastewater Capital Asset (Fund 120)			
CA-	Resource Recovery Master Plan	18110	\$500,000
CA-	East County Bioenergy Project	16117	\$5,000,000
CA-	Energy and Water Efficiency Improvements	18108	\$50,000
CA-	Future Use Project	18099	\$50,000
CA-	Small District Capital Asset Project	18100	\$150,000
New	Asset Management Program	TBA	\$300,000
Wastewater Capital Asset Fund Total			\$6,050,000
Wastewater Capital Asset Replacement (Fund 130)			
CAR -	Digester No. 2 Evaluation and Repair	18111	\$200,000
CAR -	District Office Building Roof Replacement	18112	\$1,000,000
CAR -	District Office Building Rehabilitation	18113	\$1,000,000
CAR -	Headworks Improvements	17117	\$500,000
CAR -	Primary Clarifier Area Improvements	17140	\$1,500,000
CAR -	Pump Station Facilities Repair	17122	\$4,000,000
CAR -	SCADA Communication Network/PLC Processor Upgrade	18114	\$400,000
CAR -	Sodium Bisulfite Tank and Chemical Building Canopy Replacement	13105	\$100,000
CAR -	Treatment Plant Electrical Switchgear Replacement	17120	\$1,500,000
CAR -	Conveyance System Rehabilitation and Replacement	18101	\$1,000,000
CAR -	Emergency Retention Basin Improvements	TBA	\$100,000
CAR -	Rehabilitations and Replacements	18102	\$2,000,000
New	Triangle Pump Station Replacement	TBA	\$200,000
New	On-Site Fueling Station Replacement	TBA	\$200,000
Wastewater Capital Asset Replacement Fund Total			\$13,700,000
Wastewater Expansion (Fund 140)			
E-	Bridgehead Phase IV Expansion - Force Main Completion	10178	
Wastewater Expansion Fund Total			
Advanced Treatment (Fund 125)			
AT-	Nutrient Technology Research and Innovation	17123	\$100,000
Advanced Treatment Fund Total			\$100,000
Recycled Water Capital Asset (Fund 220)			
RWA-	Emergency Back-Up Power Generator	15126	\$300,000
RWA-	Recycled Water Facility Filter Cover Improvements Phase II	TBA	\$15,000
RWA-	Small Recycled Water Facility Capital Asset Project	18103	\$50,000
New	Recycled Water Distribution System Improvements	TBA	\$300,000
Recycled Water Capital Asset Fund Total			\$665,000
Recycled Water Capital Asset Replacement (Fund 230)			
RWR-	Recycled Water Facility Repair & Replacement Project	18104	\$400,000
New	RWF DEC Drain Valve Automation	TBA	\$120,000
New	RWF Sand Filter Backwash Optimization	TBA	\$100,000

Proposed FY18/19 Budget Appropriation

Page	Project Name	Project No.	Proposed Fiscal Year Budget Appropriation
Recycled Water Capital Asset Replacement Fund Total			\$620,000
Recycled Water Expansion (Fund 240)			
Recycled Water Expansion Fund Total			
Bay Point Collection (Fund 520)			
BP-	Bay Point Rehabilitation Phase IV	18119	\$600,000
BP-	Unanticipated Bay Point Repair and Replacement	18106	\$100,000
Bay Point Collections Fund Total			\$700,000
Household Hazardous Waste (Fund 310)			
HHW-	Household Hazardous Waste Improvements	18105	\$50,000
Household Hazardous Waste Fund Total			\$50,000
Total			\$21,885,000

ITEM E/1

June 13, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO CONSULTING SERVICES CONTRACT IN THE AMOUNT OF \$20,000, YORKE ENGINEERING, AIR PERMIT ACQUISITION SERVICES; AUTHORIZE GENERAL MANAGER TO EXECUTE LEGAL SERVICES AGREEMENT IN THE AMOUNT OF \$100,000, HAWKINS DELAFIELD & WOODS LLP, EAST COUNTY BIOENERGY, PROJECT NO. 16117

RECOMMENDATIONS

- 1) Authorize the General Manager to execute Amendment No. 1 to the Consulting Services Contract with Yorke Engineering for assistance with air permitting in an amount not to exceed \$20,000 for a new total contract amount of \$65,000.
- 2) Authorize the General Manager to execute a Legal Services Agreement with Hawkins Delafield & Wood LLP in an amount not to exceed \$100,000 for legal services pertaining to the feedstock agreement and design-build contract.

Background Information

The East County Bioenergy Project (ECBP) is a public-private partnership between the District and Mt. Diablo Resource Recovery (MDRR), to find local, sustainable waste management solutions, while generating renewable energy and reducing greenhouse gas (GHG) emissions.

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

The District continues to progress toward completion of preliminary design work and has initiated a number of key supporting activities, including submittal of an air permit application and a PG&E interconnection agreement, and development of feedstock supply and design-build project delivery agreements.

Analysis

Air Permit Application Support: On September 13, 2017, the Board approved a Consulting Services Contract for Yorke Engineering in the amount of \$45,000 for assistance with air permitting for the ECBP. Approval of the air permit by the Bay Area Air Quality Management District (BAAQMD) is the most significant regulatory hurdle for the project. Recent experiences by other wastewater agencies on similar projects and preliminary conversations with the BAAQMD indicate that permit negotiations may be complex and lengthy. As a result, staff recommends an additional \$20,000 and a contract extension to June 30, 2019 to account for the extra technical assistance that may be needed during the permit review and approval process.

Legal Support for Feedstock Supply and Design-Build Project Agreements: Two other key components in advancing the ECBP are the development of a feedstock agreement and a design-build agreement. The feedstock agreement will be executed between the District and MDRR and will cover feedstock quality, quantity, and cost-recovery for food waste acceptance and processing.



The design-build agreement will be executed between the District and the design-build entity and will cover construction costs, schedules, equipment, process, and performance guarantees. Co-digestion of food waste generated from municipal solid waste is an innovative and emerging approach and few legal firms have direct experience in developing both feedstock supply and design-build agreements. Based on Hawkins' recommendations, reference checks, and unique experience in developing both feedstock supply and design-build agreements, staff recommends awarding a legal services agreement to Hawkins in an amount not to exceed \$100,000.

Financial Impact

The Fiscal Year 2017/2018 Capital Improvement Program includes a total budget for the subject project of \$1,750,000, and there are sufficient funds available for the proposed contract and contract amendment.

Attachments

Contract for Legal Services, Hawkins Delafield & Wood LLP

Prepared by: Amanda Roa
Amanda Roa
Environmental Programs Manager

Reviewed by: Brian Thomas
Brian Thomas
Engineering Services Director

cc: Yorke Engineering
Hawkins Delafield & Wood LLP
District File No. P.16117.01.04



Attachment
CONTRACT FOR LEGAL SERVICES

BETWEEN

DELTA DIABLO
AND
HAWKINS DELAFIELD & WOOD LLP

[DESIGN-BUILD AND FEEDSTOCK AGREEMENTS]

1. Parties and Effective Date. Effective _____, 2018, Delta Diablo, a public sanitation district, (hereinafter called "District"), and the law firm of Hawkins Delafield & Wood LLP (hereinafter called "Attorney"), mutually agree as follows:
2. Term. The term of this agreement shall be from the effective date through the completion of the matters described in Section 3 below, unless sooner terminated as provided herein. This contract supersedes all previous contracts, if any, between the parties.
3. Attorney's Obligations.
 - a. Services Which May Be Requested. Attorney shall provide all legal services requested by the District in preparing and negotiating the District's wastewater treatment plant improvements design-build contract and food waste feedstock supply contract. These services may include the following:
 - 1) research and preparation of memoranda where appropriate, in connection with issues which may arise in the course of preparing, negotiating, and executing the wastewater treatment plant improvements design-build contract and the food waste feedstock supply contract;
 - 2) identification and discussion of significant contractual issues and provisions, including risk allocation issues, to identify the District's preferences and positions with respect thereto;

- 3) preparation of the initial draft of the wastewater treatment plant improvements design-build contract and preparation of the initial draft of the food waste feedstock supply contract;
 - 4) negotiations with the District's selected counterparty for the wastewater treatment plant improvements design-build contract and negotiations of the food waste feedstock supply contract;
 - 5) preparation of drafts of contract to reflect negotiations with the District's selected counterparty for the wastewater treatment plant improvements design-build contract and preparation of drafts of the food waste feedstock supply contract to reflect negotiations thereto;
 - 6) preparation of the final wastewater treatment plant improvements design-build contract and preparation of the final food waste feedstock supply contract; and
 - 7) assistance with contract administration in connection with the project following the execution of the wastewater treatment plant improvement design-build contract and the food waste feedstock supply contract.
- b. Prior Consent. Eric J. Sapir is the primary attorney designated by District to handle these matters. Subject to the prior consent of the General Manager, Attorney may assign matters to members of the firm who are qualified and competent to provide professional legal services; however, District reserves the right to designate a particular staff member to handle any aspect of a matter requiring specialized knowledge and experience, at the discretion and designation of the General Manager.
- c. Significant Expenditures and Consultants. No major decision concerning the handling of any matter, commitment for substantial expenditure, or the hiring of a consultant is to be made without the prior approval of the General Manager and, when appropriate or necessary, the Board of Directors.

4. Compensation. In consideration of Attorney's provision of services, District shall pay Attorney, at its reduced rates for the benefit of the District and the purposes of this contract, as follows:
 - a. The compensation to be paid to Attorney, including both payment for professional services and reimbursable expenses, shall not exceed One Hundred Thousand Dollars (\$100,000.00.)
 - b. For services described in Section 3(a) of this agreement, at the "blended" rate of \$400 per hour for any attorney. An adjustment to the hourly rate may be made annually on the anniversary date of this agreement. No annual adjustment in the hourly rate may exceed the percentage change in the national Consumer Price Index (CPI-U) between the day that this agreement is effective and the anniversary date of the agreement.
 - c. Reasonable costs, as follows:
 - 1) Automobile mileage at the Standard IRS Rate. Other travel and lodging at the rates applicable to District employees.
 - 2) Postage, long distance telephone charges, facsimile transmission, photocopying costs, and similar expenses at actual cost incurred.
 - d. Limited Billing. For meetings, telephone calls, and office conferences in which more than two of its attorneys participate, Attorney will bill District for no more than two of its attorneys' time. Attorney will not bill District for computer data, word processing, and stenographic and clerical overtime.
5. Billing and Payment. Attorney shall submit to the District a properly documented demand for payment monthly, in the form and manner prescribed by District. The demand for payment shall itemize the type of services performed, the matter for which the services were performed, the date the services were performed, who performed the services, and the amount of time spent on such services.

6. Independent Contractor Status. This contract is by and between two independent contractors and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.
7. Subcontract and Assignment. Attorney shall not subcontract any of the work or assign any of its rights or obligations under this contract without prior written consent of District.
8. Records. Attorney shall at all times keep a complete and thorough record of the time expended and services performed on behalf of District and shall also make available to District for audit all such records maintained.
9. Conflicts of Interest. Attorney and staff members shall avoid any actual or potential conflicts of interest. Attorney agrees to notify District immediately of any case or situation which may involve an actual or potential conflict of interest for District's review and decision. Attorney's staff members who are designated as consultants by the General Manager shall file the Statement of Economic Disclosures, Form 700.
10. Termination. This contract may be terminated by either party at its sole discretion, upon thirty-day advance written notice thereof to the other, and may be cancelled immediately by written mutual consent.
11. Insurance. Attorney shall provide professional liability insurance with a minimum coverage limit of \$1,000,000 per claim/ \$1,000,000 in the aggregate for all damages or losses because of errors, omissions, or malpractice arising from the provision of professional services under this agreement. Attorney agrees to provide District copies of policies, certificates of coverage and/or endorsements evidencing the required coverage before work commences under this agreement.
12. Governing Law and Venue. This agreement is made in Contra Costa County and is governed by, and must be construed in accordance with the laws of the State of

California. Any action relating to this agreement must be instituted and prosecuted in the state courts of Contra Costa County.

13. Compliance with Laws. Attorney is subject to and must comply with all applicable federal, state, and District laws and regulations with respect to its performance under this agreement.

14. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and all prior understandings or agreements, oral or written, of whatsoever nature regarding this matter are superseded and terminated by this Agreement. This Agreement shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

DELTA DIABLO

HAWKINS DELAFIELD & WOOD LLP

By: _____
General Manager

By: Eric J. Sapir
Eric J. Sapir, Partner

FORM APPROVED:

Sharon L. Anderson

County Counsel

Taxpayer Identification No.:

13 551-3990

By: _____
Mary Ann McNett Mason
District Counsel/
Chief Assistant County Counsel

June 13, 2018

APPROVE DISTRICT MONTHLY CHECK REGISTER, APRIL 2018

RECOMMENDATION

Approve District Monthly Check Register for the month ending April 30, 2018.

Background Information


The Check Register for the month of April 2018 is attached. The Check Register Report reflects payments for one month to the District's suppliers, consultants, service providers, and contractors. A total of 125 checks totaling \$924,632.73 were disbursed for April 2018.

Financial Impact

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

Attachment

Check Register, Month ending April 30, 2018

Prepared by: 
Eka Ekanem
Senior Accountant

Reviewed by: 
Carol Margetich
Business Services Director



CHECK REGISTER

DELTA DIABLO

CASH DISBURSEMENTS FOR THE MONTH OF APRIL 2018

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO. INVOICE AMOUNT	CHECK AMOUNT DESCRIPTION
4/5/2018	AERIAL LIFT SERVICE CO INC		29401	1,260.77
		42930	1,260.77	ANNUAL SAFETY AND OPERATIONAL
4/5/2018	ARMOUR PETROLEUM SERVICE AND		29402	652.52
		42992	652.52	TO PERFORM YEARLY PM ON P7101
4/5/2018	AT&T		29403	1,066.02
		43017	1,066.02	PHONE EXP
4/5/2018	BIDSYNC		29404	6,000.00
		43048	6,000.00	SOFTWARE PACKAGE AND LICENSE A
4/5/2018	BLR - BUSINESS & LEGAL RESOURCES		29405	580.65
		43019	580.65	SUBSCRIPTION
4/5/2018	CALTEST ANALYTICAL LABORATORY		29406	1,211.40
		42882	1,211.40	PROVIDE LAB ANALYTICAL FOR NPD
4/5/2018	CAROLLO ENGINEERS		29407	37,347.50
		43033	37,347.50	CONSULTING SERVICES HEADWORK I
4/5/2018	COMMERCIAL TREE CARE		29408	4,875.00
		42932	4,875.00	TREE CROWN CLEANING AND REMOVA
4/5/2018	CONCENTRA/OCCUPATIONAL HEALTH CENT		29409	151.50
		43021	151.50	OCCUP SAFETY
4/5/2018	CONSOLIDATED ELECTRIC DIST INC		29410	1,038.05
		42822	1,038.05	INVENTORY
4/5/2018	DEPT OF GENERAL SERVICES		29411	12,029.54
		43050	12,029.54	UTILITIES
4/5/2018	DOC BAILEY CONSTRUCTION EQUIPMENT II		29412	3,381.48
		42809	3,381.48	30 TON BOOM TRUCK RENTAL FOR 3
4/5/2018	DU-ALL SAFETY, LLC		29413	1,200.00
		42998	1,200.00	FORKLIFT TRAINING
4/5/2018	EPIC COMPLIANCE SYSTEMS, INC.		29414	120.00
		42887	120.00	UST/AST TESTING AND MAINTENANC
4/5/2018	EVOQUA WATER TECHNOLOGIES, LLC		29415	1,702.70
		42884	1,702.70	EMERGENCY REPAIRS TO DI WATER
4/5/2018	FARMER BROS CO		29416	291.81
		42741	101.54	COFFEE SERVICE PLAN
		42742	190.27	COFFEE SERVICE PLAN
4/5/2018	MICHAEL CRAMBLIT FOSTER		29417	5,359.35
		42939	2,806.49	FOSTER FLOW CONTROL DATED 1/ 1
		43053	2,552.86	FOSTER FLOW CONTROL QUOTE DATE
4/5/2018	DAN GARIG		29418	244.00

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		42765		244.00	VEHICLE SERVICE AND REPAIRS
4/5/2018	GOLDEN STATE WATER CO.		29419		2,156.49
		43074		615.82	UTILITIES
		43075		1,540.67	UTILITIES
4/5/2018	GRAINGER		29420		53.51
		42864		53.51	INVENTORY
4/5/2018	GSE CONSTRUCTION CO., INC.		29421		53,530.20
		43061		53,530.20	RELEASE OF RETENTION
4/5/2018	CHRISTOPHER HANNA		29422		16.37
		43062		16.37	T&M
4/5/2018	INTERACTIVE RESOURCES INC.		29423		35,105.00
		42942		35,105.00	ROOF REPLACEMENT DESIGN - PN 1
4/5/2018	JEFFCO PAINTING & COATING INC		29424		7,870.00
		43054		7,870.00	RELEASE OF RETENTION
4/5/2018	JOHN MUIR HEALTH		29425		807.83
		43045		807.83	2018 Corporate Health Services
4/5/2018	LEE & RO, INC.		29426		5,366.06
		43018		5,366.06	PG&E RULE 21 APPLICATION
4/5/2018	LINDE, INC.		29427		527.44
		43049		527.44	LIQUID OXYGEN
4/5/2018	MANAGED HEALTH NETWORK		29428		433.35
		43052		433.35	EAP
4/5/2018	MDRR PITTSBURG		29429		1,802.35
		43063		1,802.35	WASTE
4/5/2018	MSC INDUSTRIAL SUPPLY CO. INC.		29430		798.76
		43086		798.76	INVENTORY
4/5/2018	PACIFIC COAST TRANE SERVICE		29431		680.00
		42960		680.00	POC CHILLER ANNUAL PREVENTIVE
4/5/2018	PACIFIC GAS & ELECTRIC COMPANY		29432		23,018.87
		43077		23,018.87	UTILITIES
4/5/2018	PILLSBURY WINTHROP SHAW PITTMAN LLP		29433		1,984.50
		43087		1,984.50	LEGAL
4/5/2018	CITY OF PITTSBURG		29434		993.76
		43051		993.76	UTILITIES
4/5/2018	CITY OF PITTSBURG		29435		22,393.54
		43001		22,393.54	CITY OF PITTSBURG STREET SWEEP
4/5/2018	REGIONAL GOVERNMENT SERVICES		29436		7,632.65
		43088		7,632.65	JOB DESCRIPTION PROJECT
4/5/2018	SAK CONSTRUCTION LLC		29437		34,137.50
		43066		34,137.50	RELEASE OF RETENTION

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
4/5/2018	TAC AMERICAS, INC.		29438	1,506.46	
		43007	1,506.46		POC HVAC SYSTEM SERVICE AGREEM
4/5/2018	SHAPE INCORPORATED		29439	9,531.94	
		43069	9,531.94		SHAPE QUOTE # 097629FL DATED 1
4/5/2018	SIMPLEXGRINNELL LP		29440	898.00	
		43016	898.00		FIRE ALARM SYSTEM MAINTENANCE
4/5/2018	STANDARD INSURANCE COMPANY		29441	4,344.54	
		43065	4,344.54		LIFE INS
4/5/2018	STEVE P RADOS INC.		29442	124,797.91	
		43008	124,797.91		PARTIAL RELEASE STOP PYMNT
4/5/2018	SYSTAT		29443	900.00	
		43070	900.00		OUTFALL UPS 6101 BATTERY REPLA
4/5/2018	SYSTEM 1 STAFFING		29444	4,491.00	
		43067	4,491.00		TEMP O/S
4/5/2018	UNITED PARCEL SERVICE		29445	11.62	
		43072	11.62		POSTAGE
4/5/2018	UNIVAR USA INC		29446	4,548.66	
		42865	2,274.09		SODIUM HYPOCHLORITE
		42866	2,274.57		SODIUM HYPOCHLORITE
4/5/2018	US POSTAL SERVICE-NEOPOST		29447	1,500.00	
		43027	1,500.00		POSTAGE
4/5/2018	V.W. HOUSEN & ASSOCIATES, INC.		29448	4,087.00	
		43025	4,087.00		TPS REHABILITATION - ESDC
4/5/2018	VERIZON WIRELESS		29449	2,378.38	
		43024	2,378.38		PHONE EXP
4/5/2018	VISION SERVICE PLAN		29450	1,944.12	
		43012	1,925.02		VISION INS
		43013	19.10		VISION COBRA
4/12/2018	AMERICAN TROPHIES		29451	433.78	
		43085	433.78		E/R
4/12/2018	CITY OF ANTIOCH- WATER		29452	7,092.82	
		43145	63.43		UTILITIES
		43155	109.60		UTILITIES
		43156	109.60		UTILITIES
		43157	5,453.30		UTILITIES
		43158	109.60		UTILITIES
		43159	109.60		UTILITIES
		43160	1,137.69		UTILITIES
4/12/2018	SCOT ALLISON CAMPBELL		29453	3,814.62	
		42931	3,814.62		INVENTORY

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
4/12/2018	BROWN AND CALDWELL		29454	3,229.75	
		43032	3,229.75		CONSULTING SERV FOR PITTS FM
4/12/2018	CALIFORNIA WATER TECHNOLOGIES, L.L.C.		29455	7,898.02	
		42993	4,410.84		FERROUS CHLORIDE
		43104	3,487.18		FERROUS CHLORIDE
4/12/2018	CALTEST ANALYTICAL LABORATORY		29456	1,503.90	
		42933	913.50		PROVIDE LAB ANALYTICAL FOR NPD
		42937	307.80		PROVIDE LAB ANALYTICAL FOR NPD
		42938	282.60		PROVIDE LAB ANALYTICAL FOR NPD
4/12/2018	CHEMSEARCH		29457	2,225.03	
		42917	2,225.03		INVENTORY
4/12/2018	CHEMTRADE CHEMICALS US LLC		29458	2,870.40	
		42997	2,870.40		ALUMINUM SULFATE
4/12/2018	CINTAS CORPORATION # 38K		29459	1,152.43	
		42935	366.86		UNIFORM/LAUNDRY SERVICE AGREEM
		42936	19.71		UNIFORM/LAUNDRY SERVICE AGREEM
		43130	19.71		UNIFORM/LAUNDRY SERVICE AGREEM
		43132	389.14		UNIFORM/LAUNDRY SERVICE AGREEM
		43133	357.01		UNIFORM/LAUNDRY SERVICE AGREEM
4/12/2018	CINTAS CORPORATION # 38K		29460	439.68	
		42934	439.68		UNIFORM/LAUNDRY SERVICE AGREEM
4/12/2018	COMCAST BUSINESS COMMUNICATIONS, LI		29461	537.13	
		43161	537.13		UTILITIES
4/12/2018	CORELOGIC INFORMATION SOLUTIONS, INC		29462	165.00	
		43116	165.00		REALQUEST PROPERTY INFORMATION
4/12/2018	DATCO		29463	188.50	
		43042	52.00		POST EMPL COST
		43043	136.50		O/S
4/12/2018	E.J. PHAIR BREWING COMPANY		29464	4,750.00	
		43096	4,750.00		EMPL RECOG
4/12/2018	FEDERAL EXPRESS		29465	125.77	
		43097	125.77		OE - POSTAGE
4/12/2018	MICHAEL CRAMLIT FOSTER		29466	20,836.20	
		42940	20,836.20		PINCH VALVES FOR MV2201-BPS &
4/12/2018	GRAINGER		29467	975.68	
		43073	716.45		INVENTORY
		43076	259.23		INVENTORY
4/12/2018	GRAYBAR ELECTRIC COMPANY, INC.		29468	2,178.56	
		43108	2,178.56		INVENTORY
4/12/2018	CHRISTOPHER HANNA		29469	143.90	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		43110		143.90	T&M
4/12/2018	MARY HARVEY		29470		336.76
		43109		336.76	T&M
4/12/2018	HOFFMEYER COMPANY		29471		5,952.98
		42941		5,952.98	6" SUCTION HOSE
4/12/2018	HUNT & SONS INC		29472		537.71
		43142		537.71	BLANKET PO FOR LUBRICANTS
4/12/2018	LARRY WALKER ASSOCIATES		29473		1,200.00
		43113		1,200.00	REGULATORY ASSISTANCE & LOCAL
4/12/2018	TOREE MCGEE		29474		750.00
		43028		750.00	EMPLOYEE RECOG
4/12/2018	MDRR PITTSBURG		29475		567.15
		43114		567.15	WASTE
4/12/2018	MONUMENT CAR PARTS		29476		607.87
		42891		607.87	INVENTORY
4/12/2018	VICTOR NICOLE OLAN		29477		5,160.00
		43117		5,160.00	BUTTSTRAPS PIPE 4 PAIR PN 1812
4/12/2018	PACIFIC GAS & ELECTRIC COMPANY		29478		30,525.78
		43164		30,525.78	UTILITIES
4/12/2018	PATTERSON LIFT TRUCKS, INC.		29479		8,755.45
		43143		8,755.45	REPAIR THE DISTRICT FORKLIFT
4/12/2018	PITTSBURG WINSUPPLY		29480		2,703.53
		43147		2,703.53	WINSUPPLY QUOTE # 6880 DATED 1
4/12/2018	POLYDYNE INC		29481		31,401.56
		43006		31,401.56	DRY POLYMER
4/12/2018	PRAXAIR, INC.		29482		2,420.47
		43002		238.80	BULK NITROGEN TUBE TRAILER
		43003		676.98	BULK NITROGEN TUBE TRAILER
		43004		544.20	BULK NITROGEN TUBE TRAILER
		43005		503.15	BULK NITROGEN TUBE TRAILER
		43064		457.34	PRAXAIR MONTHLY RENTALS
4/12/2018	PUBLIC EMPLOYEES UNION		29483		1,517.07
		3163334		1,517.07	UNION DUES P&T
4/12/2018	PUBLIC EMPLOYEES UNION		29484		4,145.30
		3163234		4,145.30	UNION DUES O&M
4/12/2018	RAIN FOR RENT		29485		685.44
		43178		685.44	PROVIDE BI-LEVEL TANK PN 14116
4/12/2018	REPUBLIC SERVICES #210		29486		6,177.26
		43165		5,259.68	WASTE
		43166		917.58	WASTE

