District Manager
Melissa Morton

VALLEJO FLOOD AND WASTEWATER DISTRICT
REGULAR MEETING AGENDA

6:00 P.M.
APRIL 14, 2020
VIA TELECONFERENCE

Due to the Coronavirus emergency, and in accordance with California Executive Orders N-25-20 and N-29-20, the District Board meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public interested in participating or observing can tune in locally on Comcast Channel 27, or click this link to find and follow the meeting livestreamed. Members of the public may submit public comment by emailing publiccomment@vallejowastewater.org. Comments will be read out loud by the Clerk of the Board during the meeting. See further detail under Item #4, Comments on Consent Calendar, below.

Members of the public shall have the opportunity to comment on any item listed on this notice before or during consideration of that item by emailing as defined above. No other items may be discussed during this meeting.

During this period of modified Brown Act requirements, the District will use best efforts to respond to any requests for disability related modifications or accommodations, aids or services. Such requests should be made to the Clerk of the Board's office no less than 48 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. Please contact our office at (707) 644-8949.

Any writings or documents related to an agenda item for the open session of this meeting are available for public inspection on our website at www.vallejowastewater.org.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **COMMENTS ON CONSENT CALENDAR BY MEMBERS OF THE PUBLIC:** *Members of the public wishing to address the Board on Consent Calendar Items are requested to email publiccomment@vallejowastewater.org by 6:00 p.m. on the day of the meeting. Comments provided after 6:00 p.m. will be read by the Clerk of the Board aloud at the meeting if the meeting has not proceeded to Item 5 on the agenda when received. Each speaker is limited to 500 words. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Board of Trustees. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.*

4. **CONSENT CALENDAR AND APPROVAL OF AGENDA:** *All matters are approved under one motion unless requested to be removed for discussion by the Board, District Manager, or requested for removal by a member of the public, which requires approval by a majority vote of the Board.*

   A. APPROVAL OF MINUTES FROM THE REGULAR MEETING OF MARCH 10, 2020.

   PROPOSED ACTION
   Approve the minutes from the regular meeting of March 10, 2020.

B. APPROVAL OF THE DISBURSEMENTS REGISTER FOR APRIL 14, 2020.

PROPOSED ACTION

Adopt a resolution approving the Disbursements Register for April 14, 2020.

C. APPROVAL OF DEBT ISSUANCE AND MANAGEMENT POLICIES

PROPOSED ACTION

Adopt a resolution approving the Debt Issuance and Management Policies.

D. MID-YEAR BUDGET TO ACTUAL REPORT FOR FY2019-20

PROPOSED ACTION

This report is for information only. No board action is requested at this time.

E. APPROVAL OF REVENUE AND ACCOUNTS RECEIVABLE POLICIES

PROPOSED ACTION

Adopt a resolution approving the Revenue and Accounts Receivable Policies.

5. ADMINISTRATIVE ITEMS

Members of the public wishing to address the Board on Administrative Items are requested to email publiccomment@vallejowastewater.org by 6:00 p.m. on the day of the meeting. Comments provided after 6:00 p.m. will be read by the Clerk of the Board aloud at the meeting if the meeting has not proceeded to Item 6 on the agenda when received.

A. CONSIDERATION OF APPROVING AN INTRAFUND LOAN IN THE STORMWATER FUND TO FINANCE CAPITAL IMPROVEMENT PROJECT #CDD001 STORMWATER TRASH CAPTURE PROGRAM

PROPOSED ACTION

Adopt a resolution approving and setting terms for an intrafund loan in the Stormwater Fund to finance capital improvement project #CDD001 Stormwater Trash Capture Program.

6. DISTRICT MANAGER'S REPORT

7. DISTRICT COUNSEL'S REPORT

8. COMMUNITY FORUM: *Anyone wishing to address the Board on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Board to resolve, may email publiccomment@vallejowastewater.org. Pursuant to VFWD Rules of Procedure, Community Forum is limited to a total of 1,500 words, with each speaker limited to 300 words. Submitted comments will be read by the Clerk of the Board aloud at the meeting if the meeting has not proceeded to Item 9 on the agenda when received.*

9. REPORTS BY PRESIDING OFFICER AND TRUSTEES

10. ADJOURNMENT

I, Shalon Edmondson, Senior Office Assistant of Vallejo Flood and Wastewater District declare that the foregoing agenda for the April 14, 2020, Regular Meeting was posted and available for review by the required time as prescribed by law at the District office located at 450 Ryder Street, Vallejo, California. This agenda is also available on the District website at www.vallejowastewater.org.

VALLEJO FLOOD AND WASTEWATER DISTRICT
REGULAR MEETING MINUTES

6:00 P.M. – VALLEJO CITY HALL
COUNCIL CHAMBERS
555 SANTA CLARA STREET, VALLEJO CA 94590
MARCH 10, 2020

1. **CALL TO ORDER** - The regular meeting of the Vallejo Flood and Wastewater District was called to order at 6:06 PM by President Sampayan

2. **PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance was recited.

3. **ROLL CALL** - On roll call, present were: President Sampayan; Trustees Brown, Dew, Hannigan, McConnell, Miessner, Sunga and Verder Aliga.

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Others present were: Melissa Morton, District Manager; MJ Brown, Clerk of the Board; Alexandria Bell, Director of Human Resources; Kyle Broughton, Engineering Supervisor; Jennifer Harrington, Environmental Services Director; Johnson Ho, Director of Operations; Justin Keating, Field Operations Superintendent; Angel Medina, Collection Systems Supervisor; Natalie Muradian, Associate Engineer; Keith Sorsdal, Director of Safety and Risk Management; Mark Tomko, Director of Engineering; Jeff Tucker, Director of Finance; Ben Stock, Legal Counsel.

4. **COMMENTS ON CONSENT CALENDAR BY MEMBERS OF THE PUBLIC:** *Members of the public wishing to address the Board on Consent Calendar Items are requested to submit a completed speaker card to the Clerk of the Board. Each speaker is limited to five minutes. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Board of Trustees. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda..* - None

5. **CONSENT CALENDAR AND APPROVAL OF AGENDA:** *All matters are approved under one motion unless requested to be removed for discussion by the Board, District Manager, or requested for removal by a member of the public, which requires approval by a majority vote of the Board.*

President Sampayan called for a motion to approve the Consent Calendar and Agenda; Trustee Sunga moved the item.

AYES:	President Sampayan; Trustees Brown, Dew, Hannigan, McConnell, Miessner, Sunga and Verder-Aliga.
NOES:	None
ABSENT:	None
ABSTAIN:	None

A. APPROVAL OF MINUTES FROM THE REGULAR MEETING OF FEBRUARY 11, 2020.

<u>PROPOSED ACTION</u>
Approve the minutes from the regular meeting of February 11, 2020.

B. APPROVAL OF THE DISBURSEMENTS REGISTER FOR MARCH 10, 2020.

PROPOSED ACTION
Adopt a resolution approving the Disbursements Register for March 10, 2020. Resolution 2020-5942

C. APPROVE APPOINTMENT OF TRUSTEE SUNGA TO THE OFFICE OF VICE-PRESIDENT FOR THE REMAINDER OF THE TERM THROUGH JANUARY 2021

PROPOSED ACTION
Appoint Trustee Sunga as Vice-President, to be consistent with the past practice of this office being held by the Vice-Mayor of the City Council.

D. AUTHORIZE AMENDMENT 1 TO PROFESSIONAL SERVICES AGREEMENT 2047 WITH BURKE, WILLIAMS, & SORENSEN, LLP, FOR TWO-YEAR TERM EXTENSION OF GENERAL COUNSEL SERVICES FOR A TOTAL NOT TO EXCEED $150,000 PER FISCAL YEAR

PROPOSED ACTION
Adopt a resolution authorizing the District Manager to amend Professional Services Agreement 2047 with Burke, Williams & Sorensen, LLP, for a two-year term extension of General Counsel Services for a total not to exceed $150,000 per fiscal year. Resolution 2020-5943

E. AWARD PROFESSIONAL SERVICES AGREEMENT TO HAZEN AND SAWYER IN THE AMOUNT OF $543,447 FOR THE WASTEWATER TREATMENT PLANT MASTER PLAN (PPL001)

PROPOSED ACTION
Adopt a resolution authorizing the District Manager to enter into a professional services agreement with Hazen and Sawyer to complete the Wastewater Treatment Plant Master Plan (PPL001) based on a fee estimate of $543,447, and establishing a 10% contingency in the amount of $54,345 to address potential changes, for a total amount not to exceed $597,792. Resolution 2020-5944

F. APPROVE RECLASSIFICATION OF ENVIRONMENTAL SERVICES SPECIALIST TO ENVIRONMENTAL SERVICES SUPERINTENDENT,TRANSFER FIVE TEAMSTERS CLASSIFICATIONS TO VFWD MANAGEMENT ASSOCIATION, AND ADD SALARY STEPS TO TWO CLASSIFICATIONS (FIELD OPERATIONS SUPERINTENDENT & ENVIRONMENTAL SERVICES SUPERINTENDENT)

PROPOSED ACTION
Adopt a resolution approving the new salary schedule including the new 3-step salary for the Environmental Services Superintendent position, approve the title change from Environmental Specialist to Environmental Services Superintendent, the new salary for the Field Operations Superintendent and approve the list of positions to be moved from Teamsters to Management Association. Resolution 2020-5945

6. DISTRICT MANAGER'S REPORT

District Manager Melissa Morton reported that staff are closely monitoring the Coronavirus information and augmenting the preparedness plan for the District; she emphasized communicating to customers the efforts the District will take to sustain services.

