

Delta Diablo

(a California Special District)

Board of Directors Meeting

4:30 PM, Wednesday, March 13, 2024

2500 Pittsburg-Antioch Highway, Antioch, CA 94509

The Board of Directors Meeting will be conducted as an in-person meeting that is open to members of the public. Persons who wish to address the Board during Public Comments or with respect to a specific Agenda item will be limited to two (2) minutes. The Board Chair may reduce the amount of time allotted per speaker for Public Comments or specific Agenda item(s) depending on the number of speakers and the business of the day.

Presentations will be available online at <https://www.deltadiablo.org/board-meetings> approximately one hour prior to the start of the Board meeting. A copy of the presentations will also be available for inspection at the meeting and at the District Administration Building located at 2500 Pittsburg-Antioch Highway, Antioch, California.

AGENDA

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. RECOGNITION

Congratulate Alonso Rodriguez on His Promotion to Construction Inspector
(Thanh Vo)

E. CONSENT CALENDAR

- 1) **Approve** Minutes of Special Board of Directors Meeting, February 21, 2024
(Cecelia Nichols-Fritzler)
- 2) **Receive** District Monthly Check Register for February 2024 (Eka Ekanem)
- 3) **Approve** Amended Debt Management and Continuing Disclosure (Policy No. 3075)
(Nitish Sharma)

F. DELIBERATION ITEMS – None.

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

G. PRESENTATIONS AND REPORTS

- 1) **Receive** Report on Major Factors Impacting 5-Year Capital Improvement Program Development and Financial Assumptions (Brian Thomas)
- 2) **Receive** Update on Information Technology Roadmap Implementation (Jason Piper)

H. GENERAL MANAGER COMMENTS

I. BOARD MEMBER COMMENTS

J. CORRESPONDENCE

Receive Monthly Lobbyist Report dated February 2024, Key Advocates, Inc., Western Recycled Water Coalition (Brian Thomas)

K. CLOSED SESSION

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

Agency Negotiators: Vince De Lange, Kelly Tuffo

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

Unrepresented Employees: All unrepresented employees

L. ADJOURNMENT

The next regular Board of Directors Meeting is scheduled for 4:30 pm on April 10, 2024.

March 13, 2024

CONGRATULATE ALONSO RODRIGUEZ ON HIS PROMOTION TO CONSTRUCTION INSPECTOR

Recommendation

Congratulate Mr. Alonso Rodriguez on his recent promotion to Construction Inspector at the District.

Background Information

Following a comprehensive and competitive recruitment and selection process to fill the vacant Construction Inspector position, Mr. Rodriguez was selected as the most qualified candidate and was promoted to this position, effective March 4, 2024.

Analysis

Mr. Rodriguez began his employment with the District as a Collection System Worker II on September 28, 2015. He brings over 13 years of experience in collections, maintenance, and inspection activities within the water and wastewater industry to this new role. His prior work experience with the City of Pittsburg on pipeline repair and installation, combined with his expertise in inspecting and maintaining the Bay Point collection system and gravity interceptors, positions him for success in this new position in which he will provide construction inspection services on capital improvement and development projects.

Financial Impact

Sufficient funding for this position is included in the adopted FY23/24 Budget.

Attachments – None.

Reviewed by: _____



Murat Bozkurt
Engineering Services Director/District Engineer

cc: Mr. Alonso Rodriguez, Construction Inspector
District File No. BRD.01-ACTS



March 13, 2024

**APPROVE MINUTES OF SPECIAL BOARD OF DIRECTORS MEETING,
FEBRUARY 21, 2024****Recommendation**

Approve Minutes of Special Board of Directors Meeting on February 21, 2024.

DRAFT

Special Board of Directors Meeting Minutes
DELTA DIABLO
February 21, 2024

The meeting was called to order by Chair Monica Wilson at 4:31 pm, on Wednesday, February 21, 2024. Present were Vice Chair Federal Glover and Director Juan Banales. Also present were Rebecca Hooley, District Counsel; Vince De Lange, General Manager; Dean Eckerson, Resource Recovery Services Director; Nitish Sharma, Business Services Director; Murat Bozkurt, Engineering Services Director/District Engineer; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Anika Lyons, Finance Manager; Amanda Roa, Environmental Programs Manager (and Management Association bargaining unit representative); Joaquin Gonzalez, Operations Manager (and Management Association bargaining unit representative); Jason Piper, Information Technology Manager; Mark Guadagni, Associate Engineer; Sean Williams, Associate Engineer; Celia Kitchell, Assistant Engineer (and Professional & Technical bargaining unit representative); Yasmin Aspiras, Chemist II; and Katusca Zuniga, Chemist I.

PUBLIC COMMENTS – None.

RECOGNITION**Adopt Resolution Commending Outgoing Board Chair Juan Banales for His Service to the District as Chair**

Chair Wilson commended outgoing Chair Banales and congratulated him on a successful year serving as Board Chair. She acknowledged his calm demeanor and thanked him for his leadership. Chair Glover thanked him for his leadership as Board Chair and Chair of the Finance Committee.

Mr. De Lange highlighted the District's key accomplishments during outgoing Chair Banales' tenure in 2023, including demonstrating strong fiscal responsibility, investing in critical infrastructure, executing a Project Labor Agreement, and advancing strategic planning efforts related to nutrient management.

Chair Banales expressed his appreciation to the Board and acknowledged the dedicated work of District staff.

Vice Chair Glover moved approval, seconded by Chair Wilson, and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*), the Resolution Commending Outgoing Board Chair Juan Banales for His Service to the District as Chair was adopted.



Introduction of Yasmin Aspiras, Chemist II, to the District

Mr. Eckerson introduced Ms. Aspiras, who joined the District on January 22, 2024. He noted that she has 21 years of professional laboratory experience with increasing responsibility and earned CWEA Laboratory Analyst Grade III certification and a B.S. Degree in Food Science from UC Davis. Ms. Aspiras shared her enthusiasm for applying her background and experience at the District and thanked the Board for the opportunity. The Board welcomed Ms. Aspiras to the District.

Introduction of Katusca Zuniga, Chemist I, to the District

Mr. Eckerson introduced Ms. Zuniga, who joined the District on January 22, 2024. He noted that she has 7 years of professional laboratory experience and possesses a B.S. Degree in Microbiology from San Jose State University. Ms. Zuniga thanked the Board for the opportunity. The Board welcomed Ms. Zuniga to the District.

Receive Presentation of Distinguished Budget Presentation Award, and Recognize and Commend Finance Division for Receiving Certificate of Recognition for Budget Preparation for FY23/24 from Government Finance Officers Association

Ms. Lyons presented two awards received from GFOA, including the FY23/24 Distinguished Budget Presentation Award, which recognizes agencies that meet the highest principles of governmental budgeting and excellence in state and local government financial reporting, and the Certificate of Recognition for Budget Preparation, which recognizes the Finance Division for its direct role in preparing the budget document. The Board thanked Ms. Lyons for the presentation and congratulated the Finance Division on these achievements.

CONSENT CALENDAR

Vice Chair Glover moved approval of the Consent Calendar, seconded by Director Banales and by roll call vote (*Ayes: Banales, Glover, and Wilson; Noes: None; Absent: Abstain: None*), the following Consent Calendar items were approved: Approve Minutes of Board of Directors Meeting, January 10, 2024; Receive District Monthly Check Register for December 2023 and January 2024; Authorize General Manager to Execute General Services Contract with Modified Indemnification Language and Issue Purchase Order in the Amount of \$34,182, Schneider Electric Buildings Americas, Inc., HVAC Services; Authorize General Manager to Execute General Services Contract with Modified Indemnification Language, in an Amount Not to Exceed \$105,000, Hanson Bridgett, LLP., Alternative Project Delivery Procurement Contract Development Services, Antioch Pump Station and Conveyance System Improvements, Project No. 20121; Receive Second Quarter Fiscal Year 2023/2024 District Investment Report; Accept Project as Complete and Authorize General Manager to File Notice of Completion, Construction Corp DBA: CIC, Onsite Fueling Station Replacement, Project No. 19112; and Authorize Amendment to Purchase Order in the Amount of \$168,000, for a New Total Amount Not to Exceed \$433,000, Polydyne, Inc., Supply and Delivery of Dry Polymer for FY23/24.

DELIBERATION ITEMS – None.



PRESENTATIONS AND REPORTS

Receive Update on San Francisco Bay Nutrient Management Regulations and Other Key Regulatory Issues

Ms. Roa provided an update regarding expected nutrient removal requirements, which are now expected to add >\$140-200+ million to the District's 10-year Capital Improvement Program with associated rate impacts and external funding needs. She noted that the most Bay Area agencies originally anticipated voluntary nutrient reductions with extended long-term compliance timelines; however, algal blooms in 2022 and 2023 placed increasing external pressure on the Regional Water Board to require nutrient removal with a 10-year compliance schedule. Ms. Roa noted the District's intent to review and comment on the administrative draft Nutrient Watershed Permit 3.0, initiate detailed design for Phase 1 of the Secondary Process Improvements Project, continue evaluating nutrient removal alternatives, and present an associated preliminary approach, capital cost estimate, and funding plan at the March 2024 Board Meeting.

Mr. De Lange highlighted recent positive engagement with U.S. EPA staff regarding funding opportunities through the Water Infrastructure Financing and Innovation Act, which could help mitigate near-term financial and rate impacts on customers.

In addition, Ms. Roa provided updates on reissuance of the District's WWTP NPDES permit, anticipated air permit conditions for the Cogeneration System Improvements Project, fleet vehicle electrification requirements, wipes legislation, and PFAS issues. Ms. Roa provided responses to clarifying questions from Chair Glover. Chair Wilson thanked Ms. Roa for the presentation.

GENERAL MANAGER COMMENTS

Mr. De Lange commented that he and Brian Thomas, Deputy General Manager, will be attending the CASA Conference in Washington, D.C., next week with advocacy meetings scheduled with Congressmen Garamendi and DeSaulnier.

BOARD MEMBER COMMENTS – None.

CORRESPONDENCE – None.

CLOSED SESSION

Chair Wilson convened to Closed Session at 5:04 pm.

ADJOURNMENT

Chair Wilson reconvened to Regular Session at 5:14 pm. Ms. Hooley announced there was nothing to report out of Closed Session. Chair Wilson adjourned the meeting at 5:15 pm and noted the next regular Board of Directors Meeting is scheduled for 4:30 pm on March 13, 2024.

Juan Banales
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS



March 13, 2024

RECEIVE DISTRICT MONTHLY CHECK REGISTER FOR FEBRUARY 2024

Recommendation

Receive the District Monthly Check Register for the month ending February 29, 2024.

Background Information


Attached is the Check Register for February 2024. The report reflects payments to the District's suppliers, consultants, service providers, and contractors. A total of \$2,775,456.13 was disbursed in February 2024, which includes 231 payments.

Financial Impact

All payments made during February 2024 are within funding levels included in the adopted FY23/24 Budget.

Attachment

Check Register for the month ending February 29, 2024

Reviewed by: 
Nitish Sharma
Business Services Director

cc: District File No. BRD.01-ACTS



CHECK REGISTER
DELTA DIABLO
CASH DISBURSEMENTS FOR THE MONTH OF FEBRUARY 2024

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/2/2024	UNIVAR USA INC	64508	39824	9,201.88	SODIUM BISULFITE	9,201.88
2/9/2024	UNIVAR USA INC	64566	39825	8,671.15	SODIUM BISULFITE	8,671.15
2/23/2024	SUN LIFE ASSURANCE COMPANY OF CANADA	64887	40213	743.92	P/R DENTAL INSURANCE PAYABLE	743.92
2/23/2024	UNIVAR USA INC	64697	40214	9,185.55	SODIUM BISULFITE	9,185.55
2/1/2024	ABSOLUTE PLUMBING, INC	64457	41632	997.19	SERVICES PROVIDED TO THE DISTRICT - HYDRO TRUCK TA	997.19
2/1/2024	APPLIED TECHNOLOGY GROUP, INC.	64625	41633	4,643.40	TROUBLESHOOTING RADIO COMMUNICATION FAILURES	4,643.40
2/1/2024	ASSOCIATED SERVICES COMPANY	64432	41634	235.33	COFFEE AND COFFEE SUPPLIES	235.33
2/1/2024	AT&T	64584	41635	2,804.00	PHONE EXP	2,804.00
2/1/2024	BATTALION ONE FIRE PROTECTION, INC	64588	41636	1,110.00	FIRE ALARM AND SUPPRESSION VENDOR	1,110.00
2/1/2024	CALTEST ANALYTICAL LABORATORY	64412 64459 64460	41637	126.00 126.00 126.00	CONTRACT LABORATORY TESTING CONTRACT LABORATORY TESTING CONTRACT LABORATORY TESTING	378.00
2/1/2024	CENTER FOR HEARING HEALTH, INC	64458	41638	2,700.00	2024 ANNUAL AUDIOGRAMS	2,700.00
2/1/2024	CSMFO	64596	41639	135.00	M&D - ANIKA LYONS	135.00
2/1/2024	CUPERTINO ELECTRIC, INC	64532	41640	100,245.00	CONSTRUCTION SERVICES FOR PROJECT NO. 17120	100,245.00
2/1/2024	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE INC (ESRI)	64626	41641	10,000.00	SOFTWARE RENEWAL - ESRI (ARCGIS) YEAR TWO	10,000.00
2/1/2024	FASTENAL COMPANY	64407 64408 64409 64444 64462	41642	352.33 3,668.96 865.97 273.39 163.73	FASTENAL BLANKET PO FY-24 FASTENAL BLANKET PO FY-24 FASTENAL BLANKET PO FY-24 FASTENAL BLANKET PO FY-24 FASTENAL BLANKET PO FY-24	5,324.38
2/1/2024	FISHER SCIENTIFIC COMPANY, LLC	64585	41643	486.34	LABORATORY SUPPLIES	486.34
2/1/2024	GOVERNMT FINANCE OFFICERS ASSC	64597	41644	149.00	EMPYEE TRAIN & PROFL DEV	149.00
2/1/2024	HARVEST TECHNICAL SERVICES INC	64581	41645	2,201.13	O/S TEMP	2,201.13
2/1/2024	HDR ENGINEERING, INC.	64435	41646	5,570.59	GIS SERVICES	5,570.59