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
4/12/2018	SILAO GENERAL ENGINEERINGS INC		29487	15,158.91	
		43040	15,158.91		TREATMENT PLANT AREA DOOR REPL
4/12/2018	SIMPLEXGRINNELL LP		29488	752.96	
		43009	752.96		JOHNSON CONTROLS QUOTE # 41140
4/12/2018	CA STATE DISBURSEMENT UNIT		29489	750.00	
		CS9648254	750.00		GARNISHMENT
4/12/2018	SYNAGRO WEST, LLC		29490	34,117.26	
		42950	34,117.26		BIOSOLIDS HAULING
4/12/2018	SYSTEM 1 STAFFING		29491	4,474.50	
		43118	4,474.50		O/S TEMP
4/12/2018	UNIVAR USA INC		29492	9,881.90	
		43020	2,275.09		SODIUM HYPOCHLORITE
		43022	2,320.60		SODIUM HYPOCHLORITE
		43023	5,286.21		SODIUM BISULFITE
4/12/2018	WOODARD & CURRAN INC.		29493	3,646.25	
		43167	3,646.25		GRANT APPLICATION SUPPORT/PREP
4/12/2018	WUNDERLICH-MALEC		29494	4,960.00	
		43015	4,960.00		IFIX HISTORIAN UPGRADE
4/19/2018	DELLENA LEE HOYER		29495	550.00	
		43229	550.00		POST EMPL COSTS
4/19/2018	APPLIED TECHNOLOGY GROUP, INC.		29496	2,687.15	
		43175	2,687.15		REPAIR OF THE SCADA RADIO SYST
4/19/2018	BACKFLOW DISTRIBUTORS, INC.		29497	2,114.10	
		43231	2,114.10		4" BACKFLOW PREVENTION DEVICE
4/19/2018	BIOENERGY ASSOCIATION OF CALIFORNIA		29498	2,750.00	
		43230	2,750.00		M&D DISTRICT WIDE
4/19/2018	CALTEST ANALYTICAL LABORATORY		29499	373.50	
		43014	65.70		PROVIDE LAB ANALYTICAL FOR NPD
		43035	307.80		PROVIDE LAB ANALYTICAL FOR NPD
4/19/2018	CHEMTRADE CHEMICALS US LLC		29500	2,976.79	
		43101	2,976.79		ALUMINUM SULFATE
4/19/2018	CINTAS CORPORATION # 38K		29501	1,076.72	
		42994	641.28		UNIFORM/LAUNDRY SERVICE AGREEM
		42995	415.73		UNIFORM/LAUNDRY SERVICE AGREEM
		42996	19.71		UNIFORM/LAUNDRY SERVICE AGREEM
4/19/2018	CLASS C SOLUTIONS GROUP/		29502	445.37	
		43138	445.37		OPERATING STOCK
4/19/2018	COMMERCIAL TREE CARE		29503	6,430.00	
		43188	6,430.00		RWF TREE REMOVAL
4/19/2018	CONTRACT SWEEPING SERVICES		29504	54,551.50	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	CHECK AMOUNT DESCRIPTION
		43221		27,275.75	STREET SWEEPING SERVICES ANTIO
		43222		27,275.75	STREET SWEEPING SERVICES ANTIO
4/19/2018	EKA EKANEM		29505	28.12	
		43190		28.12	T&M
4/19/2018	EVOQUA WATER TECHNOLOGIES, LLC		29506	1,592.59	
		43047		1,592.59	EMERGENCY REPAIRS TO DI WATER
4/19/2018	IN SHAPE HEALTH CLUBS		29507	867.33	
		43247		867.33	GYM
4/19/2018	INDUSTRIAL ASSOC OF C.C.C./THE		29508	500.00	
		43246		500.00	SPONSORSHIP
4/19/2018	NWN CORPORATION		29509	3,835.07	
		43227		3,835.07	PHONE EXP
4/19/2018	PACIFIC GAS & ELECTRIC COMPANY		29510	2,500.00	
		43199		2,500.00	PERMIT & REG FEE
4/19/2018	PRAXAIR, INC.		29511	1,824.70	
		43200		1,824.70	BULK NITROGEN TUBE TRAILER
4/19/2018	QUALITY SCALE, INC		29512	480.00	
		43144		480.00	TWO 6 MO. SCALE INSP.
4/19/2018	SHARP ELECTRONICS CORP		29513	191.76	
		43123		191.76	O/S PROF
4/19/2018	STATE WATER RESOURCES		29514	450.00	
		43208		450.00	M&D(GONZALEZ,CIOCHON, BROTHERS)
4/19/2018	STATE WATER RESOURCES		29515	10,293.72	
		43201		10,293.72	LOAN - 2015 BP INFRASTRUCTURE
4/19/2018	STATE WATER RESOURCES		29516	18,591.92	
		43202		18,591.92	LOAN - BP SEWER REHAB #15123
4/19/2018	STATE WATER RESOURCES		29517	85,876.41	
		43203		85,876.41	LOAN PAYABLE
4/19/2018	SYSTEM 1 STAFFING		29518	8,506.50	
		43236		4,387.50	O/S TEMP
		43257		4,119.00	O/S TEMP
4/19/2018	TRANSENE COMPANY, INC.		29519	1,420.43	
		43139		1,420.43	INVENTORY
4/19/2018	UNION BANK OF CALIFORNIA		29520	875.00	
		43248		875.00	INVESTMENT
4/19/2018	UNIVAR USA INC		29521	9,470.71	
		43029		4,874.01	SODIUM BISULFITE
		43030		2,276.10	SODIUM HYPOCHLORITE
		43031		2,320.60	SODIUM HYPOCHLORITE
4/19/2018	V.W. HOUSEN & ASSOCIATES, INC.		29522	472.00	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	CHECK AMOUNT	DESCRIPTION
		43210		472.00	TECH ADVISOR FOR PN 17127
4/19/2018	VINCENT ELECTRIC MOTOR		29523		13,017.81
		43010		5,458.96	TEST, DISASSEMBLE, AND INSPECT
		43011		7,558.85	TEST, DISASSEMBLE, AND INSPECT
4/19/2018	WECO INDUSTRIES		29524		3,280.15
		43212		3,280.15	CUES CCTV TRANSPORTER REPAIRS
4/19/2018	WOODARD & CURRAN INC.		29525		10,096.00
		43244		10,096.00	GRANT APPLICATION SUPPORT/PREP
GRAND TOTAL					<u>924,632.73</u>

June 13, 2018

RECEIVE THIRD QUARTER FISCAL YEAR 2017/18 DISTRICT INVESTMENT REPORT

RECOMMENDATION

Receive Fiscal Year 2017/18 (FY17/18) Third Quarter District Investment Report.

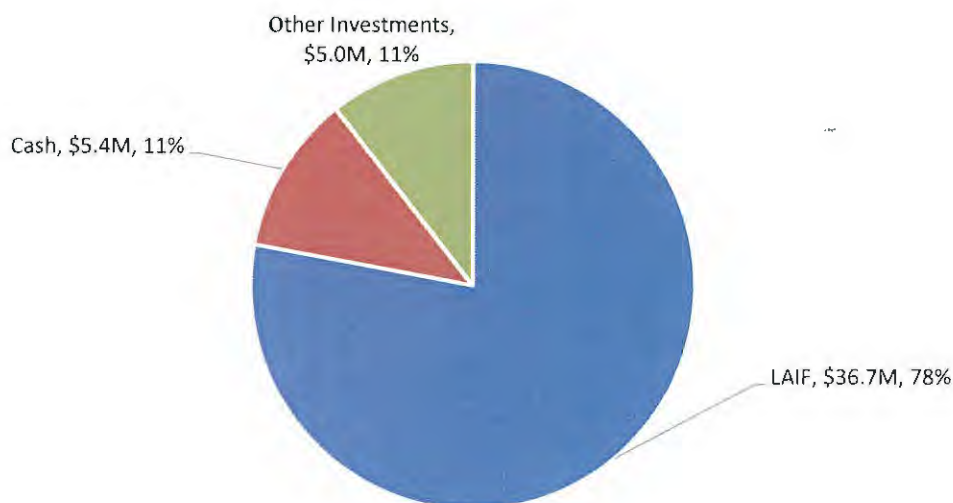
Background Information

Attached for the Board’s information is the Investment Report showing results for the third quarter of FY17/18 as of March 31, 2018. The purpose of this report is to inform the Board of the status of the District’s investment portfolio as of the end of the previous quarter in accordance with the current District Investment Policy adopted on February 14, 2018. Included in the report are the District’s portfolio composition, portfolio performance, and other key investment and cash flow information.

The primary objectives of the investment portfolio, in priority order, are safety of the principal invested, sufficient liquidity to meet ongoing cash flow requirements, and a return on investment exceeding the State of California’s Local Agency Investment Fund (LAIF) and comparable to the six-month Treasury return.

Analysis

The District’s total Cash and Investments as of March 31, 2018 was \$47.1 million (Quarterly Schedule of Cash and Investments attached). This was a decrease of \$4.8 million from the quarter ended December 31, 2017, but an increase of \$5.4 million from the same period last year of \$41.7 million. Cash and Investment balances fluctuate between fiscal years primarily due to the timing of when cash is received and disbursed. The \$47.1 million was invested as follows:



For the third quarter ended March 31, 2018, investments in the LAIF had an effective yield of 1.524% and other investments managed by PFM had an effective yield of 1.62%, resulting a blended yield of 1.527%. The 1.527% blended yield exceeded the target rate of return for the overall portfolio, which was benchmarked with the LAIF yield (1.524%) and comparable to the six-month Treasury Bill rates (1.77%).



Compared with the same quarter last year, the total invested amount increased from \$41.7 million to \$47.1 million for an increase of \$5.4 million. As the investable balance increases, prudent investment practices are becoming ever more important in fiscal stewardship.

Financial Impact

Investment earnings have not been a significant contributor to the District's revenue total due to the ultra-low interest rates over the past decade. As the economy continues to expand, interest rates are expected to increase. With rising interest rates and an increasing investable balance, investment earnings are expected to become a more significant revenue source again. Staff will continue to monitor the yields and implement strategies within the District's Investment Policy to maximize the yields for fiscal stewardship.

Attachment

Quarterly Schedule of Cash and Investments as of March 31, 2018

Prepared by: *Kathy Chang*
Kathy Chang
Finance Manager

Reviewed by: *Carol Margetich*
Carol Margetich
Business Services Director



Delta Diablo
Quarterly Schedule of Cash and Investments as of March 31, 2018

DESCRIPTION OF SECURITY	CUSIP NUMBER	SECURITY TYPE	COUPON RATE	MATURITY DATE	INVESTED AMOUNT	% OF TOTAL INVESTMENTS	PAR VALUE	MARKET VALUE	YIELD TO MATURITY AT COST	PRICING SOURCE
<u>FUNDS SUBJECT TO INVESTMENT POLICY</u>										
<i>LAIF & Cash Accounts</i>										
County Treasurer-Capital Exp Project Funds		Public Agency Pool	N/A	N/A	73,785.17	0.16%	73,785.17	73,603.51	1.524%	LAIF
District/Integrated Finance		Public Agency Pool	N/A	N/A	36,590,721.71	77.72%	36,590,721.71	36,500,635.39	1.524%	LAIF
Cash - Wells Fargo/County Treasurer		see note (1)	N/A	N/A	5,357,619.44	11.38%	5,357,619.44	5,357,619.44		BANK/COUNTY
					<u>42,022,126.32</u>	<u>89.26%</u>	<u>42,022,126.32</u>	<u>41,931,858.34</u>		
<i>Other Investments (PFM)</i>										
Corporate and Government Obligations:										
District/Integrated Finance	CUSIP #36962GW9	GE Electric Global Corporate Note	1.625%	4/2/2018	1,007,820.00	2.14%	1,000,000.00	1,000,000.00	1.620%	PFM
					<u>1,007,820.00</u>		<u>1,000,000.00</u>	<u>1,000,000.00</u>		
Cash and Cash Equivalents:										
Federated Treasury Obligations Fund		Money Market Fund	(2)		4,049,346.24	8.60%	4,049,346.24	4,049,346.24		BANK
					<u>5,057,166.24</u>	<u>10.74%</u>	<u>5,049,346.24</u>	<u>5,049,346.24</u>		
					<u>47,079,292.56</u>	<u>100.00%</u>	<u>47,071,472.56</u>	<u>46,981,204.58</u>		
					TOTAL		<u>47,071,472.56</u>	<u>46,981,204.58</u>		

NOTE: This is the information required by Government Code Section 53646 (6).
All report information is unaudited but due diligence was utilized in its preparation with the most current information available.
(1) Interest earned (earnings credit) on balance is used to offset banking fees and charges for Wells Fargo account.
(2) Annual Yield/Yield to Maturity of 100% US Treasury Money Mkt varies with the composition of the Fund

COMPLIANCE STATEMENT:

I certify that this report reflects all District investments and is in conformity with the Investment Policy of Delta Diablo.
A copy of the investment policy is available at the Administrative building.
The Investment Program provides sufficient cash flow liquidity to meet the next six (6) months expenditure requirements.

Kathy Chang

Kathy Chang
Finance Manager

June 13, 2018

RECEIVE NOTES FROM FINANCE COMMITTEE MEETING, JUNE 5, 2018

RECOMMENDATION

Note receipt and file.

Background Information

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

Analysis

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

Financial Impact

None

Attachment

Finance Committee Meeting Notes, June 5, 2018

Signature:


Denise Cappucini Jones, Office Manager/Secretary to the Board



MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING DELTA DIABLO

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

TUESDAY, JUNE 5, 2018
1:30 P.M.

The meeting was called to order by Committee Chair D. Pete Longmire on Tuesday, June 5, 2018, at 1:30 p.m. in the Plant Operations Center Conference Room of Delta Diablo, 2600 Pittsburg-Antioch Highway, Pittsburg, CA. Also present were Vince De Lange, General Manager; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Denise Cappucini Jones, Office Manager/Secretary to the Board; and Kathy Chang, Finance Manager.

PUBLIC COMMENTS

None

REVIEW AND COMMENT ON PRELIMINARY RECYCLED WATER RATE ANALYSIS, FISCAL YEAR 2018/2019

Ms. Margetich provided a handout and reported on the preliminary Recycled Water Service Charge (RWSC) analysis. She noted that as staff continues to align financial functions in the future, recycled water (RW) rates would likely be brought to the Board for consideration at the same time as the Sewer Service Charges (SSCs). In contrast to SSCs, RWSCs are not subject to Proposition 218 noticing requirements; RW customer agreements stipulate that rates are set by the Board. Calpine accounts for over 90% of RW consumption and all new capital is borne by them. This year, there is a strategic shift in the makeup of the fixed and variable rate structure to address overall consumption decline and mitigate the potential for lost revenue. Calpine favors this structure as well, as it offers them increased stability and the ability to budget accordingly. In addition, staff has worked to reduce the RW operating budget by \$200,000.

The District is anticipating a 20% decline in recycled water usage in Fiscal Year 2018/2019 (FY18/19). Original forecasted recycled water usage for FY17/18 was 7,938 acre-feet (AF) and is 6,370 AF for FY18/19. Ms. Margetich showed the proposed RWSCs for irrigation customers and outlined the key drivers, including an estimated 39% reduction (based on original consumption estimates) in irrigation customers' (non-Calpine users) demand largely driven by the closure of the Delta View Golf Course in Pittsburg, and a 32% increase in usage for Antioch which increases its share of fixed costs. Mr. De Lange highlighted that the impact of these two factors on the proposed RWSC increase for Pittsburg and Antioch is 19.5% and 21.0% (including City surcharges), respectively. Ms. Margetich showed projected RWSCs for irrigation customers through FY22/23. The proposed RWSCs have been discussed with representatives from the two cities. The RW cost is 65% of the cost of raw water and 26% of the cost of potable water, and remains considerably lower than peer agencies. A slide showing this cost comparison will be included in the Board report.

Ms. Margetich showed the proposed RWSC adjustment for Calpine (4.7%) and outlined components of the fixed and variable costs. She presented RWSCs through FY22/23. The RW cost for Calpine is 68% of the cost of raw water and 27% of the cost of potable water.



Chair Longmire asked what staff is doing to be competitive on the fixed costs, and Mr. Eckerson responded that chemicals are a major expense and cost-saving measures will be reported on at the June meeting. The District is a member of the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals to leverage maximum buying power through its collective member agencies. This year, BACC was able to secure a very competitive rate for the District's major chemicals. In addition to monitoring chemical costs, the District has a comprehensive maintenance program for the Recycled Water Facility (RWF), which involves organizing work more efficiently, using labor resources to find the best pricing on parts, and improved coordination with Calpine on scheduling maintenance during plant shutdowns. These measures have resulted in a 30% savings in labor costs to maintain the RWF.

Chair Longmire asked if the plant is running as efficiently as possible, and Mr. Eckerson responded that it is. The RWF was a fast-track project built by Calpine and transferred to Delta Diablo. Over the past few years, many of the issues resulting from the fast-track construction have been resolved and equipment has been upgraded. He noted that the RWF is a huge benefit to the irrigation customers, because Calpine bears most of the costs and the cities benefit with very low RW rates. The District's Operations & Maintenance staff are very cost-conscious with a significant current focus on energy use. The District continues to identify opportunities to improve efficiency and reduce costs.

Ms. Margetich reported that next steps include submitting the proposed RWSC adjustment to the Board next week and asking that a public hearing be set for the July Board Meeting. Chair Longmire recommended that the report be presented to the full Board for consideration.

ADJOURNMENT

With no further business to come before the Finance Committee, the meeting was adjourned at 1:54 p.m.

(Recording Secretary:

Denise Cappucini Jones)



June 13, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT, STERICYCLE ENVIRONMENTAL SOLUTIONS, INC., CONTRACT EXTENSION AND 2.5% INCREASE IN UNIT COSTS, HOUSEHOLD HAZARDOUS WASTE MANAGEMENT SERVICES

RECOMMENDATION

Authorize General Manager to execute Amendment No. 3 to the Professional Services Agreement with Stericycle Environmental Solutions, Inc. (Stericycle) for Household Hazardous Waste (HHW) Management Services, increasing unit rates by 2.5% and extending the contract completion term to June 30, 2021.

Background Information

Stericycle (formerly 21st Century Environmental Management of California, LP [21st Century]) has a Professional Services Agreement with the District to provide Household Hazardous Waste Management Services. Management services include full staffing and operation of the Delta Household Hazardous Waste Collection Facility (DHHWCF), household hazardous and small business waste transportation and disposal services, and provision of a minimum of three temporary collection events per year. Following Board approval, the original contract was executed with 21st Century on July 1, 2012. In May 2013, Amendment No. 1 was executed to the original agreement to accommodate the availability of a new disposal option for paint with considerable associated cost-savings for the District and the DHHWCF partners. On June 10, 2015, Amendment No. 2 was executed to implement a 3% increase in unit costs, as well as a contract extension to June 30, 2018.

Analysis

In July 2012, the original agreement was awarded with a three-year term and options to extend the agreement for additional three-year terms. The agreement also contains unit pricing for labor, transportation, and disposal, as well as other HHW related items. This unit pricing has been in place since July 1, 2015 and Stericycle has requested a 2.5% increase (based on the July 2016 to July 2017 Consumer Price Index, West Region, All Urban Consumers) in the unit costs to be applied for the next three-year term.

Financial Impact

Funding for the HHW program is delineated in the HHW Operations Agreement with the District's partner agencies (the cities of Antioch, Brentwood, Oakley, and Pittsburg; and Contra Costa County). Each partner agency pays a percentage of the operational costs according to the usage of the HHW program by residents from their service area. The costs for Antioch, Pittsburg, and Bay Point are capped, and the District pays any additional costs. There are sufficient funds available in the operating budget for the District's estimated share of the costs.

Attachment

Amendment No. 3

Prepared by: Amanda Roa
Amanda Roa
Environmental Programs Manager

Reviewed by: Brian Thomas
Brian Thomas
Engineering Services Director

cc: Marc Winkler, Stericycle Environmental Services
Laura Wright, City of Pittsburg
Julie Haas-Wajdowicz, City of Antioch
Joshua McMurray, City of Oakley
Jon Carlson, City of Brentwood
Deidre Dingman, Contra Costa County
District File No. CORP.10-AGR-81872



**THIRD AMENDMENT
AGREEMENT FOR
HOUSEHOLD HAZARDOUS WASTE MANAGEMENT SERVICES**

This third amendment (“Third Amendment”) to the Agreement for Household Hazardous Waste Management Service is dated as of July 1, 2018 and is between Delta Diablo (the “District”) and, Stericycle Environmental Solutions, Inc. (“Contractor”). Contractor was formerly 21st Century Environmental Management of California, LP, an affiliate of PSC Environmental Services, LLC, a Delaware limited liability company.

Recitals

- A. The District and Contractor are parties to an Agreement for Household Hazardous Waste Management Services dated as of July 1, 2012 (the “Agreement”). Under the Agreement, Contractor provides Household Hazardous Waste management services for the District.
- B. The First Amendment to the Agreement was executed on May 1, 2013 to allow the Contractor to utilize the program established by Public Resources Code 48700 in its management of post-consumer paint and other architectural coatings collected as part of the services it provides under the Agreement.
- C. The Second Amendment to the Agreement was executed on June 2, 2015 to provide for cost of living adjustments to the unit rate pricing in the Agreement and extend the term of the Agreement through June 30, 2018.
- D. The District and Contractor desire to amend the Agreement to provide for cost of living adjustments to the unit rate pricing in the Agreement and extend the term of the Agreement through June 30, 2021.

The parties therefore agree as follows:

Agreement

- 1. Definitions. Unless otherwise defined herein, defined terms have the meaning ascribed to them in the Agreement. Upon execution of this Third Amendment, all references to the Agreement will be deemed to mean the Agreement as amended.
- 2. Term. The term of the agreement is extended through June 30, 2021.
- 3. Exhibit C. Exhibit C is hereby deleted in its entirety and replaced with the Amended Exhibit C attached hereto.
- 4. All other terms of the Agreement remain unchanged.

The parties are signing this Third Amendment as of the date set forth in the introductory paragraph.

DELTA DIABLO

**STERICYCLE ENVIRONMENTAL
SOLUTIONS, INC.**

By: _____
Vince De Lange
General Manager

By: _____
Name
Title

By: _____
Name
Title

Note: If the Contractor is a corporation, the contract must be signed by two officers. The first signature must be that of the chairman of the board, president or vice-president; the second signature must be that of the secretary, assistant secretary, chief financial officer or assistant treasurer. (Civil Code, Sec. 1190 and Corporations Code, Sec. 313.)

AMENDED EXHIBIT C

COMPENSATION

District will pay Contractor for the services provided under this Agreement at the rates set forth below:

A. Staffing

The District will pay for staffing as described in Exhibit B, Part B at the following rates:

Labor Category	Standard Hourly Rate	Overtime Hourly Rate
Site Supervisor	\$42.00	\$50.00
Chemist	\$42.00	\$48.00
Technician	\$36.00	\$40.00

District will pay for hours worked at the DHHWCF and will not pay for travel time. Standard Hourly Rate applies to straight time which is the first 8 hours onsite time. Overtime Hourly Rate applies to all hours after the first 8 hours onsite and all hours on Holidays.