7. DISTRICT COUNSEL'S REPORT

General Counsel Ben Stock reported that legal is monitoring and advising the District on AB 2178, legislation related to declaring a State of Emergency, inclusive of a Public Safety Power Shutoff, and also AB 2093, legislation that is drafted to require the retention of all email for a period of two years. DM Morton stated the District submitted a letter of opposition related to AB 2093.

8. COMMUNITY FORUM: *Anyone wishing to address the Board on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Board to resolve, may step to the podium and state his/her name and address for the record. Pursuant to Vallejo Flood and Wastewater District Rules of Procedure, Community Forum is limited to 15 minutes, with each speaker limited to **three minutes**.* - None

9. REPORTS BY PRESIDING OFFICER AND TRUSTEES - None

10. ADJOURNMENT - 6:14 PM

This is to certify that the foregoing
is the true and correct meeting minutes
as approved by the Board of Trustees
on April 14, 2020

RESOLUTION NUMBER 2020 -

A RESOLUTION TO APPROVE THE DISBURSEMENT REGISTER FOR APRIL 14, 2020

BE IT RESOLVED, by the Board of Trustees of the Vallejo Flood and Wastewater District of Solano County, California as follows:

WHEREAS, the District maintains general checking to facilitate operating cash disbursements;

WHEREAS, general checking disbursements must be authorized by the Board of Trustees;

WHEREAS, claims as enumerated on the attached Disbursement Register and for the respective amounts set opposite the name of each person or firm total $1,476,669.79.

IT IS, THEREFORE, RESOLVED, by the Board of Trustees of the Vallejo Flood and Wastewater District that the Board approves the Disbursement Register for April 14th, 2020.

BE IT FURTHER RESOLVED, that all claims be paid.

ADOPTED by the Board of Trustees of the Vallejo Flood and Wastewater District on the 14th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

WITNESS my hand and the Seal of said District this 14th day of April, 2020.

MJ BROWN
Clerk of the Board

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

Ck Date	Ck No	Vendor Name	Amount	Description
2/28/2020	80105	ABAG POWER	7,358.41	FY20 LEVZD CHRG NAT-GAS
	80106	ACCESS	468.78	STORAGE 02/2020
	80107	ADVANCED TRENCHLESS INC.	15,150.00	LOWER LATERAL REPLACEMENT - 2 LOCATIONS
	80108	AFLAC	1,903.62	PAYROLL SUMMARY
	80109	AHERN RENTALS INC	5,914.38	BOOM TELESCOPING
	80110	ALISTO ENGINEERING GROUP, INC.	2,551.08	PROF SVCS - JAN 2020
	80111	ALL N ONE PEST ELIMINATORS, LLC	1,550.00	WL LARGE BUNDLE PKG
	80112	ANDREA M RODONI TRUST	3,000.00	UPPER LATERAL REPLACEMENT
	80113	ARMSTRONG INSTALLATION SERVICE	1,134.02	COST OF PERMIT
	80114	AT&T	845.72	12/27/2019-01/26/2020
	80115	AVEVA SOFTWARE, LLC	562.50	ASSET IMPLEMENTATION
	80116	BAYSHORE BUILDING MATERIALS	539.15	CONCRETE,TOOL,HYDRASET
	80117	BEARING ENGINEERING CO	544.86	METRIC BELT
	80118	BELL PRODUCTS INC	1,615.00	CHANGE FILTERS, INSPECT BELTS
	80119	BERT WILLIAMS & SONS INC	35.88	REPAIR STARTER MOUNT
	80120	BOLT STAFFING SERVICE INC	6,140.47	TEMP SVCS WK END 2/16/20 & 2/09/20 - 2 EMPLOYEES
	80121	BOOMERSHINE CONSULTING GROUP, LLC	1,076.96	PROFESSIONAL SERVICES - OPEB VALUATION
	80122	HOWARD S. BOYT	1,840.60	COMPUTER PURCHASE PROGRAM
	80123	BURKE, WILLIAMS & SORENSEN, LLP	16,344.00	PROF SVCS THRU 12/31/19
	80124	MICHAEL EDWIN BURKETT	210.00	PRESCRP SAFETY GLASSES
	80125	CALIFORNIA DIESEL & POWER	345.60	PONY MOTOR DIAGNOSIS
	80126	CALPERS	7,489.96	PAYROLL SUMMARY
	80127	CALPERS LONG-TERM CARE PROGRAM	213.49	PAYROLL SUMMARY
	80128	CALTEST LAB	2,391.15	VOLATILE COMPOUNDS
	80129	CARMEL PHILLIPS	3,450.00	UPPER LATERAL REPLACEMENT
	80130	CARMEN PHILLIPS	0.00	UPPER LATERAL REPLACEMENT - VOIDED
	80131	CDW GOVERNMENT INC	10,260.95	3YR LENOVO SUPPORT&THINKPAD, VMWARE LIC UPGRADE
	80132	TERRY S CHATMAN	114.00	TRAVEL PER DIEM
	80133	CHAVEZ TRANSPORT, INC.	798.00	TRANSPORT SYAR TO RYDER
	80134	CHEMURGIC AGRICULTURAL CHEMICALS	5,057.88	SODIUM BISULFITE
	80135	CINTAS CORPORATION NO 3	1,704.71	LAUNDRY SERVICE
	80136	CITY OF VALLEJO PUBLIC WORKS DEPT	11,150.00	EXCAVATION PERMIT - 10 LOCATIONS
	80138	CITY OF VALLEJO WATER BILLING	6,613.52	WATER CHARGES
	80139	COMCAST	154.89	02/08/2020-03/07/2020
	80140	CORELOGIC SOLUTIONS, LLC	100.50	SOLANO PROP PRO DATA
	80141	CULLIGAN SANTA CLARA, CA	684.76	SOLAR SALT
	80142	DAVID RUDD	2,460.00	UPPER LATERAL REPLACEMENT

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

Ck Date	Ck No	Vendor Name	Amount	Description
	80143	DENNIS & KELLY BRAMMER	1,650.00	UPPER LATERAL REPLACEMENT
	80144	DONALD WHEELER	2,930.00	UPPER LATERAL REPLACEMENT
	80145	E & M INC	800.00	ONSITE & REMOTE SERVICES
	80146	EUROFINS CALSCIENCE, INC.	6,670.00	AUSTIN CREEK PROJECT - JAN 2020
	80147	FEDERAL EXPRESS	324.98	SHIPPING CHARGES
	80148	FOSTER FLOW CONTROL	7,426.09	2" BUTTERFLY VALVE, 8" MILLIKEN VALVE
	80149	GOOGLE, INC	704.12	G SUITE BASIC SUBSCRIPTION
	80150	WW GRAINGER	3,448.78	MECHANICAL GLOVES,SFTY GLASSES,LED LAMP
	80151	HDR ENGINEERING, INC.	142,780.04	PROFESSIONAL SVCS - MIPS 12/29/19-2/01/20
	80152	HELIX LABORATORIES INC	6,795.11	330 GAL TOTE COMMANDER
	80153	INDUSTRIAL SCIENTIFIC CORP	1,707.50	INET GAS MONITORING
	80154	INFOR PUBLIC SECTOR INC	5,735.00	CONSULTING FEE
	80155	INFOSEND INC	12,323.67	FALL NEWSLETTER
	80156	INTERSTATE BATTERY	1,377.70	BATTERIES
	80157	ISMAEL / PEDRO PEREZ	400.00	TWO WAY CLEAN OUT
	80158	JACK FROST DESIGN INC	1,896.25	SHAREPOINT DEVELOPMENT
	80160	JR'S ROAD SERVICE	3,191.09	EQUIPMENTS REPAIR/MAINT
	80161	JUAN ARGUMEDO	400.00	TWO WAY CLEAN OUT
	80162	KAISER PERMANENTE MEDICAL GROUP	780.00	VARIOUS EMPLOYEE TESTS
	80163	KIMBALL MIDWEST	729.72	BLK CABLE, SCRATCH BRUSH
	80164	KUBWATER RESOURCES, INC	19,377.45	500 LB SMALL TAY BAG
	80165	LANGUAGE PEOPLE, INC.	98.00	BILINGUAL VERIFICATION
	80166	LEGALSHIELD	106.60	PAYROLL SUMMARY
	80167	LYSTEK INTERNATIONAL LIMITED	6,099.12	BIOLSOLIDS
	80168	MAILFINANCE INC	1,149.13	LEASE 03/06/20-06/05/20
	80169	MANAGED HEALTH NETWORK	2,002.50	TRAVEL & TRAINING CHARGES
	80170	MCMASTER-CARR SUPPLY COMPANY	801.77	GLASS TUBE & CERAMIC TUBE
	80171	MOSCHETTI INC	225.00	BRAZIL GR#5
	80172	NANCY LEE	2,050.00	UPPER LATERAL REPLACEMENT
	80173	NAPA VALLEY PETROLEUM INC	65.03	ALUM FL CYL EX
	80174	NEOFUNDS BY NEOPOST	19.51	POSTAGE
	80175	NICK'S CUSTOM GOLF CARTS	103.38	HEAT SINK AND DIODES
	80176	PACIFIC GAS & ELECTRIC	8,562.54	01/14/202020-02/12/2020
	80177	PETER & LESLIE PEROTTI	2,160.00	UPPER LATERAL REPLACEMENT
	80178	PHOENIX NAP, LLC.	979.92	CLOUD BACK UP FOR VEEAM
	80179	PREFERRED ALLIANCE, INC.	1,372.52	REASONABLE SUSP. TRAINING FOR SUPVRS
	80180	QUENVOLD'S SAFETY SHOE MOBILES	351.15	SAFETY BOOTS- HAMMOND