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/1/2024	HUNT & SONS INC		41647			1,633.95
		64583		1,633.95	DISTRICT FUEL SERVICES	
2/1/2024	KENNEDY/JENKS CONSULTANTS INC.		41648			16,051.00
		64554		14,930.98	ASSET MANAGEMENT PROGRAM DEVELOPMENT PN 19109	
		64555		1,120.02	ASSET MANAGEMENT PROGRAM DEVELOPMENT PN 19109	
2/1/2024	KISHORE LAL		41649			4,358.00
		64499		4,358.00	CFCC - REFUND	
2/1/2024	LARRY WALKER ASSOCIATES		41650			762.50
		64436		762.50	NPDES REGULATORY REISSUANCE & REGULATORY SUPPORT	
2/1/2024	LEE & RO, INC.		41651			12,383.74
		64564		12,383.74	DESIGN SERVICES DURING CONSTRUCTION	
2/1/2024	McCAULEY AGRICULTURAL & PEST SERVICES		41652			500.00
		64245		500.00	VEGETATION MANAGEMENT FOR THE DISTRICT	
2/1/2024	ODP BUSINESS SOLUTIONS LLC		41653			450.28
		64423		35.11	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64425		52.81	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64426		70.08	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64427		39.02	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64428		137.88	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64429		39.92	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64542		75.46	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
2/1/2024	OFFICE RELIEF		41654			1,282.32
		64471		1,282.32	OFFICE RELIEF CHAIR	
2/1/2024	QUADIENT, INC		41655			59.43
		64624		59.43	POSTAGE FEES	
2/1/2024	QUADIENT LEASING USA, INC.		41656			446.14
		64622		223.07	POSTAGE FEES	
		64623		223.07	POSTAGE FEES	
2/1/2024	RH TECHNOLOGY		41657			4,897.92
		64536		1,081.20	O/S TEMP	
		64537		1,221.12	O/S TEMP	
		64538		2,595.60	O/S TEMP	
2/1/2024	SNAP-ON TOOLS CORPORATION		41658			2,419.42
		64494		388.12	HAND TOOLS	
		64495		831.27	HAND TOOLS	
		64496		339.39	HAND TOOLS	
		64497		860.64	HAND TOOLS	
2/1/2024	STANDARD INSURANCE COMPANY		41659			4,373.86
		64505		4,373.86	LIFE & LTD INS.	
2/1/2024	STANDARD INSURANCE COMPANY		41660			4,300.72
		64592		4,300.72	LIFE & LTD INS.	
2/1/2024	STANDARD INSURANCE COMPANY		41661			4,311.81
		64593		4,311.81	LIFE & LTD INS.	
2/1/2024	TOSHIBA INTERNATIONAL CORP		41662			410.57
		64414		410.57	TOSHIBA COPIER AND PRINTER SUPPLIES	
2/1/2024	US POSTAL SERVICE-NEOPOST		41663			2,000.00
		64634		2,000.00	POSTAGE	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/1/2024	VERIZON WIRELESS		41664			8,070.68
		64589		4,730.36	PHONE	
		64590		3,340.32	PHONE	
2/1/2024	WORKERS.COM		41665			1,477.44
		64582		1,477.44	O/S TEMP	
2/1/2024	YORKE ENGINEERING, LLC		41666			1,187.50
		64419		1,187.50	AIR QUALITY SUPPORT AND COMPLIANCE ASSISTANCE	
2/8/2024	AFSCME DISTRICT COUNCIL 57		41667			5,109.48
		5627028		3,511.28	UNION DUES O&M	
		5627128		1,598.20	UNION DUES P&T	
2/8/2024	CITY OF ANTIOCH- WATER		41668			6,389.09
		64710		66.81	AC# 013-00023	
		64711		94.60	AC# 013-00024	
		64712		94.60	AC# 013-00022	
		64713		94.60	AC# 013-00021	
		64714		5,179.90	AC# 013-00110	
		64715		94.60	AC# 013-01510	
		64716		763.98	AC# 013-01513	
2/8/2024	ARCO BUSINESS SOLUTIONS		41669			3,711.80
		64745		3,711.80	GAS	
2/8/2024	ASSOCIATED SERVICES COMPANY		41670			267.82
		64535		267.82	COFFEE AND COFFEE SUPPLIES	
2/8/2024	BATTALION ONE FIRE PROTECTION, INC		41671			615.00
		64550		615.00	FIRE ALARM AND SUPPRESSION VENDOR	
2/8/2024	BELLECCI & ASSOCIATES, INC.		41672			4,650.00
		64672		4,650.00	BP COLLECTION POINT REPAIR, PN 23119	
2/8/2024	CALTEST ANALYTICAL LABORATORY		41673			1,708.20
		64488		126.00	CONTRACT LABORATORY TESTING	
		64501		126.00	CONTRACT LABORATORY TESTING	
		64557		126.00	CONTRACT LABORATORY TESTING	
		64558		126.00	CONTRACT LABORATORY TESTING	
		64559		997.20	CONTRACT LABORATORY TESTING	
		64562		207.00	CONTRACT LABORATORY TESTING	
2/8/2024	CDW GOVERNMENT, INC.		41674			286.32
		64655		286.32	SOFTWARE PURCHASE - ADOBE ACROBAT	
2/8/2024	CHEMTRADE CHEMICALS US LLC		41675			25,202.34
		64575		4,146.51	ALUMINUM SULFATE	
		64576		4,225.89	ALUMINUM SULFATE	
		64577		4,197.74	ALUMINUM SULFATE	
		64578		4,187.28	ALUMINUM SULFATE	
		64579		4,231.30	ALUMINUM SULFATE	
		64580		4,213.62	ALUMINUM SULFATE	
2/8/2024	CONSTRUCTICON CORPORATION		41676			26,444.69
		64694		26,444.69	CONSTRUCTION SERVICES FOR PROJECT NO. 19112	
2/8/2024	CSRMA		41677			168,755.00
		64704		168,755.00	PROPERTY INSURANCE	
2/8/2024	DATCO		41678			52.00
		64717		52.00	PRE EMPL COST	
2/8/2024	DEPT OF GENERAL SERVICES		41679			162.54
		64595		162.54	UTILITIES	
2/8/2024	DKF SOLUTIONS GROUP, LLC		41680			7,000.00
		64728		7,000.00	VERBAL JUDO TRAINING SESSIONS	
2/8/2024	E-RECYCLING OF CALIFORNIA		41681			312.60
		64540		312.60	EWASTE MANAGEMENT SERVICES FOR HHW PROGRAM	
2/8/2024	EAST BAY TIRE CO.		41682			717.19
		64629		708.95	TIRES FOR DISTRICT VEHICLES	
		64729		8.24	TIRES FOR DISTRICT VEHICLES	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/8/2024	FASTENAL COMPANY		41683			1,268.82
		64500		1,067.49	FASTENAL BLANKET PO FY-24	
		64563		201.33	FASTENAL BLANKET PO FY-24	
2/8/2024	FISHER SCIENTIFIC COMPANY, LLC		41684			95.01
		64587		95.01	LABORATORY SUPPLIES	
2/8/2024	GOLDEN STATE WATER CO.		41685			1,640.59
		64688		1,640.59	AC# 07744100004	
2/8/2024	GOLDEN STATE WATER CO.		41686			957.55
		64689		957.55	AC# 32249200000	
2/8/2024	GP CRANE & HOIST SERVICES		41687			3,345.00
		64665		3,345.00	DISTRICT CRANE SERVICE/ REPAIRS	
2/8/2024	HASA INC.		41688			82,350.39
		64567		13,709.17	SODIUM HYPOCHLORITE	
		64569		13,684.57	SODIUM HYPOCHLORITE	
		64570		13,659.96	SODIUM HYPOCHLORITE	
		64572		13,706.10	SODIUM HYPOCHLORITE	
		64573		13,881.42	SODIUM HYPOCHLORITE	
		64574		13,709.17	SODIUM HYPOCHLORITE	
2/8/2024	HAZARDOUS MATERIALS INSTITUTE		41689			24,258.72
		64561		24,258.72	CONFINED SPACE RESCUE SUPPORT FY 23/24	
2/8/2024	HDR ENGINEERING, INC.		41690			86,608.78
		64548		86,608.78	ENGINEERING DESIGN SERVICES FOR PN 22129	
2/8/2024	HUNT & SONS INC		41691			3,652.88
		64544		1,348.92	DISTRICT FUEL SERVICES	
		64545		1,139.97	DISTRICT FUEL SERVICES	
		64546		1,163.99	DISTRICT FUEL SERVICES	
2/8/2024	ICS INTEGRATED COMMUNICATION SYSTEMS		41692			5,343.06
		64643		5,343.06	HARDWARE PURCHASE - BOARDROOM AMP REPLACEMENT	
2/8/2024	IDEXX DISTRIBUTION, INC		41693			1,422.77
		64737		1,422.77	IDEXX LAB SUPPLIES	
2/8/2024	IN SHAPE HEALTH CLUBS		41694			502.50
		64705		502.50	GYM	
2/8/2024	KENNEDY/JENKS CONSULTANTS INC.		41695			10,772.83
		64556		10,772.83	ASSET MANAGEMENT PROGRAM DEVELOPMENT PN 19109	
2/8/2024	KOA HILLS CONSULTING LLC.		41696			712.50
		64552		712.50	AOD SERVICES FY23/24	
2/8/2024	LANSWEEPER INC		41697			4,000.00
		64472		4,000.00	SOFTWARE PURCHASE - LANSWEEPER 1-YEAR	
2/8/2024	McCAULEY AGRICULTURAL & PEST SERVICES		41698			1,500.00
		64611		75.00	PEST CONTROL SERVICES	
		64612		825.00	PEST CONTROL SERVICES	
		64613		60.00	PEST CONTROL SERVICES	
		64614		60.00	PEST CONTROL SERVICES	
		64615		60.00	PEST CONTROL SERVICES	
		64616		60.00	PEST CONTROL SERVICES	
		64617		60.00	PEST CONTROL SERVICES	
		64619		300.00	PEST CONTROL SERVICES	
2/8/2024	MDRR PITTSBURG		41699			5,530.30
		64706		1,514.15	AC# 10-0018920	
		64707		4,016.15	AC# 10-0031550	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/8/2024	ODP BUSINESS SOLUTIONS LLC		41700			1,137.36
		64543		318.12	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64647		433.39	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64651		340.75	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64652		45.10	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
2/8/2024	PACIFIC GAS & ELECTRIC COMPANY		41701			52,043.54
		64448		52,043.54	AC# 4835091675-4	
2/8/2024	PACIFIC GAS & ELECTRIC COMPANY		41702			52,647.10
		64591		52,647.10	AC# 5138050344-4	
2/8/2024	PACIFIC GAS & ELECTRIC COMPANY		41703			53.70
		64708		53.70	UTILITIES	
2/8/2024	PACIFIC GAS & ELECTRIC COMPANY		41704			334.04
		64709		334.04	UTILITIES	
2/8/2024	PACIFIC WATER RESOURES		41705			148,361.27
		64736		148,361.27	REPLACEMENT PUMP PARTS	
2/8/2024	PATTERSON LIFT TRUCKS, INC.		41706			2,669.32
		64664		1,307.31	TCM FORKLIFT REPAIRS	
		64684		1,362.01	TCM FORKLIFT REPAIRS	
2/8/2024	PITTSBURG WINSUPPLY		41707			3,742.69
		64357		3,742.69	SS MATERIALS	
2/8/2024	CITY OF PITTSBURG		41708			1,187.86
		64687		1,187.86	UTILITIES	
2/8/2024	POLYDYNE INC		41709			37,394.57
		64507		37,394.57	DRY POLY	
2/8/2024	PSOMAS		41710			61,055.00
		64661		7,865.00	CONSTRUCTION & COATING INSPECTION SVS PN 21118	
		64663		53,190.00	CONSTRUCTION MANAGEMENT SERVICES	
2/8/2024	QUALITY SCALE, INC		41711			1,311.47
		64353		1,311.47	BI-ANNUAL PM SERVICE & W&M SEALING	
2/8/2024	RH TECHNOLOGY		41712			13,252.81
		64649		1,666.85	O/S TEMP	
		64650		2,035.20	O/S TEMP	
		64667		2,000.00	O/S TEMP	
		64668		1,525.00	O/S TEMP	
		64721		1,802.00	O/S TEMP	
		64722		1,628.16	O/S TEMP	
		64723		2,595.60	O/S TEMP	
2/8/2024	SNAP-ON TOOLS CORPORATION		41713			1,433.58
		64586		1,433.58	HAND TOOLS	
2/8/2024	STATE OF CALIFORNIA		41714			1,040.59
		5988234		125.00	EARNINGS GARNISHMENT	
		6334010		915.59	EARNINGS GARNISHMENT	
2/8/2024	TRI-VALLEY JANITORIAL SERVICE & SUPPLY INC,		41715			434.50
		64539		434.50	NIGHTLY JANITORIAL SERVICES	
2/8/2024	U.S. BANK CM-9703		41716			875.00
		64660		875.00	BANK FEE	
2/8/2024	UNIFIRST FIRST AID CORP		41717			3,688.38
		64749		1,443.04	FIRST AID SUPPLIES	
		64750		2,245.34	FIRST AID SUPPLIES	
2/8/2024	UNITED RENTALS		41718			7,747.63
		64632		1,597.11	SCISSOR LIFT RENTAL	
		64732		5,980.07	AERIAL LIFT RENTAL	
		64733		170.45	AERIAL LIFT RENTAL	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/8/2024	VMWARE INC	64720	41719	1,368.20	SOFTWARE RENEWAL - VMWARE SUPPORT	1,368.20
2/8/2024	WORKERS.COM	64677	41720	1,477.44	O/S TEMP	1,477.44
2/15/2024	ALHAMBRA & SIERRA SPRGS WATER	64813	41721	368.67	BLANKET PO FOR WATER 7-2023 TO 6-2024	368.67
2/15/2024	ALPHA MEDIA II LLC	64676	41722	750.00	PUBLIC OUTREACH RADIO ADS	750.00
2/15/2024	BATTALION ONE FIRE PROTECTION, INC	64551	41723	1,050.00	FIRE ALARM AND SUPPRESSION VENDOR	1,050.00
2/15/2024	CALTEST ANALYTICAL LABORATORY	64640	41724	1,107.90	CONTRACT LABORATORY TESTING	1,107.90
2/15/2024	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC	64594	41725	40,451.22	PROVIDE TRANS/DISPOSAL/LABOR FOR HHW & TEMP EVENTS	40,451.22
2/15/2024	CLEAN HARBORS ENVIRONMENTAL	64826	41726	16,859.06	MARINE FLARE COLLECTION EVENT	16,859.06
2/15/2024	CON-QUEST CONTRACTORS, INC	64807	41727	61,100.20	CONSTRUCTION SERVICES PN 21114	61,100.20
2/15/2024	CONTRA COSTA WATER DISTRICT	64819	41728	27.33	UTILITIES	27.33
2/15/2024	CONVERGEONE INC	64644	41729	5,891.40	SOFTWARE RENEWAL - DUO SECURITY APPLICATION	5,891.40
2/15/2024	CORELOGIC INFORMATION SOLUTIONS, INC	64757	41730	165.00	REALQUEST PROPERTY INFORMATION	165.00
2/15/2024	CROPPER ACCOUNTANCY CORP	64754	41731	1,125.00	AUDIT SERVICES FOR FYE 06/30/2023	1,125.00
2/15/2024	VINCENT DE LANGE	64803	41732	159.80	T&M	159.80
2/15/2024	DIABLO WATER DISTRICT	64820	41733	326.74	UTILITIES	326.74
2/15/2024	ERIKS NORTH AMERICA, INC.	64608	41734	94.23	INVTY U104090	94.23
2/15/2024	FISHER SCIENTIFIC COMPANY, LLC	64645 64646 64681	41735	1,029.03 1,609.19 68.13	LABORATORY SUPPLIES LABORATORY SUPPLIES LABORATORY SUPPLIES	2,706.35
2/15/2024	FRANK A. OLSEN CO.	64604	41736	3,050.00	INVTY U104084	3,050.00
2/15/2024	GALLAGHER BENEFIT SERVICES INC	64751	41737	1,050.00	TOTAL COMP STUDY	1,050.00
2/15/2024	GRAINGER	64606 64747	41738	854.06 242.67	INVTY U104094 MAINTENANCE DIVISION REPAIRS & MAINTENANCE PO	1,096.73
2/15/2024	HARVEST TECHNICAL SERVICES INC	64724 64725	41739	1,787.84 3,256.00	O/S TEMP O/S TEMP	5,043.84

