

AGENDA

BOARD OF DIRECTORS SPECIAL MEETING **DELTA DIABLO INTEGRATED FINANCING CORPORATION**

2500 Pittsburg-Antioch Highway
Antioch, California

WEDNESDAY, MARCH 13, 2019
4:30 P.M.

The Delta Diablo Board of Directors Regular Meeting will begin immediately following the Integrated Financing Corporation Meeting

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

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. CONSENT CALENDAR

Adopt Resolution No. 1/2019 to Rescind Resolution No. 1/2003, and to **Reauthorize** Designated District Staff to Invest Delta Diablo Integrated Financing Corporation Funds in the Local Agency Investment Fund (Carol Margetich)

E. DELIBERATION ITEMS:

The Board will consider and take action on the following:

Approve Minutes of Annual Integrated Financing Corporation Meeting, January 9, 2019 (Cecelia Nichols-Fritzler)

F. PRESENTATIONS AND REPORTS:

None.

G. ADJOURNMENT

The next Annual Integrated Financing Corporation meeting will be **January 8, 2020.**

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 at 2500 Pittsburg-Antioch Highway, Antioch, CA 94509 during normal working business hours.



March 13, 2019

ADOPT RESOLUTION NO. 1/2019 TO RESCIND RESOLUTION NO. 1/2003, AND TO REAUTHORIZE DESIGNATED DISTRICT STAFF TO INVEST DELTA DIABLO INTEGRATED FINANCING CORPORATION FUNDS IN THE LOCAL AGENCY INVESTMENT FUND

RECOMMENDATIONS

1. Adopt Resolution No. 1/2019 to rescind Resolution No. 1/2003, and to reauthorize designated District staff to manage the investment of Delta Diablo Integrated Financing Corporation monies in the Local Agency Investment Fund (LAIF) when such monies are not required for the IFC's immediate needs, in accordance with Government Code section 16429.1, *et seq.*
2. Authorize the General Manager, or designee, to execute and deliver to the State Treasurer all documents necessary to effectuate the purposes of Resolution No. 1/2019.

Background Information

Delta Diablo Integrated Financing Corporation (IFC) currently invests a portion of its monies in the State of California State Treasurer Local Agency Investment Fund (LAIF) account, in accordance with Government Code section 16429.1, *et seq.* In 2003, the IFC Board of Directors adopted Resolution 1/2003 (Attachment 1) to designate certain Delta Diablo (District) staff to perform specified treasury functions, including the investments and management of cash flows on behalf of the IFC. Since that time, staff turnover and title changes require Resolution 1/2003 to be replaced.

Analysis

The California State Treasurer's office has requested that the information on file regarding District staff authorized to request deposits and withdrawals from IFC's LAIF account be updated. Resolution No. 1/2019 (Attachment 2) will rescind Resolution 1/2003, and it will reauthorize the investment of IFC monies by specified District staff when the monies are not required for the IFC's immediate needs. The resolution designates the following officials, and their successors, to perform these functions: General Manager (Vincent De Lange); Business Services Director (Carol Margetich); and Finance Manager (currently vacant). Staff recommend adopting the resolution to ensure that appropriate District staff are authorized to manage the IFC's investments in LAIF.

Financial Impact

None

Attachment

1. Resolution No. 1/2003, Authorizing the Investment of Monies in the Local Agency Investment Fund
2. Resolution No. 1/2019

Signature:



Carol Margetich
Business Services Director

cc: Finance Division



BEFORE THE BOARD OF DIRECTORS
OF
DELTA DIABLO INTEGRATED FINANCING CORPORATION

Re: Resolution Authorizing the)
Investment of Monies in the)
Local Agency Investment Fund)

RESOLUTION NO. 1/2003

THE BOARD OF DIRECTORS OF DELTA DIABLO INTEGRATED FINANCING CORPORATION HAS DETERMINED THAT:

WHEREAS, Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, in accordance with provisions under which the Delta Diablo Financing Corporation was created, the Delta Diablo Sanitation District staff is designated to perform specified treasury functions for the Delta Diablo Integrated Financing Corporation; and

WHEREAS, for financial reporting the Delta Diablo Integrated Financing Corporation, financial activities are reported as a part of the District financial statements; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund, in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, is in the best interests of the Delta Diablo Integrated Financing Corporation; and

WHEREAS, the Board of Directors of Delta Diablo Integrated Financing Corporation previously adopted Resolution 3/1988 which delegated authority for investment of public agency funds; and

WHEREAS, the State Treasurer has developed a format under which they desire all such investments to be authorized by the governing board of the participating agency; and