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

Ck Date	Ck No	Vendor Name	Amount	Description
	80181	RED WING SHOE STORE	766.14	SAFETY BOOTS- LYNSKEY
	80182	SAFETY-KLEEN CORP	2,081.00	DRUM OPEN HEAD BLK, LUBRICANT PRODS.
	80183	SAMBA HOLDINGS INC	202.40	DRIVER MONITOR
	80184	SAN FRANCISCO ESTUARY INSTITUTE	15,135.00	PROFESSIONAL SVCS 1/1/20-12/31/20
	80185	SANDRA TURNER	1,625.00	UPPER LATERAL REPLACEMENT
	80186	GEZEL R. SIMMONS	81.29	TRAVEL PER DIEM
	80187	SOLANO COUNTY DEPT OF RESOURCE MGMT	2,747.00	ENCROACHMENT PERMIT
	80188	SUEZ WTS SERVICES USA, INC.	149.56	RENTAL, DI, MIX BED
	80189	SUZANNE KLEIMAN	4,950.00	UPPER LATERAL REPLACEMENT
	80190	SYAR INDUSTRIES INC	1,087.92	ASPHALT
	80191	T.H.E. OFFICE CITY	57.88	CUSTOM NAME PLATE
	80192	TEAM GHILOTTI, INC.	33,185.96	PROF SVCS & RETENTION RLS - SKIB MONTEITH
	80193	TELETRAC NAVMAN US LTD.	3,903.49	SERVICE FEE 2/1/20-4/30/20
	80194	TRI-CITY FENCE COMPANY INC	1,677.00	INSTALLED FENCE
	80195	JEFFERY TUCKER	277.43	TRAVEL PER DIEM
	80196	VALLEJO CITY UNIFIED SCHOOL DIST	225.00	VJO SCHOOL FIELD TRIP
	80197	VALLEJO ELECTRIC MOTOR	2,095.12	WEG MOTORS, FANS, POLE
	80198	VALLEJO TIMES HERALD	300.00	CLASSIFIED ADVERTISING
	80199	VALLEY YELLOW PAGES	346.06	MONTHLY CHARGES
	80200	VWR SCIENTIFIC	443.67	TECH SERV-PIPETTE
	80201	XEROX FINANCIAL SERVICES	546.20	01/01-01/30 LEASE PYMT
	80202	DEX YP	154.80	ADVERTISING CHARGES
	80203	ZEE MEDICAL SERVICES	767.97	MEDICAL SUPPLIES
		Subtotal	442,174.40	
3/13/2020	80204	A+ WATERWORKS	6,747.00	LOWER LATERAL REPLACEMENT - 2 LOCATIONS
	80205	ADVANCED TRENCHLESS INC.	3,850.00	LOWER LATERAL REPLACEMENT - 1 LOCATION
	80206	ALHAMBRA	224.63	WATER SVC
	80207	ALLIANT INSURANCE SERVICES	1,533.00	20-23 PUBLIC OFFICIAL MORTON/TUCKER
	80208	AT&T MOBILITY	4,086.19	01/16/2019-02/15/2020
	80209	ARVO EDGAR BACKHOLM II	489.40	TRAVEL PER DIEM
	80210	SEAN BAILEY	94.00	CWEA CERTIFICATION REIMB
	80211	BAYSHORE BUILDING MATERIALS	284.87	CONCRETE
	80212	BELL PRODUCTS INC	18,400.95	INSTALLED NEW CARRIER, FILTERS, INSPECTION
	80213	BOLT STAFFING SERVICE INC	6,507.26	TEMP SVCS WK END 2/23/20 & 3/1/20 - 3 EMPLOYEES
	80214	BROWN AND CALDWELL	2,083.29	HEADWORKS DECK REPLCMNT 11/22/19-1/23/20

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
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MEETING DATE: APRIL 14, 2020

Ck Date	Ck No	Vendor Name	Amount	Description
	80215	CALPERS	7,497.51	PAYROLL SUMMARY
	80216	CALPERS LONG-TERM CARE PROGRAM	213.49	PAYROLL SUMMARY
	80217	CALTEST LAB	5,685.75	VOLATILE COMP, CYANIDE, MERCURY, NITRATE
	80218	CARL GUSTAFSON	6,000.00	UPPER LATERAL REPLACEMENT
	80219	CARREN JONES-REISINGER	3,150.00	UPPER LATERAL REPLACEMENT
	80220	CDW GOVERNMENT INC	1,650.00	ADOBE CREATIVE
	80221	CINTAS CORPORATION NO 3	3,045.09	LAUNDRY SERVICE
	80222	CITY OF VALLEJO PUBLIC WORKS DEPT	3,345.00	EXCAVATION PERMIT - 3 LOCATIONS
	80223	CITY OF VALLEJO WATER BILLING	472.99	WATER CHARGES
	80224	COMCAST	154.89	02/29/2020-03/28/2020
	80225	CRATUS INC	57,629.94	MARE ISLAND WAY SS REHAB - FEB 2020
	80226	DAVID WILEY	2,250.00	UPPER LATERAL REPLACEMENT
	80227	DELTA DENTAL PLAN	24,670.41	FEB 2020-DENTAL BENEFITS
	80228	DEPENDABLE JANITORIAL SVC & SUPPLY	5,450.00	JANITORIAL SVCS 02/2020
	80229	DIRECT LINE, INC.	293.00	BASE RATE FOR MAR 2020
	80230	DKF SOLUTIONS GROUP LLC	5,585.00	EASEMENT MAINT (9 REG), TRAFFIC CTRL (8 REG)
	80231	ROBERT C. DOROUGH	465.04	TRAVEL PER DIEM
	80232	E & M INC	450.00	TOP VIEW SUPPORT RRENEWAL
	80233	EDMUND LEE	2,640.00	UPPER LATERAL REPLACEMENT
	80234	ERIKS NORTH AMERICA, INC.	991.21	SCRATCH GUARD RIBBED
	80235	FEDERAL EXPRESS	225.28	SHIPPING CHARGES
	80236	FOSTER FLOW CONTROL	10,338.25	6" MILLIKEN VALVE
	80237	GAOIRAN, NONATO A & JOYCE S	14.09	150 CAMINO DEL SOL
	80238	GENERAL PLUMBING SUPPLY CO	185.66	CU-TUBE TYPE K
	80239	GLOBALSTAR USA	114.90	01/16/2020-02/15/2020
	80240	WW GRAINGER	3,530.85	REPLCMT SENSOR, LED LAMPS, DISP GLOVES
	80241	GRAYBAR	2,680.83	ABB INSTALLATION PRODUCTS
	80242	GRAYMONT WESTERN US INC	7,601.92	HIGH CALCIUM QUICKLIME
	80243	HADRONEX INC	5,461.62	SUBSONIC SYSTEM
	80244	HAZEN AND SAWYER	14,005.97	CONDITION ASSESMENT 7/1/19-9/30/19
	80245	HELIX LABORATORIES INC	6,795.11	330 GAL TOTE COMMANDER
	80246	HULTGREN-TILLIS ENGINEERS	13,450.00	TUBBS ISL LEVEE IMP PROG 1/22/20-3/3/20
	80247	INFERRERA CONSTRUCTION MGMT GROUP	6,285.00	MARE ISLAND WAY SEWER REH
	80248	INFOR PUBLIC SECTOR INC	212.50	CONSULTING FEE
	80249	INFOSEND INC	12,798.22	SUMMER NEWSLETTER
	80250	INLAND BUSINESS SYSTEMS	383.43	CONTRACT OVERAGE CHRG 02/01-02/29
	80251	JACQUES MANNS	2,900.00	UPPER LATERAL REPLACEMENT