B. Transportation and Disposal

The District will pay for transportation and disposal for all household hazardous waste and CESQG waste collected at the DHHWCF and temporary collection events as indicated in the following table:

Category	Waste Management Method [1]	Waste Packaging Method [2]	Unit [3]	Turnkey Cost per Unit [4]	Pounds per Unit
Flammable & Poison					
Flammable liquid	FB	LP	55	\$169.00	225
Flammable liquid	FB	BU	55	\$132.00	450
Flammable solid	FB	LO	CYB	\$343.00	800
Oil-based paint	FB	LO	CYB	\$0.00	800
Oil-based paint	FB	BU	55	\$0.00	450
Other PaintCare Program Products	FB	LO	CYB	\$0.00	800
Other PaintCare Program Products	FB	BU	55	\$0.00	450

Category	Waste Management Method [1]	Waste Packaging Method [2]	Unit [3]	Turnkey Cost per Unit [4]	Pounds per Unit
Poison liquids	DI	LP	55	\$216.00	190
Poison solids	DI	LO	CYB	\$607.00	700
Reactive and explosive	DI	LP	5	\$111.00	40
Acid					
Inorganic acid	TR	LP	55	\$190.00	190
Organic acid	DI	LP	55	\$190.00	190
Base					
Inorganic base	TR	LP	55	\$190.00	190
Organic base	DI	LP	55	\$190.00	190
Oxidizer					
Neutral oxidizers	TR	LP	55	\$280.00	190
Organic peroxides	DI	LP	5	\$111.00	40
Oxidizing acid	TR	LP	55	\$280.00	190
Oxidizing base	TR	LP	55	\$280.00	190
PCB-containing					
PCB-containing paint	DI	BU	55	\$823.00	450
PCB ballasts	DI	LP	55	\$312.00	250
Other PCB waste	RC	LP	55	\$823.00	250
Aerosol					
Corrosive aerosols	DI	LO	CYB	\$557.00	650
Flammable aerosols	FB	LO	CYB	\$557.00	650
Poison aerosols	DI	LO	CYB	\$557.00	650
Mixed aerosols	FB/DI	LO	CYB	\$557.00	650
Reclaimable					
Antifreeze	RC	BU	GAL	\$1.20	8
Latex Paint	RC	BU	55	\$0.00	450
Latex Paint	RC	LO	CYB	\$0.00	800
Latex Paint	RC	LO	Roll-Off	\$0.00	33,000
Lead-Acid Batteries	RC	PA	EA	\$0.00	40
Mercury	RC	LP	5	\$185.00	60
Motor Oil	RC	BU	GAL	\$0.05	8
Oil Filters	RC	LO	55	\$90.00	250

Category	Waste Management Method [1]	Waste Packaging Method [2]	Unit [3]	Turnkey Cost per Unit [4]	Pounds per Unit
Lamps					
Straight Fluorescent	RC	LO	LF	\$0.10	0.125
Compact fluorescent	RC	LO	EA	\$0.79	1
U-Tube	RC	LO	EA	\$0.79	1
Circular	RC	LO	EA	\$0.79	1
HID	RC	LO	EA	\$1.59	1
Mercury	RC	LO	EA	\$1.59	1
Metal Halide	RC	LO	EA	\$1.59	1
Low-High Pressure Sodium	RC	LO	EA	\$1.59	1
Shielded/Coated/Power Groove	RC	LO	EA	\$1.59	1
UV/Arc/Ignitron/Germicidal/Projection	RC	LO	LB	\$4.49	Varies
UV Fluorescent/Suntan	RC	LO	LB	\$4.49	Varies
Incandescent	RC	LO	EA	\$0.27	Varies
Biaxial	RC	LO	EA	\$0.79	Varies
Quartz	RC	LO	EA	\$0.79	Varies
Halogen	RC	LO	EA	\$0.79	Varies
Broken Fluorescent	RC	LO	55	\$753.00	Varies
Broken HID/NEON	RC	LO	LB	\$4.49	Varies
LED	RC	LO	LB	\$4.49	Varies
Non-PCB Ballasts	RC	LO	LB	\$0.22	55
Electronic Waste					
CRTs	RC	LO	CYB	\$0.00	
Flat Screen TVs	RC	LO	CYB	\$0.00	
CPUs (intact)	RC	LO	CYB	\$0.00	
Cell phones/PDAs/GPSs	RC	LO	15	\$0.00	
Hard Drives (loose)	RC	LO	15	\$0.00	
Laptops	RC	LO	CYB	\$0.00	
All other ewaste	RC	LO	CYB	\$0.00	

Category	Waste Management Method [1]	Waste Packaging Method [2]	Unit [3]	Turnkey Cost per Unit [4]	Pounds per Unit
Other					
Propane (5 gal)	RC	LO	EA	\$5.13	40
Propane (< 5 gal)	RC	LO	EA	\$1.03	Varies
Propane (5-10 gal)	RC	LO	EA	\$10.25	Varies
Propane (10+ gal)	RC	LO	EA	\$21.53	Varies
Flammable Gas	RC	LO	EA	Case by Case	Varies
Non-Flammable Gas	RC	LO	EA	Case by Case	Varies
Freon	RC	LO	55	\$238.00	Varies
Fire Extinguishers	RC	LO	EA	\$10.00	Varies
Alkaline Batteries	RC	LO	55	\$506.00	800
Lithium Batteries (primary)	DI	LO	LB	\$4.49	Varies
Empty Drums	RC	LO	EA	\$27.00	Varies
Sharps	DI	LO	40	\$79.00	Varies
Pharmaceuticals	DI	LO	55	\$258.00	Varies
Asbestos	LF	LO	55	\$290.00	Varies

Notes:

[1] Waste Management Method

RU - Reuse

RC - Recycle

FB - Fuels Blending

TR - Treatment

DI - Destructive Incineration

LF - Landfill (specify Class I, II or III)

[2] Waste Packaging Method

LO - Loose pack

LP - Lab pack

BU - Bulking

PA - Palletize

Other (specify)

[3] Unit

55 - 55 gallon drum

CYB - cubic yard box

40 - 40 gallon bin

5 - 5 gallon drum

EA - each

GAL - gallon

LF - linear foot

LB - pound

RO - roll-off bin

[4] Rates for other container sizes shall be as follows:

<10 gallon drums - 25% of 55 gallon drum rate

10-25 gallon drums - 30% of 55 gallon drum rate

30 gallon drums - 75% of 55 gallon drum rate

Cubic yard box - triple the 55 gallon drum rate

Negative numbers indicate payment to the District for the waste stream

C. Temporary Collection Events

The District will pay the Contractor a lump sum for each one-day collection event in accordance with the following table:

Event Size	Fixed Cost
1 - 50 cars	\$3,062.00
51 - 100 cars	\$3,590.00
101 - 200 cars	\$4,919.00
201 - 300 cars	\$6,588.00
301 - 425 cars	\$9,405.00
426 - 575 cars	\$12,311.00
576 - 675 cars	\$15,129.00
676 - 775 cars	\$18,695.00
776 - 875 cars	\$22,601.00
876 - 975 cars	\$27,992.00
976 cars and higher	\$34,412.00

The fixed costs shall cover all supply, equipment, and staffing costs associated with conduction a HHW collection event as described in Exhibit B, Part D, Items 2-5 of this Agreement.

D. Additional Items

Upon written approval of the District, the District will pay Contractor the following amounts for the additional items listed below:

Service	Unit	Unit Rate
40-Hr HAZWOPER Refresher Training	PSC established training session	\$0.00
8-Hr HAZWOPER Refresher Training	PSC established training session	\$0.00
DOT Training	PSC established training session	\$0.00
Door-to-Door Service	Hourly portal	\$111.00 per hour portal to portal
Hourly Rate for Truck, 1 Chemist and 1 Technician	Pick-up, pack & transport of abandoned waste and storage clean outs	\$111.00 per hour portal to portal
Hourly Rate for Truck and 1 Technician	Pick-up, pack & transport of universal waste from	\$111.00 per hour portal to portal

Service	Unit	Unit Rate
	recycling partners	
Emergency Response Services		See <u>Exhibit D</u>
Faithful Performance Bond	annual surcharge	2.5% of contract amount
Services not otherwise specified		Cost + 15%

June 13, 2018

ADOPT RESOLUTION COMMENDING AND CONGRATULATING FRED CIAPUSCI,
MAINTENANCE SUPERVISOR, ON HIS RETIREMENT FROM THE DISTRICT

RECOMMENDATION

Adopt Resolution commending and congratulating Fred Ciapusci on his retirement from the District.

Background Information

Fred Ciapusci began his employment with the District on July 8, 1991 as an Electrical/Instrumentation Technician I. He was promoted to Electrical/Instrument Technician II in 1999 and Electrical/Instrumentation Technician III in 2001. In 2007, Mr. Ciapusci was promoted to Maintenance Supervisor and served in that capacity until his retirement.

Analysis

Mr. Ciapusci retired after nearly 27 years of service to the District on June 1, 2018. Throughout his career, Mr. Ciapusci devoted himself to the betterment of the District in each position he served. During this time, Mr. Ciapusci was involved in many noteworthy projects that continue to provide significant benefit, including implementation of a comprehensive Supervisory Control and Data Acquisition (SCADA) system and the establishment of a Computerized Maintenance Management System (CMMS). Mr. Ciapusci worked closely with project engineers and contractors to complete these projects, which significantly improved the efficiency and effectiveness of the District's operations and maintenance workflow. Over the years, Mr. Ciapusci gained extensive knowledge and expertise regarding the District's equipment and facilities, which has been shared with staff.

Mr. Ciapusci served as a valuable Maintenance Division team member and contributed significantly to the District's operational excellence. He is well respected by his co-workers and will be missed. Mr. Ciapusci made a positive impact, both professionally and personally, to the lives of many of his coworkers, and we wish him well in all his future endeavors.

Attachment

Resolution of Commendation

Prepared by: Terry Spurgeon
Terry Spurgeon
Maintenance Manager

Reviewed by: Dean Eckerson
Dean Eckerson
Resource Recovery Services Director

cc: Fred Ciapusci, Maintenance Supervisor
District File No. HR.01-PEF-45956



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

**RE: Commending and Congratulating)
Fred Ciapusci, Maintenance)
Supervisor, on his)
Retirement from the District)**

RESOLUTION NO. X/2018

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Mr. Fred Ciapusci was hired by Delta Diablo in 1991 as an Electrical/Instrumentation Technician I and promoted to Electrical/Instrumentation Technician II in 1999; and

WHEREAS, Mr. Ciapusci promoted to Electrical/Instrumentation Technician III (Lead) in 2001, and Maintenance Supervisor in 2007, serving in that capacity until his retirement on June 1, 2018, a period of almost 27 years; and

WHEREAS, Mr. Ciapusci devoted his skills and his knowledge to the District's benefit through improved work management and maintenance practices; and

WHEREAS, Mr. Ciapusci earned the trust and respect of his staff and contributed significantly to the District's operational excellence; and

WHEREAS, Mr. Ciapusci provided leadership to the Maintenance Division in the Maintenance Supervisor capacity;

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

Fred Ciapusci is hereby commended and thanked for his outstanding service and dedication to the District. The Board of Directors and District staff wish him well in all his future endeavors.

PASSED AND ADOPTED on June 13, 2018, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 13, 2018.

ATTEST: D. Pete Longmire
Secretary

By: _____

RESOLUTION NO. X2018

June 13, 2018

ACCEPT AND AUTHORIZE GENERAL MANAGER TO FILE NOTICE OF COMPLETION, ALEX KUSHNER GENERAL CONTRACTOR, OPERATIONS EQUIPMENT AND STORAGE FACILITY IMPROVEMENTS, PROJECT NO. 10143

RECOMMENDATION

Accept the Operations Equipment and Storage Facility Improvements Project as complete and authorize the General Manager to file a Notice of Completion (NOC) with the Contra Costa County Recorder's Office.

Background Information

In January 2017, the Board approved award of the agreement for construction of the Operations Equipment and Storage Facility Improvements Project to Alex Kushner General Contractor (AKGC) in the amount of \$159,800. The construction work involved converting the existing overhang structure on the east end of the Aeration Blower Building into an enclosed facility to store and protect plant equipment from weather exposure to ensure long-term operational reliability. In addition, locating key plant equipment in a central location would allow staff to respond quickly to operating needs, as well as emergency situations. Construction for the project commenced in March 2017 with field work completed in March 2018.

Analysis

The project work has been inspected and found to meet contract requirements. Staff recommends full acceptance of the project by the Board. Additionally, staff recommends that the Board authorize the General Manager to file the NOC for the project with the Contra Costa County Recorder's Office.

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

Financial Impact

The adopted Fiscal Year 2016/2017 – 2020/2021 (FY16/17 – FY20/21) Capital Improvement Program Capital Asset Replacement Fund included an overall budget of \$160,000 through FY16/17 for the Operations Equipment and Storage Facility Improvements Project. In January 2017, the Board approved an additional appropriation of \$115,000, for an overall updated project budget of \$275,000. AKGC's final contract amount, including change orders, is \$163,795. The total project cost including planning, design, and construction is \$275,000.

Attachment

Notice of Completion

Prepared by:


Sean Williams
Associate Engineer

Reviewed by:


Brian Thomas
Engineering Services Director

cc: Project File No. P.10143.11.04



June 13, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$68,300, CAROLLO ENGINEERS, INC., ENGINEERING SERVICES, HEADWORKS IMPROVEMENTS, PROJECT NO. 17117

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 1 to the Consulting Services Contract with Carollo Engineers, Inc. (Carollo) for additional engineering services in an amount not to exceed \$68,300, for a new total contract amount of \$884,068.

Background Information

In September 2017, the Board of Directors awarded an engineering services contract to Carollo for the design of the Headworks Improvements Project. The project consists primarily of the replacement of the existing headworks with newer and more reliable technology to ensure process reliability and effective removal of grit and debris to protect downstream treatment processes. Design for the project is currently underway and is anticipated to be completed by September 2018.

Analysis

During project predesign, the South Motor Control Center (MCC) Building was identified as the main electrical power source for the new plant headworks. However, upon further evaluation during detailed design, staff determined that a new MCC is required to serve the proposed headworks. The existing MCCs (K and M) within the South MCC Building were installed in the early 1980s, nearly 40 years ago, and are nearing the end of their useful life. A new MCC will ensure that the new headworks design life will not be compromised by premature failure of its electrical system. In addition, removal of the headworks connections from MCCs K and M will provide operational flexibility by freeing up space in these MCCs to better facilitate electrical upgrades, including those for future plant expansions.

Staff recommends that the Board authorize a contract amendment in an amount not to exceed \$68,300 to proceed with design services for the new MCC. The additional design services will include relocation of PG&E service below ground to maintain a safe working environment for staff during and post-construction of the new headworks.

Financial Impact

The adopted Fiscal Year 2017/2018 – 2021/2022 (FY17/18 – FY21/22) Capital Improvement Program includes an appropriation of \$1.8 million through FY17/18 in the Wastewater Capital Asset Replacement Fund, with an overall project budget of \$11.0 million for the Headworks Improvements Project. Attached is a summary of the proposed additional scope of work at a cost of \$68,300. With the additional work, the new contract total is \$884,068. There is sufficient budget to cover the additional design scope.

Attachment

Scope of Work Summary

Prepared by: 
Patricia Chapman
Associate Engineer

Reviewed by: 
Brian Thomas
Engineering Services Director

cc: District File No. P.17117.01.04



SCOPE AND COST ESTIMATE SUMMARY – AMENDMENT NO. 1

Project: Headworks Improvements, Project No. 17117

Consultant: Carollo Engineers, Inc.

Scope of Work Items:

Estimated Cost:

TASK 1 – DESIGN	
1. New MCC and Electrical Design	\$ 68,300
TOTAL AMENDMENT NO. 1	\$ 68,300

June 13, 2018

AUTHORIZE ISSUANCE OF THE FOLLOWING PURCHASE ORDERS FOR FISCAL YEAR 2018/2019: IN AN AMOUNT NOT TO EXCEED \$688,700, UNIVAR USA, INC., SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE AND SODIUM BISULFITE; IN AN AMOUNT NOT TO EXCEED \$205,800, CALIFORNIA WATER TECHNOLOGIES, SUPPLY AND DELIVERY OF FERROUS CHLORIDE; IN AN AMOUNT NOT TO EXCEED \$329,000, CHEMTRADE CHEMICALS US, LLC, SUPPLY AND DELIVERY OF LIQUID ALUMINUM SULFATE; AND IN AN AMOUNT NOT TO EXCEED \$429,900, SNF POLYDYNE, INC., SUPPLY AND DELIVERY OF DRY POLYMER AND LIQUID POLYMER

RECOMMENDATION

Authorize issuance of the Fiscal Year 2018/2019 (FY18/19) purchase orders for chemicals as follows:

- 1) Univar USA, Inc. in an amount not to exceed \$688,700 for supply and delivery of sodium hypochlorite and bisulfite.
- 2) California Water Technologies, LLC in an amount not to exceed \$205,800 for supply and delivery of ferrous chloride.
- 3) Chemtrade Chemicals US, LLC, in an amount not to exceed \$329,000 for supply and delivery of liquid aluminum sulfate.
- 4) SNF Polydyne, Inc., in an amount not to exceed \$429,900 for supply and delivery of dry polymer and liquid polymer.

Background Information

The District uses a number of treatment chemicals to meet the discharge requirements of its National Pollution Discharge Elimination System (NPDES) permit, provide high-quality recycled water to industrial and irrigation users, and control odors. The District is a member of the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals to leverage maximum buying power through its collective member agencies. Chemicals used by the District that were part of this year's BACC bidding process include sodium bisulfite, ferrous chloride, liquid aluminum sulfate, and sodium hypochlorite. The dry polymer and liquid polymer were not included in the BACC's bid process for FY18/19 purchases.

Analysis

Sodium hypochlorite is used for disinfecting treated wastewater, disinfecting recycled water prior to delivery to industrial and irrigation users, and controlling odors at several District facilities. The lowest responsive, responsible bidder to the BACC solicitation was Univar at \$0.6469 per gallon (delivered), which is approximately \$0.1819 (39%) higher than this year's unit cost of \$0.465 per gallon. With the quantity estimated at 500,000 gallons, the total is projected to be \$386,900 including taxes and freight.

Sodium bisulfite is used at the wastewater treatment plant to remove chlorine from the plant effluent prior to discharge into New York Slough. The District's NPDES permit requires a 0.0 mg/L chlorine residual in its discharge. The lowest responsive, responsible bidder to the BACC solicitation was Univar, USA Inc. (Univar) at \$1.051 per gallon (delivered), which is \$0.051 (5.1%) higher than this year's unit cost of \$1.00 per gallon. With the quantity estimated at 240,000 gallons, the total is projected to be \$301,800 including taxes and freight.

Ferrous chloride is used at the wastewater treatment plant for hydrogen sulfide control in the anaerobic digesters. Controlling hydrogen sulfide levels in the digester biogas extends the time between overhauls of the District's cogeneration engine. In addition, this chemical is used for odor and corrosion control purposes at the District's pump stations. The lowest responsive, responsible bidder to



the BACC solicitation was California Water Technologies, LLC at \$688 per dry ton (delivered), which is \$110 (19%) higher than this year's unit cost of \$578 per dry ton. With the quantity estimated at 250 dry tons, the total is projected to be \$205,800 including taxes and freight.

Liquid aluminum sulfate is used for coagulation of solids at the District's Recycled Water Facility (RWF) prior to settling in the tertiary clarifiers. The lowest responsive, responsible bidder to the BACC solicitation was Chemtrade Chemicals US, LLC (Chemtrade) at \$0.6875 per gallon (delivered), which is \$0.0543 (8.6%) higher than this year's unit cost of \$0.6332 per gallon. With the quantity estimated at 400,000 gallons, the total is projected to be \$329,000 including taxes and freight.

Dry Polymer Clarifloc WE-223 is used for sludge dewatering at the wastewater treatment plant. SNF Polydyne Inc. has agreed to contain the price to \$1.84 per lb (delivered), which is \$0.09 (5%) higher than this year's price. With the quantity estimated at 140,000 lbs, the total is projected to be \$308,200 including taxes and freight.

Liquid Polymer Clarifloc WE-363 is used for coagulation of solids at the RWF. SNF Polydyne, Inc. has agreed to contain the price to \$1.13 per pound (delivered), which is \$0.05 gallon lower than this year's price. With the quantity estimated at 90,000 lbs, the total is projected to be \$121,700 including taxes and freight.

Financial Impact

The FY18/19 Chemical budget has a total of \$1,877,340, including \$1,157,340 in the Wastewater Fund and \$720,000 in the Recycled Water Fund. There are sufficient funds in the Chemical budget to provide for all of the aforementioned purchase orders which total \$1,653,300. The FY18/19 purchase orders total \$1,653,300, which is \$268,300 (19%) higher than the FY17/18 total, primarily due to bid price increases.

Attachments

None

Prepared by:


Kathy Chang
Finance Manager

Reviewed by:


Carol Margetich
Business Services Director

cc: District File OPS.04.01-CORRES
District File OPS.04.02-CORRES
District File OPS.04.03-CORRES
District File OPS.04.05-CORRES
District File OPS.04.06-CORRES



June 13, 2018

REJECT INCOMPLETE, NON-RESPONSIVE BID SUBMITTED BY LOWEST APPARENT BIDDER; AWARD AND AUTHORIZE GENERAL MANAGER TO EXECUTE CONSTRUCTION SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$1,849,796, ALCAL SPECIALTY CONTRACTING, INC.; AUTHORIZE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE CONTRACT CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF CONTRACT AMOUNT; AND AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO CONSULTING SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$165,000, INTERACTIVE RESOURCES, INC., DISTRICT OFFICE BUILDING ROOF REPLACEMENT, PROJECT NO. 18112

RECOMMENDATION

1. Reject the incomplete, non-responsive bid submitted by Best Contracting Services, Inc., the apparent lowest bidder for District Office Building Roof Replacement, Project No. 18112.
2. Award and authorize the General Manager to execute a Construction Services Contract with Alcal Contracting Specialty, Inc. (Alcal), which submitted the lowest, responsible bid in an amount not to exceed \$1,849,796 (Base Bid and Bid Alternates A1, B, A2, and C) for the District Office Building Roof Replacement Project.
3. Authorize the General Manager or his Designee to approve construction change orders, as needed, up to 10% of the contract amount, for a total authorization of \$2,034,776.
4. Authorize the General Manager to execute Amendment No. 1 to the Consulting Services Contract with Interactive Resources, Inc. (IRI) to provide design services during construction in an amount not to exceed \$165,000, for a new total contract amount of \$304,000.

Background Information

The District Office Building Roof Replacement Project is included in the adopted Fiscal Year 2017/2018 – 2021/2022 (FY17/18 – FY21/22) Capital Improvement Program (CIP). The project involves planning, design, and construction of roofing system replacements for the Plant Operations Center (POC) and Treatment Plant (TP) buildings. This project is in response to the condition assessment effort completed in 2017 for the POC and TP, which concluded that the built-up roofing systems have reached the end of their useful lives.

In October 2017, the District and IRI initiated design services for the replacement of the existing POC and TP building roofing systems. Project design was completed and issued for public bids in March 2018. A mandatory pre-bid meeting and site visit were held in early April 2018 for contractors to thoroughly review the project requirements and site conditions. Staff publicly opened bids on April 27, 2018.

The Notice of Exemption was filed with the Contra Costa County Clerk's Office and the State Clearinghouse in compliance with Public Resources Code Section 21152 on May 21, 2018. The project qualifies for exemption under the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15302, Class 2). The project involves replacement of the existing roof systems and a Class 2 exemption "consists of replacement or reconstruction of existing structures and facilities...[that] will have substantially the same purpose and capacity of the structure replaced..." This project will not change the purpose or capacity of the buildings.

Analysis

Six (6) bids were received for the project as shown in Attachment 1, Bid Summary. The apparent lowest bid price (Base Bid only, excluding Bid Alternates) was submitted by Best Contracting



Services, Inc. ("BCS") in the amount of \$1,483,580. However, based on careful review of the BCS bid, staff determined that it was non-responsive due to failure to use the correct Bid Form and failure to submit bid pricing for all of the Bid Alternates. Addendum No. 2 to the Contract Documents issued for bids specified new Bid Alternates, and Addendum No. 3 instructed bidders to delete the prior Bid Form and replace it with a new Bid Form. While BCS acknowledged these Addenda in its bid, it failed to submit bid pricing for all of the Bid Alternates, as instructed. A letter has been sent to BCS notifying them of the above deficiencies and BCS did not contest staff's determination of non-responsiveness.

Based upon these deficiencies, which are not curable, staff recommends that the BCS bid be rejected as incomplete and non-responsive for failure to use the correct Bid Form, failure to provide all required pricing, and failure to comply with the District's Project bid requirements. Additionally, staff recommends that the contract be awarded to the second lowest bidder, Alcal, which used the correct Bid Form, provided all required pricing, and submitted the lowest, responsive bid for this project.

The lowest responsive, responsible bid submitted by Alcal, with a Base Bid amount of \$1,514,415, is approximately 3.5% lower than the engineer's cost estimate of \$1,569,846. It is recommended that the Board award and authorize the General Manager to execute a Construction Services Contract with Alcal in the amount of \$1,849,796 to perform the project work (Base Bid plus Bid Alternates A1, B, A2, and C). Bid Alternates A1 (\$2,842) and A2 (\$1,298) are additive prices to extend the new roof system warranty from 25 years to 30 years for the POC and TP buildings, respectively. Bid Alternate B (\$295,552) is an additive price to remove and replace the three south POC building roofs, in lieu of restoration. Bid Alternate C (\$35,689) is an additive price to waterproof the upper wall panels of the TP building. The total cost of Alcal's Base Bid including Bid Alternates A1, B, A2, and D is \$1,849,796. In addition, staff requests that the Board authorize the General Manager or his Designee to execute change orders, as needed, up to 10% of the original contract amount to account for potential changes, for a total contract authorization of \$2,034,776.


As the project transitions to the construction phase, engineering services during construction are necessary for submittal reviews and responses to information requests on the design documents. IRI is the Architect-of-Record for the project during the design phase. Staff recommends that the Board authorize the General Manager to execute Amendment No. 1 in an amount not to exceed \$165,000 to the existing Consulting Services Contract to retain IRI's design and technical services during construction. Attachment 2 summarizes the scope of work and estimated costs for these services.


Financial Impact

The adopted FY17/18 – FY21/22 CIP includes an appropriation of \$1 million through FY17/18 in the Wastewater Capital Asset Replacement Fund, with an overall project budget of \$2 million for the District Office Building Roof Replacement Project. Sufficient funding is available to complete design and initiate construction in the current fiscal year.

Attachments

- 1) Bid Summary
- 2) IRI Contract Amendment No. 1 Scope of Work and Cost Estimate Summary

Prepared by: 
Irene O'Sullivan
Associate Engineer

Reviewed by: 
Brian Thomas
Engineering Services Director

cc: District File No. P.18112.01.04



**DISTRICT OFFICE BUILDING ROOF REPLACEMENT
PROJECT NO. 18112**

BID SUMMARY

Bid Opening: Friday, April 27, 2018

<u>BIDDER</u>	<u>BASE BID AMOUNT</u>
Best Contracting Services, Inc. ⁽¹⁾	\$1,483,580.00
Alcal Specialty Contracting, Inc. ⁽²⁾	\$1,514,415.00
Exbon Development, Inc.	\$1,689,900.00
Southwest Construction & Property Management	\$1,881,079.00
Andy's Roofing Co., Inc.	\$1,964,100.00
Brazos Urethane, Inc.	\$2,296,900.00

⁽¹⁾ Bid determined to be incomplete and nonresponsive due to use of incorrect bid forms and failure to provide all required bid pricing.

⁽²⁾ Lowest responsible and responsive bidder.

**DISTRICT OFFICE BUILDING ROOF REPLACEMENT
PROJECT NO. 18112**

AMENDMENT NO. 1
INTERACTIVE RESOURCES, INC. (CONSULTANT)

SCOPE OF WORK AND COST ESTIMATE SUMMARY

Design Services During Construction

<u>DESCRIPTION</u>	<u>PROPOSED COST</u>
<u>Projected Expenses:</u>	
<i>Base Scope of Work:</i>	
Project management and controls	\$15,000
Meetings, site visits, and observations	\$60,000
Submittal reviews and requests for information	\$75,000
<i>Subtotal for Base Scope of Work</i>	<i>\$150,000</i>
 <i>District As Needed Task:</i>	
As-Needed Services (10%)*	\$15,000
<hr/>	
<i>GRAND TOTAL (ROUNDED)</i>	<i>\$165,000</i>

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

June 13, 2018

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO PROFESSIONAL SERVICES CONSULTING AGREEMENT IN THE AMOUNT OF \$8,500 AND EXTENDING AGREEMENT TERM, REGIONAL GOVERNMENT SERVICES, DISTRICT JOB CLASSIFICATION AND JOB DESCRIPTION PROJECT

Recommendation

Authorize General Manager to execute Amendment No. 1 to the Professional Services Consulting Agreement with Regional Government Services (RGS) to conduct a comprehensive District-wide job classification and job description study in an amount not to exceed \$8,500, for a new total contract amount of \$85,435, and extending the Agreement term to March 21, 2019.

Background Information

On December 13, 2017, the Board of Directors authorized the General Manager to execute a Professional Services Consulting Agreement with RGS in the amount of \$76,935 to conduct a comprehensive, District-wide job classification and job description study.