WHEREAS, this resolution conforms with the State Treasurer's desired format.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of Delta Diablo Integrated Financing Corporation monies in the Local Agency Investment Fund in the State Treasury, in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following Delta Diablo Sanitation District employees or their successors in office shall be authorized to order the deposit or withdrawal of monies, on behalf of the Delta Diablo Integrated Financing Corporation, in the Local Agency Investment Fund, and shall submit signatures to be used by the State Treasurer in administering these investments:

<u>Paul H. Causey</u> (Name)	<u>Paul S. Rankin</u> (Name)	<u>Robert Gozza</u> (Name)
<u>Delta Diablo Sanitation District General Manager</u> (Title)	<u>Delta Diablo Sanitation District Administrative Services Mgr</u> (Title)	<u>Delta Diablo Sanitation District Finance Supervisor</u> (Title)

PASSED AND ADOPTED, by the Board of Directors of Delta Diablo Integrated Financing Corporation, County of Contra Costa, State of California on July 9, 2003, by the following vote:

AYES: BEALS, FREITAS and GLOVER ABSENT: NONE
NOES: NONE ABSTAIN: NONE

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo Integrated Financing District on July 9, 2003.

ATTEST: Yvonne Beals
Board Secretary

By: 

cc: District LAIF File
Finance Department

RESOLUTION NO. 1/2003

BEFORE THE BOARD OF DIRECTORS
OF
DELTA DIABLO INTEGRATED FINANCING CORPORATION

Re: Resolution Rescinding Resolution)
1/2003 and Reauthorizing)
Investment of Monies in the Local)
Agency Investment Fund and)
Approving Certain Other Matters)
and Actions Related Thereto)

RESOLUTION NO. 1/2019

THE BOARD OF DIRECTORS OF DELTA DIABLO INTEGRATED FINANCING CORPORATION (hereinafter called the "IFC Board") HAS DETERMINED THAT:

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1, *et. seq.*, for the deposit of money local agencies, and nonprofit corporations whose membership is confined to public agencies and officials, for purposes of investment by the State Treasurer; and

WHEREAS, in accordance with provisions under which the Delta Diablo Integrated Financing Corporation ("IFC") was created, Delta Diablo (District) staff are designated to perform specified treasury functions for the IFC; and

WHEREAS, the IFC Board previously adopted Resolution 1/2003, which delegated to specified District staff authority to invest IFC funds in the Local Agency Investment Fund when the funds are not required for immediate IFC needs; and

WHEREAS, the IFC Board desires to update its delegation of authority for the investment of IFC funds.

NOW THEREFORE, IT IS RESOLVED BY THE DELTA DIABLO INTEGRATED FINANCING CORPORATION BOARD OF DIRECTORS, as follows:

1. The IFC Board hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund, for the purposes of investment in accordance with Government Code section 16429.1, *et seq.*, is in the best interests of the IFC.
2. IFC Board of Directors Resolution No. 1/2003 is hereby rescinded and replaced by this resolution.
3. The IFC Board hereby reauthorizes the deposit and withdrawal of IFC monies in the Local Agency Investment Fund in the State Treasury, in accordance with the provisions of Government Code 16429.1, *et seq.*, and this resolution, for the purpose of investment as stated therein, when such monies are not required for the IFC's immediate needs.

ITEM D
Attachment 2

4. The following Delta Diablo officers holding the titles specified hereinbelow, or their successors in office, are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

_____ Vincent De Lange General Manager	_____ Carol Margetich Business Services Director	_____ Vacant Finance Manager
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5. This resolution shall remain in full force and effect until rescinded by Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, by the Board of Directors of Delta Diablo Integrated Financing Corporation, County of Contra Costa, State of California on March 13, 2019, by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo Integrated Financing Corporation on March 13, 2019.

ATTEST: Federal Glover
Board Secretary

By: _____

cc: District LAIF File
Finance Division

ITEM E

March 13, 2019

APPROVE MINUTES OF ANNUAL INTEGRATED FINANCING CORPORATION MEETING, JANUARY 9, 2019

RECOMMENDATION

Approve Minutes of the Annual Integrated Financing Corporation Meeting of January 9, 2019.

DRAFT

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

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

PUBLIC COMMENTS

None.

REORGANIZATION OF THE BOARD FOR 2019

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

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

CONSENT CALENDAR

None.



DELIBERATION ITEMS:

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

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

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

PRESENTATIONS AND REPORTS

Receive Report on Grants and Loans

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

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

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



alternative fuels. The Bay Area Air Quality Management District (BAAQMD) has partnered with IBank and created the Climate Tech Finance program for emerging technology projects that reduce greenhouse gas (GHG) emissions. Director Glover thanked Ms. Strommer for the presentation.

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

Receive Report on Outstanding and Planned Debt

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

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

ADJOURNMENT

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

Federal Glover
Board Secretary

(Recording Secretary:

Cecelia Nichols-Fritzler)