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
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Ck Date	Ck No	Vendor Name	Amount	Description
	80253	JR'S ROAD SERVICE	4,133.61	EQUIPMENTS REPAIR/MAINT
	80254	ERIC J. KERSTHOLD	375.52	TRAVEL PER DIEM
	80255	TYLER LANDERS	489.40	TRAVEL PER DIEM
	80256	LES SCHWAB TIRE CENTER	679.05	TIRE SVCS
	80257	LIPPINCOTT SUPPLY CO	46.95	TAPCON ANCHOR
	80258	MANAGED HEALTH NETWORK	433.80	EMPLOYEE ASSISTANCE PROG
	80259	MANCO	818.31	UPGRADE CHAMBER RESIDUAL ANALYZER
	80260	MARK LOPEZ	1,550.00	UPPER LATERAL REPLACEMENT
	80261	MARK SLOAN	2,050.00	UPPER LATERAL REPLACEMENT
	80262	ROBERT MCKENNA	489.40	TRAVEL PER DIEM
	80263	MCMASTER-CARR SUPPLY COMPANY	1,844.84	LIQUID-TIGHT FLEX METAL/PLASTIC, BUSHING
	80264	MUNICIPAL CODE CORPORATION	258.00	DATABASE UPDATE
	80265	NATIONAL FILTER MEDIA	17,567.88	REPLACEMENT BELTS FOR BFPS
	80266	NEW IMAGE LANDSCAPE COMPANY	1,250.00	LANDSCAPE MAINT-02/2020
	80267	NICK'S CUSTOM GOLF CARTS	1,200.00	NOV 2020 SVCS 12-CARTS
	80268	O'NEAL CONSTRUCTION	15,564.00	ELECTRICAL WORKSHOP - RELOCATION ELEC/MECH
	80269	PACIFIC GAS & ELECTRIC	85,031.99	02/01/2020-02/29/2020
	80270	R & B COMPANY	5,231.95	PVC SEWER PIPES GASKETED
	80271	RAMOS OIL CO	20,298.98	GASOLINE AND DIESEL
	80272	RAPOLLA, ANTONIO Q & T A	35.93	160 MARI CT
	80273	RED WING SHOE STORE	484.22	SAFETY BOOTS-BOYT
	80274	ANTHONY REYES	495.20	TRAVEL PER DIEM
	80275	RICHARD DURAN	3,975.00	UPPER LATERAL REPLACEMENT
	80276	RICOH USA, INC.	228.60	02/24/2020-03/23/2020
	80277	SIERRA SAFETY TRAINING, INC.	1,785.00	CONFINED SPACE ENTRY
	80278	SOLANO COUNTY DEPT OF INFORMATION	14,430.17	AERIAL PHOTOGRAPHY
	80279	SYAR INDUSTRIES INC	2,122.84	AGGREGATE BASE, CUTBACK, ASPHALT
	80280	T.H.E. OFFICE CITY	20.59	CUSTOM NAME PLATE
	80281	THREE T EQUIPMENT	1,320.50	PIPEPATCH WINTER KIT
	80282	TPX COMMUNICATIONS	794.78	02/23/2020-03/22/2020
	80283	TRI-CITY FENCE COMPANY INC	15,086.00	INSTALLED FENCE
	80284	VALLEJO CHAMBER OF COMMERCE	2,000.00	CORNERSTONE
	80285	VALLEJO ELECTRIC MOTOR	9,098.57	LABOR/MATERIALS REPAIR PUMP
	80286	VALLEJO FIRE EXTINGUISHER	9.75	VALVE STEM
	80287	PATRICK VIDAMO	375.00	CWEA CERTIFICATION REIMB
	80288	VISION SERVICE PLAN (CA)	3,530.88	VISION PRM
	80289	WATTCO EQUIPMENT INC.	585.23	SHOP LABOR

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

Ck Date	Ck No	Vendor Name	Amount	Description
	80290	WECO INDUSTRIES LLC	587.58	NOZZLE JET CARBIDE ASMBLY
	80291	WEST YOST & ASSOCIATES	20,783.95	FULTON STORM DRAIN INLET - SKIB MOTEITH
	80292	WREGIS	75.00	ANNUAL FEE - GU SMALL
	80293	WORKTERRA	120.00	FEB ADMIN FEE
	80294	CHRISTOPHER WRIGHT	94.00	CWEA CERTIFICATION REIMB
	80295	YOGA WITH YOUR BOOTS ON	2,400.00	YOGA CLASSES - FEB 2020
		Subtotal	502,676.01	
3/20/2020	80296	ABAG POWER	7,358.41	FY20 LEVZD CHRG NAT-GAS
	80297	ACCESS	518.93	STORAGE 03/2020
	80298	AFLAC	1,903.62	PAYROLL SUMMARY
	80299	AHERN RENTALS INC	5,800.59	BOOM TELESCOPING
	80300	ALCO IRON & METAL	93.55	ALUM ROUND TUBE
	80301	AT&T	844.82	01/27/2020-02/26/2020
	80302	BAY POWER LLC	556.75	CONSULTING FEES
	80303	BAYSHORE BUILDING MATERIALS	287.42	CALCIUM, MIX TRAILER
	80304	BEARING ENGINEERING CO	612.54	ROLLER BEARING,INNER RACE
	80305	BEECHER ENGINEERING INC	2,000.00	PROFESSIONAL SVCS - SECONDARY INTER PUMP SYS
	80306	BELL PRODUCTS INC	2,584.45	LABOR-HEATER, INSTALLED PARTS
	80307	BKF ENGINEERS	4,328.50	VJO STORMWATER TRASH CAPT 1/27/20-2/23/20
	80308	BOLT STAFFING SERVICE INC	7,776.28	TEMP SVCS WK END 3/15/20 & 3/8/20 - 3 EMPLOYEES
	80309	BROWN AND CALDWELL	981.25	HEADWORKS DECK REPLCMNT 1/27/20-2/20/20
	80310	BURKE, WILLIAMS & SORENSEN, LLP	12,681.33	PROF SVCS THRU 01/31/20
	80311	CALIFORNIA CAD SOLUTIONS	6,300.00	FME DATABASE EDITION
	80312	CALPERS	7,468.89	PAYROLL SUMMARY
	80313	CALPERS LONG-TERM CARE PROGRAM	213.49	PAYROLL SUMMARY
	80314	CDW GOVERNMENT INC	121.95	LENOVO LASER MOUSE
	80315	CHEMURGIC AGRICULTURAL CHEMICALS	5,080.48	SODIUM BISULFITE
	80316	CINTAS CORPORATION NO 3	862.89	LAUNDRY SERVICE
	80317	CITY OF VALLEJO PUBLIC WORKS DEPT	3,345.00	EXCAVATION PERMIT - 3 LOCATIONS
	80319	CITY OF VALLEJO WATER BILLING	6,072.63	WATER CHARGES
	80320	CO, ROBERT M & ELIZA S	46.25	REFUND: 315 WOODSON WAY
	80321	COMCAST	154.89	03/08/2020-04/07/2020
	80322	CRESCO EQUIPMENT	3,041.03	BOMAG,AIR HOSE,MOIL POINT,WACKER REPAIR
	80323	E & M INC	1,395.10	REMOTE & ON SITE SVCS
	80324	EAST BAY TIRE CO	282.59	SRVC TRUCK RATE,FUEL