During the kickoff meeting with RGS in February 2018, the District requested the addition of five senior management classifications to the study as part of a comprehensive review and analysis of the District's organizational structure. During the same meeting, a project timeline was developed with a target completion date of December 31, 2018. Due to unforeseen circumstances and workloads, the original deadline dates for staff to complete the Position Description Questionnaires (PDQs) and for management to review and comment on the PDQs were delayed. These delays resulted in additional work for RGS staff and a revision to the timeline that extends the project completion date to the end of March 2019. RGS estimates the expanded scope of work and additional staff time will increase the cost of the project by \$8,500, for a total project cost of \$85,435.

Analysis

Staff recommends amending the Professional Services Agreement with RGS to include: 1) the addition of the five senior management classifications; 2) extension of the project to March 31, 2019; and 3) increase the total cost of the project by \$8,500 to an amount not to exceed \$85,435.

Financial Impact

There are sufficient funds in the District's operating budget to cover the additional cost.

Attachment

RGS Amendment Proposal

Prepared by: Cheryl Rhodes Alexander
Cheryl Rhodes Alexander
Human Resources and Risk Manager

Reviewed by: Carol Margetich
Carol Margetich
Business Services Director

cc: Regional Government Services
District File No. CORP.10-AGR-15155



May 25, 2018

Cheryl Rhodes Alexander
Human Resources and Risk Manager
Delta Diablo Sanitation District
2500 Pittsburg-Antioch Hwy.
Antioch, California 94509

**RE: REQUEST TO AMEND TERM AND AMOUNT FOR RGS CONTRACT DATED
01/18/2018**

Dear Cheryl,

During the study launch meeting between RGS and the District, five senior management classes were added to the study. During the same meeting, a timeline was established that extended through the end of the current calendar year. Since then, delays in employee completion and management review of Position Description Questionnaires have required a greater than anticipated number of RGS staffing hours to manage added communications and changes in scheduling.

This request for contract amendment documents the change in scope of work, increase in fees associated with the changes, and requests an extension of the timeline to allow work to continue during the coming fiscal year. As always, we will only utilize the time and resources required to meet the objectives and deliverables of the study.

ADDITIONAL SCOPE OF WORK

Complete classification studies and, as appropriate, amend job classification specifications for the five additional classifications listed below and extend the timeline for the study through the first quarter of 2019.

- General Manager
- Deputy General Manager
- Business Services Director
- Resource Recovery Services Director
- Engineering Services Director/District Engineer

PROPOSED FEE SCHEDULE AND TERM

To meet the objectives listed above, RGS requests **an increase in the contract amount of \$8,500** bringing the total not to exceed amount to **\$85,435** and an extension of the term to March 31, 2019.

Should you have any questions or need additional information, please do not hesitate to contact Deborah Muchmore, Human Resources Advisor at (650) 587-7317 or via e-mail at dmuchmore@rgs.ca.gov, or myself at (650) 587-7315 or via e-mail at sselivanoff@rgs.ca.gov. RGS looks forward to the opportunity to provide these services to the Authority.

Sincerely,

Deborah Muchmore

Deborah Muchmore, Lead Human Resources Analyst
REGIONAL GOVERNMENT SERVICES

June 13, 2018

ADOPT RESOLUTION ESTABLISHING FISCAL YEAR 2018/2019 APPROPRIATIONS (GANN)
LIMIT FOR EXPENDITURES THAT CAN BE FUNDED FROM PROCEEDS OF TAXES

RECOMMENDATION

Adopt Resolution establishing the Fiscal Year 2018/2019 (FY18/19) Appropriations Limit for expenditures that can be funded from proceeds of taxes.

Background Information

Article XIII B of the California Constitution establishes a formula to calculate a limit on appropriations made from taxes by public agencies in the State of California. The intent of the limitation is to restrict growth of tax-funded programs and services in California. The original requirement was enacted by voters in 1979 as Proposition 4, referred to as the Gann Initiative. The requirements were amended by the voters in 1989 to modify the formulas that can be used to adjust the limit.

The Appropriations Limit establishes a threshold for the expenditure of revenues that are derived from ad valorem (property) taxes. The District collects only a small amount of its total revenue from property taxes and annual proceeds are well below the limit. Although the District's tax revenues remain below the limit, a resolution adopting a new limit is required annually in accordance with state laws. The annual adoption begins with the limit calculated for the prior year and applies an adjustment factor based on a formula contained in the California Revenue and Taxation Code, which is based on change in population and per capita personal income. The Appropriations Limit for FY17/18 was calculated to be \$16,308,176.

Analysis

The calculated Appropriations Limit for FY18/19, using the factors described in the proposed resolution, is \$17,055,465. This is higher than FY17/18 as a net result of the state per capita personal income growth increase of 3.67%, and the county population increase of 0.88% compared to last year. The FY18/19 budget includes only \$2,000,000 in revenue from property taxes, well below the new Appropriations Limit.

Property tax revenue is allocated to the Capital Asset Replacement Fund per previously-approved District Board policy. However, the Board has discretion to make determinations annually regarding how the ad valorem tax revenues will be allocated based on the District's needs.

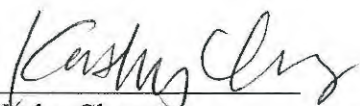
Financial Impact

FY18/19 projected property tax revenues of \$2,000,000 are well below the calculated appropriations limit of \$17,055,465 and are in compliance with state law.

Attachment

Proposed Resolution

Prepared by:


Kathy Chang
Finance Manager

Reviewed by:


Carol Margetich
Business Services Director

cc: District File FIN.04.02



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

**Re: Establishing Fiscal Year 2018/2019)
Appropriations Limit)**

RESOLUTION NO. X/2018

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Article XIII B of the California Constitution subjects public agencies' appropriations from proceeds of taxes to an amount not exceeding an annual limit; and

WHEREAS, the Appropriation Limit is the prior year's Appropriation Limit adjusted by factors identified in State Law; and

WHEREAS, the law requires each public agency's Appropriation Limit to be adjusted based upon: 1) changes in the California per capita personal income; and 2) changes in population as provided by the State of California Department of Finance; and

WHEREAS, the factor used by the District for the Fiscal Year 2018/2019 (FY18/19) calculation is the change in the California per capita personal income in conjunction with the change of population in Contra Costa County; and

WHEREAS, as presented at a public meeting on June 13, 2018 and in the FY18/19 proposed Budget, the calculation of the FY18/19 Appropriations Limit is \$17,055,465.

NOW THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

1. To adopt a FY18/19 Appropriations Limit as described in the Calculation of FY18/19 Appropriations Limit, attached hereto and by reference made a part hereof.
2. To select and use the California Per Capita Personal Income Factor in conjunction with the Contra Costa County Population Change Factor.

PASSED AND ADOPTED on June 13, 2018, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 13, 2018.

ATTEST: D. Pete Longmire
Board Secretary

By: _____

Exhibit: Calculation of FY18/19 Appropriations Limit

RESOLUTION NO. X/2018

CALCULATION OF FY18/19 APPROPRIATIONS LIMIT

**PERMITTED GROWTH RATE IN APPROPRIATIONS USING
CHANGE IN STATE PERCENTAGE CHANGE IN PER CAPITA INCOME
2017 to 2018**

CALCULATION OF POPULATION CHANGE

Line #

Per California Revenue & Taxation Code Section 2228 (a)(3)
A Special District Covering multiple jurisdictions may use either the change in population for the County; or the weighted average of each city and unincorporated area.

Jurisdiction	Population	Percent of Total	Change From 1/2017-1/2018	WEIGHTED AVERAGE % CHANGE
Unincorporated	Bay Point Not Available		Not Available	
Antioch	113,061		0.70%	
Pittsburg	72,647		1.83%	
1 Weighted Average	Not Available			Not Available

- 2** Per State of California Department Finance
January 1, 2018 Contra Costa County Population Change 0.88%
- 3** State Per Capita Personal Income Change 3.67%
(Per Capita Income Change Issued By State Dept of Finance in May 2018)

REQUIRED FORMULA FOR CALCULATING ANNUAL ADJUSTMENT

The formula for calculating the adjustment is as follows:

$$\frac{\text{Selected Factor (Population Growth- Line 2) + 100}}{100} = X$$

$$\frac{\text{Selected Factor (State / Capita Income- Line 3) + 100}}{100} = Y$$

(X) x (Y) = Fiscal Year Appropriations Limit Adjustment Factor

$$\frac{0.88 + 100}{100} = 1.0088$$

$$\frac{3.67 + 100}{100} = 1.0367$$

1.0088 x 1.0367 = **1.04582 = FY18/19 Adjustment Factor**

CALCULATION

Appropriations Limit for year ending June 30, 2018 (Adopted 9/13/2017 Reso#13/2017)	\$16,308,176
Permitted Adjustment Factor Determined By Calculation Formula	<u>1.04582</u>
Appropriations Limit for year ending June 30, 2019 (Prior Yr Limit x Adj Factor)	<u><u>\$17,055,465</u></u>

Due to unavailable data on non-residential new construction, the factor selected for use in this calculation was the State percentage change in per capita income.

Note: This appropriation calculation is posted at District offices and will be included in the June 13, 2018 Board Minutes.

June 13, 2018

ADOPT RESOLUTION AUTHORIZING FILING OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT (“IBANK”) FINANCING APPLICATION AND INCURRING AN OBLIGATION PAYABLE TO IBANK FOR FINANCING OF AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH, HEADWORKS IMPROVEMENTS, PROJECT NO. 17117

RECOMMENDATION

Adopt resolution authorizing filing of California Infrastructure and Economic Development (IBank) financing application and incurring an obligation payable to IBank, including approving other matters, for financing of the Headworks Improvements Project.

Background Information

The Headworks Improvements Project is included in the adopted Fiscal Year 2017/2018 – Fiscal Year 2021/2022 (FY17/18 – FY21/22) Capital Improvement Program (CIP) to replace deteriorating screening and grit removal facilities and make other improvements that will enhance protection against overflows and increase treatment reliability. On September 13, 2017, the Board of Directors authorized filing a California Environmental Quality Act (CEQA) Notice of Exemption for the project and executing an engineering design contract. The design for the project is currently underway and is nearing 50% completion.

Analysis

The current design and construction cost estimate is \$17 million, and the District has a desire to finance the project. While a Clean Water State Revolving Fund loan provides the lowest interest rate and no fees, the program is currently oversubscribed and funding is not anticipated to be available in the timeline needed for this project. One alternative is the California IBank, which administers an Infrastructure State Revolving Fund (ISRF) Program to assist local governments with project financing. The District has been prequalified to apply for financing, and the next step includes adoption of the resolution to authorize the application, incur an obligation, and authorize the General Manager or designee to act on behalf of the District to enter into agreements with the IBank.

The resolution also requires the Board to make certain findings about the project to confirm IBank ISRF program eligibility. The project is consistent with IBank Criteria for infrastructure projects, as it is a public sewage treatment project. The project will replace critical infrastructure at the wastewater treatment plant, which is necessary to ensure protection of public health and the environment. Having sound public wastewater infrastructure provides for economic development and employment opportunities for the communities served by the District. These benefits and outcomes are consistent with the General Plans of the City of Antioch and Contra Costa County, which contain objectives and goals to provide facilities to meet community wastewater treatment needs and preserve the natural environment. Having already authorized CEQA, the District has confirmed that it has considered the impacts and determined that there are no significant effects on the environment associated with this project.



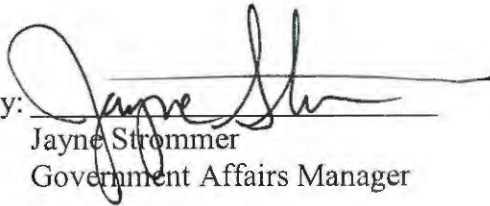
Financial Impact

The adopted FY17/18 – FY21/22 CIP includes an appropriation of \$1,500,000 through FY17/18 in the Wastewater Capital Asset Replacement Fund, with an overall project budget of \$11,000,000 for the Headworks Improvements Project. The IBank interest rate is currently estimated at 3%; however, the final interest rate could be higher, as it will not be locked in until the IBank Board reviews and approves the complete application. Fees include a one-time origination fee of 1% of the financing amount, and a servicing fee of 0.3% of the outstanding balance. Financing terms are for project life, up to 30 years. Repayment will be from the Wastewater Capital Asset Replacement Fund.

Attachment

Draft Resolution

Prepared by:


Jayne Strommer
Government Affairs Manager

Reviewed by:


Brian Thomas
Engineering Services Director

cc: Project File No. 17117.01.04.01



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

Re: Authorizing Filing of California Infrastructure)
and Economic Development (“IBank”))
Financing Application and Incurring Obligation)
Payable to IBank for Financing the Headworks)
Improvements Project and Approving Certain)
Other Matters in Connection Therewith) **RESOLUTION NO. /2018**

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) administers a financing program to assist local governments with the financing of eligible projects in accordance with Section 63000 *et seq.* of the California Government Code (the “Act”); and

WHEREAS, IBank created the Infrastructure State Revolving Fund Program (“ISRF Program”) pursuant to the provision of the Act; and

WHEREAS, IBank has instituted an application process for financing under its ISRF Program and;

WHEREAS, IBank’s Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the ISRF Program, dated February 23, 2016, and as may thereafter be amended from time to time (the “Criteria”), establishes requirements for the financing of projects under the ISRF Program; and

WHEREAS, Delta Diablo (“Applicant”) desires to submit an application (“Financing Application”) to IBANK under the ISRF Program for financing and refinancing the costs of the Headworks Improvements, Project No. 17117 (“Project”) in an amount not to exceed \$17 million; and

WHEREAS, the Act and the Criteria require the Applicant to make, by resolution of its governing body, certain findings prior to a project being selected for financing by IBank; and

WHEREAS, the Applicant expects to incur or pay certain expenditures in connection with the Project from its Wastewater Enterprise Fund that are reimbursable with the proceeds of tax-exempt bonds of other tax-exempt securities under Federal Tax Law (defined below) prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis (the “Reimbursement Expenditures”); and

WHEREAS, the Applicant reasonably expects that a financing arrangement (“Obligation”) in an amount not expected to exceed \$17 million will be entered into under and memorialized by one or more financing agreements and related documents (collectively, the “Financing Agreement”) and that certain proceeds of such Obligation will be used to reimburse the Applicant for Reimbursement Expenditures incurred or paid prior to incurring the Obligation; and

WHEREAS, the Applicant acknowledges that IBank funds the ISRF Program, in part, with the proceeds of tax exempt bonds and, as such, has certain compliance obligations that may require it

to have the Applicant enter into one or more new financing agreements to replace the Financing Agreement (collectively, the “Replacement Agreement”) on terms and conditions substantially identical to the original Financing Agreement;

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

1. The Board hereby approves, confirms, ratifies, and affirms all actions of the Applicant’s representatives, employees and officers heretofore taken in connection with, or with respect to, submitting the Financing Application, and the consideration and approval of the Obligation and the Financing Agreement, if IBank approves the Financing Application and the Obligation, and in connection therewith the Board finds and certifies:
 - a. The Project facilitates the effective and efficient use of existing and future public resources so as to promote economic development and conservation of natural resources;
 - b. The Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities;
 - c. The Project is consistent with the General Plan of the City of Antioch, and the Contra Costa County General Plan;
 - d. The Proposed financing is appropriate for the Project;
 - e. The Project is consistent with the Criteria; and
 - f. It has considered (i) the impact of the Project on California’s land resources and the need to preserve such resources; (ii) whether the Project is economically or socially desirable; and (iii) whether the Project is consistent with, and in furtherance of the State Environmental Goals and Policy Report (as defined in the Criteria).
2. The Applicant hereby declares its official intent to use proceeds of the Obligation to reimburse itself for the Reimbursement Expenditures with the proceeds of tax-exempt bonds or other tax-exempt securities issued under the provisions of the Internal Revenue Code of 1986, as amended, and those Treasury Regulations implementing such provisions (collectively, “Federal Tax Law”). This declaration is made solely for purposes of establishing compliance with applicable requirements of Federal Tax Law and its date is controlling for purposes of reimbursement under Federal Tax Law. This declaration does not bind the Applicant to make any expenditure, incur any indebtedness, or proceed with the Project.
3. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Resolution. The Applicant will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure was paid or the date the Project was placed in service or abandoned, but in no event more than three (3) years after the original expenditure was paid.
4. The General Manager or his or her designee is hereby authorized and directed to act on behalf of the Applicant in all matters pertaining to the Financing Application, and if IBank approves the Financing Application and the Obligation, the execution of related financial documents, including but not limited to, the authority to: (i) pledge the revenues of the Wastewater Enterprise Fund and all legally available amounts in the Wastewater Enterprise Fund, on a parity basis with the Applicant’s obligations in connection with the existing debt, to the repayment of the Obligation, (ii) provide covenants related to, among other things, maintaining the debt service coverage ratio required by IBank, rates and charges to be

pledged, and as to any other security or collateral securing the Obligation, and (iii) take any other action necessary or desirable to enable the Applicant to enter into the Financing Agreement and incur the Obligation

5. If the Financing Application and the Obligation is approved by IBank, the General Manager or his or her designee is authorized to negotiate, enter into and sign financing documents and any amendments thereto, including, but not limited to the Financing Agreement and the Replacement Agreement, with IBank for the purposes of financing the Obligation.
6. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED on the 13th day of June 2018, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 13, 2018.

ATTEST: D. Pete Longmire
Board Secretary

By: _____

RESOLUTION NO. /2018

June 13, 2018

DETERMINE THAT THERE WAS NO MAJORITY PROTEST TO THE PROPOSED SEWER SERVICE CHARGES OR TO COLLECTION OF THE CHARGES ON THE TAX ROLL; ADOPT ORDINANCE ESTABLISHING SEWER SERVICE AND DELINQUENCY CHARGES AND COLLECTION SYSTEM CHARGES AND SURCHARGES; ADOPT RESOLUTION APPROVING FINAL ENGINEER'S REPORT AND DIRECTING COLLECTION OF CERTAIN SEWER SERVICE AND DELINQUENT CHARGES ON COUNTY TAX ROLL

RECOMMENDATION

1. Determine that there was no majority protest to the proposed Sewer Service Charges (SSCs) or to collection of the charges on the tax roll;
2. Adopt Ordinance (Attachment 1) establishing Sewer Service and delinquency charges and collection system charges and surcharges to be effective in Fiscal Year 2018/2019 (FY18/19);
3. Adopt Resolution (Attachment 2) approving Final Engineer's Report and directing collection of Sewer Service and delinquent charges on the County Tax Roll.

Summary Statement

The proposed rate increases include:

- Applying a 6.0% SSC rate increase for Antioch and Pittsburg customers in FY18/19. The proposed rate increase (excluding wastewater collection) equates to an estimated SSC increase of \$21.06 per year or approximately \$1.76 per month.
- Applying a 5.0% SSC rate increase to Bay Point customers in FY18/19. The proposed rate increase (including wastewater collection) equates to an estimated SSC increase of \$24.99 per year or approximately \$2.08 per month.

No Proposed Street Sweeping Increase

- Annual Street Sweeping Charges, which vary by community (\$4.58 for Bay Point, \$10.26 for Pittsburg and \$5.60 for Antioch) are not proposed to increase.

Background Information

Delta Diablo (District) is a California special district that provides wastewater, street sweeping, and household hazardous waste collection services to the City of Antioch, the City of Pittsburg, and the unincorporated community of Bay Point. For the community of Bay Point (Zone 1), the District also provides wastewater collection services, and Bay Point customers are charged for those additional services through Collection System operating and rehabilitation components within their SSCs.

SSCs do not pay for any capital costs related to growth, which is funded through the District's Capital Facilities Capacity Charges (CFCCs). Serving nearly 210,000 residents and encompassing 54 square miles, the District is an award-winning agency with a mission to protect public health and the environment. Public ownership of these services allows customers the benefit of reliable service while still having rates among the lowest in the region.

High-quality and environmentally-sound resource recovery services (wastewater utility operations, household hazardous waste, and street sweeping) are essential for public health and economic vitality. Consistent delivery of District services requires continued top performance of our publicly-owned



facilities and related infrastructure systems and the expertise of professionals, including state-certified staff.

Each year, the District submits required information to Contra Costa County to place SSCs on the property tax roll for most customers. The current rate analysis includes a five-year financial planning horizon from fiscal years FY18/19 through FY22/23. The study meets the legal requirement for setting rates that are proportionate to the cost of services provided. The proposed single-year rate implementation will meet the financial goals of generating sufficient revenues given the current assessment of future expenses and economic reserves. The Board last adopted a rate adjustment in June 2017. The adjustment consisted of a single-year increase of 6.5% for customers in Antioch and Pittsburg and 6.1% for customers in Bay Point, effective FY17/18.

The District's SSCs are determined based on the costs of providing services. These costs include utility operations, capital, rehabilitation, state and federal regulatory compliance, household hazardous waste collection, street sweeping services, and adopted fiscal policies. For the community of Bay Point (Zone 1), the District also provides wastewater collection services, and Bay Point customers are charged for that additional service through an added component to their SSCs. In addition to SSCs, District reserve funds are used consistent with Board policies to keep SSC increases as low as practical.

Based on the financial analysis, staff is recommending adjustments to SSCs rates to remain fiscally sound by:

- Collecting revenues sufficient to meet expenses.
- Complying with Proposition 218, which stipulates that:
 - 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
 - Fairness in apportionment of total costs of service amongst ratepayer classes (avoidance of subsidization within the rates)
- Reflecting economic reserves of 40% of operating expenditures
- Meeting commitments made in loan agreements

The remainder of this report details the rates analysis process and conclusions necessitating the SSC increases.

Analysis

The process to establish rates that support fiscal stability relies on long-term financial planning and sound fiscal policies. The District continues to be subject to increases in regulatory, operational, and rehabilitation costs. General cost increases include:

- Growth. Because the District uses a multi-year rate model to evaluate and project future costs and revenue requirements, projected growth is one of the key assumptions. To the extent growth is robust, fixed costs are spread over more services and rate adjustments may be lower; to the extent growth is slow, fixed costs are spread over fewer services resulting in marginally higher SSC adjustments. Beginning with the FY12/13 rate analysis, the growth assumption was reduced from 600 to 400 equivalent residential units (ERUs) annually. The average growth rate over the past five years



(FY12/13 – FY16/17) has been 433 ERUs, so the assumption of 400 added ERUs annually has been maintained for the FY18/19 analysis.

- **Operating Expenses.** The District has seen costs increase in general. The assumption used for increases in annual operating expenses is 3.0% in the rate model.
- **Salaries.** Labor cost inputs were based on salaries in existing negotiated contracts. Salary and benefits were increased by 3.6% annually based on estimated cost of living adjustment (COLA) increases. Per the terms of the District’s current labor Memoranda of Understanding (MOUs), COLA impacts are reviewed each year and adjusted as necessary.
- **Regulatory Requirements.** Wastewater utilities are highly regulated. New requirements, such as unfunded mandated programs, increasingly stringent reporting requirements, or compliance with updated standards, are routine.
- **Wastewater Rehabilitation Costs.** The District has over \$100 million in wastewater infrastructure assets (net of depreciation) and is currently assessing its wastewater conveyance and treatment system infrastructure. The results of this study will better inform the District’s need for long-term infrastructure rehabilitation. An effective rehabilitation program includes evaluations of facilities and proactive repairs and replacements, thus avoiding expenses associated with unexpected infrastructure failure. Alternatively, the utility would be obligated to seek bond financing or emergency loan funds to pay for the repairs, with associated high-interest rates.
- **Economic Reserves.** Utility economic reserves are an essential part of the utility’s operating procedures and ensure the continued ability to provide services during budget shortfalls or unforeseen circumstances. The analysis includes a 40% economic reserve target based on operating expenditures.
- **Debt Service Coverage.** The District is obligated to meet debt service coverage requirements related to long-term debt as part of our various loan agreements. The typical rate covenant for debt issued on wastewater capital improvement projects requires a minimum debt service coverage ratio of 1.20 (ratio of net revenues to expenses). Maintaining debt service coverage requirements is crucial to maintaining the District’s good credit rating.

The District’s revenues and expenditures have been calculated for the next fiscal year based on the adopted FY17/18 Operating Budget, advanced treatment, and draft FY18/19 through FY22/23 capital improvement program (CIP), which have resulted in projected SSC adjustments to ensure that total revenues, including reserve use, cover the cost of providing service. The core components of SSCs are: Regional Treatment and Conveyance, which funds wastewater operations and maintenance (O&M) costs, Capital Asset (CA) for new wastewater reliability capital projects, and Capital Asset Replacement (CAR) for rehabilitation and replacement capital projects. Based on these projected expenditures, the SSCs need to increase for FY18/19, as reflected in Table 1. The projected increases are due to increases in core wastewater service operating and capital needs.

Table 1: Sample Single Family Sewer Service Change on Property Tax Bills for FY18/19

Residential Service	Current Rates	Proposed Rates	Annual Increase
6% Sewer Service Charge Increase (Customers in Antioch [Zone 3*] and Pittsburg [Zone 2*])	\$351.62	\$372.68	\$21.06
5% Sewer Service Charge Increase (Customers in Bay Point [Zone 1*], includes wastewater collection services)	\$497.14	\$522.13	\$24.99

*Zones 1, 2, and 3 as shown on Map of Zone 1, 2, and 3 on file with the Board Clerk.

Additionally, as discussed with the Board at its March 14, 2018 meeting, it is likely that advanced treatment for nutrient removal will be required to meet future wastewater discharge standards. Funding for this effort began with the FY11/12 SSC review, when the Board established a designated Advanced Treatment (AT) Reserve fund and approved a new rate component to begin funding that reserve. This was the first step in a proposed sinking fund approach to build future cash reserves to levels sufficient to fund



project planning and design, and debt service for project construction. Original capital costs for this effort were estimated to be \$125 million in escalated dollars with an anticipated target date for compliance of FY23/24. However, as reported to the Board in November 2017, updated information on future permit requirements suggest a new target date of FY33/34, creating additional time to collect the designated funds necessary for this effort and mitigate the significant cost of future long-term debt.