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/15/2024	HASA INC.		41740			27,387.59
		64571		13,672.26	SODIUM HYPOCHLORITE	
		64698		13,715.33	SODIUM HYPOCHLORITE	
2/15/2024	HUNT & SONS INC		41741			3,871.44
		64656		2,335.74	DISTRICT FUEL SERVICES	
		64657		1,535.70	DISTRICT FUEL SERVICES	
2/15/2024	INFERRERA CONSTRUCTION MANAGEMENT GROUP INC.		41742			3,314.03
		64641		3,314.03	CSC PN 80008 (17128, 17129, 17	
2/15/2024	IRONHOUSE SANITARY DISTRICT		41743			2,713.45
		64768		2,713.45	PERMIT & REG FEES	
2/15/2024	JWC ENVIRONMENTAL		41744			3,785.65
		64609		3,785.65	INVTY U104086	
2/15/2024	KEMIRA WATER SOLUTIONS, INC.		41745			10,092.32
		64696		10,092.32	FERROUS CHLORIDE	
2/15/2024	KOA HILLS CONSULTING LLC.		41746			2,945.00
		64682		2,945.00	AOD SERVICES FY23/24	
2/15/2024	LANGUAGE TESTING INTERNATIONAL INC		41747			63.00
		64804		63.00	POST-EMPLOYMENT COSTS	
2/15/2024	LYSTEK INTERNATIONAL LIMITED		41748			10,098.62
		64674		10,098.62	BIOSOLIDS DISPOSAL	
2/15/2024	MBS ENGINEERING INC		41749			82,438.85
		64806		82,438.85	CONSTRUCTION SERVICES PN 21118	
2/15/2024	MEYERS NAVE		41750			403.38
		64642		403.38	LEGAL SERVICES	
2/15/2024	MSC INDUSTRIAL SUPPLY CO. INC.		41751			3,521.17
		64602		258.26	INVTY U104068	
		64746		2,815.91	MAINTENANCE SHOP MILL AND LATHE TOOLING	
		64779		34.94	INVTY U104095	
		64781		412.06	INVTY U104095	
2/15/2024	NEW IMAGE LANDSCAPE COMPANY		41752			2,563.00
		64675		2,563.00	LANDSCAPE SERVICES	
2/15/2024	NORTHPOINT SECURITY SERVICES, INC		41753			8,150.24
		64627		8,150.24	SECURITY PATROL SERVICES	
2/15/2024	NWN CORPORATION		41754			3,032.69
		64822		3,032.69	PHONE EXP	
2/15/2024	ODP BUSINESS SOLUTIONS LLC		41755			154.16
		64648		47.40	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64653		49.82	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64726		56.94	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
2/15/2024	OFFICE RELIEF		41756			630.84
		64639		630.84	ERGONOMIC CHAIR	
2/15/2024	PACIFIC ECO-RISK LABORATORIES		41757			570.00
		64748		570.00	CHRONIC TOXICITY TESTING	
2/15/2024	PACIFIC GAS & ELECTRIC COMPANY		41758			340,929.80
		64758		340,929.80	AC# 4835091675-4	
2/15/2024	PACIFIC GAS & ELECTRIC COMPANY		41759			79,588.36
		64760		79,588.36	AC# 4887173962-8	
2/15/2024	PACIFIC GAS & ELECTRIC COMPANY		41760			60,277.58
		64827		60,277.58	AC# 4835091675-4	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/15/2024	PSOMAS		41761			10,765.25
		64662		6,075.25	CM&I SERVICES FOR PN21123	
		64743		630.00	INSPECTION SRVCS ONSITE FUELING STATION PN 19112	
		64744		4,060.00	INSPECTION SRVCS ONSITE FUELING STATION PN 19112	
2/15/2024	PUMP REPAIR SERVICE		41762			815.17
		64610		815.17	INVTY U104069	
2/15/2024	QUENVOLD'S		41763			385.16
		64658		137.13	SAFETY SHOES	
		64659		248.03	SAFETY SHOES - JASON BOOE	
2/15/2024	READY PRINT		41764			316.08
		64598		316.08	STATIONERY SUPPLIES	
2/15/2024	REPUBLIC SERVICES #210		41765			12,679.67
		64738		1,252.00	WASTE	
		64739		11,427.67	WASTE	
2/15/2024	RH TECHNOLOGY		41766			10,079.14
		64331		2,039.04	O/S TEMP	
		64373		2,076.48	O/S TEMP	
		64455		2,595.60	O/S TEMP	
		64809		1,790.74	O/S TEMP	
		64810		1,577.28	O/S TEMP	
2/15/2024	ROGERS MACHINERY COMPANY, INC		41767			693.21
		64599		191.82	INVTY U104046	
		64600		322.91	INVTY U104085	
		64601		178.48	INVTY U104085	
2/15/2024	THE NEW YORK BLOWER COMPANY		41768			3,621.75
		64620		3,621.75	REPLACMENT FLANGED INLET ASSEMBLY	
2/15/2024	UNITED RENTALS		41769			4,058.06
		64741		678.34	70KW PORTABLE GENERATOR RENTAL FOR PITTSBURG PS	
		64742		3,379.72	70KW PORTABLE GENERATOR RENTAL FOR PITTSBURG PS	
2/15/2024	V&A CONSULTING ENGINEERS, INC.		41770			21,282.35
		64808		21,282.35	CCT ASSESSMENT & REPAIR PN 24110	
2/15/2024	WECO INDUSTRIES		41771			115.39
		64678		115.39	MAINTENANCE & REPAIR OF CUES CCTV HARDWARE	
2/22/2024	AFLAC		41772			1,022.46
		64840		1,022.46	INSURANCE	
2/22/2024	MARIA ASCENCIO		41773			3,940.00
		64483		3,940.00	CFCC - REFUND	
2/22/2024	ASSOCIATED SERVICES COMPANY		41774			372.26
		64685		372.26	COFFEE AND COFFEE SUPPLIES	
2/22/2024	CALTEST ANALYTICAL LABORATORY		41775			378.00
		64692		126.00	CONTRACT LABORATORY TESTING	
		64693		126.00	CONTRACT LABORATORY TESTING	
		64755		126.00	CONTRACT LABORATORY TESTING	
2/22/2024	CDW GOVERNMENT, INC.		41776			4,007.97
		64756		4,007.97	HARDWARE PURCHASE - SURFACE PRO 9	
2/22/2024	DOLORES CENTENO		41777			3,940.00
		64476		3,940.00	CFCC - REFUND	
2/22/2024	MANDELL COATS		41778			4,358.00
		64484		4,358.00	CFCC - REFUND	
2/22/2024	COLLICUTT ENERGY SERVICES, INC.		41779			15,196.52
		64886		15,196.52	GENERATOR CONDITION ASSESSMENT AND REPAIRS	