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

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	80325	EMPLOYMENT SCREENING RESOURCES	174.23	FINANCE ASST SCREENING
	80326	FEDERAL EXPRESS	61.14	SHIPPING CHARGES
	80327	FOSTER FLOW CONTROL	1,907.03	2" VALVE MATIC
	80328	GENERAL AIR COMPRESSOR NORTH	1,884.82	AIR COMPRESSOR REPAIR
	80329	GOOGLE, INC	708.00	G SUITE BASIC
	80331	WW GRAINGER	2,994.90	PHOTOCONTROL LOCKING,CHAIN CLAMP,WALL PACK LED
	80332	GREEN INFO NETWORK	381.22	WATERSHADE MAP UPDATE
	80333	HARRINGTON PLASTICS, INC	841.62	REPAIR PART HYPO SYSTEM
	80334	HELIX LABORATORIES INC	6,795.11	COMMANDER - 330 GAL TOTE
	80335	INFOSEND INC	12,833.86	WINTER NEWSLETTER
	80336	ISLAND ENERGY	1,845.84	ENERGY CHARGES
	80337	JR'S ROAD SERVICE	3,566.31	EQUIPMENTS REPAIR/MAINT
	80338	KIMBALL MIDWEST	2,366.26	SHOP SUPPLIES RESTOCK
	80339	LEGALSHIELD	106.60	PAYROLL SUMMARY
	80340	LYSTEK INTERNATIONAL LIMITED	12,258.72	BIOSOLIDS
	80341	MASON PAINTING INC.	6,466.00	POWER WASH & PAINT - PLANT FACIL/GROUND REHAB
	80342	MATHEWS & SONS AUTOMOTIVE INC	71.01	OIL CHANGE
	80343	MCMASTER-CARR SUPPLY COMPANY	5,358.08	COOLANT HOSE,PUSH-ON SEAL,ELEC/MAINT SUPPLIES
	80344	MOSCHETTI INC	37.93	FILTER, CLEANING POWDER
	80345	MUNICIPAL MAINTENANCE EQUIPMENT	1,068.65	ROTOJET HRV
	80346	NAPA VALLEY PETROLEUM INC	144.63	CHEV ATF MD-3
	80347	NAPA-VALLEJO WASTE MANAGEMENT	313.90	C&D RECYCLING TONS
	80348	NEW PIG CORPORATION	342.22	RECLAIMED RAGS, TSHIRT
	80349	O'NEAL CONSTRUCTION	13,450.00	ENCLOSE CHEMICAL AREA - RELOCATE MECH/ELEC SHOP
	80350	PACIFIC GAS & ELECTRIC	1,948.53	12/13/2019-01/13/2020
	80351	PHOENIX NAP, LLC.	979.92	CLOUD BACKUP VEEAM
	80352	PLANT HARMONY	194.63	STORE MENTORING & MAINT
	80353	SAFETY-KLEEN CORP	2,092.93	NON-HAZARDOUS SOLID
	80354	SETON IDENTIFICATION	1,396.57	CUSTOM TAG PERMIT
	80355	SHAPE INC	1,052.23	2X3 ELBOW
	80356	SOLANO COUNTY AUDITOR-CONTROLLER	50.00	NOTICE OF EXEMPTION
	80357	SUEZ WTS SERVICES USA, INC.	149.56	RENTAL, DI, MIX BED
	80358	SYAR INDUSTRIES INC	793.99	HMA TYPE A/B
	80359	VALLEJO CONVENTION & VISITORS	110.00	ANNUAL MEMBERSHIP
	80360	VALLEJO ELECTRIC MOTOR	37,379.42	INFLUENT PUMP 2A REPAIR
	80361	VISION COMMUNICATIONS	8,883.10	REPEATER,BAND-REJECT,CABLE

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

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	80362	WECO INDUSTRIES LLC	211.59	NOZZLE JET CARBIDE ASMBLY
	80363	XEROX FINANCIAL SERVICES	273.11	02/29-03/29 LEASE PMT
		Subtotal	214,207.29	
3/27/2020	80364	ARMOR LOCKSMITH SERVICES	6,276.07	PRIMUS MORTISE CYL
	80365	BAY AREA AIR QUALITY MGT DIST	446.00	PERMIT RENEWAL
	80366	BAY POWER LLC	444.16	MICROSPIN MAINT KIT
	80367	BAYSHORE BUILDING MATERIALS	296.44	CONCRETE
	80368	BEARING ENGINEERING CO	874.72	SPLIT OIL SEAL
	80369	BELL PRODUCTS INC	5,890.00	REPAIRS/MAINT
	80370	BILL STEPHENSON CONCRETE	8,565.00	CONCRETE WORK
	80371	BLUEPRINT EXPRESS CORP	252.94	STORMWATER TRASH
	80372	BOBCAT OF SANTA ROSA	374.48	EDGE, BOLT, NUT
	80373	BORGES & MAHONEY	1,270.37	SYNCH MOTOR 2 RPM
	80374	BROWN AND CALDWELL	9,497.25	VJO LAND APP ASSESSMENT 10/25/19-2/20/20
	80375	MICHAEL EDWIN BURKETT	89.00	CWEA CERTIFICATION REIMB
	80376	CITY OF VALLEJO WATER BILLING	607.51	WATER CHARGES
	80377	CORELOGIC SOLUTIONS, LLC	100.50	SOLANO CA PROP PRO
	80378	CRESCO EQUIPMENT	195.18	HAND HELD CORE DRILL
	80379	E & M INC	28,515.00	SOFTWARE SUPPORT CONTRACT
	80380	EOA INC	473.44	SW MGMT AND REPORTING
	80381	FEDERAL EXPRESS	221.86	SHIPPING CHARGES
	80382	FIELD ANALYTIC SERVICES LLC	60,244.64	ELECTRICAL SAFETY IMPROVEMENTS
	80383	FOSTER FLOW CONTROL	2,278.54	ACTUATOR
	80384	GHD INC	5,373.00	VJO SANITARY SEWER
	80385	GLENN YENNI & SONS INC	12,400.00	LEASE AGR#782/BB 080119
	80386	WW GRAINGER	2,279.62	LOCK BOX,WALL MOUNT
	80387	GRAYBAR	65.65	COOPER CROUSE-HINDS DIV
	80388	GRAYMONT WESTERN US INC	7,356.33	HIGH CALCIUM QUICKLIME
	80389	HAZEN AND SAWYER	4,087.00	CONDITION ASSESSMENT 10/1/19-2/29/20
	80390	HDR ENGINEERING, INC.	73,482.79	MIPS 3W EFF BYPASS DESIGN 2/2/20-2/29/20
	80391	HORIZON WATER AND ENVIRONMENT, LLC	1,459.25	AUSTIN CK CHANNEL CLEARING
	80392	INFERRERA CONSTRUCTION MGMT GROUP	1,415.00	INSPECTION - MARE ISL WY

VALLEJO FLOOD AND WASTEWATER DISTRICT
DISBURSEMENTS REGISTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
MEETING DATE: APRIL 14, 2020

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	80393	JEFFERY MALICOTT	3,025.00	UPPER LAT REPLACEMENT
	80394	KIMBALL MIDWEST	3,210.37	SHOP SUPPLIES RESTOCK
	80395	KUBWATER RESOURCES, INC	19,377.45	500 LB SMALL TAY BAG
	80396	LES SCHWAB TIRE CENTER	1,327.37	SERVICE TRUCK BRAKE REPLACEMENT
	80397	LIPPINCOTT SUPPLY CO	248.06	WEDGE ANCH STAINLESS
	80398	MAHONEY'S LITTLE & BIG MAN BACKHOE	3,863.00	LOWER LAT REPLACEMENT
	80399	MANAGED HEALTH NETWORK	433.80	EMPLOYEE ASST PROGRAM
	80400	MARJORIE ALEXANDER	2,250.00	UPPER LAT REPLACEMENT
	80401	MARK & JONNA LEWIS	1,760.00	UPPER LAT REPLACEMENT
	80402	MASON PAINTING INC.	1,794.00	POWER WASH,ABRADE,ETC.
	80403	MCMASTER-CARR SUPPLY COMPANY	1,331.79	WIRE ROPE COMPRE,SOLENOID
	80404	MORGAN ALARM COMPANY INC	111.00	COMMERCIAL QTR MONITORING
	80405	NEW IMAGE LANDSCAPE COMPANY	2,500.00	PUMP STATION SITE MAINTENANCE
	80406	PACIFIC GAS & ELECTRIC	5,771.54	2/19/2020-3/18/2020
	80407	PSOMAS	1,725.00	MARE ISL SWR & WATER MAIN 1/31/20-2/27/20
	80408	R & B COMPANY	2,387.89	PVC SEWER PIPE/WYE
	80409	RECOLOGY VALLEJO	14,100.77	FEB & MARCH SERVICES
	80410	RED WING SHOE STORE	372.77	MEMORY FOAM-KESSLER
	80411	SUSAN HARMEYER / NANCY LEE	838.00	LOWER LAT REPLACEMENT
	80412	SYAR INDUSTRIES INC	5,066.94	CLASS 2 AGGREGATE BASE
	80413	T.H.E. OFFICE CITY	4,006.05	OFFICE SUPPLIES
	80414	TERRACON CONSULTANTS, INC.	850.00	MARE ISL SEWER REHAB-FIELD DENS TESTING
	80415	UNIVAR SOLUTIONS USA INC	794.74	CAUSTIC SODA
	80416	VALLEJO ELECTRIC MOTOR	1,611.23	35 TON CRANE SERVICE
	80417	VALLEJO TIMES HERALD	306.00	ROP ADVERTISING
	80418	VISION COMMUNICATIONS	135.00	FCC FILING & REG FEES
	80419	WOODARD & CURRAN, INC.	2,983.80	PUMP STN DESIGN THRU 1/10/20
	80420	XEROX FINANCIAL SERVICES	273.09	LEASE 03/2020
	80421	DEX YP	325.69	ADVERTISING CHARGES
		Subtotal	317,612.09	
		Grand Total	1,476,669.79	

Vallejo FLOOD & WASTEWATER DISTRICT

Return to Agenda

District Manager
Melissa Morton

April 14, 2020

BOARD COMMUNICATION

Consent Item No. 4C

TO: THE HONORABLE PRESIDENT AND BOARD OF TRUSTEES

FROM: MELISSA MORTON, DISTRICT MANAGER Melissa Morton
JEFF TUCKER, DIRECTOR OF FINANCE/TREASURER

SUBJECT: APPROVAL OF DEBT ISSUANCE AND MANAGEMENT POLICIES

BACKGROUND AND DISCUSSION

The purpose of debt issuance and management policies is to provide guidance to staff on parameters and expectations, and to ensure that the District, as an issuer of bonds, complies with applicable requirements of federal tax law necessary to preserve the tax-exempt status of the interest on tax-exempt obligations issued by the District.