Therefore, instead of 2.7% of the overall proposed increase being designated for future nutrient removal improvements, staff is now recommending 1.0% increases over the next two years. This is consistent with the fund strategy established by the Board of Directors in FY11/12 and minimizes rate increases over the long-run to meet these requirements. The proposed 1.0% increase in FY18/19 would add an additional \$3.47 per year to the AT Reserve rate component, or \$0.29 per month. This, added to the proposed increase for core wastewater SSC components, would bring the total annual adjustment to \$21.06 (6.0%), or \$1.76 per month for all three District zones.

In FY17/18, an additional \$4.1 million was transferred from the AT fund to fund the first year of the CAR fund-related CIP. These fund reserves are rate-funded and, as such, are not typically subject to inter-fund loan provisions. However, because the AT fund was set up for the specific purpose of funding the future AT Project, the transfer will be repaid from the CAR fund beginning FY20/21.

Additionally, inter-fund transfers from the CA fund to the CAR fund of \$1.2 million in FY18/19 and \$1.2 million in FY19/20 will provide further funding for rehabilitation needs. Because both funds are rate-funded, inter-fund loans are not required.

Inter-fund loan repayments are also planned from the Capital Expansion fund to the CAR fund to repay funds previously borrowed to cover anticipated shortfalls in CFCC revenue and CFCC-funded debt service. Because the Expansion fund is funded by new development through CFCCs, the loan payments include interest based on Local Agency Investment Fund (LAIF) interest rates. The first repayment to the CAR fund, averaging about \$1 million annually, began in FY17/18 because the existing bonded debt was retired in FY16/17.

Street Sweeping Charges are not proposed to increase next year, as they are sufficient to cover the costs of providing street sweeping services.

Future Considerations

Wastewater services are subject to a myriad of regulatory requirements, power supply, and chemical costs. In the upcoming year, rehabilitation funds will be used to extend the useful life of facilities at the treatment plant, pump station facilities, and in the collection system. In response to new water quality permit limits, the biological treatment process at the plant is anticipated to undergo significant construction during the upcoming years to allow the process to meet more stringent National Pollution Discharge Elimination System (NPDES) requirements. In addition, work to replace the existing Supervisory Control and Data Acquisition (SCADA) system has been ongoing over the past year and should be completed next year. This is a significant milestone that updates a major system that is vital to reliable and effective operation of the treatment plant. In addition to treatment plant improvements, work is planned each year to repair or replace portions of the wastewater collection system that have sustained damage due to age, tree root intrusion, or other natural forces.

Public Outreach

Pursuant to Proposition 218, a California law since 1996, notices on proposed rate increases were sent to all utility customers by March 23, 2018 (a minimum of 45 days prior to the May 9, 2018 public hearing). Proposition 218 provides the opportunity for District customers to protest proposed rate adjustments at a



public hearing. A public notice announcing the date and time of this public hearing was published on both April 20, 2018 and April 26, 2018 in the East County Times newspaper, in accordance with state law. The Board held the public hearing on May 9, 2018 as noticed. Three members of the public attended the public hearing and voiced their concerns about the utility rate increase and collection of that increase on the tax rolls during the public hearing. Their concerns varied. One customer's comment was more closely related to the fact that Delta Diablo bills annually on the county tax roll and indicated she would prefer to be billed monthly instead of annually. The other two customers voiced their concern about annual rate adjustments and the challenge raising utility rates presents to residents on fixed incomes. The customers' comments are detailed in the draft Minutes of the May 9, 2018 meeting, Attachment 3.

No Majority Protest

In the event protests are received from more than 50% of customers, the proposed rate adjustments cannot be approved. Although notice of the proposed rate increase and public hearing went to owners of more than 60,000 parcels, only 19 written protests were received through the close of the public hearing. This number does not meet the threshold for a majority protest. Copies of the written protests are provided in Attachment 4.

Fiscal Impact

Without a rate increase, the overall economic reserves would decline rapidly; from an approximate 63.2% in FY17/18 to 48.9% in FY18/19 and 32.6% in FY19/20. At the end of five years (FY22/23), the reserves would be completely depleted and the District would be unable to fully fund its annual operating costs.

With the proposed rate increase, Pittsburg and Antioch residential customers would see an estimated increase of \$21.06 per year or approximately \$1.76 per month, an increase of 6.0%. Bay Point residential customers would see an estimated increase of \$24.99 or approximately \$2.08 per month, an increase of 5.0%.

The proposed rate adjustments will result in additional revenue of approximately \$1.7 million to the District, including the incremental increase of \$272,000 for deposit into the designated AT Reserve fund. There are separate surcharges for service to Bay Point for operation and rehabilitation of that community's Collection System. The Bay Point surcharges, along with growth, would increase FY18/19 revenues for Collection System operations and rehabilitation by about \$28,195.

The proposed rate adjustment maintains the District's position as one of the lowest cost overall service providers in the region; strengthens the District's rehabilitation program; and maintains economic reserves, helping to ensure fiscal soundness and resiliency in the face of upcoming unfunded mandates and regulatory requirements. A comparison of District rates, including rates for collections in the cities of Antioch and Pittsburg, with the rates of other regional sanitation agencies will be provided as part of the Board presentation

Attachments

- 1) Proposed Ordinance
- 2) Proposed Resolution
- 3) Draft Minutes of May 9, 2018 Board Meeting
- 4) Written Protests

Signature: _____


Carol S. Margetich, Business Services Director

cc: District File CORP.07-CORRES-XXX



ORDINANCE NO. 114

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

AN ORDINANCE ESTABLISHING SEWER SERVICE AND DELINQUENCY CHARGES AND COLLECTION SYSTEM CHARGES AND SURCHARGES

The Board of Directors of DELTA DIABLO (District) ordains as follows:

SECTION 1. The District's Board of Directors hereby establishes the annual Sewer Service Charges applicable to Zone 1 (Bay Point), Zone 2 (Pittsburg), and Zone 3 (Antioch), and the Zone 1 Surcharge and Collection System Charges for Fiscal Year 2018/2019 and each fiscal year thereafter, until lawfully modified by action of the Board of Directors:

- A. All of the above charges and surcharges are established as set forth in the SCHEDULE OF USER CHARGES, attached hereto as Exhibit A (Residential User Charges) and Exhibit B (Non-Residential User Charges) and incorporated herein by this reference.

SECTION 2. Residential User Charges

- A. Exhibit A (Residential User Charges) of this Ordinance specifies the fees and charges imposed on residential properties. Beginning with Fiscal Year 2018/2019, the fees and charges identified in Section 1 of Exhibit A shall be the Annual Residential User Charges adopted.

SECTION 3. Non-Residential User Charges

- A. Exhibit B (Non-Residential User Charges) of this Ordinance specifies the fees and charges imposed on non-residential properties.
- B. Beginning with Fiscal Year 2018/2019, the formula identified in Section 1 of Exhibit B shall be used to calculate non-residential user charges. The total Sewer Service Charge for a given year, not including street sweeping, is calculated by first taking the location of the Property (i.e., Zone 1 Bay Point; Zone 2 Pittsburg; Zone 3 Antioch) and identifying the Business Class for the Property and the applicable Non-Residential Total Rate for that Business Class. The Non-Residential Total Rate for that Business Class is then multiplied by the annual water consumed by the Property, measured in hundred cubic feet (hcf), and the resulting amount is the annual Sewer Service Charge for that Property. If the annual water consumed is less than 90 hcf, the designated minimum annual charge for the Zone in which the Property is located will apply to the Property.

SECTION 4. The charges and surcharges set forth in Exhibit A and Exhibit B shall remain in effect until changed by Ordinance adopted by the District's Board of Directors.

SECTION 5. 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 Contra Costa County Times, a newspaper published in this county and circulated in the District.

PASSED AND ADOPTED on June 13, 2018 by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

Federal Glover, Board Chair

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

ATTESTED: June 13, 2018

Denise Jones
Secretary to the Board of Directors

Attachments: Exhibit A, Residential User Charges
Exhibit B, Non-Residential User Charges

ORDINANCE NO. 114

Delta Diablo

EXHIBIT A: Residential User Charges

* Note: Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no change is proposed in that component other than a reduction of \$0.01 per parcel within the City of Pittsburg. In order to collect street sweeping fees in an efficient manner, this fee is consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill. The combined levy is shown in the "INFO ONLY" column.

Section 1. RESIDENTIAL USER CHARGES (SEWER SERVICE COMPONENT) - Beginning FISCAL YEAR 2018/2019

Rates shown are Annual Rater per Equivalent Residential Unit (Multi-Family Properties Multiply # Units times Annual Rate)

Residential Zone	Regional Treatment & Conveyance	Capital Asset	Capital Asset Replacement	Advanced Treatment Reserve Fund	Sub-Total Residential User Charges	Collection Rehabilitation Surcharge (Bay Point)	Collections System Operations Charge (Bay Point)	Total Residential User Charge (per ERU)	*Street Sweeping (per parcel)	INFO ONLY TOTAL TAX BILL LEVY
Zone 1 - Bay Point	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ 44.75	\$ 104.70	\$ 522.13	\$ 4.58	\$ 526.71
Zone 2 - Pittsburg	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ -	\$ -	\$ 372.68	\$ 10.26	\$ 382.94
Zone 3 - Antioch	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ -	\$ -	\$ 372.68	\$ 5.60	\$ 378.28

EXHIBIT B: Non-Residential User Charges (Page 1 of 2)

* Note: Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no change is proposed in that component other than a reduction of \$0.01 per parcel within the City of Pittsburg. In order to collect street sweeping fees in an efficient manner, this fee is consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill.

Section 1. NON-RESIDENTIAL USER CHARGES (SEWER SERVICE COMPONENT) - Beginning FISCAL YEAR 2018/2019

Non-Residential Total Rate is per hundred cubic feet of water consumed annually, except Annual Minimum applies for use of 90 hcf or less

BUSINESS CLASS Commercial / Industrial	Regional Treatment & Conveyance	Capital Asset	Capital Asset Replacement	Advanced Treatment Reserve Fund	Sub-Total Non-Residential User Charges	Collection Rehabilitation Surcharge (Bay Point)	Collections System Operations (Bay Point)	Total Non-Residential Rate (x HCF/yr.)	*Street Sweeping (per parcel)
Zone 1 - Bay Point									
Premark Packaging	\$ 3.29	\$ 0.24	\$ 0.31	\$ 0.75	\$ 4.59	\$ 0.59	\$ 0.98	\$ 6.15	\$ 45.80
Light Industrial	\$ 3.24	\$ 0.24	\$ 0.31	\$ 0.75	\$ 4.54	\$ 0.59	\$ 0.98	\$ 6.11	\$ 45.80
Misc. Commercial	\$ 3.24	\$ 0.24	\$ 0.31	\$ 0.75	\$ 4.54	\$ 0.59	\$ 0.98	\$ 6.11	\$ 45.80
U.S. Army	\$ 3.11	\$ 0.24	\$ 0.31	\$ 0.75	\$ 4.41	\$ 0.59	\$ 0.98	\$ 5.97	\$ 45.80
Bakeries/Restaurants	\$ 5.30	\$ 0.36	\$ 0.51	\$ 1.10	\$ 7.27	\$ 0.59	\$ 0.98	\$ 8.83	\$ 45.80
Annual Minimum	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ 44.74	\$ 104.70	\$ 522.13	\$ 45.80
Zone 2 - Pittsburg									
Bakeries/Restaurants	\$ 5.38	\$ 0.38	\$ 0.51	\$ 1.14	\$ 7.40	\$ -	\$ -	\$ -	\$ 51.35
Dow Chemical	\$ 3.04	\$ 0.25	\$ 0.28	\$ 0.75	\$ 4.32	\$ -	\$ -	\$ -	\$ 51.35
G&K Services	\$ 3.62	\$ 0.25	\$ 0.35	\$ 0.84	\$ 5.07	\$ -	\$ -	\$ -	\$ 51.35
Hotel/Motel	\$ 2.82	\$ 0.20	\$ 0.26	\$ 0.68	\$ 3.96	\$ -	\$ -	\$ -	\$ 51.35
Institutional	\$ 3.23	\$ 0.24	\$ 0.30	\$ 0.75	\$ 4.52	\$ -	\$ -	\$ -	\$ 51.35
Light Industrial	\$ 3.23	\$ 0.24	\$ 0.30	\$ 0.75	\$ 4.52	\$ -	\$ -	\$ -	\$ 51.35
Marinas	\$ 4.22	\$ 0.28	\$ 0.40	\$ 0.93	\$ 5.83	\$ -	\$ -	\$ -	\$ 51.35
Generon IGS	\$ 6.25	\$ 0.28	\$ 0.59	\$ 1.30	\$ 8.43	\$ -	\$ -	\$ -	\$ 51.35
Misc. Commercial	\$ 3.23	\$ 0.24	\$ 0.30	\$ 0.75	\$ 4.52	\$ -	\$ -	\$ -	\$ 51.35
Mortuaries	\$ 3.67	\$ 0.25	\$ 0.35	\$ 0.84	\$ 5.11	\$ -	\$ -	\$ -	\$ 51.35
Praxair	\$ 3.03	\$ 0.22	\$ 0.28	\$ 0.75	\$ 4.28	\$ -	\$ -	\$ -	\$ 51.35
Annual Minimum	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ -	\$ -	\$ -	\$ 51.35
Zone 3 - Antioch									
Bakeries/Restaurants	\$ 5.34	\$ 0.36	\$ 0.50	\$ 1.14	\$ 7.34	\$ -	\$ -	\$ -	\$ 56.00
Hotel/Motel	\$ 3.03	\$ 0.24	\$ 0.28	\$ 0.75	\$ 4.30	\$ -	\$ -	\$ -	\$ 56.00
Institutional	\$ 3.22	\$ 0.24	\$ 0.29	\$ 0.75	\$ 4.50	\$ -	\$ -	\$ -	\$ 56.00
Light Industrial	\$ 3.22	\$ 0.24	\$ 0.29	\$ 0.75	\$ 4.50	\$ -	\$ -	\$ -	\$ 56.00
Marinas	\$ 4.25	\$ 0.28	\$ 0.41	\$ 0.93	\$ 5.88	\$ -	\$ -	\$ -	\$ 56.00
Misc. Commercial	\$ 3.20	\$ 0.25	\$ 0.25	\$ 0.75	\$ 4.46	\$ -	\$ -	\$ -	\$ 56.00
Mortuaries	\$ 3.69	\$ 0.25	\$ 0.35	\$ 0.84	\$ 5.13	\$ -	\$ -	\$ -	\$ 56.00
Annual Minimum	\$ 271.09	\$ 18.47	\$ 26.07	\$ 57.05	\$ 372.68	\$ -	\$ -	\$ -	\$ 56.00

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

**Re: Approving Final Engineer's Report and Sewer)
Service Rates; and Directing Collection of)
Certain Sewer Service Charges, Surcharges)
And Delinquencies on the County Tax Roll)**

RESOLUTION NO. X/2018

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, in accordance with Health and Safety Code Sections 5471, 5473 and 5473.1, it is necessary to adopt Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2018/2019; and

WHEREAS, on March 14, 2018, in accordance with Health and Safety Code Sections 5471, 5473 and 5473.1, the Board of Directors directed staff to notify property owners of the proposed Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2018/2019; and

WHEREAS, the Board set May 9, 2018, at 5:30 p.m., in the Board Room, as the time and place for a public hearing on the written report filed by the General Manager for Sewer Service Charges, and the method of collection of Sewer Service Charges and Delinquency Charges, and all required hearing notices were given, and the public hearing was conducted on May 9, 2018 as noticed; and

WHEREAS, the proposed annual Sewer Service Charges, Surcharges, and Delinquency Charges are needed to fund and maintain sewer service within the District and to collect for late payment; and

WHEREAS, the Board heard and/or considered all objections or protests, if any, to the written report filed by the General Manager with the Secretary of the Board, said written report containing a description of each parcel of real property receiving sewer service from the District and the amount of the charge against each parcel for Fiscal Year 2018/2019, and specifying that the charge shall continue annually until lawfully modified by action of the Board of Directors.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO DOES HEREBY RESOLVE THAT:

1. Said protests were not made by the owners of a majority of separate parcels of property described in the report and subject to the notice, and overrules any such protests; and
2. The Final Engineer's Report be adopted, and makes its final determination pursuant to Health and Safety Code Section 5471, 5473 and 5473.1 upon each charge as described in the report; and
3. It is determined that Proposition 218 notification and process requirements were satisfied; and
4. Ordinance No.114 be adopted; and

5. The adoption of Ordinance No. 114 determines that certain annual charges beginning in Fiscal Year 2018/2019 can be collected by placing them on the Contra Costa County Property Tax Roll for the respective fiscal years; and
6. In accordance with the provisions of Health & Safety Code Sections 5471, 5473 and 5473.1, directs the Secretary of the Board to file a copy of the written report with the County Auditor-Controller.

PASSED AND ADOPTED on June 13, 2018 by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 13, 2018.

ATTEST: D. Pete Longmire
Board Secretary

By: _____

RESOLUTION NO. X/2018

ITEM E/1

June 13, 2018

APPROVE MINUTES OF REGULAR BOARD OF DIRECTORS MEETING, MAY 9, 2018RECOMMENDATION

Approve Minutes of the Regular Board of Directors Meeting of May 9, 2018.

DRAFT

**Minutes of the Regular Board of Directors Meeting
DELTA DIABLO
May 9, 2018**

The meeting was called to order by Acting Chair Wright on Wednesday, May 9, 2018, at 5:48 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Acting Chair Sean Wright and Alternate Director Juan Banales. Director D. Pete Longmire and Chair Federal Glover were absent. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Denise Cappucini Jones, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Thanh Vo, Acting Engineering Services Director; Darrell Cain, Laboratory Manager; Jayne Strommer, Government Affairs Manager; Joaquin Gonzalez, Operations Manager/Management Association Representative; Amanda Roa, Environmental Programs Manager; Cheryl Rhodes Alexander, Human Resources and Risk Manager; Steve Rodriguez, Operations Supervisor; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Irene O'Sullivan, Associate Engineer/P&T Bargaining Unit Representative; Kathy Chang, Finance Manager; Dorothy Miller, Customer/Ratepayer; Robert Corson, Customer/Ratepayer, City of Antioch; Kay Power, Customer/Ratepayer, City of Antioch; and Diana Velez, Customer/Ratepayer, Bay Point.

PUBLIC COMMENTS

Ms. Diana Velez addressed the Board regarding a rusted, leaking pipe behind Riverview Middle School in Bay Point. Mr. De Lange indicated that the District likely does not own the pipeline, but requested that Mr. Eckerson investigate the situation by conducting a site visit so that the appropriate agency can be contacted to address the leak.

PUBLIC HEARING

Conduct Public Hearing on Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; Adopt Ordinance Establishing Charges; Adopt Resolution Approving Final Engineer's Report and Directing Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll

Ms. Margetich provided a presentation on the proposed Sewer Service Charge (SSC) increase. She outlined the rate setting philosophy, including utilizing a five-year comprehensive rate model that balances revenues, costs, and use of reserves to prevent rate spikes. Ms. Margetich highlighted aging infrastructure needs, future regulatory drivers for advanced treatment, the need to maintain operational excellence and permit compliance, and workforce development initiatives, predictive maintenance, and rehabilitation to avoid more impactful and costly emergency repairs. She stated a number of key rate-setting assumptions, including forecasted growth in the service area, the need to maintain the O&M Fund reserve at 40 percent of the operating budget, existing debt and future

project funding options, and the continued need to fund the Advanced Treatment (AT) Fund to avoid a rate spike associated with a \$125 million project to address future regulatory requirements.

Ms. Margetich outlined the proposed SSC increases of 6.0% for Antioch and Pittsburg, and 5.0% for Bay Point, and noted that the increases include a 1.0% component for the AT Fund. There is no proposed increase for Street Sweeping Services. A breakdown of the rate components, as well as a summary of anticipated expenses for Fiscal Year 2018/2019 (FY18/19) were presented. Ms. Margetich showed a slide indicating the projected SSC increases over five years, through FY22/23. A chart was shown comparing the District's SSCs, including treatment and collection services, to other similar agencies. The District continues to provide services at a cost that is near or below average relative to its peer agencies.

Ms. Margetich discussed the District's practice of balancing funds to meet needs each year, and how reserves are used to address unanticipated needs and reduce the need for spikes in rates. Ms. Margetich explained how inter-fund transfers and loans are utilized and highlighted planned repayments. A chart demonstrating the effect on funds should rates not be increased was shown and indicated a sharp decline where the District's cash reserves would be fully depleted by FY21/22.

Ms. Margetich showed a revised timeline for the future AT Project, which assumes that nutrient removal requirements will be incorporated in the District's 2024 National Pollutant Discharge Elimination System (NPDES) Permit and must be achievable within 10 years. Construction is anticipated to begin in 2034. The District has been reserving funds for this anticipated \$125 million project since the Board approved the AT Fund in 2011.

The proposed SSC increase was reviewed by the Finance Committee and the Board in March 2018, authorizing distribution of the Proposition 218 Notices. The public hearing notice was also published in the East County Times. If approved, the new rates would become effective July 1, 2018. Ms. Margetich asked for the current count of written protests received, and Board Secretary, Ms. Jones, stated that 19 written protests have been received to date.

Acting Chair Wright asked for a more detailed description of the need for the AT Fund. Mr. De Lange provided background on anticipated future regulatory requirements regarding removal of nutrients (i.e., nitrogen and phosphorus) from wastewater effluent due to potential harmful impacts on the Delta and San Francisco Bay. He stated that achieving nutrient removal would require a significant expansion of the treatment plant process with an estimated cost of \$125 million and the District has been planning for this requirement from a financial perspective to avoid future significant spikes in rates. Acting Chair Wright thanked Mr. De Lange for the explanation.

Alternate Director Banales noted that the District has had past SSC increases and asked if staff could foresee a time in the near future where ratepayers will not see a significant rate increase. Mr. De Lange responded that the District's facilities have been in operation for 40 years and much of the existing infrastructure is nearing the end of its useful life and requires extensive rehabilitation over the next five to ten years. A renewed investment in the infrastructure is required and staff forecasts future increases for the foreseeable future to meet those needs. Alternate Director Banales asked what can be done to improve efficiencies to reduce that cost, and Mr. De Lange responded that although staff is constantly working to reduce operational costs, the wastewater industry is heavily regulated and new and emerging regulations continue to place pressure on capital and operating costs. As new treatment processes requiring capital expenditures are completed, there is

an associated increase in operating costs to support these improvements in the form of O&M labor, chemicals, utilities, etc. Alternate Director Banales asked if the District has initiatives and processes in place to reduce those costs and avoid the increase. Ms. Margetich responded that there are initiatives that will be highlighted in the upcoming budget presentation later in the agenda. Mr. De Lange added that the District has relied on a combination of “pay-as-you-go” cash funding and use of low-interest loans from the state to fund its capital needs; however, the Clean Water State Revolving Fund program is currently oversubscribed and low-interest loans are no longer available, which increases the District’s cost of capital.

Alternate Director Banales asked if an emphasis is placed on rate of return and operating efficiency in identifying which capital projects are implemented. Mr. De Lange responded that most current projects are focused on replacing and maintaining existing infrastructure to maintain operational effectiveness and reliability. He highlighted that failing to address aging infrastructure would lead to potential system failures with resulting impacts to public health, overflows, and discharge permit exceedances with associated regulatory fines. Mr. De Lange also noted the District’s focus on use of information system technology to drive operating efficiencies, while recognizing that it will take time to identify and implement these new systems for long-term benefits. Acting Chair Wright noted the District’s partnership on a bioenergy project that is anticipated to reduce energy costs and generate revenues in tipping fees. If these anticipated benefits occur, the potential savings would benefit the ratepayers.

Alternate Chair Wright opened the public hearing at 6:17 p.m. notating that three speaker cards were received. He called on Ms. Dorothy Miller to speak.

Ms. Miller stated that she does not believe many members of the public understand the requirement for half of the District’s customers plus one to successfully protest the proposed SSC increase. She stated that the subject charges are attached to the property tax bill, which increases her property tax bill by almost two-thirds when you add in the other required fees and bonds on the tax bill. Ms. Miller noted that most of the District’s customers are on limited income and risk losing everything. She would like serious consideration of spreading the charges out over the year rather than paying them once a year on the tax roll. She sees a charge for sewer on her monthly invoice from the City and realizes one charge is for collection and the other is for treatment, however, the charges get larger every year. She could deal with an increase much better with monthly payments rather than an annual charge. She feels the District should also consider providing a senior discount as some other agencies do.

Mr. Robert Corson of Antioch addressed the Board and stated that his annual income is less than \$30,000. He asked what the Board members’ salaries are. He believes that the tap water stinks and is not safe for residents to drink. He raised concern regarding the effectiveness of the District’s street sweeping services near his residence, with specific comments regarding the timing of street sweeping relative to garbage collection services (i.e., sweeping occurs and garbage collection happens the next day) and street parking during school hours (i.e., parked cars line the street and the street sweeper drives down the middle of the street). He has collected photos of the street sweeper. Mr. Corson stated that there is a dip in the street in front of his house associated with a sewer line and that he has called the City of Antioch 10 to 15 times without a response. Mr. Corson feels this Sewer Service Charge increase is about the District wanting a pay raise. He requested that the District give its customers a break and lower costs. He also would like clean drinking water that does not smell so he does not have to drink bottled water.

Ms. Kay Power of Antioch addressed the Board. She noted that she owns several pieces of property and she comes every year to protest the increase. She understands that the District is trying to comply with regulations, but wants to know if rate increases are ever going to end and stabilize. She questioned whether new development will help pay for the increases. She understands that many people are on a fixed income and struggle to make it and does not want to pass the increases on to her tenants. She acknowledged that Delta Diablo does a good job, but does not understand why more people are not present to protest the continual increases.

Acting Chair Wright closed the public hearing at 6:29 p.m.

Alternate Director Banales asked if the District offers a senior discount program as the City of Pittsburg does. Ms. Margetich responded that the District does not, because Proposition 218 requires that rates are based on proportional cost of providing service. A rate funded senior discount program would require one customer class to cross-subsidize another customer class outside of the cost of providing service.

Acting Chair Wright stated that he appreciated the members of the public coming out to speak at the meeting. He stated that although the Board is always looking for ways to reduce costs, the heavy regulation and aging infrastructure needs continue to increase capital costs. If the District were to ignore these issues, the costs of emergency repairs would be even larger.