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2/22/2024	E-RECYCLING OF CALIFORNIA	64686	41780	1,202.71	EWASTE MANAGEMENT SERVICES FOR HHW PROGRAM	1,202.71
2/22/2024	ENVIRONMENTAL RESOURCE ASSOCIATES, INC	64857 64858	41781	355.11 1,431.35	QC SAMPLES QC SAMPLES	1,786.46
2/22/2024	FASTENAL COMPANY	64719	41782	423.32	FASTENAL BLANKET PO FY-24	423.32
2/22/2024	FISHER SCIENTIFIC COMPANY, LLC	64718	41783	248.65	LABORATORY SUPPLIES	248.65
2/22/2024	GRAINGER	64673	41784	45.57	MAINTENANCE DIVISION REPAIRS & MAINTENANCE PO	45.57
2/22/2024	CAROLYN GRAY	64477	41785	3,940.00	CFCC - REFUND	3,940.00
2/22/2024	HARVEST TECHNICAL SERVICES INC	64764	41786	3,731.64	O/S TEMP	3,731.64
2/22/2024	DAVID HENNIGAN	64482	41787	4,358.00	CFCC - REFUND	4,358.00
2/22/2024	IB CONSULTING, LLC	64752 64770	41788	770.00 11,000.00	CFCC STUDY FY23-24 RATE STUDY	11,770.00
2/22/2024	SALVADOR LOPEZ	64475	41789	4,358.00	CFCC - REFUND	4,358.00
2/22/2024	TRAILVIEW PARTNERS LLC	64679	41790	7,850.00	EMPYEE TRAIN & PROFL DEV	7,850.00
2/22/2024	MISSION COMMUNICATIONS, LLC	64848	41791	2,872.80	SERVICE PACKAGE-MANHOLE MONITOR- 1 YEAR NON -SHIP,	2,872.80
2/22/2024	SUE THOMASON	64636	41792	1,384.72	INDOOR PLANTS LEASING AND WEEKLY MAINTENANCE	1,384.72
2/22/2024	ALEX NEPOMUCENO	64853	41793	229.50	SAFETY SUPPLIES - SAFETY GLASSES	229.50
2/22/2024	ODP BUSINESS SOLUTIONS LLC	64701 64811 64812	41794	337.43 29.51 30.09	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024 BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024 BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	397.03
2/22/2024	ANTONIO PAZ	64478	41795	4,358.00	CFCC - REFUND	4,358.00
2/22/2024	JAMES PERRY	64481	41796	5,033.00	CFCC - REFUND	5,033.00
2/22/2024	RH TECHNOLOGY	64833 64862 64863 64864	41797	2,076.48 2,076.48 1,221.12 1,441.60	O/S TEMP O/S TEMP O/S TEMP O/S TEMP	6,815.68
2/22/2024	ALFONSO ALVARADO RODRIGUEZ	64480	41798	3,940.00	CFCC - REFUND	3,940.00
2/22/2024	RAMON ROMERO	64479	41799	3,940.00	CFCC - REFUND	3,940.00
2/22/2024	SANTA CLARA SYSTEMS	64784	41800	1,030.59	INVTY U104099	1,030.59

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/22/2024	STATE OF CALIFORNIA		41801			1,040.59
		5988235 6334011		125.00 915.59	EARNINGS GARNISHMENT EARNINGS GARNISHMENT	
2/22/2024	SWEEPING CORP OF AMERICA		41802			40,374.85
		64841		40,374.85	FY23/24 STREET SWEEPING/ ANTIOCH & BAY POINT	
2/22/2024	THERMO FISHER SCIENTIFIC (ASHEVILLE) LLC		41803			14,097.44
		64836		14,097.44	BOD INCUBATOR 3990LT 19.5 CU. FT - LAB EQUIPMENT	
2/22/2024	BRIAN THOMAS		41804			56.62
		64852		56.62	T&M	
2/22/2024	TRI-VALLEY JANITORIAL SERVICE & SUPPLY INC,		41805			9,336.00
		64766		9,336.00	NIGHTLY JANITORIAL SERVICES	
2/22/2024	UNION PACIFIC RAILROAD CO.		41806			755.00
		64837		755.00	PERMIT & REGULATORY FEES PN 23119	
2/22/2024	UNION PACIFIC RAILROAD CO.		41807			755.00
		64838		755.00	PERMIT & REGULATORY FEES PN 23119	
2/22/2024	WECO INDUSTRIES		41808			6,614.48
		64877		6,614.48	QUES CCTV CAMERA HEAD REPAIR	
2/22/2024	WORKERS.COM		41809			1,846.80
		64847		1,846.80	O/S TEMP	
2/22/2024	YELLOW ROOF FOUNDATION		41810			4,358.00
		64485		4,358.00	CFCC - REFUND	
2/22/2024	YELLOW ROOF FOUNDATION		41811			4,358.00
		64486		4,358.00	CFCC - REFUND	
2/22/2024	YELLOW ROOF FOUNDATION		41812			4,358.00
		64487		4,358.00	CFCC - REFUND	
2/29/2024	4IMPRINT INC		41813			7,555.74
		64896		7,555.74	PUBLIC OUTREACH/EDUCATION GIVEAWAYS	
2/29/2024	ABSOLUTE PLUMBING, INC		41814			8,827.00
		64867		8,827.00	SERVICES PROVIDED TO THE DISTRICT - HYDRO TRUCK TA	
2/29/2024	ALPHA CM INC		41815			18,549.00
		64763		18,549.00	CONSTRUCTION MNGMNT & INSPECTION SRVS PN 21114	
2/29/2024	AMERICAN HERMETICS TENNESSEE INC		41816			3,580.00
		64929		3,580.00	DIGESTER GAS CHILLER COMPRESSOR REPLACEMENT	
2/29/2024	ASSOCIATED SERVICES COMPANY		41817			206.41
		64769		206.41	COFFEE AND COFFEE SUPPLIES	
2/29/2024	AT&T		41818			2,796.30
		64907		2,796.30	PHONE EXP	
2/29/2024	BAY AREA AIR QUALITY MNGMENT		41819			8,640.00
		64830		8,640.00	FEES	
2/29/2024	BRENTWOOD PRESS		41820			89.00
		64844		89.00	AD	
2/29/2024	BROWN AND CALDWELL		41821			161,609.97
		64560		161,609.97	PROVIDE CONSULTING SERVICES FOR PN 22114	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/29/2024	CALIFORNIA PRODUCT STEWARDSHIP COUNCIL		41822			25,278.42
		64909		12,202.91	ASSIST WITH IMPLEMENTATION OF CALRECYCLE GRANT -	
		64910		7,968.97	ASSIST WITH IMPLEMENTATION OF CALRECYCLE GRANT -	
		64911		5,106.54	ASSIST WITH IMPLEMENTATION OF CALRECYCLE GRANT -	
2/29/2024	CALTEST ANALYTICAL LABORATORY		41823			126.00
		64815		126.00	CONTRACT LABORATORY TESTING	
2/29/2024	CHEMTRADE CHEMICALS US LLC		41824			16,922.67
		64699		4,342.06	ALUMINUM SULFATE	
		64700		4,208.21	ALUMINUM SULFATE	
		64774		4,156.98	ALUMINUM SULFATE	
		64868		4,215.42	ALUMINUM SULFATE	
2/29/2024	COLLICUTT ENERGY SERVICES, INC.		41825			1,694.10
		64932		1,694.10	GEN2401 FUEL SHUTOFF SOLENOID REPLACEMENT	
2/29/2024	COMCAST BUSINESS COMMUNICATIONS, LLC		41826			860.93
		64938		860.93	PHONE EXP	
2/29/2024	ERIKS NORTH AMERICA, INC.		41827			2,112.69
		64778		2,112.69	INVTY U104090	
2/29/2024	FASTENAL COMPANY		41828			1,346.92
		64850		1,346.92	FASTENAL BLANKET PO FY-24	
2/29/2024	FISHER SCIENTIFIC COMPANY, LLC		41829			2,073.28
		64923		2,073.28	LABORATORY SUPPLIES & EQUIPMENT, PN 22126	
2/29/2024	GRAINGER		41830			2,805.08
		64782		778.01	INVTY U104098	
		64783		1,824.55	INVTY U104100	
		64831		202.52	MAINTENANCE DIVISION REPAIRS & MAINTENANCE PO	
2/29/2024	HASA INC.		41831			84,054.76
		64772		15,041.03	SODIUM HYPOCHLORITE	
		64773		13,851.28	SODIUM HYPOCHLORITE	
		64776		13,706.10	SODIUM HYPOCHLORITE	
		64777		13,736.86	SODIUM HYPOCHLORITE	
		64817		13,856.82	SODIUM HYPOCHLORITE	
		64869		13,862.67	SODIUM HYPOCHLORITE	
2/29/2024	HAZEN & SAWYER		41832			64,216.16
		64930		64,216.16	CONSULTING SERVICES PN 90101	
2/29/2024	HDR ENGINEERING, INC.		41833			3,149.34
		64906		3,149.34	GIS SERVICES	
2/29/2024	NATIONAL SWITCHGEAR SYSTEMS INC		41834			15,442.82
		64885		15,442.82	PPS MAIN BREAKER REPLACEMENT	
2/29/2024	JWC ENVIRONMENTAL		41835			78,585.39
		64828		78,585.39	INVTY U104074	
2/29/2024	KOA HILLS CONSULTING LLC.		41836			1,235.00
		64824		1,235.00	AOD SERVICES FY23/24	
2/29/2024	KONE. INC.		41837			3,176.05
		64931		3,176.05	POC ELEVATOR DOOR REPAIR	
2/29/2024	TRAILVIEW PARTNERS LLC		41838			4,082.00
		64765		4,082.00	EMPYEE TRAIN & PROFL DEV	
2/29/2024	McCAULEY AGRICULTURAL & PEST SERVICES		41839			5,500.00
		64920		3,500.00	VEGETATION MANAGEMENT FOR THE DISTRICT	
		64936		2,000.00	VEGETATION MANAGEMENT FOR THE DISTRICT	

CHECK DATE	VENDOR NAME	INVOICE NO.	CHECK NO.	INVOICE AMOUNT	DESCRIPTION	CHECK AMOUNT
2/29/2024	MSC INDUSTRIAL SUPPLY CO. INC.		41840			829.01
		64918		829.01	INVTY U104101	
2/29/2024	ODP BUSINESS SOLUTIONS LLC		41841			261.83
		64860		202.46	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
		64861		59.37	BLANKET PO FOR OFFICE SUPPLIES 7-2023 TO 6-2024	
2/29/2024	OMNI ALARM SOLUTIONS INC.		41842			408.00
		64922		408.00	FIRE ALARM PANEL MONITORING SERVICE	
2/29/2024	PACIFIC GAS & ELECTRIC COMPANY		41843			50,644.30
		64908		50,644.30	AC# 5138050344-4	
2/29/2024	JUDY PHAN		41844			538.07
		64498		538.07	T&M - WEFTC CHICAGO IL	
2/29/2024	QUALITY SCALE, INC		41845			9,661.96
		64237		7,488.62	SCALE REPAIRS	
		64921		2,173.34	BI-ANNUAL PM SERVICE & W&M SEALING	
2/29/2024	RH TECHNOLOGY		41846			4,650.72
		64925		1,628.16	O/S TEMP	
		64926		720.80	O/S TEMP	
		64927		2,301.76	O/S TEMP	
2/29/2024	SANTA CLARA SYSTEMS		41847			2,942.94
		64871		2,942.94	INVTY U104045	
2/29/2024	SNAP-ON TOOLS CORPORATION		41848			74.97
		64834		74.97	HAND TOOLS	
2/29/2024	STANDARD INSURANCE COMPANY		41849			4,732.98
		64913		4,732.98	LIFE & LTD INS.	
2/29/2024	T & T VALVE AND INSTRUMENT		41850			3,560.51
		64917		3,560.51	INVTY U104104	
2/29/2024	TECHKNOWSION INC.		41851			6,037.50
		64851		6,037.50	SCADA SUPPORT ON CALL / AS NEEDED	
2/29/2024	THE NEW YORK BLOWER COMPANY		41852			237.06
		64835		237.06	REPLACMENT FLANGED INLET ASSEMBLY	
2/29/2024	THOMAS & ASSOCIATES		41853			2,616.92
		64607		2,616.92	INVTY U104087	
2/29/2024	TOSHIBA INTERNATIONAL CORP		41854			447.44
		64814		447.44	TOSHIBA COPIER AND PRINTER SUPPLIES	
2/29/2024	TYLER TECHNOLOGIES, INC.		41855			700.00
		64849		700.00	PROFESSIONAL SERVICES - TYLER MUNIS TRAINING	
2/29/2024	HD SUPPLY FACILITIES MAINTENANCE LTD		41856			650.17
		64786		650.17	INVTY U104102	
2/29/2024	VIZOCOM ICT LLC		41857			691.43
		64780		691.43	INVTY U104093	
2/29/2024	WORKERS.COM		41858			1,846.80
		64897		1,846.80	O/S TEMP	
	GRAND TOTAL					<u>2,775,456.13</u>

March 13, 2024

APPROVE AMENDED DEBT MANAGEMENT AND CONTINUING DISCLOSURE (POLICY NO. 3075)

Recommendation

Approve Amended Administrative Policy No. 3075, “Debt Management and Continuing Disclosure” (Debt Policy).

Background Information

The District's Debt Policy was approved by the Board on November 13, 2019 and outlines guidelines for issuing, managing, and reporting debt obligations essential in financing capital projects and infrastructure improvements necessary for timely replacement of aging infrastructure and to address growth projections. The Debt Policy governs all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation and provide a foundation to take sound financial management actions.

In addition, the Debt Policy complies with Senate Bill 1029 (SB 1029) signed by the California Governor on September 12, 2016, which requires California public agencies issuing debt to adopt debt management policies that include five key elements:

- The purposes for which the debt proceeds may be used
- The types of debt that may be issued
- The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable
- Policy goals related to the issuer's planning goals and objectives
- The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use

SB 1029, which was codified in Government Code Section 8855(i), requires that any issuer of state or local government debt (i.e., District) must submit a report on the issuance of any debt to the California Debt and Investment Advisory Commission (CDIAC), provide certain ongoing reporting related to such debt, and adopt a debt policy concerning any debt issuance. To comply with the U.S. Securities and Exchange Commission's (SEC) recommendation, issuers of municipal securities are advised to implement policies and procedures that ensure compliance and provide training for their initial and continuing disclosure obligations. The Debt Policy also ensures compliance with legal requirements, transparency, and accountability in financial dealings, and federal securities laws and regulations, including SEC Rule 15c2-12, which mandates the disclosure of material events affecting municipal securities. The District has met these obligations for existing debt issuances and will continue to do so for future debt issuances.

