

MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING **DELTA DIABLO**

WEDNESDAY, JUNE 5, 2019
2:00 P.M.

The meeting was called to order by Committee Chair Sean Wright on Wednesday, June 5, 2019 at 2:01 pm in the Plant Operations Center Conference Room at Delta Diablo, 2600 Pittsburg-Antioch Highway, Antioch, California. Also present were Vince De Lange, General Manager; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

PUBLIC COMMENTS

None

REVIEW AND COMMENT ON PRELIMINARY RECYCLED WATER RATE ANALYSIS FOR FISCAL YEAR 2019/2020

Ms. Margetich highlighted existing recycled water service agreements, existing surcharges, and the RWSC structure shift to rebalance fixed vs. variable RWSC cost recovery components. She presented usage estimates by customer, while noting District costs do not decline with reduced consumption. Ms. Margetich stated that the 5-year average consumption has been utilized this year in developing the RWSCs to smooth rate development and year-to-year comparisons.

Ms. Margetich presented the planned FY19/20 RWSC increases for irrigation (City of Antioch, City of Pittsburg, Mt. Diablo Resource Recovery Park, Pittsburg Unified School District) and industrial customers (i.e., Calpine), which equaled 8.6% and 8.5%, respectively. She noted the major cost drivers, including chemical and utilities costs, labor, office and operating expenses, and capital investment needs. Ms. Margetich noted that the District's recycled water costs are 68-71% of raw water, 25-26% of potable water, and 29-47% of recycled water provided by peer agencies. She reviewed the 5-year RWSC rate forecast for irrigation and industrial customers.

Chair Wright asked about other RW users in the City of Antioch. Mr. Eckerson replied that several city parks, median landscaping, and a Caltrans site are using RW. Chair Wright questioned how the District's recycled water costs compare to the City of Antioch's raw water costs, while noting that Lone Tree Golf Course staff have observed landscape irrigation benefits with raw water versus recycled water. Mr. Eckerson stated that recycled water costs likely compare favorably, and Mr. De Lange stated that staff would conduct outreach to golf course staff to share the nutrient and landscape benefits associated with recycled water. Staff also shared the economic limitations on extending recycled water distribution systems to small-scale users. Mr. De Lange that the District is carefully considering capital investment needs in recycled water infrastructure and will include this focus area in the upcoming master plan.

Ms. Margetich closed the presentation by noting next steps in the consideration of RWSC adjustments by the Board. Chair Wright recommended submitting the proposed RWSCs to full Board for consideration at the July 10, 2019 meeting.

ADJOURNMENT

The meeting was adjourned by Chair Wright at 2:24 pm.

(Recording Secretary: Cecelia Nichols-Fritzler)