Alternate Director Banales stated that he is in a difficult position given that he is coming into the rate-setting process at the very end without the benefit of participating along the way. He noted that when the City of Pittsburg considered its rate increases this year, he worked with staff and its consultant for months to reduce budget requests and costs to residents with a good proposal and solution. In this case, he is an Alternate Director and has no ability to go back in time in the process, and that it would seem unfair to the ratepayers for him to decide without the benefit of having participated in the process. He would like to continue the item to when Director Longmire is available, since he has participated in other review meetings. He believes that staff needs to look at strategies for lowering rates in the future.

District Counsel stated that the recommended actions require two votes for approval. She stated that if not acted on this evening, delay in implementing the increase could result in significant consequences such as insufficient time to submit rates for inclusion on the County tax roll, negative budget effects, and uncertainty. She indicated that she would review whether it would be possible to call a Special Meeting of the Board of Directors in the near future, but noted that having an action this evening would be preferable.

Acting Chair Wright moved approval of the item, and the motion died for lack of a second.

Acting Chair Wright made a motion to continue the item to the next meeting of the Board, it was seconded by Alternate Director Banales (*Ayes: Wright and Banales; Noes: None; Absent: Longmire and Glover*), and the Board approved continuing the item to the next meeting of the Board.

CONSENT CALENDAR

Alternate Director Banales moved approval, seconded by Acting Chair Wright and by unanimous voice vote (*Ayes: Wright and Banales; Noes: None; Absent: Longmire and Glover*), the Board

approved the following Consent Calendar according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, April 11, 2018; Approve District Monthly Check Register, March 2018; Receive Notes from Finance Committee Meeting, May 2, 2018; Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$250,000, Engineering Design Services, Bay Point Sewer Repairs - Phase IV, Project No. 18119; Accept and Authorize General Manager to File Notice of Completion, Silao General Engineering, Inc., Treatment Plant Area Door Replacements, Project No. 16114; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount Not to Exceed \$570,000, Kennedy/Jenks Consultants, Engineering Services, Resource Recovery Facility Condition Assessment, Project No. 18121.

DELIBERATION

None

PRESENTATIONS AND REPORT

Receive Report on Key Assumptions for Proposed Fiscal Year 2018/2019 Operating Budget

Ms. Margetich reported on key assumptions for the proposed FY18/19 Operating Budget. She noted that this year, staff is preparing a one-year budget and moving the process up one month with the proposed budget effective on July 1, 2018. Ms. Margetich discussed budget reduction strategies, such as reducing employee retirement costs by providing less costly benefits for new hires, focusing on energy conservation and generation, improving organizational efficiencies through a building renovation project, and implementing “zero-based budgeting” in key discretionary budget areas. She presented a budget overview breakdown and highlighted salary and benefit key assumptions, including \$0.20 million designated for overlap of critical positions for succession planning, and annual funding of the Other Post-Employment Benefits Trust fund. She noted that the proposed budget reflects near- and long-term financial sustainability considerations and aligns with the proposed Sewer Service Charge increase. Next steps include presenting the draft budget and FY18/19 appropriations for adoption at the June 13, 2018 Board meeting, and ongoing budget tracking and variance analysis.

Alternate Director Banales stated that he is pleased and encouraged that staff continues to be at the forefront in improving efficiencies and fostering that culture at the District.

The Board received and filed the Report.

MANAGER'S COMMENTS

Mr. De Lange thanked Alternate Director Banales for attending the meeting on short notice on Director Longmire’s behalf and helping to move a number of important agenda items forward, and that he understood his lack of comfort with approving the proposed rates without the benefit of direct participation in the rate development process.

DIRECTORS COMMENTS:

Alternate Director Banales thanked Mr. De Lange for his comments and stated that he hopes, with Director Longmire’s input, staff can reach a beneficial conclusion on the Sewer Service Charges.

Acting Chair Wright also thanked Alternate Director Banales and the public who attended the meeting and commented on the proposed Sewer Service Charges. He appreciates them taking the time to attend the meeting and ensure that the Board is aware of the public’s concerns.

CORRESPONDENCE

Receive Monthly Federal Report dated April 2018, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

None

ADJOURNMENT

Acting Chair Wright adjourned the meeting at 6:54 p.m. The next regular meeting of the Board of Directors will be on Wednesday, June 13, 2018, at 4:30 p.m.

(Recording Secretary:

Denise Cappucini Jones)

Sean Wright, Acting Chair



DELTA DIABLO

(A Special District)

SEWER SERVICE CHARGE PROTEST LETTERS

RECEIVED BY
DELTA DIABLO

MAR 29 2018

MARCH 27, 2018

To: ~~Business~~ Service Director,

THIS IS MY WRITTEN PROTEST

REGARDING RATE INCREASES.

DO NOT RAISE MY RATES!

~~Minister~~

MARIA MINSTER

474 LISA ANN ST

BAY POINT 94565

APN: 0984310060

Delta Diablo Board of Directors
Board Room attn: Business Services Director
2500 Pittsburg-Antioch Highway
Antioch, Ca 94509



Subj: 6% Sewer Service Charge Rate Increase Proposal

We are writing to Protest the Proposed 6% Sewer Service Charge Rate Increase for the Fiscal Year 2018-2019.

The **6% is too much** for us 78 year olds living on Social Security income.

In the past 3 years our SS COLA increases have been as follows:

2.0% in 2018, **0.3%** in 2017, and **0.0%** in 2016.

Your increase along with other increases like the proposed Water rates and the 2017 residential trash service are hurting our wellbeing.

We realize increases are a necessity of life, but they need to stay in line with COLA .

Please reconsider your proposal, we'd be okay with 2%.

Regards,

APN: 0975000159

Carl & Geraldine Ferri

2362 Fieldgate Dr

Pittsburg, Ca 94565

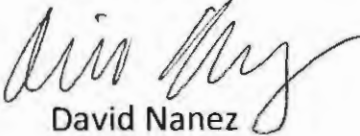
Handwritten signature of Carl Ferri in cursive.

3/29/2018

Attn: District Business Services Director



I object to any rate increases and believe they aren't needed at this time. My property address is 1576 Pinewood Pl, Pittsburg CA 94565, APN 0883620098.

Thank You,

David Nanez

April 2, 2018

Larry Schuster

17799 Alexandra Way

Grass Valley, CA 95949



Delta Diablo

Business Services Director

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

To whom It may Concern:

Regarding my property at:

2264 Concord Drive

Pittsburg, CA 94565-4479

APN: 0943210013

I hereby PROTEST the fiscal year 2018-2019 Proposed Wastewater (Sewer) Utility Service Rate Increases as described in the notice I received March 28, 2018. I VOTE NO.

Sincerely,

Larry D. Schuster 4/2/2018

Larry D. Schuster

April 2, 2018

Larry Schuster

17799 Alexandra Way

Grass Valley, CA 95949



Delta Diablo

Business Services Director

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

To whom It may Concern:

Regarding my property at:

85 Harbor Drive

Bay Point, CA 94565-1414

APN: 0980810121

I hereby PROTEST the fiscal year 2018-2019 Proposed Wastewater (Sewer) Utility Service Rate Increases as described in the notice I received March 28, 2018. I VOTE NO.

Sincerely,

Larry D. Schuster 4/2/2018

Larry D. Schuster

April 2, 2018

Larry Schuster

17799 Alexandra Way

Grass Valley, CA 95949



Delta Diablo

Business Services Director

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

To whom It may Concern:

Regarding my property at:

2272 Mount Whitney Drive

Pittsburg, CA 94565-4462

APN: 0943310144

I hereby PROTEST the fiscal year 2018-2019 Proposed Wastewater (Sewer) Utility Service Rate Increases as described in the notice I received March 28, 2018. I VOTE NO.

Sincerely,

Larry D. Schuster 4/2/2018
Larry D. Schuster

April 2, 2018

Larry Schuster

17799 Alexandra Way

Grass Valley, CA 95949



Delta Diablo

Business Services Director

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

To whom It may Concern:

Regarding my property at:

4801 Chism Way

Antioch, CA 94521-8123

APN: 0560760019

I hereby PROTEST the fiscal year 2018-2019 Proposed Wastewater (Sewer) Utility Service Rate Increases as described in the notice I received March 28, 2018. I VOTE NO.

Sincerely,

Larry D. Schuster 4/2/2018

Larry D. Schuster

April 2, 2018



Larry Schuster

17799 Alexandra Way

Grass Valley, CA 95949

Delta Diablo

Business Services Director

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

To whom It may Concern:

Regarding my property at:

572 Levee Road

Bay Point, CA 94565-1319

APN: 0981270143

I hereby PROTEST the fiscal year 2018-2019 Proposed Wastewater (Sewer) Utility Service Rate Increases as described in the notice I received March 28, 2018. I VOTE NO.

Sincerely,

Larry D. Schuster 4/2/2018
Larry D. Schuster

Louise Karu
762 Chestnut Street
San Francisco, CA 94133



April 8, 2018

RE: Protest Response for 1211 Lakeview Circle, Pittsburg, CA 94565 – APN # 0886800408

Dear Business Services Director,

I am in protest of the rate increases that are included in the "Notice of Proposed Fiscal Year 2018-2019 Rate Increases".

Sincerely

Louise Karu

RECEIVED BY
DELTA DIABLO

APR 11 2018

TO: BOARD OF DIRECTORS
RE: RATE INCREASE

I AM WRITING TO PROTEST THE PROPOSED
INCREASED SEWER SERVICE CHARGES. THEY ARE HIGH
ENOUGH ALREADY. MAKE CUTS IN THE EXISTING BUDGET.

Sincerely,

K. TATUM

KEN TATUM

1509 ROLLINGWOOD PI.

PITTSBURG, CALIF. 94565

APN: 0883240194

Louise Karu
762 Chestnut Street
San Francisco, CA 94133



April 8, 2018

RE: Protest Response for 540 Carpino Street, Pittsburg, CA 94565 – Parcel # 073-124-007-3-00

Dear Business Services Director,

I am in protest of the rate increases that are included in the "Notice of Proposed Fiscal Year 2018-2019 Rate Increases".

Sincerely

Louise Karu

APR 02 2018

SANITATION DISTRICT

I protest the rate increase
for wastewater (sewer) services.
My money that I live on is
taken away by the increase.
Everything on our property taxes
are high enough as it is.
Give us all a break &
don't increase the rates.

By the way, I haven't seen
the street sweeper on my
street in over a year. The
street is Mintan Ln. Antioch

Don Hogan 3-28-2018



4-30-18

Donald E Gill
1381 Ventura Dr.
Pittsburg, Ca. 94565

APN - 088 2810070

This letter is to Protest the
increases for the Wastewater (sewer)
utility service.

On Notice of Proposed Fiscal Year.
2018-2019 Rate increases.

I am an 85-year old senior.
Thank you.

Some Concession should go into that
when you ask for these increases.



4/30/18

TO WHOM IT MAY CONCERN,

AS A HOMEOWNER IN ANTIOCH FOR OVER 28+ YEARS ANOTHER RATE INCREASE IS OUTRAGEOUS, DISPICABLE & DEPLOREABLE. I OPPOSE TO AND OUTRIGHT PROTEST ANY INCREASE WHATSOEVER OF 6% WHICH IS NOT ACCEPTABLE. THERE IS ENOUGH RESIDENTIAL PROPERTIES AND BUSINESSES TO COLLECT REVENUES FOR FUTURE PROJECTS BECAUSE THE TRI VALLEY GROWTH WILL NEVER CEASE.

MICHAEL M. CALDERON

A handwritten signature in black ink, appearing to read "Michael M. Calderon".

APN 051 361 0097

RECEIVED BY
DELTA DIABLO
MAY 04 2018

MAY 2 2018

DELTA DIABLO

I'm responding to potential rate increase
this was received 3.27.2018

I'm vehemently opposed to any increase
in water, sewer, etc I'm a pensioner on
fixed income social security no COLA in
last 3 yrs this is a financial hardship

No increase absorb your overhead

Sincerely

Charles + Maria James

260 Periwinkle

Daly City Cal

APN 0721310126

9/8/18

May 2, 2018

Attn: Business Services Director
Delta Diablo
2500 Pittsburg-Antioch Highway,
Antioch, CA 94509



Business Services Director,

I wish to **PROTEST** the proposed rate increase on behalf of the property identified as:

5329 Woodside Way
Antioch, CA 94531
APN: 0561100397

Every year Delta Diablo rate increases exceed by multiples the standard inflation rate. This ultimately results in home/property ownership being out of the reach of more and more people – and then government can't figure out why homelessness is on the increase. I propose that your district's culture of excessive taxation so that you may have substantial financial reserves, eliminate risk, and institute more stringent regulations is having the exact opposite effect on those who are paying for this run-away tax train. In a sense it seems you have found a way to by-pass the will of the people when they overwhelmingly passed the proposition 13 initiative.

A handwritten signature in blue ink that reads "David Frandsen". The signature is fluid and cursive.

David Frandsen

May 2, 2018

Attn: Business Services Director
Delta Diablo
2500 Pittsburg-Antioch Highway,
Antioch, CA 94509



Business Services Director,

I wish to **PROTEST** the proposed rate increase on behalf of the property identified as:

5188 Murry Ct.
Antioch, CA 94531
APN: 0755400165

Ever year Delta Diablo rate increases exceed by multiples the standard inflation rate. This ultimately results in home/property ownership being out of the reach of more and more people – and then government can't figure out why homelessness is on the increase. I propose that your district's culture of excessive taxation so that you may have substantial financial reserves, eliminate risk, and institute more stringent regulations is having the exact opposite effect on those who are paying for this run-away tax train. In a sense it seems you have found a way to by-pass the will of the people when they overwhelmingly passed the proposition 13 initiative.

David Frandsen

RECEIVED BY
DELTA DIABLO

MAY 04 2018

May 2, 2018

Attn: Business Services Director
Delta Diablo
2500 Pittsburg-Antioch Highway,
Antioch, CA 94509

Business Services Director,

I wish to **PROTEST** the proposed rate increase on behalf of the property identified as:

3217 G St
Antioch, CA 94509
APN: 0712910041

Ever year Delta Diablo rate increases exceed by multiples the standard inflation rate. This ultimately results in home/property ownership being out of the reach of more and more people – and then government can't figure out why homelessness is on the increase. I propose that your district's culture of excessive taxation so that you may have substantial financial reserves, eliminate risk, and institute more stringent regulations is having the exact opposite effect on those who are paying for this run-away tax train. In a sense it seems you have found a way to by-pass the will of the people when they overwhelmingly passed the proposition 13 initiative.



David Frandsen

RECEIVED BY
DELTA DIABLO

MAY 07 2018

Delta Diablo,

In response to the notice of the "Rate Increase for wastewater": We are totally against raising the rates. We are senior citizens on a fixed income and on quite a lot of medications. You are already charging us almost every month twice where as we ~~used~~ ^{used} to pay normally forty-five dollars a month, we are now paying seventy-~~five~~ plus twice a month reaching approximately one hundred, forty dollars a month. Sometimes rarely we pay once a month. Put yourselves in our situation which would you choose medications or water? Difficult?

Mrs. & Mrs. Rodrigo Perez

June 13, 2018

APPROVE FISCAL YEAR 2018/2019 BUDGET AND ADOPT RESOLUTION APPROVING FISCAL YEAR 2018/2019 BUDGET APPROPRIATIONSRECOMMENDATION

- 1) Approve the Fiscal Year 2018/2019 (FY18/19) Budget.
- 2) Adopt Resolution Approving FY18/19 Budget Appropriations.

Background Information

FY17/18 marked the final year of the three-year budget cycle spanning FY15/16 to FY17/18. In contrast to the previous approach of proposing a three-year operating budget and planning cycle, a single-year budget has been prepared for FY18/19. Based on a staff recommendation, the Board adopted a repeal of Resolution No. 9/97, "Approval of Three Fiscal Year Budget Proposal", on April 11, 2018, to provide flexibility to utilize a single-year budget process. As part of its Strategic Business Plan, the District undertook an FY17/18 business initiative to "Evaluate alternatives and provide a recommendation for improvements to the rate-setting and Capital Improvement Program (CIP) development process." In addition to FY18/19, the District may prepare another single-year budget for FY19/20 with the goal of transitioning to a budget cycle that better aligns the rate-setting and CIP development process.

Analysis

The FY18/19 Proposed Budget presents a projection of revenue, operating expenses, and capital expenditures included in the proposed FY18/19 - FY22/23 CIP. Staff has implemented a number of budget reduction strategies to ensure that the District continues to serve as a responsible steward of funds provided by ratepayers in our service area, including lower-cost retirement benefit tiers, an energy management program, operational efficiency improvements, and zero-based budgeting for selected discretionary budget items. Key considerations in developing the Budget include implementation of strategic business initiatives, reassessment of the baseline budget, budget savings opportunities, leveraging technology for operating efficiencies, and inclusion of cost of living adjustments and benefit changes.

The Operating Budget provides funding for five programs—Wastewater (WW), Recycled Water (RW), Household Hazardous Waste (HHW), Street Sweeping (SS), and Bay Point Collections (BPC). Where applicable, each program is budgeted with Salaries and Benefits, Chemicals, Office and Operating Expenses, Outside Services/Repairs and Maintenance, Utilities, and program-specific costs. In addition to anticipated expenses to be incurred over the period, estimated revenues are also included in the Budget so that the sources of funds used to offset planned spending are clearly identified.

Key assumptions used in the development of the proposed Budget were discussed with the Finance Committee at its meeting of May 2, 2018, and reviewed with the Board of Directors at its meeting on May 9, 2018. The proposed budget for each fund has been developed based on those assumptions.

Board policy calls for budget adoption and approval of new fiscal year appropriations by the first Board meeting in July. With the current three-year budget concluding at the end of June, it is recommended that the Board consider approval of the financial plan for FY18/19 and that funds be



appropriated for the fiscal year. The Budget, which includes the Operating Budget and Capital Budget, serves as the basis for future year Sewer Service Charges (SSCs) and Recycled Water Service Charges.

Proposed FY18/19 Budget

Budget:

The overall FY18/19 Budget is \$52.6 million with an operating budget of \$29.3 million and a CIP budget of \$23.3 million. The Operating Budget includes Salaries and Benefits (\$17.5 million), Chemicals (\$1.9 million), Office and Operating Expenses (\$3.2 million), Outside Services/Repairs & Maintenance (\$4.7 million), and Utilities (\$2.0 million). Budgeting for goods and services assumes an annual inflation rate of 3% with updates made to estimated quantities.

Salaries and Benefits

The Salaries and Benefits budget includes 81.0 full-time equivalent (FTE) permanent positions and 0.5 FTE temporary positions for a total of \$17.5 million. No new positions are being requested. An additional \$0.2 million is included to support succession planning strategies to recruit for critical positions prior to the incumbent retiring to provide ample time for training and knowledge retention. The budget also includes cost of living adjustments of 3.4%, step increases for new employees still in progression, scheduled overtime, and benefits provided in the Bargaining Unit Memoranda of Understanding (MOU). Medical insurance premiums include an increase of 11% over last year while all other health benefits do not include an increase. The baseline budget for benefits is estimated to be \$4.4 million with an additional \$0.8 million budgeted to fund the District's CalPERS pension unfunded liability. Finally, a one-time budgeted contribution of \$0.5 million will be added to the District's PARS trust account to be used, when necessary, for the mitigation of sharp increases in CalPERS pension obligations or OPEB obligations due to decreases in discount rates, accelerated amortization schedule, and/or investment losses.

Chemicals

The Chemicals budget has been increased to \$1.9 million since the May 9, 2018 Board meeting to incorporate updated cost information. This represents a 5.6% increase over FY17/18 due to recent price increases anticipated for sodium hypochlorite (39% increase) and ferrous chloride (19% increase). Each chemical quantity has been reviewed and reassessed for the FY18/19 budget.

Office and Operating Expenses

The Office and Operating Expenses budget has a total of \$3.2 million, including \$2.5 million in supplies, technology systems and applications, insurance renewals and program administration, \$0.5 million in staff training and professional development, and \$0.2 million in contingency. Each line item has been reviewed and reassessed for the FY18/19 budget.

Outside Services/Repairs and Maintenance

The Outside Services/Repairs and Maintenance budget has a total of \$4.7 million, including \$1.9 million in repairs and maintenance of facilities, machinery and equipment, and \$2.8 million in engineering, financial, legal and general consultation services and studies. Each line item has been reviewed and reassessed for the FY18/19 budget.

Utilities

The Utilities budget includes \$2.0 million with electricity costs as the largest utility expense. Staff is currently developing an energy management plan to identify opportunities to reduce on-site energy demand and increase renewable energy production. In addition, staff is identifying changes to operating strategies based on variable energy cost schedules to provide potential cost savings. For



example, shifting operation of high energy-consuming machinery and equipment to avoid peak energy cost periods, when possible, would provide a financial benefit to ratepayers. Finally, Marin Clean Energy (MCE) has recently become the area's power provider and based on last year's energy costs, the District anticipates it will experience additional savings in FY18/19. These collective efforts have enabled the District's FY18/19 Utilities budget to remain unchanged from the FY17/18 budgeted amount.

Capital Improvement Projects (CIP) Budget:

The FY18/19 CIP budget is estimated at \$23.3 million, which includes \$1.4 million in debt service and \$21.9 million in project expenditures. Staff has presented the details of the proposed FY18/19 – FY22/23 CIP under separate Board actions.

Inter-fund Loan Repayment

Over the past several years, the WW Capital Expansion Fund was projected to use more funds than were available primarily due to anticipated Capital Facilities Capacity Charge (CFCC) revenues being lower than scheduled debt-service payments. As discussed in prior years with the Finance Committee and the Board of Directors, and as documented in the proposed FY18/19 - FY22/23 CIP, staff developed a financing plan to address funding requirements for debt service and capital projects paid from this fund. The financing plan included Board-approved, inter-fund loans from various funds to the WW Capital Expansion Fund. To date, the total amount loaned to the WW Capital Expansion Fund from various funds is \$8,790,000 (\$6,360,000 from WW Capital Asset Replacement; \$830,000 from WW Capital Asset; and, \$1,600,000 from WW Operations and Maintenance). The source of funds for the WW Capital Expansion Fund is the development community, so that growth pays for growth-related facilities. Because ratepayers are the funding source of the other various funds, inter-fund loans repaid with interest are appropriate. The proposed budget includes a repayment amount of \$1,500,000 from the WW Capital Expansion Fund.

Inter-fund Transfers

In addition to loans, inter-fund transfers are planned within the proposed Budget to ensure each "ratepayer"-based fund remains positive. As these funds share the same funding source, loans with interest are not required. However, as discussed with the Finance Committee and the Board of Directors, and as documented in the adopted CIP and SSC analysis, these transfers are part of the financing plan needed to address funding needs for each fund. Although inter-fund transfers net to zero, the total amount being transferred within funds (in and out) is \$1,522,231.

Financial Impact

To finance the proposed activities in FY18/19, it is necessary for the Board of Directors to adopt budget appropriations. The FY18/19 Proposed Budget Summary is provided as an Exhibit to the attached draft resolution proposed for Board adoption. As shown on line 16 of the Exhibit, total revenues budgeted are \$39.6 million. These revenues, along with loan proceeds of \$9.6 million and the use of reserves in the amount of \$3.4 million are proposed to fund \$52.6 million in expenditures shown on Line 38 of the Exhibit. Adoption of a resolution approving the proposed appropriations will allow for the budget to be in place for the new fiscal year as of July 1, 2018.

Attachment

FY18/19 Budget Appropriation Resolution

Signature: _____


Carol Margetich
Business Services Director



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

**Re: Establishing Fiscal Year 2018/2019)
Appropriations Limit)**

RESOLUTION NO. X/2018

THE BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Article XIII B of the California Constitution subjects public agencies' appropriations from proceeds of taxes to an amount not exceeding an annual limit; and

WHEREAS, the Appropriation Limit is the prior year's Appropriation Limit adjusted by factors identified in State Law; and

WHEREAS, the law requires each public agency's Appropriation Limit to be adjusted based upon: 1) changes in the California per capita personal income; and 2) changes in population as provided by the State of California Department of Finance; and

WHEREAS, the factor used by the District for the Fiscal Year 2018/2019 (FY18/19) calculation is the change in the California per capita personal income in conjunction with the change of population in Contra Costa County; and

WHEREAS, as presented at a public meeting on June 13, 2018 and in the FY18/19 proposed Budget, the calculation of the FY18/19 Appropriations Limit is \$17,055,465.

NOW THEREFORE, THE BOARD OF DIRECTORS OF DELTA DIABLO DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

1. To adopt a FY18/19 Appropriations Limit as described in the Calculation of FY18/19 Appropriations Limit, attached hereto and by reference made a part hereof.
2. To select and use the California Per Capita Personal Income Factor in conjunction with the Contra Costa County Population Change Factor.

PASSED AND ADOPTED on June 13, 2018, by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 13, 2018.