Analysis

The amended Debt Policy (attached) will facilitate review by entities such as CDIAC, credit rating agencies, bond counsel and disclosure counsel, investors in the District's debt, and the general public. Transparency is also increased by easing access to relevant information regarding



public debt management. In anticipation of issuing debt related to the Secondary Process Improvements Project, staff reviewed the current Debt Policy and is recommending several changes to improve the District's ability to pursue and be considered favorably for multiple types of debt issuances.


- **Green Bonds:** Incorporate Green Bonds as a funding option in issuing new debt. Green Bonds fund sustainable projects and demonstrate a commitment to sustainability to investors and stakeholders. These debt instruments provide a valuable tool for organizations committed to environmental sustainability and diversified funding sources.
- **Use and Timing of Debt:** The Debt Policy incorporates detailed guidance on the use and timing of debt financing. For instance, long-term debt is suitable for basic services and multi-year projects that do not overburden ratepayers. In contrast, short-term debt is utilized for cash flow and short-lived capital projects. Debt is issued at a fixed rate unless a variable rate is advantageous, and the repayment period is structured so that the weighted average maturity of the debt does not exceed the expected average useful life of the project being financed by more than 20% (revised from 100% in prior Debt Policy).
- **Credit Quality:** Credit quality evaluation necessitates assessing the debt service coverage ratio relative to the total financing needs for capital improvement projects. In line with the guidance provided by the District's Municipal Advisor and credit rating agencies, reducing the minimum debt service coverage ratio from 1.75 to 1.40 is recommended to increase the District's total debt capacity to fund large capital improvement projects. The recommended ratio aligns with debt policy requirements at other wastewater agencies.
- **Other Changes:** Other proposed changes to the updated debt policy involve the inclusion of clarifying language to further improve policy implementation and addition of new debt instruments that the District can consider when assessing the type of debt to be issued that align with the District's overall risk profile.

Financial Impact

Staff has not identified a near-term significant financial impact. The revised Debt Policy supports upcoming debt issuances, which will be presented to the Board for approval in advance and provides additional debt issuance capacity for upcoming capital projects via the proposed reduction in the minimum debt service coverage ratio.

Attachments

1. Debt Management and Continuing Disclosure, Policy No. 3075
2. Debt Management and Continuing Disclosure, Policy No. 3075 (Redline version)

Reviewed by: 

Nitish Sharma
Business Services Director

cc: District File No. BRD.01-ACTS





DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

DRAFT Policy 3075

Effective: March XX, 2024
Supersedes: November 2019

It is the policy of Delta Diablo (District) to: Issue, manage, and report debt obligations associated with financing capital improvement and capacity expansion projects and provide a foundation to take sound financial management actions for all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation (IFC).

Purpose

The Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive written debt management policies as a best management practice to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital financial planning. Additionally, Government Code Section 8855(i) requires public agency issuers of debt to adopt comprehensive written debt management policies. This Debt Management and Continuing Disclosure Policy (Debt Policy) is intended to comply with Government Code Section 8855(i). The purpose of this Debt Policy is to organize and formalize debt issuance and management related policies and procedures for Delta Diablo. This Debt Policy governs all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation. Except where any provision of this Debt Policy refers separately to the IFC, each use of the term “District” in this Debt Policy means the District and the IFC.

State and federal laws and regulations govern the District’s activities under this Debt Policy. In its implementation of this Debt Policy, the District must comply with all applicable state and federal laws and regulations, including but not limited to laws and regulations limiting the types of debt the District may issue and how that debt may be issued, and any applicable appropriations limits and debt limits. Those state and federal laws and regulations may limit the application of this Debt Policy. If any provision of this Debt Policy conflicts with any state or federal law or regulation, either (a) if feasible, the conflicting provision of this Debt Policy shall be modified to be compliant with the applicable conflicting state or federal law or regulation, or (b) if the conflicting provision of this Debt Policy cannot be so modified, it shall not be implemented by District staff.

Policy Requirements

Objectives

The primary objectives the of the District’s debt and financing related activities are as follows:

- Maintain cost-effective access to public and private capital markets through prudent management policies and practices;
- Specify parameters related to the prudent use of debt in the context of the District’s rates and financial planning;
- Ensure debt proceeds are expenditures for permissible uses as defined in this policy, and in accordance with bond covenants and other applicable requirements;



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

DRAFT Policy 3075

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Policy Requirements (cont'd)

- Minimize debt service commitments through effective planning and cash management;
- Ensure the District is compliant with all applicable federal and state securities laws;
- Protect the District's creditworthiness and achieve the highest practical credit ratings; and,
- Maintain the District's sound financial position.

Scope and Delegation of Authority.

This Debt Policy will govern the issuance and management of all debt issued by the District, including the selection and management of related financial and advisory services and products, and the investment of bond proceeds, all in accordance with state and federal laws and regulations. The District's Board of Directors retains authority to modify, repeal, or replace this Debt Policy. Responsibility for implementation of the Debt Policy, and day-to-day responsibility for structuring, implementing, and managing the District's debt and finance program, will reside with the General Manager or his/her designee. The General Manager may develop procedures consistent with this Debt Policy to direct the implementation of this Debt Policy by District staff. The Board's adoption of the District's Annual Budget and Capital Improvement Program (CIP), or review of the financial plan, does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board of Directors specifically authorize each debt financing in accordance with all applicable state and federal laws and regulations.

The Board of Directors recognizes that changes in the public and private capital markets, District programs, and other unforeseen circumstances may, from time to time, produce situations that are not covered by the Debt Policy and will require modifications or exceptions to achieve policy goals. In these cases, the Board of Directors may consider modifying this Debt Policy to provide District staff with flexibility to respond to changed circumstances, while ensuring this policy remains compliant with state and federal laws and regulations.

Roles and Responsibilities

- General Manager or his/her designee – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Executive Director of the IFC – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Business Services Director – Has primary responsibility for implementing the General Manager's direction on debt issuance



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

- recommendations, financing transaction execution, oversight of bond proceeds expenditures, and ongoing debt management.
- Board of Directors – Sets debt policy and authorizes individual transactions.

Ethics and Conflicts of Interest. Members of the Board of Directors and District staff members who have roles and responsibilities under this Policy: (a) will not engage in any personal business activities that could conflict with proper and lawful execution of securing capital financing, (b) will comply with the District’s Conflict of Interest Code, as may be updated from time to time; and (c) will comply with all other applicable state and federal conflict of interest laws and regulations.

Integration with Other Financial Policies and Documents. The District is committed to long-term capital and financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. Policies related to these topics are adopted separately but affect this Debt Policy. If debt service is a component of proposed new or increased fees or charges (e.g., Sewer Service Charges), at the time the Board of Directors is asked to approve those new or increased fees or charges, the Board of Directors will be presented with financial information in support of the proposed fees or charges, including but not limited to the District budget, any relevant provisions of the CIP, and the anticipated terms of any debt service repaid by the fees or charges. When appropriate and aligned with the District’s planning goals and objectives, the District may consider incorporating a “Green Bonds” label to its bond issuances.

Standards for Use of Debt Financing. In financial planning, the District will evaluate the use of various alternatives including, but not limited to, current year funding of capital projects through rates, various forms of debt financing, use of reserves, and inter-fund loans and transfers. The District will utilize the most advantageous financing alternative and balance the goals of long-term cost minimization, risk exposure, and compliance with generally-accepted rate-setting principles. The District’s debt management program will consider debt issuance where public policy, equity (including intergenerational equity), generally-accepted rate-setting principles, economic efficiency, and compliance with long-term financial planning parameters favor financing over cash funding.

Use and Timing of Debt. The District will integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are planned when needed in furtherance of the District’s public



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

purposes (as articulated in, inter alia, the District’s Mission, Vision, and Goals) and are consistent with the District’s budget, any applicable debt or appropriations limits, and other financial information the General Manager or Business Services Director deems relevant. When the Board of Directors is asked to approve new or increased fees or charges (e.g., Sewer Service Charges), the Board of Directors will be provided all legally-required financial information in support of the new or increased fees or charges, and additional financial information the General Manager or Business Services Director deems relevant.

Debt financing will be used to finance eligible capital projects, including the acquisition, construction, or rehabilitation of capital facilities, when funding requirements cannot be met with current revenues, cash reserves or interfund loans and/or transfers or the use of such funds would be contrary to rate-setting principles and when it is estimated that sufficient revenues will be available to service the debt through its maturity.

Long-term debt financings for capital projects are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District’s ratepayers.

The proceeds derived from long-term borrowing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. Short-term debt may be issued to provide financing for the District’s operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects.

Debt will be issued as fixed-rate debt unless the District makes a specific determination as to why a variable-rate issue would be beneficial to the District in a specific circumstance.

With respect to debt repayment and amortization, the debt repayment period will be structured so that the weighted average maturity of the debt does not exceed the expected average useful life of the project being financed by more than 20%.

Credit Quality. All District debt management activities for new debt



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

issuances will be conducted in a manner conducive to receiving the highest practical credit ratings consistent with the District's debt management objectives and compliant with legal terms and covenants of outstanding debt obligations. As debt service coverage is a key ratings consideration, the District shall target a debt service coverage ratio of at least 1.40 for financial planning and rate-setting purposes.

Ongoing Debt Administration and Internal Controls. The District will maintain all debt-related records according to the District's Retention Policy or debt financing documents, whichever retention timeline is longer. The District will maintain internal controls to ensure compliance with the Debt Policy (including use of bond proceeds for purposes specified in the applicable financing documents and in compliance with this debt policy), all debt covenants, and any applicable requirements of federal and state law, including but not limited to the following: initial bond disclosure, continuing disclosure (including, for example, obligations under the Securities and Exchange Commission [SEC] Rule 15c2-12), tax-exemption, post-issuance compliance (including, for example, any tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements), investment of bond proceeds, and annual transparency reporting to California Debt and Investment Advisory Commission.

Rebate Policy and System. The District will develop a system of reporting interest earnings that relates to and complies with Internal Revenue Code requirements relating to rebate, yield limits, and arbitrage. The District will accurately account for all interest earnings in debt-related funds to ensure that the District is compliant with all debt covenants and with state and federal laws. The District will invest funds in accordance with the investment parameters set forth in each respective bond indenture, and as permitted by the District's Investment of District Funds (Policy No. 3020).

Financing Criteria. When staff intends to recommend that the District incur indebtedness, or when requested by the Board of Directors, the General Manager will provide a report to the Board that, among other things:

- Describes the intended use of the financing proceeds (i.e., funding for new projects or to refund existing bonds);
- Recommends a specific debt type to include duration, type, interest rate characteristics, call features, credit enhancement, or anticipated use of financial derivatives in the transaction;
- Presents the impact of the bonds on the District's forecasted rates



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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- based on the anticipated maturity schedule; and,
- For refunding transactions, includes a comprehensive report on the debt to be redeemed, the replacement debt, and the anticipated benefits of the transaction shall be provided.

Terms and Conditions of Debt. The Board of Directors will approve all terms and conditions relating to the issuance of debt, and will approve the control, management, and investment of all debt proceeds. The proposed debt terms, coupon structure, debt service structure, redemption features, any use of capitalized interest, and lien structure must be approved by the Board of Directors.

Types of Debt. Subject to the approval of the Board of Directors in accordance with applicable state and federal laws and regulations, the following types of debt are allowable under this Debt Policy:

- State Revolving Fund loans
- California Infrastructure and Economic Development Bank loans
- Revenue bonds
- Lease revenue bonds, lease-purchase financings, and certificates of participation
- Commercial paper
- General obligation bonds
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Refunding Obligations
- Bond or grant anticipation notes
- Tax and revenue anticipation notes
- Federal loans
- Lines of credit
- Conduit debt

Derivatives. The District will not use municipal derivative products in connection with its borrowing needs.

Credit Enhancements. The District may consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or other measurable advantages can be shown will the Board of Directors consider authorizing the enhancement.

Refunding Outstanding Debt. Refundings are important debt



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

management strategies for the District. Refundings are commonly used to lower future debt service costs but can also be used to change existing legal terms/covenants or restructure debt service. The District will periodically evaluate outstanding bond issues for refunding opportunities and will bring to the attention of the Board those opportunities that are in the District's interest. Reports to the Board on potential refunding shall describe anticipated savings and the structure of refunding and refunded debt, and any refunding transaction executed will be followed with a report on actual savings. Unless necessary or beneficial to do so, the District's refundings will not extend the final maturity of the debt being refunded.

There are two types of refundings: current refundings and advance refundings. These two refunding types differ by the timing in which they occur.