Government Code Section 8855(i) requires the District to have adopted debt issuance policies in compliance with the requirements identified in the Section, and that the District must provide those policies to the California Debt and Investment Advisory Commission at least 30 days prior to issuing any debt. The Code requires the debt policy to include the following:

A. The purposes for which the debt proceeds may be used.
B. The types of debt that may be issued.
C. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
D. Policy goals related to the issuer's planning goals and objectives.
E. 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.

Highlights from Proposed Debt Issuance and Management Policy:

- All issuances of debt require Board of Trustees approval.
- Restricts debt issuance to capital projects only, and allows the term of the debt to be no longer than the anticipated useful life of the capital project.
- Establishes the conditions under which interfund and intrafund loans can be made.
- Establishes a limitation on the amount of debt that can be issued. Establishes a minimum debt service coverage ratio of 125%. It also prohibits the issuance of debt if doing so would adversely affect the District's cash flow position, reserve requirements, operational flexibility, or ability to finance future planned capital improvement projects.

- Identifies the professional services that may be required as part of the process for issuing debt, and the services that these professionals may or may not provide.
- Requires the District to establish procedures to ensure compliance with continuing financial disclosure requirements, reporting requirements, and other required communications.
- Ensures that debt proceeds are used only for their intended use, and that they are spent down in compliance with IRS rules to avoid arbitrage and/or negatively impact the tax-exempt status of the debt interest earnings.
- Establishes internal controls for the property use of debt proceeds.
- Sets the records retention schedule for debt-related documents to meet current IRS requirements.

The proposed changes will provide guidance to staff in the development of debt-related financings and meet the legal requirements for debt issuance and management policies when next the District issues debt.

RECOMMENDATION

Approve the Debt Issuance and Management Policies as submitted.

ALTERNATIVES CONSIDERED

None

ENVIRONMENTAL REVIEW

This is not a project under CEQA and no environmental review is required.

FISCAL IMPACT

None

PROPOSED ACTION

Adopt a resolution approving the Debt Issuance and Management Policies.

DOCUMENTS ATTACHED

A. Resolution
B. Debt Issuance and Management Policies

CONTACT PERSON

Jeff Tucker, Director of Finance/Treasurer, (707) 652-7802

RESOLUTION NUMBER 2020 -

A RESOLUTION TO APPROVE THE VALLEJO FLOOD AND WASTEWATER DISTRICT DEBT ISSUANCE AND MANAGEMENT POLICIES

BE IT RESOLVED, by the Board of Trustees of the Vallejo Flood and Wastewater District of Solano County, California as follows:

WHEREAS, the Board of Trustees of the Vallejo Flood and Wastewater District desires to provide direction and guidance to staff in the development of debt financing for the approval capital improvement plan, and to have policies in place prior to the issuance of any future debt; and

WHEREAS, California Government Code Section 8855(i) requires any local government issuer of any proposed debt issue to submit, no later than 30 days prior to the sale of any debt issue, a report of the proposed issuance and a certification that the issuer has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies; and

WHEREAS, California Government Code Section 8855(i) stipulates five items that shall be included in a local debt policy; and

WHEREAS, the proposed Debt Issuance and Management Policies meet the requirements of California Government Code Section 8855(i).

IT IS, THEREFORE, RESOLVED by the Board of Trustees of the Vallejo Flood and Wastewater District that the Board adopts and approves the Debt Issuance and Management Policies for the Vallejo Flood and Wastewater District attached hereby as Exhibit “A”.

ADOPTED by the Board of Trustees of the Vallejo Flood and Wastewater District on the 14th day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

WITNESS my hand and the Seal of said District this 14th day of April, 2020.

MJ BROWN
Clerk of the Board

Debt Issuance and Management Policies
of the
Vallejo Flood and Wastewater District

Approved by the Board of Trustees on _________________

Prepared by the Finance Department

Debt Issuance and Management Policies
Vallejo Flood and Wastewater District

Table of Contents

Debt Issuance and Management Policies
Vallejo Flood and Wastewater District

A. Purpose of the policy

The purpose of this policy is to provide guidance to staff on debt issuance and management parameters and expectations, and to ensure that the District, as an issuer of bonds, complies with applicable requirements of federal tax law necessary to preserve the tax-exempt status of the interest on tax-exempt obligations issued by the District.

The primary objectives of the policy are to help the District:

- Maintain cost-effective access to the capital markets (e.g., sale of bonds, bank loans, government loans, etc.) through prudent fiscal management policies and practices
- Minimize debt service commitments through effective planning and cash management
- Ensure future financial flexibility
- Maintain full and complete financial disclosure and reporting
- Achieve full and timely repayment of debt
- Comply with Government Code Section 8855(i)
- Ensure the District is in compliance with all applicable federal and state securities laws
- Protect the District's creditworthiness and achieve the highest practical credit ratings

B. Approval

The issuance of all debt financings must be approved by the Board of Trustees, in conjunction with the project(s) to be financed.

C. Use of long-term debt

Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District, or to refinance existing District debt.

The District shall have a preference to finance capital improvements using pay-as-you-go financing and shall issue long-term debt only to finance capital improvements that cannot be readily paid for from current revenues. Some exceptions to this may be made on a case-by-case basis for no-interest and extremely-low-interest loan programs for capital projects.

Debt financing shall be used only for major, non-recurring items or improvements with a minimum of ten years of useful life; assets with a shorter useful life shall be financed using pay-as-you-go financing. The intended use of debt shall be described in and integrated into the District's Capital Improvement Plan, Budget and any long-range financial forecasts.

Long-term debt financings shall not be used for current operating expenses and routine maintenance expenses.

D. Use of short-term debt

Short-term debt may be issued to provide interim construction financing for projects that will ultimately be funded by cash, long-term debt or other sources. Short-term debt may also be issued to provide financing for an even cash flow balance. Short-term debt must be fully paid-off within a five-year period or restructured to long-term debt provided that conditions for long-term debt are satisfied.

E. Types of debt

The District, either on its own or through a public benefit corporation, may issue general obligation bonds, certificates of participation, revenue bonds, borrow from a bank, borrow from the State of California through the use of state revolving fund loans, borrow from the Federal Government, or issue any other long or short-term instrument approved by and deemed appropriate by the Board of Trustees to meet the capital financing needs of the District. Debt may be fixed rate or variable rate.

F. Length of debt obligations

The District shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt. No long-term debt shall be issued with a final maturity exceeding 35 years.

G. Method of sale

The District shall seek advice from its independent registered municipal advisor regarding the method of debt issuance: competitive bid, negotiated price, or private placement. The District shall have a preference for conducting financings on a competitive basis. However, negotiated financings or private placements may be used due to market volatility or the use of an unusual or complex financing or security structure.

H. Interfund and intrafund loans

When obtaining external financing is undesirable due to anticipated term or costs of debt issuance, the District may loan money from one fund to another, or from restricted accounts within funds, to meet specifically identified needs, provided that the fund making the loan has sufficient forecast reserves and liquidity to make the loan. Interfund and intrafund loans should only be used for capital purchases or capital projects. All interfund and intrafund loans shall require Board of Trustee approval. The loan shall be paid back based on the terms, conditions and amortization schedule approved by the Board of Trustees. The loan shall accrue interest as determined upon the approval of the loan, based on either 1) the investment rate of return on the District's investment portfolio for the month prior to the date the loan is approved (fixed rate), or 2) the current rate of return on the District's investment portfolio monthly over the duration of the loan (variable rate).

I. Debt service limitation

The District shall not issue debt where the debt service amounts exceed its ability to pay current obligations from current revenues through its maturity. This shall be calculated as follows: current operating revenues, less current operating expenditures, shall be at least 125% of anticipated total annual debt service for all outstanding long-term debt.

Additional debt will not be considered if its issuance would adversely affect the District's cash flow position, reserve requirements, operating flexibility, or ability to finance future planned capital improvement projects.

J. Use of credit enhancements

Credit enhancements, such as bond insurance or letters of credit, are used to improve the credit rating or credit worthiness of an agency. When issuing long-term debt, the District may use credit enhancements only when net debt service on the debt is reduced by more than the cost of the enhancement (i.e., the savings is greater than the cost), or the enhancement is a requirement for the loan or debt issuance.

K. Bond rating

The District shall seek to maintain and, if possible, improve its current bond rating in order to minimize borrowing costs and preserve access to credit.

L. Use of professional services

The District may contract for the services of an independent registered municipal advisor (IRMA) to provide services and advice on matters pertaining to debt structuring, timing, marketing, credit ratings, methods of sale and terms. The IRMA may develop a financing plan, analyze comparative bond pricing, facilitate the debt issuance and bidding process. The IRMA shall be registered with the Municipal Securities Rulemaking Board (MSRB).