ATTEST: D. Pete Longmire
Board Secretary

By: _____

Exhibit: Calculation of FY18/19 Appropriations Limit

RESOLUTION NO. X/2018

**EXHIBIT
DELTA DIABLO FY18/19 PROPOSED BUDGET SUMMARY**

Line No.		WASTEWATER PROGRAM						RECYCLED WATER PROGRAM	HOUSEHOLD HAZARDOUS WASTE PROGRAM	STREET SWEEPING PROGRAM	BAY POINT PROGRAM	TOTAL ALL PROGRAMS
		OPERATIONS & MAINTENANCE FUND	EXPANSION FUND	CAPITAL ASSET FUND	ADVANCED TREATMENT FUND	CAPITAL ASSET REPLACEMENT FUND						
	REVENUE											
1	Capital Facility Capacity Charges		\$ 1,840,000				\$ 2,464				\$ 1,842,464	
2	Service Charges											
3	Sewer Service	21,204,567		1,445,000	4,462,299	2,039,000				773,638	29,924,504	
6	Street Sweeping								618,408		618,408	
7	Household Hazardous Waste							477,204			477,204	
8	Property Taxes					2,000,000					2,000,000	
9	Utility Rebates (from Calpine)	200,000									200,000	
10	Interest Income	50,000	15,433	24,386		40,853	22,600				153,272	
11	Discharge Permits & Fees	250,000									250,000	
13	Overhead (from Capital Projects)	700,000									700,000	
14	Miscellaneous	200,000									200,000	
15	Recycled Water Charges						3,156,081				3,156,081	
16	TOTAL REVENUE	\$ 22,604,567	\$ 1,855,433	\$ 1,469,386	\$ 4,462,299	\$ 4,079,853	\$ 3,181,145	\$ 477,204	\$ 618,408	\$ 773,638	\$ 39,521,933	
17	OTHER FINANCING SOURCES											
18	Loan and/or Other Financing Sources	100,000		3,950,000	350,000	5,200,000					9,600,000	
19	Transfers In/(Out)	(322,231)		(1,200,000)		1,200,000		322,231			0	
20	Interfund Loan	500,000	(1,500,000)			1,000,000					0	
21	TOTAL OTHER FINANCING SOURCES	\$ 277,769	\$ (1,500,000)	\$ 2,750,000	\$ 350,000	\$ 7,400,000	\$ -	\$ 322,231	\$ -	\$ -	\$ 9,600,000	
22	TOTAL FUNDS AVAILABLE	\$ 22,882,336	\$ 355,433	\$ 4,219,386	\$ 4,812,299	\$ 11,479,853	\$ 3,181,145	\$ 799,435	\$ 618,408	\$ 773,638	\$ 49,121,933	
23												
24	EXPENDITURES											
25	OPERATING											
26	Salaries and Benefits	\$ 16,079,720					\$ 658,240	\$ 195,771	\$ -	\$ 540,060	\$ 17,473,791	
27	Chemicals	1,157,340					720,000				1,877,340	
28	Office and Operating Expense	2,216,196					134,735	51,800		96,621	2,499,352	
29	Outside Services and Repairs/Maintenance	3,078,310					316,326	550,607	703,590	87,343	4,736,176	
30	Program Costs (Overhead)						440,538				440,538	
31	Utilities	1,400,199					564,500	750			1,965,449	
32	Contingency Allowance	212,000					10,000			40,000	262,000	
33	TOTAL OPERATING	\$ 24,143,765	\$ -	\$ -	\$ -	\$ -	\$ 2,844,339	\$ 798,928	\$ 703,590	\$ 764,024	\$ 29,254,646	
34	CAPITAL IMPROVEMENT PROJECTS											
35	Debt Service		93,331	136,426		1,035,266	11,255			141,643	1,417,921	
36	Capital Projects			4,725,000	625,000	14,425,000	1,360,000	50,000		700,000	21,885,000	
37	TOTAL CAPITAL IMPROVEMENT	\$ -	\$ 93,331	\$ 4,861,426	\$ 625,000	\$ 15,460,266	\$ 1,371,255	\$ 50,000	\$ -	\$ 841,643	\$ 23,302,921	
38	TOTAL EXPENDITURES	\$ 24,143,765	\$ 93,331	\$ 4,861,426	\$ 625,000	\$ 15,460,266	\$ 4,215,594	\$ 848,928	\$ 703,590	\$ 1,605,667	\$ 52,557,567	
39												
40	CONTRIBUTION/(USE) of RESERVES	\$ (1,261,429)	\$ 262,102	\$ (642,040)	\$ 4,187,299	\$ (3,980,413)	\$ (1,034,449)	\$ (49,493)	\$ (85,182)	\$ (832,029)	\$ (3,435,634)	
41	Estimated Beginning Cash Fund Balance	\$ 15,113,903	\$ 1,543,274	\$ 2,438,589	\$ 8,477,506	\$ 4,085,299	\$ 2,668,658	\$ 183,071	\$ 1,339,331	\$ 4,507,308	\$ 40,356,939	
42	Estimated Ending Fund Balance	\$ 13,852,474	\$ 1,805,376	\$ 1,796,549	\$ 12,664,805	\$ 104,886	\$ 1,634,209	\$ 133,578	\$ 1,254,149	\$ 3,675,279	\$ 36,921,305	

June 13, 2018

REVIEW PROPOSED RECYCLED WATER SERVICE CHARGES AND SET PUBLIC HEARING FOR JULY 11, 2018RECOMMENDATION

- 1) Review and comment on proposed Recycled Water Service Charges (RWSC) for Fiscal Year 2018/19 (FY18/19).
- 2) Set public hearing on proposed RWSC for July 11, 2018 at 4:30 p.m.

Background Information

The District's Recycled Water Facility (RWF) became operational in June 2001. It was funded by the Calpine Corporation (Calpine), which was required to use recycled water as its primary source of cooling water for its two power plants (Los Medanos Energy Center, Delta Energy Center) as a condition of its permits with the Federal Energy Regulatory Commission (FERC). The Calpine permits also required that recycled water be provided for a number of specific irrigation users in the city of Pittsburg. The agreement with Calpine allows the District to serve additional irrigation users. However, under its service agreement, Calpine has first right of recycled water use to meet its demands. This means that irrigation customers are not guaranteed specific recycled water capacity rights, which makes their service "interruptible" should Calpine need additional supply.

The service agreements with Calpine and the cities of Pittsburg and Antioch, as well as, the Pittsburg Unified School District (PUSD), Mt. Diablo Resource Recovery Park (MDRRP), and Caltrans require the District's Board of Directors to set the rates, fees, and charges for recycled water. Recycled water rates were last adjusted by the Board in July 2017 for FY17/18.

Analysis

The basis for the RWSC rate model is cash flow projections for the current fiscal year and four future years, with rates based on the costs of providing service to the Calpine power plants, as well as for irrigation uses by other recycled water customers. It reflects total costs allocated in the proposed FY18/19 operating budget and the adopted Capital Improvement Program (CIP). The current rates are structured to recover a portion of the operating costs and capital asset replacement projects through a variable-rate component, and the remaining costs through fixed-monthly charges. Consistent with past practice, all recycled water customers pay the same variable rate per acre-foot (AF), but each customer pays a unique monthly fixed cost based on its allocable share of capital asset projects and/or certain operating costs. As variable costs are collected based on actual recycled water use, there continues to be a conservation incentive and the users have some control over their total costs.

For FY18/19, a change in the rate structure is being proposed to address the revenue volatility caused by consumption changes over the past several few years, mostly with Calpine and the closure of the Delta View Golf Course in Pittsburg. The proposed rate structure was based on the estimated revenue need as is typically done, but reallocates a portion of the costs previously included in the variable-rate component to the fixed-rate component. Estimated fixed and variable FY17/18 revenue based on the original consumption estimates, FY17/18 revenue based on updated consumption estimates (as of May 2018), and FY18/19 revenue based on consumption estimates and the proposed reallocation are shown in Attachment 1. The proposed variable rate still includes capital asset replacement projects, because these costs are largely driven by equipment wear and tear as a result of recycled water consumption, and treatment costs such as chemicals and utilities that vary according to the amount of recycled water



treated, but it no longer includes the portion of treatment costs attributable to labor, office expenses, outside services, and repairs and maintenance that generally do not vary with consumption. These costs, as well as the O&M distribution costs previously included in the fixed-cost component make up the new proposed fixed-rate component for all customers.

The remaining costs for capital asset projects, Firm Capacity Surcharges, and the Revenue Stability Surcharge are fully paid by Calpine within their monthly fixed-rate component. Capital assets are categorically funded in this manner because RWF capital funding requirements do not typically change with the addition of other customers. Additionally, the Firm Capacity Surcharge includes certain costs allocated based on the Calpine power plants having “firm” capacity and irrigation service to the other customers being interruptible. Finally, the Revenue Stability Surcharge, established in FY11/12 as a measure to stabilize revenue after Calpine experienced a decline in consumption from historical levels, continues to be necessary. The Calpine Historical Revenue Stability Surcharges and Annual Consumption (Table 1) below shows the changes that have occurred since FY11/12. With Calpine significantly under-consuming again this fiscal year relative to historical averages due to a major plant shutdown at DEC, it is anticipated that operating revenue will be impacted again during FY17/18. Along with the aforementioned changes to the fixed-rate component, it is proposed that the surcharge remain at \$35,000 per month for the upcoming fiscal year to ensure revenue stability. The beginning fund balance at the beginning of FY17/18 was estimated to be about \$952,000. However, based on updated consumption estimates and budgeted expenses, the beginning fund balance for the following year (FY18/19) is anticipated to decline to approximately \$430,000. Based on projected revenue needs, we expect the Revenue Stability Surcharge to remain in place for the foreseeable future.

Table 1: Calpine Historical Revenue Stability Surcharges and Consumption

	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
Rev Stability Surcharge	\$30,000	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$35,000
Consumption in Acre Feet	7,190	8,103	7,957	6,101	6,964	5,284	5,235

An additional surcharge was established in FY12/13 for the City of Antioch to cover the City’s \$1.1 million share of the Antioch Recycled Water Project costs that exceeded the City’s \$5 million cap for the low-interest State Revolving Fund (SRF) loan secured by the District. The City is paying the District for its share of SRF loan principal and interest for the \$5 million cap amount annually when the SRF loan payments are due. Based on the City owning and being able to sell extra capacity in its distribution system, the remaining amount of the City’s project costs is being repaid to the District over a 20-year period at 4.25% interest (prime rate plus 1%) through a monthly rate surcharge of \$6,825.65.

When the Pittsburg Recycled Water Distribution System was constructed, an existing City pipeline was reused for a portion of the project. This pipeline was near the end of its useful life and required rehabilitation that was 75% grant funded and 25% locally funded. The local share is the responsibility of the City, which requested that the District recover those costs over time through a recycled water surcharge. Based on the local share of \$328,500, the fixed monthly surcharge was established in FY13/14 at \$3,365.92 at an interest rate of 4.25% over a ten-year period.

As shown on the Proposed FY18/19 Recycled Water Rates and Charges (Attachment 2), the variable rate per AF for the current fiscal year is \$310.24, and the proposed variable rate for FY18/19 is \$223.17. This represents a decrease of \$87.07 per AF (-28.1%). This decrease is primarily due to the aforementioned reallocation of certain costs from the variable-rate to the fixed-rate component. For the same reason, the fixed charges for the Calpine energy plants increase overall by \$63,977.45 per month from the current fixed-monthly charges of \$78,272. In addition to the rate structure changes, the fixed-rate component includes increased costs for repairs and maintenance of the recycled water facility



maintenance due to the age of the facility. The Cities' overall fixed charges per AF are also increasing. As shown in Table 2, by spreading all charges allocated to the Cities over their anticipated consumption, the total cost per AF is \$489.70 for FY18/19 (excluding the Cities' project-related surcharges) compared to \$423.92 (adjusted for updated FY17/18 consumption changes) for FY17/18. This represents an overall increase of \$65.78 per AF (15.5%). While these amounts are greater than last year's rate analysis projection per AF due to lower consumption estimates, they are expected to be adequate based on the cost of services. The proposed rates, including the Cities' surcharges, are well under the estimated cost of water from the Contra Costa Water District for FY18/19, which is estimated to be about \$758 per AF for raw water and about \$1,894 per AF for treated water. The proposed rates for the upcoming fiscal year were reviewed by key Calpine stakeholders at the Recycled Water Technical Advisory Committee (TAC) meeting on May 21, 2018 and by representatives from the cities on June 4, 2018. The proposed rates were also discussed with the Finance Committee at its meeting on June 5, 2018, and the Committee recommended presentation to the full Board of Directors.

Customers	Current FY17/18	Proposed FY18/19	% Change
Industrial Users	\$489.66	\$512.49	4.7%
Irrigation Users	\$423.92	\$489.70	15.5%
Antioch with Surcharge	\$548.71	\$664.16	21.0%
Pittsburg with Surcharge	\$481.91	\$575.73	19.5%

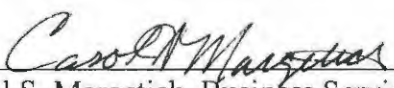
Note: For comparative reference, the FY18/19 Raw Water cost estimate is \$758 per AF and the Treated Water cost estimate is \$1,894 per AF which is 3% over current year estimated costs.

Financial Impact

The proposed rates would collect an estimated \$1,421,500 from variable rates and \$1,832,129 from fixed monthly charges (exclusive of the special project-related surcharges for Antioch and Pittsburg). That revenue covers the total revenue requirement of \$3,253,629, which is over \$200,000 lower than the previous year's budget. This equates to about 44% of costs being paid for by the variable-rate component and 56% by the fixed-monthly components. In FY17/18, the split between variable and fixed was estimated to be 71% and 29%, respectively. The increase in the fixed percentage provides greater certainty to the District that it will recover a relatively large portion of its costs through fixed charges, while giving the recycled water customers, particularly irrigation customers, some level of control over their costs. To the extent that more recycled water is used than anticipated, the District would more than cover that year's costs, while the converse is true should less recycled water be used than anticipated. The potential over- or under-collections, if realized, would be incorporated into the following year's recycled water rate analysis.

Attachments

- 1) Estimated FY17/18 – FY18/19 Recycled Water Revenue
- 2) Proposed FY18/19 Recycled Water Rates and Charges

Signature: 
 Carol S. Margetich, Business Services Director

cc: District File RWF.04-CORRES-13606



FY17/18 - FY18/19 RECYCLED WATER REVENUE ESTIMATES				
	A	B	C	D
	FY17/18 (Based on Original Estimate)	FY17/18 (Based on Updated Estimate - as of May 2018)	FY18/19	Difference (C-A)
Usage - Calpine	7,173	5,235	5,900	(1,273)
Usage - All Other Customers	765	656	470	(296)
Total Customer Usage	7,938	5,891	6,370	(1,569)
Fixed Rev w/o Surcharges:				
Calpine	\$ 939,264	\$ 939,264	\$ 1,706,993	\$ 767,729
Antioch	31,596	31,596	63,442	31,846
Pittsburg	31,596	31,596	46,441	14,845
Other Users	11,424	11,424	15,253	3,829
Total Fixed Revenue w/o City surcharges:	\$ 1,013,880	\$ 1,013,880	\$ 1,832,129	\$ 818,249
Variable Revenue:				
Calpine Usage Charges	\$ 2,225,352	\$ 1,624,106	\$ 1,316,720	\$ (908,631)
All Other Usage Charges	237,334	203,627	104,780	(132,554)
Total Usage Revenue	\$ 2,462,685	\$ 1,827,734	\$ 1,421,500	\$ (1,041,185)
Totals				
Calpine	\$ 3,164,616	\$ 2,563,370	\$ 3,023,714	\$ (140,902)
All Other Customers	311,950	278,243	229,916	(82,034)
Total Gross Revenue	\$ 3,476,565	\$ 2,841,614	\$ 3,253,629	\$ (222,936)
Estimated Revenue Need				
	\$ 3,458,101	\$ 3,458,101	\$ 3,253,629	\$ (204,472)
Est Gross Revenue less Revenue Need	\$ 18,464	\$ (616,487)	\$ -	\$ (18,464)

Proposed FY18/19 Recycled Water Rates and Charges
--

	FY17/18 (Based on Updated Estimate - as of May 2018)		FY18/19 Proposed	% Chg
<u>Variable Rate per AF</u>				
Treatment O&M	\$	296.08	\$ 201.66	-31.9%
Capital Asset Replacement		14.16	21.51	51.9%
Total Variable Rate per AF	\$	310.24	\$ 223.17	-28.1%
<u>Fixed Monthly Charges</u>				
<u>Calpine:</u>				
O&M Distribution	\$	3,081.00	\$ 3,021.64	-1.9%
O&M Treatment		-	81,569.81	0.0%
Debt Service*		15,814.00	-	-100.0%
Capital Asset		20,506.00	20,987.86	2.3%
Firm Capacity Surcharge		3,871.00	1,670.14	-56.9%
Revenue Stability Surcharge		35,000.00	35,000.00	0.0%
Total Calpine Monthly Fixed Charges	\$	78,272.00	\$ 142,249.45	81.7%
<u>City of Antioch:</u>				
O&M Antioch	\$	2,633.00	\$ 5,286.81	100.8%
Antioch Project Surcharge	\$	6,825.65	\$ 6,825.65	0.0%
Total City of Antioch Monthly Fixed Charges	\$	9,458.65	\$ 12,112.46	28.1%
<u>City of Pittsburg:</u>				
O&M Pittsburg	\$	2,633.00	\$ 3,870.07	47.0%
Pittsburg Pipeline Rehab Surcharge	\$	3,365.92	\$ 3,365.92	0.0%
Total City of Pittsburg Monthly Fixed Charges		5,998.92	7,235.99	20.6%
<u>Other Users:</u>				
MDRRP	\$	224.00	281.00	25.4%
PUSD	\$	504.00	752.04	49.2%
Caltrans	\$	224.00	238.07	6.3%
Total Other Users' Monthly Fixed Charges		952.00	1,271.11	33.5%
<u>Assumed Annual Consumption (Acre Feet)</u>				
Calpine		5,235	5,900	12.7%
Antioch		321	321	0.0%
Pittsburg		286.9	100	-65.1%
Caltrans		2	2	0.0%
PUSD		39	39	0.0%
MDRRP		7.7	8	0.0%
Total Usage (Acre Feet)		5,891	6,370	8.1%

June 13, 2018

APPROVE STANDARD FORM EMPLOYMENT AGREEMENT FOR EXECUTIVE TEAM MEMBERS AND AUTHORIZE GENERAL MANAGER TO EXECUTE SUCH AGREEMENT WITH ENGINEERING SERVICES DIRECTOR/DISTRICT ENGINEER; AUTHORIZE GENERAL MANAGER TO EXECUTE SUCH AGREEMENTS WITH BUSINESS SERVICES DIRECTOR AND RESOURCE RECOVERY SERVICES DIRECTOR EFFECTIVE JULY 1, 2018; APPROVE AND AUTHORIZE GENERAL MANAGER TO EXECUTE REVISED EMPLOYMENT AGREEMENT WITH HUMAN RESOURCES AND RISK MANAGER EFFECTIVE JULY 1, 2018

RECOMMENDATION

1. Approve Standard Form Employment Agreement template and authorize General Manager to execute such agreement with Engineering Services Director/District Engineer.
2. Authorize General Manager to execute new Employment Agreements with Business Services Director and Resource Recovery Services Director effective July 1, 2018.
3. Approve Revised Employment Agreement, and authorize General Manager to execute such agreement with Human Resources and Risk Manager effective July 1, 2018.

Background

The General Manager and the executive management team (Deputy General Manager, Business Services Director, Engineering Services Director/District Engineer, and Resource Recovery Services Director) are unrepresented, "at-will" positions with individual employment contracts with the District. In addition to the General Manager and the executive management team, the other unrepresented positions with individual employment agreements are the Office Manager/Secretary to the Board and the Human Resources and Risk Manager. These two positions became unrepresented when they were removed from the Management Association Bargaining Unit in November 2012. The agreements for these positions provide the same terms and conditions as those applicable to the Management Association members.

In August 2016, following the City of Bell scandals, Senate Bill 1436 (SB 1436) was signed into law, which included amendments to Government Code (GC) Section 54953. The new law requires the governing body of a local agency to present an oral report of any recommended salary and benefit compensation changes for local agency executives in open session prior to formally voting on the changes. The official vote must be conducted in open session of a regularly scheduled Board Meeting. SB 1436 went into effect on January 1, 2017. Similarly, newly-executed or renewed employment agreements between a local agency and its executives are required to contain specific, statutorily-required language pursuant to GC Section 53243. GC Section 53243 provides for the reimbursement of compensation paid to a local agency executive if said executive is convicted of a crime related to the abuse of his/her office or position.

The employment agreement for the General Manager, who was hired effective May 30, 2017, was executed in full compliance with SB 1436 and contains the statutorily-required language specified in GC Section 53243. The individual employment agreements for the Business Services Director and Resource Recovery Services Director, which were executed prior to January 1, 2017, do not contain the statutorily-required language. Similarly, the individual employment agreements for the Office Manager/Secretary to the Board and the Human Resources and Risk Manager, which were executed in November 2012, do not contain the statutorily-required language required under GC Section 53243.



Analysis

Attachment 1 is the proposed Employment Agreement template to be used for the executive team members. Upon Board approval of the template, the General Manager will execute the Employment Agreement with the new Engineering Services Director/District Engineer and future executive team hires. Attachment 2 is the proposed revised Employment Agreement form for the incumbent Human Resources and Risk Manager. The Employment Agreement for the Office Manager/Secretary to the Board is not being revised due to her stated intention to retire at the end of November 2018.

Following Board approval of the new Unrepresented Managers' salary schedule at the July 2018 Board Meeting, the General Manager will execute new Employment Agreements with the incumbent Business Services Director, Resource Recovery Services Director, and Human Resources and Risk Manager. The General Manager will use the new executive team Employment Agreement for the new Office Manager/Secretary to the Board.

Attachments

- 1) New Standard Form Employment Agreement for Executive Team Members
- 2) Revised Employment Agreement for Human Resources and Risk Manager

Prepared by: *Cheryl Rhodes Alexander*
Cheryl Rhodes Alexander
Human Resources and Risk Manager

Reviewed by: *Carol Margetick*
Carol Margetick
Business Services Director

cc: District File HR.01-xxx



Employment Agreement

Delta Diablo, a public sanitation district, hereafter referred to as DISTRICT, and *[name]*, hereafter referred to as EMPLOYEE, in consideration of the mutual promises made herein, agree as follows:

1. **Effective Date.** The effective date of this Employment Agreement (Agreement) is *[date]*.
2. **Term of Employment.** EMPLOYEE'S employment with DISTRICT shall commence on *[date of hire]*.
3. **Employment and Duties.**
 - (a) DISTRICT hereby employs EMPLOYEE as *[job title]*, and EMPLOYEE shall provide all necessary services required to oversee and supervise the operations and administrative activities of the *[DEPARTMENT]*. EMPLOYEE'S services shall be performed in accordance with all applicable laws and all policies, ordinances, resolutions and regulations of DISTRICT and shall include all duties as may be assigned by DISTRICT'S General Manager, including, but not limited to those duties specified in the DISTRICT job description for the *[job title]* as it may be amended from time to time.
 - (b) EMPLOYEE shall perform his/her duties to the best of his/her ability in accordance with the highest professional and ethical standards of his/her profession. EMPLOYEE shall devote full time to furnishing his/her services under this Agreement and shall fulfill all responsibilities required by this Agreement.
4. **At Will Employment.** EMPLOYEE is an "at will" employee of DISTRICT and serves at the pleasure of the DISTRICT'S General Manager. This agreement and the relationship created hereby may be terminated at any time at the will of the DISTRICT'S General Manager, in his sole discretion, with or without cause, as provided in Section 9, "Termination" below. This Agreement prevails over any other DISTRICT policies and procedures that might provide for an employment status other than "at will."
5. **Compensation.**
 - (a) In consideration of EMPLOYEE'S services to DISTRICT, the DISTRICT shall pay EMPLOYEE a salary of *[monthly salary]* per month in accordance with the approved salary schedule for Unrepresented Managers. The salary will be paid in equal bi-weekly payments of *[\$[bi-weekly salary]]* at the same time as DISTRICT pays its other employees.
 - (b) EMPLOYEE shall receive the same cost of living adjustments to his/her salary as DISTRICT provides for members of the Management Association, and such cost of living adjustments shall be provided to EMPLOYEE at the same time they are provided to members of the Management Association.
 - (c) All salary payments shall be subject to withholding for taxes and EMPLOYEE'S share of benefits.



(d) These amounts may be subject to increase pursuant to Section 7, "Evaluation" below.

6. **Benefits.** Except as provided in Section 5 above and in this Section 6, on the same terms and conditions as are applicable to the Management Association, EMPLOYEE shall receive the same employment benefits as are provided to members of the Management Association, in accordance with DISTRICT policies governing such matters as may be in effect from time to time, except to the extent such benefits conflict with this Agreement. The benefits EMPLOYEE shall receive that differ from those provided to the Management Association are the following:

(a) At DISTRICT's option, DISTRICT shall either allow EMPLOYEE to use a DISTRICT vehicle for DISTRICT business and commute purposes or shall pay EMPLOYEE a monthly vehicle allowance of \$500.00 as compensation to EMPLOYEE for use of his/her personal automobile in the course and scope of his/her employment.

(b) DISTRICT shall credit EMPLOYEE with vacation at an accrual rate of *[GM will specify a rate between 10 and 16.6]* hours per month. The same terms and conditions for the sale and maximum accumulation of vacation leave that apply to the Management Association shall apply to EMPLOYEE.

(c) Effective July 1, *[year]* and each July 1 thereafter, DISTRICT shall credit employee with 40 hours of Administrative Leave. EMPLOYEE may not carry-over Administrative Leave to a subsequent fiscal year. If EMPLOYEE has Administrative Leave accruals that have not been used either in the last pay period of the fiscal year or at the time EMPLOYEE separates from employment with DISTRICT, such accruals may not be paid out as cash compensation.

7. **Evaluation.** The DISTRICT'S General Manager or his designee will evaluate EMPLOYEE'S performance after twelve months of employment, and annually thereafter. Based on a satisfactory rating on the annual performance evaluation, the DISTRICT'S General Manager may, in his sole discretion, advance EMPLOYEE'S salary step on the established salary schedule for the *[job title]* job classification.
8. **Administrative Leave.** At any time in his sole discretion, DISTRICT'S General Manager may relieve EMPLOYEE of his/her duties and hereunder by placing him/her on administrative leave at the salary and compensation levels specified in this Agreement. If EMPLOYEE is placed on administrative leave pending an investigation of his/her actions or omissions and is subsequently convicted of a crime involving abuse of his/her *[job title]* position, as defined in Government Code section 53243.4, EMPLOYEE must reimburse DISTRICT for all salary payments provided to him/her during the administrative leave.
9. **Termination.**
- (a) **By DISTRICT on Sixty Days' Notice.** At his/her sole discretion, DISTRICT'S General Manager may terminate this Agreement any time upon sixty (60) days' prior written notice to EMPLOYEE. Such termination shall be effective on the sixtieth day.

(b) By DISTRICT for Cause. Notwithstanding Subsection (a), DISTRICT may immediately terminate this Agreement at any time for cause, if EMPLOYEE commits any act of gross insubordination, dishonesty, fraud, misrepresentation, embezzlement, bribery or perjury; or violates conflict of interest laws; or is convicted of a felony or of abuse of his/her position as defined in Government Code Section 53243.4. In the event of termination for cause, DISTRICT'S total liability to EMPLOYEE shall be limited to payment of EMPLOYEE'S compensation through the effective date of termination, together with cash reimbursements for any vacation leave accrual balances.

(c) By EMPLOYEE on Sixty Days' Notice. At his/her sole discretion, EMPLOYEE may terminate this Agreement during its term any time upon sixty (60) days' prior written notice to DISTRICT'S General Manager. Such termination shall be effective on the sixtieth day.