Current Refunding. A current refunding is one in which the refinancing is closed within 90 days of the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set minimum Present Value (PV) Savings threshold of 3% of refunded par for a current refunding.

Advance Refunding. An advance refunding is one in which the refinancing is closed more than 90 days prior to the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set a minimum PV Savings threshold of 5% of refunded par for an advanced refunding. Lower savings thresholds for both current and advance refundings may be justified in certain circumstances. In those situations, the Business Services Director, in consultation with the District's financial advisor, will recommend an appropriate action by the Board of Directors.

Methods of Issuance. District bonds may be sold by way of a competitive sale, negotiated sale, or private placement. A recommendation regarding the proposed use method will be prepared by the Business Services Director and General Manager, or his/her designee, and provided to the Board of Directors at the time the Board of Directors is asked to consider approval a proposed bond issuance.

The District will consider the following factors when determining the appropriate method of sale:

Competitive Sale. In a competitive sale, the District's bonds will be awarded to the bidder providing the lowest true interest cost as long as the



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- Bond prices are stable and/or demand is strong
- Market timing and interest rate sensitivity are not critical to the pricing
- There are no complex explanations required during marketing regarding the District's projects, media coverage, political structure, political support, funding, or credit quality
- The bond type and structure are conventional
- The bonds carry strong credit ratings
- Issuer is well known to investors

Negotiated Sale. The District recognizes that some securities are best sold through negotiation under the following conditions:

- Bond prices are volatile
- Demand is weak or supply of competing bonds is high
- Market timing is important, such as for refundings
- The bonds will carry lower credit ratings or are not rated
- Issuer is not well known to investors
- The bond type and/or structural features are unusual, such as for a forward delivery bond sale, issuance of variable rate bonds
- Bond insurance is not available
- Early structuring and market participation by underwriters are desired
- Demand for the bonds by retail investors is expected to be high

Private Placement. If authorized by law, the District may elect to privately place its debt under certain conditions. Such placement will only be considered where a cost savings can be achieved by the District relative to other methods of debt issuance, or to enable the financing to be completed within a shorter timeframe. Private placements will include not only direct placements with investors or lenders, but also state and federal loan programs.

Market Relationships

- **Rating Agencies and Investors.** The General Manager and Business Services Director will be responsible for maintaining the District's relationships with rating agencies.
- **Board Communication.** The General Manager will make available to the Board any ratings report or other relevant feedback provided from rating agencies and/or investors regarding the District's financial strengths and weaknesses and recommendations for addressing any weaknesses.
- **Continuing Disclosure.** The District will remain in compliance with



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

SEC Rule 15c2-12, which addresses continuing disclosure obligations. The District will also comply with state reporting requirements as specified in Senate Bill (SB) 1029, which requires initial and ongoing debt reporting requirements for California public agencies.

- **Rebate Reporting.** The use and investment of bond proceeds shall be monitored to ensure compliance with arbitrage restrictions.
- **Other Jurisdictions.** From time to time, the District may issue bonds to fund projects that provide a benefit to other public entities that the District serves. The District will conduct such analyses as deemed necessary to assure adequate cost recovery for such funding and mitigate risks to the District (including consideration of the use of limited bonding capacity).

Consultants

- **Selection of Financing Team Members.** The Business Services Director will make recommendations for all financing team members, and the Board of Directors providing final approval. Financing team members may include a financial advisor, bond counsel, disclosure counsel (which may be the same firm as bond counsel), and underwriter. In the event of a competitive bond sale, the District's debt will be awarded to the underwriter offering the lowest true interest cost.
- **Financial Advisor.** The District may utilize a financial advisor to assist in its debt issuance and debt administration processes as is deemed prudent and necessary by the Board of Directors and in compliance with applicable Municipal Securities Rulemaking Board (MSRB) regulations. The District's financial advisor should be independent and not provide underwriting services and make all required disclosures including conflicts of interest.
- **Bond Counsel.** District debt will include a written opinion by legal bond counsel affirming that the District is authorized to issue the proposed debt, and that the District has met all constitutional and statutory requirements necessary for issuance and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by bond counsel with extensive experience in public finance and tax issues. Bond counsel will be approved by the Board of Directors.
- **Disclosure Counsel.** The District may utilize a separate law firm to serve as disclosure counsel whenever the Board of Directors deems necessary. If cost effective, the Board of Directors may retain the same firm to serve both as bond counsel and as disclosure counsel.



DEBT MANAGEMENT AND CONTINUING DISCLOSURE POLICY

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Policy Requirements (cont'd)

- **Underwriter.** The District’s Board of Directors will have the right to approve a senior manager for a proposed negotiated sale, as well as co-managers and selling group members, as appropriate.
- **Conflict of Interest Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosures relative to agreements with other financing team members and outside parties. The extent of each disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted that could compromise the firm’s ability to provide independent advice that is solely in the District’s interests (to the extent the firm’s role involves a duty to do so) or which could reasonably be perceived as a conflict of interest.

Initial and Continuing Disclosure Compliance **Disclosure Coordinator and Overall Requirements for Initial and Continuing Disclosure**

- The Business Services Director or his/her designee will be the disclosure coordinator of the District (Disclosure Coordinator). The Disclosure Coordinator will perform the following functions:
- Ensure that any Official Statement meets appropriate standards and is approved by the Board of Directors, as required.
- Ensure that initial and continuing disclosure obligations undertaken by the District related to each debt issuance are met, including State of California requirements, and MSRB requirements that the District commits to undertake in the Continuing Disclosure Certificate or Agreement over the life of the bonds to investors.
- Initial Disclosure requirements include preparation of the Bond Official Statement and reports on the issuance to the California Debt and Investment Advisory Commission (CDIAC).
- Ongoing disclosure requirements include annual reports filed with the MSRB Electronic Municipal Market Access (EMMA) system and CDIAC.

Exceptions. In the event there are any deviations or exceptions from the Debt Policy when a certain bond issue is structured, those exceptions will be discussed in the staff report at the time that the bond proposal is presented to the Board of Directors for its consideration.

Policy Review. Any proposed changes to this Debt Policy must be approved by the Board of Directors.

Authority

Adopted by Board of Directors, March 13, 2024



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- Specify parameters related to the prudent use of debt in the context of the District’s rates and financial planning;
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- Maintain the District’s sound financial position.

Scope and Delegation of Authority.

This Debt Policy will govern the issuance and management of all debt issued by the District, including the selection and management of related financial and advisory services and products, and the investment of bond proceeds, all in accordance with state and federal laws and regulations. The District’s Board of Directors retains authority to modify, repeal, or replace this Debt Policy. Responsibility for implementation of the Debt Policy, and day-to-day responsibility for structuring, implementing, and managing the District’s debt and finance program, will reside with the General Manager or his/her designee. The General Manager may develop procedures consistent with this Debt Policy to direct the implementation of this Debt Policy by District staff. The Board’s adoption of the District’s Annual Budget and Capital Improvement Program (CIP), or review of the financial plan, does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board of Directors specifically authorize each debt financing in accordance with all applicable state and federal laws and regulations.

The Board of Directors recognizes that changes in the public and private capital markets, District programs, and other unforeseen circumstances may, from time to time, produce situations that are not covered by the Debt Policy and will require modifications or exceptions to achieve policy goals. In these cases, the Board of Directors may consider modifying this Debt Policy to provide District staff with flexibility to respond to changed circumstances, while ensuring this policy remains compliant with state and federal laws and regulations.

Roles and Responsibilities

- General Manager or his/her designee – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Executive Director of the IFC – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Business Services Director – Has primary responsibility for implementing the General Manager’s direction on debt issuance



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Policy Requirements (cont'd)

- recommendations, financing transaction execution, oversight of bond proceeds expenditures, and ongoing debt management.
- Board of Directors – Sets debt policy and authorizes individual transactions.

Ethics and Conflicts of Interest. Members of the Board of Directors and District staff members who have roles and responsibilities under this Policy: (a) will not engage in any personal business activities that could conflict with proper and lawful execution of securing capital financing, (b) will comply with the District’s Conflict of Interest Code, as may be updated from time to time; and (c) will comply with all other applicable state and federal conflict of interest laws and regulations.

Integration with Other Financial Policies and Documents. The District is committed to long-term capital and financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. Policies related to these topics are adopted separately but affect this Debt Policy. If debt service is a component of proposed new or increased fees or charges (e.g., Sewer Service Charges), at the time the Board of Directors is asked to approve those new or increased fees or charges, the Board of Directors will be presented with financial information in support of the proposed fees or charges, including but not limited to the District budget, any relevant provisions of the CIP, and the **anticipated** terms of any debt service repaid by the fees or charges. **When appropriate and aligned with the District’s planning goals and objectives, the District may consider incorporating a “Green Bonds” label to its bond issuances.**

Standards for Use of Debt Financing. In financial planning, the District will evaluate the use of various alternatives including, but not limited to, current year funding of capital projects through rates, various forms of debt financing, use of reserves, and inter-fund loans and transfers. The District will utilize the most advantageous financing alternative and balance the goals of long-term cost minimization, risk exposure, and compliance with generally-accepted rate-setting principles. The District’s debt management program will consider debt issuance where public policy, equity (including intergenerational equity), generally-accepted rate-setting principles, economic efficiency, and compliance with long-term financial planning parameters **that** favor financing over cash funding.

Use and Timing of Debt. The District will integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are planned when needed in furtherance of the District’s public



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purposes (as articulated in, inter alia, the District’s Mission, Vision, and Goals) and are consistent with the District’s budget, any applicable debt or appropriations limits, and other financial information the General Manager or Business Services Director deems relevant. When the Board of Directors is asked to approve new or increased fees or charges (e.g., Sewer Service Charges), the Board of Directors will be provided all legally-required financial information in support of the new or increased fees or charges, and additional financial information the General Manager or Business Services Director deems relevant.

~~All capital projects in the CIP are eligible to use debt financing, so long as the minimum revenues are generated as described in Section 3075.7.1.~~

Debt financing will be used to finance eligible capital projects, including the acquisition, construction, or rehabilitation of capital facilities, when funding requirements cannot be met with current revenues, cash reserves or interfund loans and/or transfers or the use of such funds would be contrary to rate-setting principles and when it is estimated that sufficient revenues will be available to service the debt through its maturity. ~~The proceeds derived from long-term borrowing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures.~~

Long-term debt financings for capital projects are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District’s ratepayers.

~~The proceeds derived from long-term borrowing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. Short-term debt may be issued to provide financing for the District’s operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects.~~

~~Debt will be issued as fixed-rate debt unless the District makes a specific determination as to why a variable-rate issue would be beneficial to the District in a specific circumstance.~~

With respect to debt repayment and amortization, the debt repayment period will be structured so that the weighted average maturity of the debt



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does not exceed ~~100%~~ of the expected average useful life of the project being financed by more than 20%.

Credit Quality. All District debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest practical credit ratings possible consistent with the District’s debt management objectives and compliant with legal terms and covenants of outstanding debt obligations. As debt service coverage is a key ratings consideration, the District shall target a debt service coverage ratio of at least 1.4075 for financial planning and rate-setting purposes.

Ongoing Debt Administration and Internal Controls. The District will maintain all debt-related records according to the District’s Retention Policy or debt financing documents, whichever retention timeline is longer. The District will maintain internal controls to ensure compliance with the Debt Policy (including use of bond proceeds for purposes specified in the applicable ~~Bond Official Statements financing documents~~ and in compliance with this debt policy), all debt covenants, and any applicable requirements of federal and state law, including but not limited to the following: initial bond disclosure, continuing disclosure (including, for example, obligations under the Securities and Exchange Commission [SEC] Rule 15c2-12), tax-exemption, post-issuance compliance (including, for example, any tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements), investment of bond proceeds (including, for example, obligations under the Securities and Exchange Commission (SEC) Rule 15c2-12), tax-exemption, post-issuance compliance (including, for example, any tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements), , and annual transparency reporting to California Debt and Investment Advisory Commission.

Rebate Policy and System. The District will develop a system of reporting interest earnings that relates to and complies with Internal Revenue Code requirements relating to rebate, yield limits, and arbitrage. The District will accurately account for all interest earnings in debt-related funds to ensure that the District is compliant with all debt covenants and with state and federal laws. The District will invest funds in accordance with the investment parameters set forth in each respective bond indenture, and as permitted by the District’s Investment of District Funds (Policy No. 3020).

Financing Criteria. When staff intends to recommend that the District



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incur indebtedness, or when requested by the Board of Directors, the General Manager will provide a report to the Board that, among other things:

- Describes the intended use of the financing proceeds (i.e., funding for new projects or to refund existing bonds);
- Recommends a specific debt type to include duration, type, interest rate characteristics, call features, credit enhancement, or ~~financial derivatives anticipated use of financial derivatives to be used~~ in the transaction;
- Presents the impact of the bonds on the District’s forecasted rates based on the anticipated maturity schedule; and,
- For refunding transactions, includes a comprehensive report on the debt to be redeemed, the replacement debt, and the anticipated benefits of the transaction shall be provided.