The District may contract for the services of professional bond counsel. Bond counsel provides services and offers opinion that the District has me all legal requirements necessary for bond issuance. Bond counsel may advise the District on authorizing resolutions and ordinances, trust indentures, tax certificates, official statements, validation proceedings, additional bonds test certification, and litigation.

The District may contract for the services of a Trustee, usually a bank with a separate Trust Division. The Trustee acts as the fiduciary agent with trust powers for the benefit of bondholders in enforcing the terms of the bond contract. The Trustee collects and distributes debt service payments, and maintains reserve funds and custody of investments. The Trustee may also serve as the Dissemination Agent for financial disclosure compliance.

The District may contract for the services of an arbitrage rebate consultant. The arbitrage rebate consultant performs rebate calculations with respect to any bond issue, as set forth in the Tax Certificate, at the frequency identified in the bond issuance documents.

In a negotiated sale, the District may contract for the services of an underwriter. The selection of an underwriter or consortium of underwriters shall be made based on a competitive selection process (i.e., Request for Proposals process). The underwriter shall not serve in the capacity of financial advisor or IRMA to the District.

M. Financial disclosure compliance

The District shall fully disclose financial and pertinent credit information as it relates to the District's outstanding securities, in compliance with any existing bond or loan covenants. This includes continuing disclosure obligations as required by bond documents, loan agreements, and state and federal law, as well as any disclosures based on any extraordinary events.

Pertaining to Government Code Section 8855(i), the District shall submit a Report of Proposed Debt to the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt, and certify that the District has adopted debt policies concerning the use of debt and that the proposed debt is consistent with those policies.

N. Use of proceeds

Debt proceeds shall be used to fund capital improvements (including costs for design, engineering, construction, construction management, inspection, and associated permits and fees) approved by the Board of Trustees and described in loan or bond issuance documents, and may include the costs of issuance. The District shall comply with all applicable Federal, State, and contractual restrictions regarding the investment of debt proceeds that have not yet been spent. The restrictions include the allowable type, yield and investment period of securities.

At the time of issuance of any bond issue, the District shall reasonably expect to spend at least 85% of all proceeds expected to be used to finance improvements (excluding any required reserve fund) within three (3) years of issuance. In addition, the District shall have incurred or expect to incur within six (6) months after issuance expenditures of not less than 5% of such amount of proceeds, and shall expect to complete the project and allocate the proceeds to costs with due diligence.

O. Refinancing outstanding debt

The District will periodically evaluate outstanding bond issues for refunding opportunities and will bring to the attention of the Board of Trustees 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 transactions executed will be followed with a report on actual savings.

P. Internal controls

To ensure debt proceeds are used as intended, the District shall implement internal control procedures that include at least the following:

- Debt proceeds shall be deposited in an account separate from other District accounts, with only revenues and expenditures directly associated with the debt proceeds included in the account.
- At least two approvals from different reviewers will be required on all expenditures of debt proceeds, to review and ensure the expenditure is appropriate to be paid from

debt proceeds.
- District accounting staff shall prepare periodic reports on the use of debt proceeds for management review.

Q. Reporting

The District shall submit an annual debt transparency report for debt issued or outstanding during the fiscal year, in compliance with Government Code Section 8855(k). The District shall also provide a report annually to any public benefit corporate associated with outstanding District debt, as appropriate.

District shall provide any ongoing reporting, as required, to any loan source, such as the State Water Resources Control Board Department of Financial Assistance for State Revolving Fund loans.

The District shall maintain all annual meeting, noticing and reporting requires, as appropriate, for its public benefit corporation.

R. Records retention

The District shall follow the United States Internal Revenue Service guideline for record retention. Records are to be retained for the life of the bond plus three (3) years. For refunding, the refunded bonds retention schedule is reset to match the life of the refunding bond plus three (3) years.

S. Debt issuance and management policy adoption

The District's debt issuance and management policy shall be adopted by resolution as modifications are required due to changing debt market conditions and legislative changes affecting public agency debt issuance and management practices.

Vallejo FLOOD & WASTEWATER DISTRICT

Return to Agenda

District Manager
Melissa Morton

April 14, 2020

BOARD COMMUNICATION

Consent Item No. 4D

TO: THE HONORABLE PRESIDENT AND BOARD OF TRUSTEES

FROM: MELISSA MORTON, DISTRICT MANAGER Melissa Morton
JEFF TUCKER, FINANCE DIRECTOR/TREASURER

SUBJECT: MID-YEAR BUDGET TO ACTUAL REPORT FOR FY2019-20

This mid-year report contains an overview of the District's Operating and Capital expenses as compared to budgeted amounts through the second quarter of fiscal year 2019-20 (50-percent). The purpose of this report is to ensure that the District routinely monitors budget spending and can proactively respond to unanticipated changes and/or cost adjustments. With the goal to raise the level of accountability and transparency, the District implemented this mid-year financial reporting, as of 2019-20, as a standard going forward.

REVENUE

Revenues by Category	Budget	Actual	% of Budget
Service Charges	$ 36,319,113	$18,448,402	51%
Connection Fees	449,500	72,525	16%
Other Revenue	272,840	48,319	18%
Property Taxes	1,000,000	629,007	63%
Interest	535,032	140,571	26%
Other Financial Sources	100,000	12,044	12%
Total Revenues	38,676,485	19,350,868	50%

Analysis

Service charges for Sewer, Storm and Upper Lateral programs have been received as projected in the budget. $34.7 million in utility service charges have been billed and will be received in installments predominantly in December and April.

Connection fees for sewer were $52,933 in the first half of the year, while connection fees for storm were $19,592. Connection fee revenue is recognized when the project is completed and it passes inspection, not when the cash is received. As of December 31, there is an additional $93,000 in sewer connection fee deposits and $63,000 in stormwater connection fee deposits that have not yet recorded as revenue.

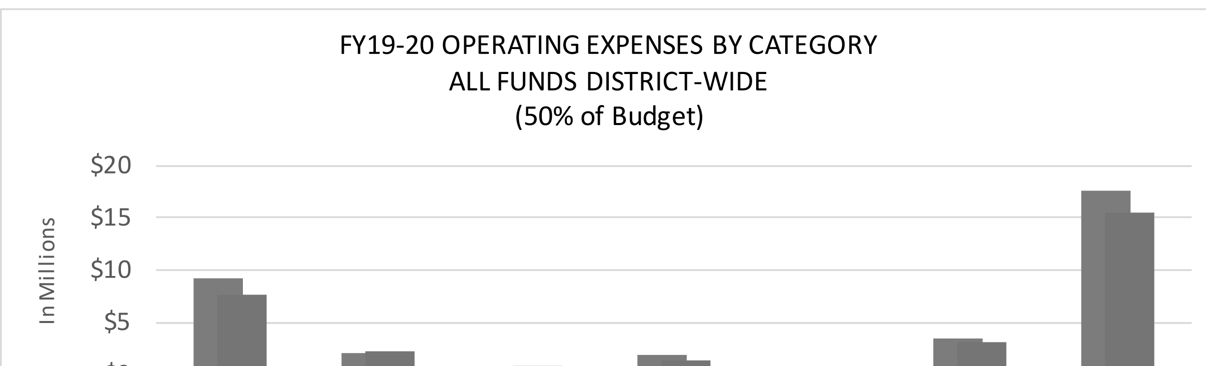
Property tax is higher than budget because of higher than anticipated assessed values and an unbudgeted ROPS ("Recognized Obligation Payments Schedule" – related to the former redevelopment agency's debt obligations) payment.

Interest earnings are lower than anticipated due to upward price pressure in the bond market amid global pandemic fears.

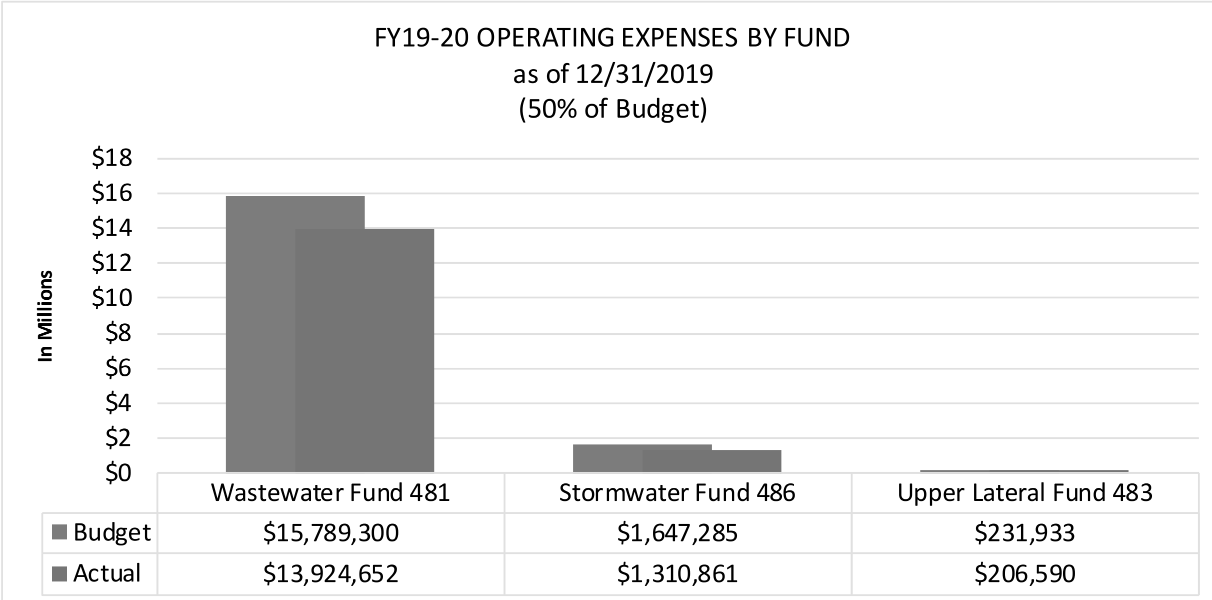
"**Other Revenues**" category is made up of development-related fees and lease income. **Lease income** for Baybridge Communications lease is received monthly, although there were some delays in receiving payments that has now been addressed (payment of ½ of the lease revenue to Norm Yenni, per agreement, is coded as an operating expense and paid when revenues are received). The lease revenue in this revenue category is expected to come in according to expectations, although the **development-related fees** will likely fall short.