(d) This Agreement may be terminated at any time by mutual written consent of DISTRICT'S General Manager and EMPLOYEE.

(e) If this Agreement is terminated under any of the above subsections and the parties enter a settlement agreement related to termination of this Agreement, the maximum cash settlement that EMPLOYEE may receive shall not exceed four months' salary. If this Agreement is terminated under any of the above subsections and EMPLOYEE is subsequently convicted of a crime involving abuse of his *[job title]* position as defined in Government Code Section 53243.4, EMPLOYEE must reimburse DISTRICT for any cash settlement that he received related to termination of this Agreement, including any severance pay.

10. **District Property.** EMPLOYEE shall be entitled to use all of DISTRICT'S offices, facilities, and equipment for the purposes of fulfilling his/her responsibilities under this Agreement. Upon either termination of this Agreement, however effected, or when requested by DISTRICT'S General Manager, EMPLOYEE shall immediately turn over to DISTRICT all of its property, including all items used by EMPLOYEE in rendering services hereunder or otherwise, that may be in EMPLOYEE'S possession or under his/her control.
11. **Prohibition of Assignment.** Neither party may assign or transfer any rights granted or obligations assumed under this Agreement.
12. **Amendment.** This Agreement may be amended only by a written document executed by each party hereto.
13. **Choice of Law.** This contract is made in Contra Costa County and shall be governed and construed in accordance with the laws of the State of California. Any action relating to this contract shall be instituted and prosecuted in the courts of Contra Costa County, State of California.
14. **Waiver.** The parties hereto shall not be deemed to have waived any of their respective rights under this Agreement unless the waiver is in writing and signed by the party whose rights are deemed to have been waived. A waiver of a right on one occasion shall not operate as a waiver of that right on a future occasion.

15. **Notice.** Any notice required by this Agreement to be given by one party to the other shall be sufficient if given to the party by personal delivery or if mailed to the party by first class mail postage prepaid, addressed as follows:

If to DISTRICT:

General Manager
Delta Diablo
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

If to EMPLOYEE:

Employee Name
Address
City, State Zip

16. **Entire Agreement.** This Agreement constitutes the entire agreement between DISTRICT and EMPLOYEE pertaining to the subject matter, and supersedes all prior or contemporaneous written or verbal agreements and understandings between EMPLOYEE and DISTRICT. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no agreement, statement, or promise not contained in this Agreement shall be valid or binding on either party.

17. **Signatures.** The following signatures attest the parties' agreement hereto:

Executed at Antioch, California this _____ day of _____.

DELTA DIABLO

EMPLOYEE

By: _____

Vince De Lange
General Manager

Employee Name



Employment Agreement

Delta Diablo, a public sanitation district, hereafter referred to as DISTRICT, and *[name]*, hereafter referred to as EMPLOYEE, in consideration of the mutual promises made herein, agree as follows:

1. **Effective Date.** The effective date of this Employment Agreement (Agreement) is *[date]*.
2. **Term of Employment.** DISTRICT will employ EMPLOYEE as Human Resources and Risk Manager for the period commencing *[date]*, and continuing through June 30, 2021, unless sooner terminated pursuant to Section 8, "Termination" below.
3. **Employment and Duties.**
 - (a) EMPLOYEE'S services shall be performed in accordance with all applicable laws and all policies, ordinances, resolutions and regulations of DISTRICT and shall include all duties as may be assigned by DISTRICT'S General Manager or Business Services Director, including, but not limited to those duties specified in the DISTRICT job description for the *[job title]* as it may be amended from time to time.
 - (b) EMPLOYEE shall perform his/her duties to the best of his/her ability in accordance with the highest professional and ethical standards of his/her profession. EMPLOYEE shall devote full time to furnishing his/her services under this Agreement and shall fulfill all responsibilities required by this Agreement.
4. **Compensation.**
 - (a) In consideration of EMPLOYEE'S services to DISTRICT, the DISTRICT shall pay EMPLOYEE a salary of *[monthly salary]* per month in accordance with the approved salary schedule for Unrepresented Managers. The salary will be paid in equal bi-weekly payments of *[\$bi-weekly salary]* at the same time as DISTRICT pays its other employees. This total compensation includes and supersedes any amount that otherwise would have been paid additionally under the Management Association's Memorandum of Understanding.
 - (b) EMPLOYEE shall receive the same cost of living adjustments to his/her salary as DISTRICT provides for members of the Management Association, and such cost of living adjustments shall be provided to EMPLOYEE at the same time they are provided to members of the Management Association.
 - (c) All salary payments shall be subject to withholding for taxes and EMPLOYEE'S share of benefits.
 - (d) These amounts may be subject to increase pursuant to Section 6, "Evaluation" below.



5. **Benefits.** EMPLOYEE shall receive the same employment benefits as are provided to members of the Management Association, in accordance with District policies governing such matters as may be in effect from time to time, except to the extent such benefits conflict with this Agreement.
6. **Evaluation.** The DISTRICT'S Business Services Director will evaluate EMPLOYEE'S performance annually. Based on a satisfactory rating on the annual performance evaluation, the DISTRICT'S General Manager may, in his sole discretion, advance EMPLOYEE'S salary step on the established salary schedule for the *[job title]* job classification.
7. **Paid Administrative Leave.** At any time in his sole discretion, DISTRICT'S General Manager may relieve EMPLOYEE of his/her duties hereunder by placing him/her on administrative leave at the salary and compensation levels specified in this Agreement. If EMPLOYEE is placed on administrative leave pending an investigation of his/her actions or omissions and is subsequently convicted of a crime involving abuse of his/her *[job title]* position, as defined in Government Code Section 53243.4, EMPLOYEE must reimburse DISTRICT for all salary payments provided to him/her during the administrative leave.
8. **Termination.**
 - (a) **By DISTRICT for Cause.** DISTRICT may immediately terminate this Agreement upon fifteen (15) days' prior written notice to EMPLOYEE, if EMPLOYEE commits any act of gross insubordination, dishonesty, fraud, misrepresentation, embezzlement, bribery or perjury; or violates conflict of interest laws; or is convicted of a felony or of abuse of his/her position as defined in Government Code Section 53243.4. Said termination shall be effective on the fifteenth day. In the event of termination for cause, DISTRICT'S total liability to EMPLOYEE shall be limited to payment of EMPLOYEE'S compensation through the effective date of termination, together with cash reimbursements for any vacation leave accrual balances.
 - (c) **By EMPLOYEE on Fifteen Days' Notice.** At his/her sole discretion, EMPLOYEE may terminate this Agreement during its term any time upon fifteen (15) days' prior written notice to DISTRICT'S General Manager. Such termination shall be effective on the fifteenth day.
 - (d) This Agreement may be terminated at any time by mutual written consent of DISTRICT'S General Manager and EMPLOYEE.
 - (e) If the parties enter a settlement agreement related to termination of this Agreement pursuant to Subsections (c) or (d), the maximum cash settlement that EMPLOYEE may receive shall not exceed the lessor of *[insert number lower than 6]* months' salary or the number of months remaining on the Agreement.
 - (f) If this Agreement is terminated under any of the above subsections and EMPLOYEE is subsequently convicted of a crime involving abuse of his/her *[job title]* position as defined in Government Code Section 53243.4, EMPLOYEE must reimburse DISTRICT for any cash settlement that he/she received related to termination of this Agreement.

9. **District Property.** EMPLOYEE shall be entitled to use all OF DISTRICT'S offices, facilities, and equipment for the purposes of fulfilling his/her responsibilities under this Agreement. Upon either termination of this Agreement, however effected, or when requested by DISTRICT'S General Manager, EMPLOYEE shall immediately turn over to DISTRICT all of its property, including all items used by EMPLOYEE in rendering services hereunder or otherwise, that may be in EMPLOYEE'S possession or under his/her control.
10. **Prohibition of Assignment.** Neither party may assign or transfer any rights granted or obligations assumed under this Agreement.
11. **Amendment.** This Agreement may be amended only by a written document executed by each party hereto.
12. **Choice of Law.** This contract is made in Contra Costa County and shall be governed and construed in accordance with the laws of the State of California. Any action relating to this contract shall be instituted and prosecuted in the courts of Contra Costa County, State of California.
13. **Waiver.** The parties hereto shall not be deemed to have waived any of their respective rights under this Agreement unless the waiver is in writing and signed by the party whose rights are deemed to have been waived. A waiver of a right on one occasion shall not operate as a waiver of that right on a future occasion.
14. **Notice.** Any notice required by this Agreement to be given by one party to the other shall be sufficient if given to the party by personal delivery or if mailed to the party by first class mail postage prepaid, addressed as follows:

If to DISTRICT:

General Manager
Delta Diablo
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

If to EMPLOYEE:

Employee Name
Address
City, State Zip

15. **Entire Agreement.** This Agreement constitutes the entire agreement between DISTRICT and EMPLOYEE pertaining to the subject matter, and supersedes all prior or contemporaneous written or verbal agreements and understandings between EMPLOYEE and DISTRICT, including any prior Employment Agreement between the parties. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no agreement, statement, or promise

not contained in this Agreement shall be valid or binding on either party.

16. **Signatures.** The following signatures attest the parties' agreement hereto:

Executed at Antioch, California this _____ day of _____.

DELTA DIABLO

EMPLOYEE

By: _____

Vince De Lange
General Manager

Employee Name

DRAFT



June 13, 2018

RECEIVE MONTHLY LOBBYIST REPORT DATED MAY 2018, KEY ADVOCATES, INC.,
WESTERN RECYCLED WATER COALITION, PROJECT NO. 90024

RECOMMENDATION

Receive and file Report.

Background Information

As lead Agency for the Western Recycled Water Coalition, the District administers a contract with a lobbyist, Key Advocates, Inc. (KA), and receives a monthly summary report regarding related lobbying activities. Attached is the report for May 2018, which was produced by KA and distributed to members of the Western Recycled Water Coalition.

Analysis

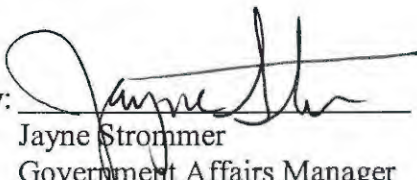
None


Financial Impact

None

Attachment

Monthly Report, May 2018

Prepared by: 
Jayne Strommer
Government Affairs Manager

Reviewed by: 
Brian Thomas
Engineering Services Director

cc: Project File No. P.90024.06.01





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

May 31, 2018

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

Infrastructure: The Status

On May 29, Key Advocates met with the staffs, separate Republican and Democrat meetings, of the House Committee on Transportation and Infrastructure (T&I) and the Senate Environment and Public Works (EPW) Committees as a follow-up to the recent report that T&I Chairman Shuster is gearing up to introduce infrastructure legislation this summer — before the August recess or perhaps even before the July 4th break. It was also reported that Congressman Sam Graves, Chairman of the T&I Surface Transportation Subcommittee, said that Members would be working on a "framework" of transportation infrastructure concepts to put forward later in the year. Committee Ranking Democrat DeFazio said that, while he and Shuster are having some discussions, they are talking about potential funding and then presumably policy. Key Advocates learned in the follow-up staff meetings that internal committee discussions are in early stages, although EPW seems to be ahead of T&I given Chairman Barrasso's introduction of a highway infrastructure bill (which was quickly rejected by both Reps and Dems on the Committee) and the Committee Dems infrastructure funding proposal in response to the bill; the focus is multimodal in scope; reauthorization of the State Revolving Funds (SRF) is "on the table;" timing is sometime this year although maybe not to completion; and, stakeholder input will be sought.

WRDA 2016 Reauthorization

On May 22, the House T&I Committee reported its version of WRDA reauthorization - [H.R. 8](#), the "Water Resources Development Act of 2018." The bill is a "pure" Corps of Engineers bill - no extraneous matters. It was supported on a bipartisan basis in the Committee. No amendments were offered to include other "water programs" such as the Clean Water SRF. Chairman Schuster is still committed to a Corps only bill although he said he is "open" to other water issues in the context of an infrastructure bill. Committee Dems support doing so as evidenced by approval of many of the add-ons in the Senate bill.

On May 23, the Senate EPW Committee reported its version of the bill - [S. 2800](#), "America's Water Infrastructure Act of 2018," which was amended to include S. 2364/H.R. 4902 (see below), the "SRF WIN Act," with the following changes: the annual authorization level was reduced from \$200M to \$100M (and corresponding loan support totals); the duration of the new program

reduced from 5 to 2 fiscal years; the \$7B per state cap deleted; and language regarding the funding relationship to the SRF's included. The first two changes were scorekeeping driven in that the higher authorization amount and additional fiscal years could not be supported by offsets.

Regarding the Carbajal/Reed bill - H.R. 5596 (also included in the Senate bill): apparently it was Senator Kirsten Gillibrand (D-NY) - Reed is from NY - who was instrumental in its inclusion in the reported bill. Again, the authorization level was reduced from \$50M for each of FY18-22 to \$12.5M for each of FY19 and 20 (same scorekeeping issue). The reported bill also includes other related issues - DWSRF process changes, WIFIA reauthorization, WaterSense, green infrastructure provisions, water resources research, sense of the Congress on wastewater recycling, sense of the the Congress on access to nonpotable water, etc.

FY19 Appropriations Process

Congress is going through the appropriation process. However, as this is an election year, it seems unrealistic that Congress will pass all 12 Appropriation bills prior to the end of the fiscal year. Most likely we'll see a Continuing Resolution – with possible extensions following the elections.

FY19 House Energy and Water Appropriations Bill

On May 16, the House Appropriations Committee approved its FY19 Energy and Water Appropriations Bill, as follows: \$20M for the new WIIN grant program; \$45M for Title 16; \$34M for WaterSmart grants; \$134M for water storage projects; and, \$35M for CALFED. No Senate action to date. The President's budget proposed \$10M for WaterSMART grants, \$3M for Title XVI and \$35M for CALFED. Funding for FY18 is WaterSmart Grants, \$34M; Title XVI, \$54.4M; and WINN grant program, \$20M.

FY19 Senate Energy and Water Appropriations Bill

On May 24, the Senate Appropriations Committee approved its FY19 Energy and Water Appropriations Bill, as follows: \$20M for the new WIIN grant program; \$34.4M for Title 16; \$34M for WaterSmart grants; \$134M for water storage projects; and, \$35M for CALFED

FY19 Interior Appropriations Bill

To date, no action in either House. The President's budget proposed \$997M for the Clean Water SRF. Funding for FY18 is \$1,693,887,000.

SRF WIN Bills

The bills are S. 2364 and H.R. 4902 and are included herein because they have bipartisan co-sponsorship support. The Senate bill was introduced by Senators John Boozman (R-AR), Chair of the Water Subcommittee of the Environment and Public Works Committee (EPW), and Senator Diane Feinstein (D-CA), Ranking Democrat of the Energy and Water Appropriations Subcommittee. Cosponsors are Senators Jim Inhofe (R-OK), Chair of the EPW Transportation and Infrastructure Subcommittee and Cory Booker (D-NJ), Ranking Democrat of the EPW Superfund Subcommittee (now with 10 sponsors). The House bill was introduced by Congressmen John Katko (R-NY-24), a member of the Water Resources Subcommittee of the Transportation and Infrastructure Committee, and Earl Blumenauer (D-OR-3), a member of the Ways and Means

Committee (now with 4 sponsors) and, if you recall, the author of the voluntary fee labeling bill.

Generally, the bills - a new loan program - are intended to combine the “best aspects of the SRF’s with the leveraging power of WIFIA.” Specifically, the bills authorize \$200M for each of FY19-23 for states to apply for loans. There is a \$7B per state loan cap for the 5 years. Fifty percent of the funds would be loaned at the current Treasury rate. The bill states that those funds would support \$10B in loans per year. The other fifty percent would go to states that receive less than 2 percent of the total amount of funds made available to the states for the state loan funds for the most recent fiscal year OR to major disaster declared states if the loan is for a project related to wastewater or drinking water infrastructure damaged by the disaster. The bills states that those funds would support \$850M in loans per year. The Federal share for loans is up to \$100%. Eligible project activities are those included in a state’s SRF “intended use plan.”

The \$100,000 WIFIA application fee is waived. The application process is limited to 180 days maximum. No new project approval requirements would be needed - existing approvals would suffice. The new program is tied to FY18 appropriation levels for the SRF’s - if at any year in the appropriations process the SRF funding levels are below the FY18 levels, this new program will not kick in for that year.

Status Update: Two additional cosponsors added to the Senate bill since the last report. As noted above, amended versions of these bills were included in the Senate WRDA Reauthorization Bill (S. 2800).

Water Infrastructure Resiliency and Sustainability Act of 2018, H.R. 5596

This bill was introduced on April 24, 2018 by Congressman Salud Carbajal (D-CA-24) and Congressman Tom Reed (R-NY-23). The bill authorizes \$50 Million for each Fiscal Year from 2018-2022 to create a new EPA program for competitive grants for water system operators to increase resiliency. In it, a “water system” is defined broadly as not only community drinking water systems, but also POTW’s and decentralized wastewater systems, groundwater storage and replenishment system, irrigation water, and floodwater management. The federal grant share is up to 75% of the project cost, and recycled water projects are eligible.

Following conversations with staffs from both offices, the WRWC was asked for a support letter, which was provided on May 22, 2018.

Status Update: Congressman Panetta (D-CA-20) became a cosponsor on May 24, 2018, and as referenced above, an amended version of this bill was included in the Senate WRDA Reauthorization Bill (S. 2800).

Napolitano Title XVI Bill

On February 27, Congresswoman Grace F. Napolitano introduced H.R. 5127, the Water Recycling Investment and Improvement Act, to assist water agencies with the expansion, planning, designing, and building of water recycling plants and modernizing water infrastructure in California, other western states, and communities across the country. The bill now has 16

cosponsors - all Dems. The bill: increases funding Authorization for the Bureau of Reclamation's Title XVI water recycling competitive grant program to \$500 million from \$50 million; makes the program permanent as it currently expires in 2021; funds water recycling and reuse projects for 17 western states; reauthorizes the expired EPA Alternative Water Source Projects Program; provides \$375 million in authorization for the Alternative Water Source program and makes it permanent for water agencies across the country; and, provides grants for projects that conserve, manage, reclaim, or reuse water, wastewater, or stormwater.

The Coalition submitted its comments during the drafting process, many of which were included in the introduced bill. A letter of support for the bill was also submitted. Her office also circulated a letter for Members to sign to the Appropriations Committee for increased funding for WaterSMART and Title XVI (including the WINN grant program). The Coalition assisted in this effort.

Natural Resources Committee Dems: McNerney Rewrite

They are looking at McNerney's WEST Act (H.R. 3275) which the Coalition was very much involved in, with the goal of re-writing the bill consistent with the Committee's jurisdiction and introducing it as such. Committee staff have had a couple meetings with McNerney's office, but as he is currently hiring a new Legislative Director, they will wait until then to resume discussions. In a meeting we had with Committee staff, they said that water is a priority for them.

GAO Recycled Water Study

A comment letter with attachments were sent to the GAO, as requested. GAO can make recommendations, but cannot by themselves require changes. A report is anticipated in the fall. To review, the original request (per a July 29, 2015, letter from Reps. Napolitano, Huffman and Tonko) was for a comprehensive water report that looked across agencies at the federal water role and addressed bureaucracy, redundancy and improving the government's role in water issues.

GAO produced this report - http://www.gao.gov/products/GAO-17-559?utm_medium=email&utm_source=govdelivery. Given that the question asked of GAO at the time to investigate water recycling was prior to the WIIN Act program, GAO, in conjunction with the original requestors, has decided to do a second report focusing on the "new" Title XVI program. Input from the Coalition was provided regarding this effort.

Bureau of Reclamation Title XVI and WIIN Act Grant Program

On May 30, 2018, Reclamation released their combined Title XVI and Recycled Water Projects under the WIIN Act Funding Opportunity Announcement. This will provide up to \$34 M for authorized Title XVI projects and up to \$20 M for recycled water projects under the WIIN Act (WIIN eligible projects listed here: <https://www.usbr.gov/watersmart/title/wiin.html>). Applications are due July 27, 2018.

Earmarks

To review, on Jan. 17-18, the House Rules Committee held hearings on earmarks. The formal title of the hearings was "Article 1: Effective Oversight and the Power of the Purse." Members of Congress were the witnesses for day one of the hearings. Over 25 testified and the support was

overwhelming by both Republicans and Democrats for return of some form of earmarks. Day two included “outside” witnesses who testified both for and against bringing earmarks back.

Following the hearings, it was decided that both parties would take the issue to their respective caucus for further deliberation. The Republicans have done so. There was some discussion in the caucus but not too extensive and no resolution was forthcoming. The Democrats have not brought the issue up but are planning to do so.

Bill Tracking - 115th Congress (2017-2018)

[H.R.434](#) —New WATER Act

Sponsor: [Rep. Denham, Jeff \[R-CA-10\]](#) (Introduced 01/11/2017) **Cosponsors:** (9)

Committees: House - Natural Resources **Latest Action:** House - 02/07/2017 Referred to the Subcommittee on Water, Power and Oceans

[H.R.465](#) —Water Quality Improvement Act of 2017

Sponsor: [Rep. Gibbs, Bob \[R-OH-7\]](#) (Introduced 01/12/2017) **Cosponsors:** (8)

Committees: House - Transportation and Infrastructure **Latest Action:** House - 01/13/2017 Referred to the Subcommittee on Water Resources and Environment

[H.R.547](#) —National Infrastructure Development Bank Act of 2017

Sponsor: [Rep. DeLauro, Rosa L. \[D-CT-3\]](#) (Introduced 01/13/2017) **Cosponsors:** (86)

Committees: House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means **Latest Action:** House - 01/17/2017 Referred to the Subcommittee on Water Resources and Environment.

[H.R.1579](#) —Secure and Resilient Water Systems Act

Sponsor: [Rep. Peters, Scott H. \[D-CA-52\]](#) (Introduced 03/16/2017) **Cosponsors:** (2)

Committees: House - Energy and Commerce **Latest Action:** House - 03/17/2017 Referred to the Subcommittee on Environment.

[H.R.1647](#) —Water Infrastructure Trust Fund Act of 2017

Sponsor: [Rep. Blumenauer, Earl \[D-OR-3\]](#) (Introduced 03/21/2017) **Cosponsors:** (2)

Committees: House - Energy and Commerce, Ways and Means, Transportation and Infrastructure **Latest Action:** House - 03/24/2017 Referred to the Subcommittee on Environment.

[H.R.1669](#) —Partnership to Build America Act of 2017

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

Committees: House - Transportation and Infrastructure, Ways and Means **Latest Action:** House - 03/23/2017 Referred to the Subcommittee on Water Resources and Environment.

[H.R.2510](#) —Water Quality Protection and Job Creation Act of 2017

Sponsor: [Rep. DeFazio, Peter A. \[D-OR-4\]](#) (Introduced 05/18/2017) **Cosponsors:** (28)

Committees: House - Transportation and Infrastructure **Latest Action:** House - 05/19/2017 Referred to the Subcommittee on Water Resources and Environment.

[H.R.2799](#) —Western Water Recycling and Drought Relief Act

Sponsor: [Rep. McNerney, Jerry \[D-CA-9\]](#) (Introduced 06/07/2017) **Cosponsors:** (6)
Committees: House - Natural Resources **Latest Action:** House - 06/16/2017 Referred to the Subcommittee on Water, Power and Oceans.

[H.R.3275](#) —Water and Energy Sustainability through Technology Act

Sponsor: [Rep. McNerney, Jerry \[D-CA-9\]](#) (Introduced 07/17/2017) **Cosponsors:** (15)
Committees: House - Energy and Commerce, Natural Resources, Transportation and Infrastructure, Agriculture, Science, Space, and Technology, Ways and Means, Foreign Affairs
Latest Action: House - 08/08/2017 Referred to the Subcommittee on Conservation and Forestry.

[H.R.4492](#) —Water Infrastructure Finance and Innovation Reauthorization Act of 2017

Sponsor: [Rep. Mast, Brian J. \[R-FL-18\]](#) (Introduced 11/30/2017) **Cosponsors:** (6)
Committees: House - Transportation and Infrastructure, Energy and Commerce
Latest Action: House - 12/01/2017 Referred to the Subcommittee on Environment.

[H.R.5127](#) — 115th Congress (2017-2018)Water Recycling Investment and Improvement Act

Sponsor: [Rep. Napolitano, Grace F. \[D-CA-32\]](#) (Introduced 2/27/2018) **Cosponsors:** (16)
Committees: House - Natural Resources, Transportation and Infrastructure
Latest Action: House - 03/06/2018 Referred to the Subcommittee on Water, Power and Oceans.

[H.R.5609](#) —Water Affordability, Transparency, Equity, and Reliability Act of 2018

Sponsor: [Rep. Ellison, Keith \[D-MN-5\]](#) (Introduced 4/25/2018) **Cosponsors:** (37)
Committees: House - Transportation and Infrastructure, Energy and Commerce, Ways and Means, Agriculture **Latest Action:** House - 05/22/2018 Referred to the Subcommittee on Commodity Exchanges, Energy, and Credit.

[H.R.5596](#) —Water Infrastructure Resiliency and Sustainability Act of 2018

Sponsor: [Rep. Carbajal, Salud O. \[D-CA-24\]](#) (Introduced 04/24/2018) **Cosponsors:** (2)
Committees: House - Transportation and Infrastructure, Energy and Commerce, Natural Resources **Latest Action:** House - 05/01/2018 Referred to the Subcommittee on Water, Power and Oceans.

[S.1137](#) —Clean Safe Reliable Water Infrastructure Act

Sponsor: [Sen. Cardin, Benjamin L. \[D-MD\]](#) (Introduced 05/16/2017) **Cosponsors:** (3)
Committees: Senate - Environment and Public Works **Latest Action:** Senate - 05/16/2017 Read twice and referred to the Committee on Environment and Public Works.

[S.2329](#) —Water Infrastructure Finance and Innovation Reauthorization Act of 2018

Sponsor: [Sen. Hoeven, John \[R-ND\]](#) (Introduced 1/23/2018) **Cosponsors:** (3)
Committees: Senate - Environment and Public Works **Latest Action:** Senate - 01/23/2018 Read twice and referred to the Committee on Environment and Public Works