Terms and Conditions of Debt. The Board of Directors will approve all terms and conditions relating to the issuance of debt, and will approve the control, management, and investment of all debt proceeds. The proposed debt terms, coupon structure, debt service structure, redemption features, any use of capitalized interest, and lien structure must be approved by the Board of Directors.

Types of Debt. Subject to the approval of the Board of Directors in accordance with applicable state and federal laws and regulations, the following types of debt are allowable under this Debt Policy:

- State Revolving Fund loans
- California Infrastructure and Economic Development Bank loans
- Revenue bonds
- Lease revenue bonds, ~~lease-purchase financings~~, and certificates of participation
- Commercial paper
- General obligation bonds
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Refunding Obligations
- Bond or grant anticipation notes
- Tax and revenue anticipation notes
- Federal loans
- Lines of credit
- ~~Conduit debt~~



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Derivatives. The District will not use municipal derivative products in connection with its borrowing needs.

Credit Enhancements. The District may consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or other measurable advantages can be shown will the Board of Directors consider authorizing the enhancement.

Refunding Outstanding Debt. Refundings are important debt management strategies for the District. Refundings are commonly used to lower future debt service costs but can also be used to change existing legal terms/covenants or restructure debt service. The District will periodically evaluate outstanding bond issues for refunding opportunities and will bring to the attention of the Board those opportunities that are in the District's interest. Reports to the Board on potential refunding shall describe anticipated savings and the structure of refunding and refunded debt, and any refunding transaction executed will be followed with a report on actual savings. Unless necessary or beneficial to do so, the District's refundings will not extend the final maturity of the debt being refunded.

There are two types of refundings: current refundings and advance refundings. These two refunding types differ by the timing in which they occur.

Current Refunding. A current refunding is one in which the refinancing is closed within 90 days of the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set minimum Present Value (PV) Savings threshold of 3% of refunded par for a current refunding.

Advance Refunding. An advance refunding is one in which the refinancing is closed more than 90 days prior to the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set a minimum PV Savings threshold of 5% of refunded par for an advanced refunding. Lower savings thresholds for both current and advance refundings may be justified in certain circumstances. In those situations, the Business Services Director, in consultation with the District's financial advisor, will recommend an appropriate action by the Board of Directors.

Methods of Issuance. District bonds may be sold by way of a competitive sale, negotiated sale, or private placement. A recommendation regarding the proposed use method will be prepared by the Business Services



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Director and General Manager, or his/her designee, and provided to the Board of Directors at the time the Board of Directors is asked to consider approval a proposed bond issuance.

The District will consider the following factors when determining the appropriate method of sale:

Competitive Sale. In a competitive sale, the District's bonds will be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- Bond prices are stable and/or demand is strong
- Market timing and interest rate sensitivity are not critical to the pricing
- There are no complex explanations required during marketing regarding the District's projects, media coverage, political structure, political support, funding, or credit quality
- The bond type and structure are conventional
- ~~Manageable transaction size~~
- The bonds carry strong credit ratings
- Issuer is well known to investors

Negotiated Sale. The District recognizes that some securities are best sold through negotiation under the following conditions:

- Bond prices are volatile
- Demand is weak or supply of competing bonds is high
- Market timing is important, such as for refundings
- The bonds will carry lower credit ratings or are not rated
- Issuer is not well known to investors
- The bond type and/or structural features are unusual, such as for a forward delivery bond sale, issuance of variable rate bonds, ~~or where there is the use of derivative products~~
- Bond insurance is not available
- Early structuring and market participation by underwriters are desired
- ~~The par amount for the transaction is significantly larger than normal~~
- Demand for the bonds by retail investors is expected to be high

Private Placement. If authorized by law, the District may elect to privately place its debt under certain conditions. Such placement will only be considered where a cost savings can be achieved by the District relative to other methods of debt issuance, or to enable the financing to be completed within a shorter timeframe. Private placements will include not only direct placements with investors or lenders, but also state and federal



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loan programs.

Market Relationships

- **Rating Agencies and Investors.** The General Manager and Business Services Director will be responsible for maintaining the District's relationships with rating agencies ~~which will typically include two or more of the nationally recognized statistical rating agencies.~~
- **Board Communication.** The General Manager will make available to the Board any ratings report or other relevant feedback provided from rating agencies and/or investors regarding the District's financial strengths and weaknesses and recommendations for addressing any weaknesses.
- **Continuing Disclosure.** The District will remain in compliance with SEC Rule 15c2-12, which addresses continuing disclosure obligations. The District will also comply with state reporting requirements as specified in Senate Bill (SB) 1029, which requires initial and ongoing debt reporting requirements for California public agencies.
- **Rebate Reporting.** The use and investment of bond proceeds shall be monitored to ensure compliance with arbitrage restrictions.
- **Other Jurisdictions.** From time to time, the District may issue bonds to fund projects that provide a benefit to other public entities that the District serves. The District will conduct such analyses as deemed necessary to assure adequate cost recovery for such funding and mitigate risks to the District (including consideration of the use of limited bonding capacity).

Consultants

- **Selection of Financing Team Members.** The Business Services Director will make recommendations for all financing team members, and the Board of Directors providing final approval. Financing team members may include a financial advisor, bond counsel, disclosure counsel (which may be the same firm as bond counsel), and underwriter. In the event of a competitive bond sale, the District's debt will be ~~awarded offered~~ to the underwriter ~~providing the most cost-advantageous proposal to the District, as determined by the Board of Directors offering the lowest true interest cost.~~
- **Financial Advisor.** The District may utilize a financial advisor to assist in its debt issuance and debt administration processes as is deemed prudent and necessary by the Board of Directors and in compliance with applicable Municipal Securities Rulemaking Board (MSRB) regulations. The District's financial advisor should be independent and not provide underwriting services ~~to ensure they are free of real or perceived conflicts of interest and make all required~~



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- disclosures including conflicts of interest.
- **Bond Counsel.** District debt will include a written opinion by legal bond counsel affirming that the District is authorized to issue the proposed debt, and that the District has met all constitutional and statutory requirements necessary for issuance and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by bond counsel with extensive experience in public finance and tax issues. Bond counsel will be ~~retained~~ **approved** by the Board of Directors.
- **Disclosure Counsel.** The District may utilize a separate law firm to serve as disclosure counsel whenever the Board of Directors deems necessary. If cost effective, the Board of Directors may retain the same firm to serve both as bond counsel and as disclosure counsel.
- **Underwriter.** The District's Board of Directors will have the right to ~~select~~ **approve** a senior manager for a proposed negotiated sale, as well as co-managers and selling group members, as appropriate.
- **Conflict of Interest Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosures relative to agreements with other financing team members and outside parties. The extent of each disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted that could compromise the firm's ability to provide independent advice that is solely in the District's interests (to the extent the firm's role involves a duty to do so) or which could reasonably be perceived as a conflict of interest.

Initial and Continuing Disclosure Compliance

Disclosure Coordinator and Overall Requirements for Initial and Continuing Disclosure

- The Business Services Director or his/her designee will be the disclosure coordinator of the District (Disclosure Coordinator). The Disclosure Coordinator will perform the following functions:
- Ensure that any Official Statement meets appropriate standards and is approved by the Board of Directors, as required.
- Ensure that initial and continuing disclosure obligations undertaken by the District related to each debt issuance are met, including State of California requirements, and MSRB requirements that the District commits to undertake in the Continuing Disclosure Certificate or Agreement over the life of the bonds to investors.
- Initial Disclosure requirements include preparation of the Bond Official **S**tatement and reports on the issuance to the California Debt and Investment Advisory Commission (CDIAC).



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- Ongoing disclosure requirements include annual reports **filed** with the MSRB Electronic Municipal Market Access (EMMA) system and ~~the~~ CDIAC.

Exceptions. In the event there are any deviations or exceptions from the Debt Policy when a certain bond issue is structured, those exceptions will be discussed in the staff report at the time that the bond proposal is presented to the Board of Directors for its consideration.

Policy Review. Any proposed changes to this Debt Policy must be approved by the Board of Directors.

Authority

Adopted by Board of Directors, March 13, 2024

March 13, 2024

RECEIVE REPORT ON MAJOR FACTORS IMPACTING 5-YEAR CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT AND FINANCIAL ASSUMPTIONS

Recommendation

Receive report on major factors impacting development of the preliminary 5-year Capital Improvement Program (CIP) and associated key financial assumptions.

Background Information

Staff is currently engaged in the budget development process to identify both operational and capital project financial needs for Fiscal Year 2024/2025 (FY24/25). Based on prioritized infrastructure investment needs and emerging regulatory requirements, staff has developed a preliminary 5-year CIP (FY24/25-FY28/29) that totals \$192.8 million, which represents a \$53.7 million increase from the current 5-year CIP (\$139.1 million). In addition, staff has identified \$100.0 million in capital investment needs in Years 6-10 of the 10-year financial planning horizon to address future nutrient removal requirements at the District's Wastewater Treatment Plant (WWTP), which has significant impacts on near-term financial assumptions, including capital investment funding approaches, available debt capacity, and associated revenue collection requirements primarily via Sewer Service Charges (SSCs).

At the Board Meeting on February 21, 2024, staff highlighted that the San Francisco Regional Water Quality Control Board (Water Board) intends to require publicly-owned treatment works (POTWs) in the San Francisco Bay Area to collectively reduce nutrient loading by 40% from 2022 levels with a 10-year compliance schedule. Following award of a design services contract (\$6.4 million) for the \$60 million Secondary Process Improvements Project, staff has been accelerating development of preliminary project alternatives, associated cost estimates and phasing approaches, and funding mechanisms to support future compliance with nutrient management requirements.

Analysis

An overview of major factors impacting 5-year CIP development and 10-year financial planning assumptions is provided below.

- **Significant Scope Change and Cost Increase for Secondary Process Improvements**
Project: In consideration of upcoming nutrient removal requirements, staff has identified a phased-project approach: 1) Phase 1 (\$110.0 million) will address aging infrastructure and WWTP capacity expansion needs, while providing foundational infrastructure investments for future nutrient removal (estimated at ~\$20-24 million) in the 5-year CIP, and 2) Phase 2 (\$100.0 million at midpoint of construction in 2032) will make significant progress towards meeting nutrient removal requirements via additional capital infrastructure investments following completion of Phase 1.
- **Significant Increase in Debt Financing Assumption for Secondary Process Improvements**
Project: Prior financial planning considerations assumed the District would cash fund \$30.0 million (50%) of the original \$60.0 million project cost with the remaining \$30.0 million (50%) funded by long-term debt proceeds. Because the estimated Phase 1 project cost has



increased to \$110 million, staff intends to pursue additional long-term debt to mitigate near-term impacts to customers, while balancing use of cash funding. Staff is pursuing a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan, which will provide funding for up to 49% (\$53.9 million) of the project with the remainder (\$56.1 million) funded by cash and potentially bond proceeds. The WIFIA supplemental loan program provides favorable loan terms (interest rate, repayment terms) and flexibility to effectively manage fiscal responsibility and mitigate financial impacts to customers. Similarly, staff intends to seek WIFIA loan funding for Phase 2 of the project (up to 49% of \$100.0 million cost).

- **Update to Funding Sources for Secondary Process Improvements Project:** The original \$60.0 million project cost estimate assumed a funding source breakdown of 78% Wastewater Capital Asset Replacement (WW CAR) Fund (\$46.8 million), 16% Wastewater Expansion (WW Exp) Fund (\$9.6 million), and 6% Advanced Treatment (AT) Fund (\$3.6 million). Based on the significant scope change (i.e., to include foundational capital investments for nutrient removal) for Phase 1 (\$110.0 million), staff, in consultation with the detailed design consultant, has developed a preliminary revision (subject to change) to the funding source breakdown—61-67% WW CAR Fund, 12-13% WW Exp Fund, and 20-27% AT Fund.
- **Significant Cost Increase for Cogeneration System Improvements Project:** Following award of a detailed design services contract in February 2023, staff has been implementing an accelerated design completion schedule to ensure this project meets requirements to qualify for tax credits (estimated at \$6.5 million) under the federal Inflation Reduction Act, which requires onsite construction to begin before December 31, 2024. Based on detailed design progress, current construction bid climate, and similar projects at peer agencies, the project cost estimate in the preliminary 5-year CIP has been increased from \$7.0 million to \$13.5 million (+\$6.5 million increase).
- **Moderate Cost Increase for Antioch Pump Station and Conveyance System Improvements Project:** The estimated project cost has been updated from \$18.5 million to \$22.0 million (+\$3.5 million) in the preliminary 5-year CIP, which reflects the current bid climate and associated economic drivers. Following award of a general services contract at the February 21, 2024 Board Meeting, staff is pursuing development of an alternative project delivery approach (e.g., progressive design build) to mitigate project risks and potentially accelerate the overall project completion schedule.

Financial Impact

Staff is currently developing the proposed 5-Year CIP, FY24/25 Budget, and associated FY24/25 SSC increase based on the District's updated 10-year financial planning horizon. Staff will present an overview of capital planning impacts to key financial assumptions at the March 13, 2024 Board Meeting, and proposed FY24/25 SSCs at the March 27, 2024 Finance Committee and April 10, 2024 Board Meeting.

Attachments – None.

Reviewed by:



Brian Thomas
Deputy General Manager

cc: District File No. BRD.01-ACTS



March 13, 2024

RECEIVE UPDATE ON INFORMATION TECHNOLOGY ROADMAP IMPLEMENTATION

Recommendation

Receive an update on development and implementation of an Information Technology (IT) Program Roadmap at the District.

Background Information

Following identification of an FY22/23 Strategic Initiative to develop an “IT Program Implementation Roadmap” (IT Roadmap), staff has been working to refine development and implementation of an IT Roadmap to guide effective investment in prioritized IT enhancements that drive organizational efficiency, support workforce development, and address potential vulnerabilities. Staff will highlight key elements of the IT Roadmap, major work completed to date, key focus areas, and upcoming initiatives at the March 13, 2024 Board Meeting.

Analysis

The IT Roadmap was developed to prioritize and guide effective utilization and enhancement of existing IT applications, expand the use of technology to meet business needs, promote business continuity, and ensure network and data security. Staff has utilized the IT Roadmap to complete significant work in the following key focus areas:

- **Enhancing Critical IT Systems:** Several projects have been completed to improve and modernize the scalability, flexibility, and performance of critical IT systems, including migration of the alarm alert notification system at the District’s Wastewater Treatment Plant (WWTP) to a virtual environment, which improved accessibility and reliability while also reducing operating costs.
- **Implementing Robust Security Measures:** Several robust security measures to safeguard the District’s digital assets have been deployed to track, manage, and update District-issued cellular phones. In addition, a multi-factor authentication program was upgraded to enhance data security.
- **Streamlining IT Environment:** Following a comprehensive review of internal systems and applications, multiple redundant or outdated applications were identified for decommissioning to streamline IT technology use and reduce associated resource requirements.
- **Investing in Comprehensive User Training Programs:** Comprehensive user training programs have been provided to provide staff with the skills and knowledge to effectively utilize new technologies and software platforms, including expanded use of the District’s Enterprise Resource Planning system to conduct certain payroll and other accounting functions.

Based on the prioritized IT Roadmap, staff will implement various initiatives over the next three years in support of organizational effectiveness and efficiency, including the following key focus areas and initiatives:

- **Edge Computing:** Edge computing has gained traction due to the proliferation of Internet of Things (IoT) devices and the need for real-time data processing to support edge computing architectures, which enables faster data processing and reduces latency.



- **5G Technology:** The rollout of 5G networks promises to deliver significantly faster data speeds and reduced latency, which presents opportunities for deployment of new IT applications and services. Staff will evaluate and prepare for increased demands on network infrastructure, while exploring opportunities to leverage 5G for improved connectivity and performance which is critical when designing data infrastructure.
- **Cybersecurity Innovations:** As cyberattacks become more sophisticated, cybersecurity technologies continue to evolve which requires investment in advanced cyberthreat detection and response solutions, such as behavioral analytics, threat intelligence platforms, and zero-trust security architectures.
- **Process Automation (PA):** PA technologies enable the automation of repetitive tasks and workflows, leading to increased efficiency and productivity, automated software deployment and updates, and improved service desk functions.
- **Artificial Intelligence (AI) and Machine Learning (ML):** AI and ML technologies offer automation, predictive analytics, and personalized experience opportunities. These technologies could be leveraged for certain tasks, such as predictive maintenance, anomaly detection, and natural language processing for customer service.

In support of sustained organizational excellence and improvement over time, the District created and filled a new Systems Administrator position in FY23/24. Staff intends to propose creation of a new “Software Developer” position in FY24/25 to further support development and implementation of IT Roadmap elements, while providing expanded internal capacity to drive modernization of business processes and WWTP operations. The District will engage with the applicable bargaining unit and meet with the Personnel Committee to establish this new position.

Financial Impact

Sufficient funding is included in the adopted FY23/24 Budget to support continued implementation of IT Roadmap activities. Staff will ensure appropriate funding is included in the proposed FY24/25 Budget to support planned activities in the next fiscal year.

Attachments – None.

Reviewed by: 
Nitish Sharma
Business Services Director

cc: District File No. BRD.01-ACTS



March 13, 2024

**RECEIVE MONTHLY LOBBYIST REPORT DATED FEBRUARY 2024,
KEY ADVOCATES, INC., WESTERN RECYCLED WATER COALITION**

Recommendation

Receive and file report.

Background Information

As a member of the Western Recycled Water Coalition (WRWC), the District receives a monthly summary report related to lobbying activities from Key Advocates, Inc. (KA).

Analysis

Attached is the report for February 2024, which was produced by KA and distributed to WRWC members.

Financial Impact - None.

Attachment

KA Monthly Report, February 2024

Reviewed by:



Brian Thomas
Deputy General Manager

cc: District File No. BRD.01-ACTS





(703) 340-4666

www.keyadvocates.com

February 29, 2024

To: WRWC
From: Sante Esposito
Subject: February Monthly Report

NOTE: This report is based on information to date. More specifics on negotiated funding levels and Floor timing forthcoming as they become available. Expect to receive ad hoc information reports beginning as early as this weekend.

FY24 Appropriations Bills: March 8 and March 22 Deadlines

On February 28, top lawmakers reached agreement to extend funding until March 8 for the FY24 Agriculture, Veterans, Transportation, Interior (funds the Clean Water SRF and related earmarks), Commerce and Energy and Water (funds WIIN grants) Appropriation bills. The remaining bills, including Defense, HHS, and Homeland Security, would be funded until March 22. It is not clear if an agreement is reached on these bills, whether they would be considered on the Floor individually (the House Republican preference) or as minibuses (the Senate preference). Bill texts are expected this weekend. Floor action next week.

FY24 Interior Appropriation Bills: Clean Water SRF Funding

The House-passed Interior Appropriations bill (H.R. 4821) provides \$1.005B - a general fund base allotment of \$535M and earmarks of \$470M. The Senate-reported Interior Appropriations bill (S.2605) provides \$1.639B - a general fund base allotment of \$1.294B and earmarks of \$345M. The President's FY 24 Budget proposed \$1.639B. The Bipartisan Infrastructure Law (BIL), which was not changed by either bill, provides an additional \$2.628B for the CWSRF.

The Coalition supports the FY24 Clean Water SRF baseline funding level in the Senate-reported bill and opposes the baseline funding level in the House-passed bill.

FY24 Energy and Water Appropriation Bills: WIIN Grant Funding

Both the House-passed and Senate-reported Energy and Water Appropriations bills (H.R. 4394 and S.2443 respectively) provide \$30M for Title XVI of which \$20M is for WIIN grants. Given that, there should be no issue in the current conference. The President's FY 24 Budget proposed \$4M for Title XVI, the same as the FY23 Biden Budget.

Earmark Funding Specifically: FY24 Clean Water SRF

The Coalition supports, as the maximum, the earmark funding level in the Senate bill and opposes the higher level in the House-passed bill. The Coalition also opposes combining the earmark funding levels which impacts adversely the baseline funding.

Clean Water SRF – the House-passed Interior Appropriations bill provides \$470M for earmarks. The Senate-reported Interior Appropriations bill provides \$345M for earmarks.

For the CWSRF, the President's FY 24 Budget rejected earmarks as a takedown from the basic SRF funding.

Earmark Funding: Generally

The Coalition continues to pursue discussions with the Hill and CWSRF stakeholders regarding appropriations for SRF baseline funding and related earmarks. For FY 22 and 23 (and now for FY24), earmark funding was a takedown from the SRF base allotments and not from a separate earmark funding account. As a result, the base allotments were adversely impacted. The Coalition's position is that the continuance of that approach is a real problem and counter to the goal of the Bipartisan Infrastructure Law which was to increase SRF spending over and above increases in the traditional appropriations process and not in lieu of reductions by that process.

FY25 President's Budget

The President's Budget is expected to be released on March 11.

Topline Budget Agreement

On January 7, Majority Leader Schumer and Speaker Johnson reached a deal on overall FY24 budget totals - \$886B for defense and \$773B for non-defense, both in line with the totals the President and former Speaker McCarthy struck as part of last summer's debt ceiling package. These are topline levels – the appropriators will decide funding for individual programs but have to stay within the overall defense/non-defense totals.

Non-defense budgets would remain roughly flat, less than a one percent decrease compared to current funding. Defense programs would see a three percent increase. The agreement also includes rescissions of \$6B in unspent pandemic aid and \$20B for IRS enforcement, emergency funding of \$12.5B rather than \$23B under the debt accord, and mandatory programs at \$15B rather than \$25B under the debt accord.

Also, per last summer's debt agreement, if appropriation bills are not enacted by April 30, defense funding would be cut automatically by one percent and non-defense amounts by an estimated five percent. A nine percent cut to domestic programs would be exacted if Congress fully funds the government at levels contrary to the budget agreement.

FY24 House Congressional Budget Resolution

Given the focus and action on the appropriations process, it is becoming more and more likely that there will not be a FY24 congressional budget resolution. The only resolution to date is a House Republican Budget Committee resolution for which the accompanying report is still not filed, there is no concurrent resolution number, and House passage was expected but did not materialize. No Senate action to date.

Highlights of the House Republican Budget Committee budget resolution -

- FY24 discretionary spending at the FY22 level of \$1.47T;
- Spending to grow by only 1 percent a year;
- Discretionary spending to come down by \$4.6T over a decade;
- Deficits to be reduced by \$16.3T over a decade; and,
- A surplus of \$130B at the end of ten years.

Senator Padilla Water Staff Meeting

On January 25, a zoom meeting was held with Angela Eibner who handles Clean Water SRF issues and Sarah Swig who handles the WIIN grant program for the Senator. The purposes of the meeting were to request the Senator's leadership on recycled water issues, given the passing of Senator Feinstein, and to express the Coalition's desire to work with him and his staff. The requests were received favorably. A summary of the call was provided to Coalition members.

Senator Butler Water Staff Meeting

On Feb. 21, a zoom meeting was held with Carissa Bunge who handles water issues for the Senator. The purposes of the call were to introduce the Coalition, give background information on it, note the issues of interest, and express the desire to work with the Senator and Carissa on recycled water issues. A summary of the call was provided to Coalition members.

STREAM Act (S.2162) Next Steps

Efforts are ongoing with the Environment and Public Works Committee by staff of Senators Padilla and Butler on amendments to the bill with the intent of moving it forward.

The bill was introduced on June 22 by Senator Feinstein with Senators Sinema (I-AZ) and Kelly (D-AZ) as cosponsors. On July 19, a hearing was held on the bill by the Subcommittee on Water and Power of the Energy and Natural Resources Committee. On May 24, at the request of staff of Senator Feinstein, the Coalition sent a letter of support for the the bill regarding its plan introduction. The bill includes the following: \$300M over five years for water recycling, \$750M for surface and groundwater storage and conveyance projects, \$150M for desalination projects, \$100M for projects to provide drinking water for disadvantaged communities, and \$250M for environmental restoration projects. The Napolitano office said that they are monitoring action on the bill to decide next steps.

Garamendi Permitting Amendment

The Coalition supports an amendment proposed by Congressman John Garamendi (D-CA-08) to H.R. 7023, the “Creating Confidence in Clean Water Permitting Act,” that would allow the U.S. EPA to issue NPDES permits for public works - such as wastewater treatment or water recycling/ reuse plants owned/operated by local governments – for up to 10 years as opposed to 5 years under current law. The Coalition is included in the list of supporting endorsements.

Coalition 2023-2024 WIIN Grants

On September 28, the USBR announced a \$239M FY23 and FY24 funding opportunity for Title XVI water reclamation and reuse projects, including both congressionally authorized projects and WIIN Act projects, with two application closing dates – Dec. 7, 2023 and Sept. 30, 2024 – and a \$30M award ceiling. A webinar was held by the USBR on Oct. 25 to discuss eligibility, program requirements and selection process. West Bay Sanitary District filed an application.

Per the USBR, \$550M in BIL funds were made available for Title XVI over five years. Approximately \$308M was used to select the Title XVI projects in FY22. An additional \$179M is expected to fund projects under the current NOFO, resulting in \$62M in remaining BIL funds. Note: the amount appropriated annually is in addition to BIL funds. Thus, assuming \$30M is appropriated for FY24 for Title XVI (of which \$20M would be for WIIN grants), then \$92M would be available after this year (plus any additional annual appropriations after this year) for Title XVI.

Issues/Bills of Interest

Alternative Water Source Program Funding – pursue funding as the Program was authorized at \$125M in the Bipartisan Infrastructure Law but not funded. Included the language the Coalition requested that makes USBR recycled water projects that have not received construction funds eligible to apply for AWSP grants.

Mega Recycled Water Project Funding – pursue funding for mega recycled water projects over and above the \$450M provided in the Bipartisan Infrastructure Law.