OPERATING EXPENSES

Operating Expenses by Category – All Departments	Budget	Actual	% of Budget
Salaries and Benefits	$ 18,548,145	$ 7,624,488	41%
Operations Materials, Services & Supplies	4,222,820	2,266,505	54%
Utilities	1,477,000	754,482	51%
General & Administrative	3,602,970	1,367,449	38%
Insurance	655,200	346,370	53%
Total Operating Expenses	28,506,135	12,359,294	43%



	Salaries and Benefits	Operations Materials, Services & Supplies	Utilities	General & Admin	Insurance	Debt	Operating Total
Budget	$9,274,073	$2,111,410	$738,500	$1,801,485	$327,600	$3,415,450	$17,668,518
Actual	$7,624,488	$2,266,505	$754,482	$1,367,449	$346,370	$3,082,810	$15,442,104



Analysis

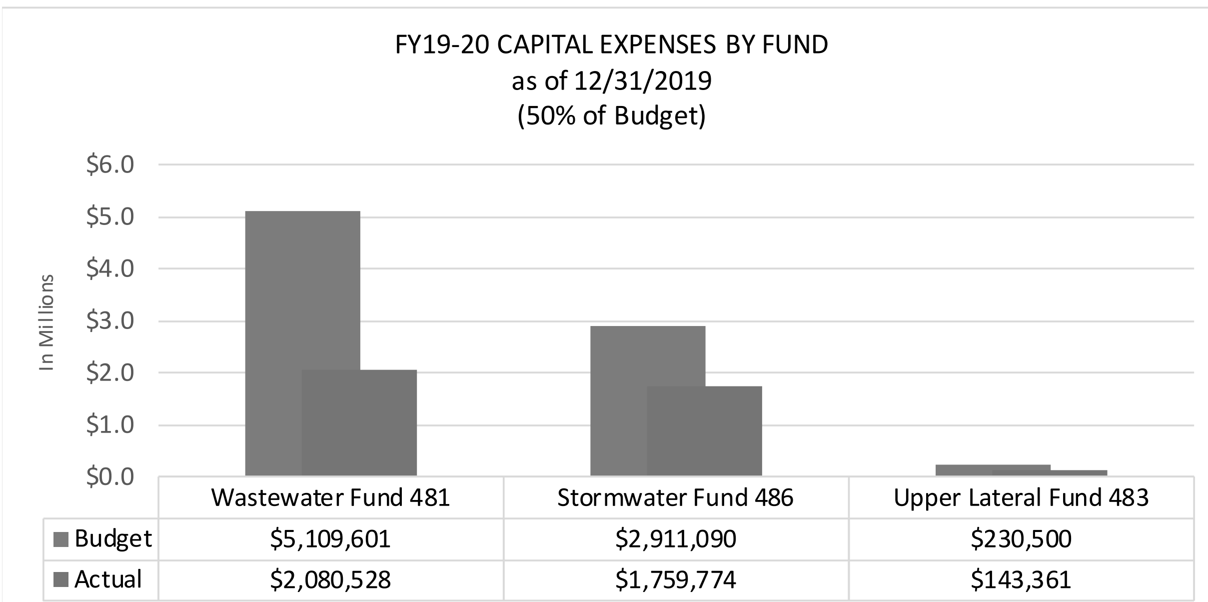
Salaries and benefits are below budget due to several staff vacancies this year (see Staffing section below). All other operating expense categories are as expected for this time of year. Expenses by Fund analysis shows all three funds operating within established budget parameters.

CAPITAL PROJECTS

The following represents the status of capital projects with a budget of $1 million or more:

Significant Capital Projects:	Total Project Budget	Expenses through 12/31/19	Projected Expenses through 6/30/2020	Status
Mare Island Force Main	$ 16,160,575	$ 14,638,288	$14,664,808	Substantially complete.
Flood Wall	4,000,000	0	0	Project deferred due to lack of matching funding. Internal discussions underway to reevaluate project priorities.
Stormwater Trash Capture Program	3,800,000	450,416	2,125,708	Project awarded. Notice to Proceed issued. Substantial completion by October 2020.
Sediment Removal – Austin Creek	1,500,000	1,077,957	1,096,37	Reaches 1 & 2 (of 4) completed in 2019. Remaining reaches on hold pending funding and Storm Drain Rate Study.
3Water and Secondary Bypass	1,388,826	158,583	158,583	Project combined with MIPS Replacement. Final design in progress.
Force Main Rehab Program	1,360,000	0	90,970	The 4 highest priority pump stations and force mains have been identified and individual CIP projects created

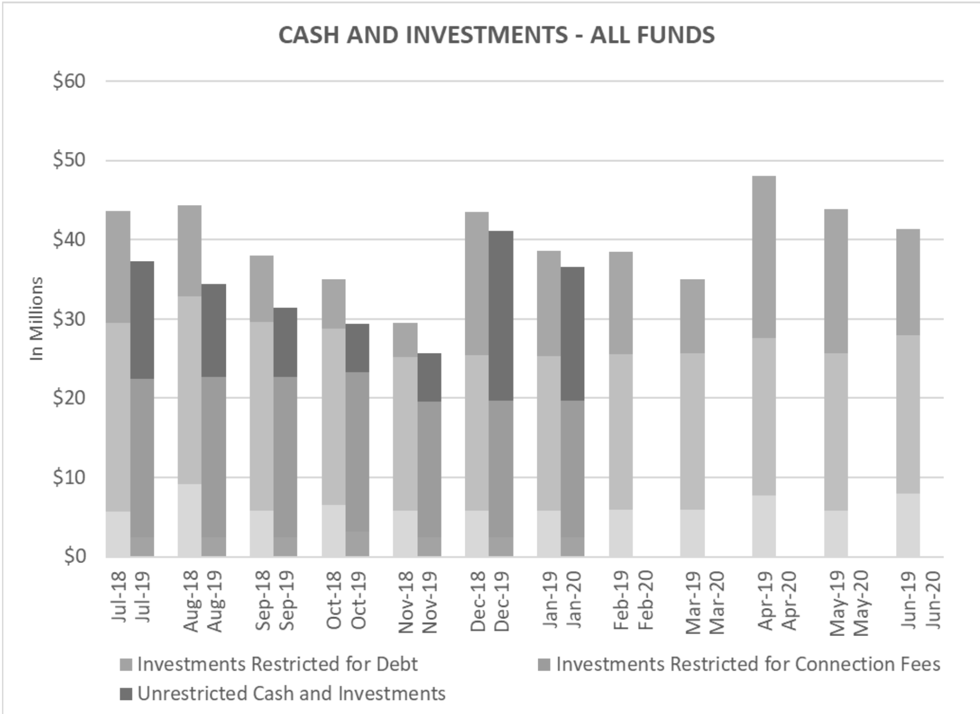
				for them (CWP001, CWP002, CWP003 and CWP004). Preliminary design reports in progress.
Upper Lateral Program	1,350,000	969,056	1,225,444	Ongoing program.
Mare Island Way SS Rehab	1,200,000	192,397	1,775,586	Project complete. Project budget amendment will be necessary.
Napa / Louisiana Easement	1,191,000	1,146,184	1,146,184	Project complete.
MIPS	1,153,955	195,457	670,257	Project combined with 3Water and Secondary Bypass. Final design in progress.
Valle Vista Culvert Replacement	1,100,000	0	0	Project on hold pending Storm Drain Master Plan.
Sereno Drive SS Replacement	1,088,000	773,466	773,466	Project complete.
Lower Lateral Rehab Program	1,050,000	565,454	657,648	Ongoing program.
SD CMP Replacement	1,000,000	9,711	9,711	Project on hold pending Storm Drain Master Plan and rate study.

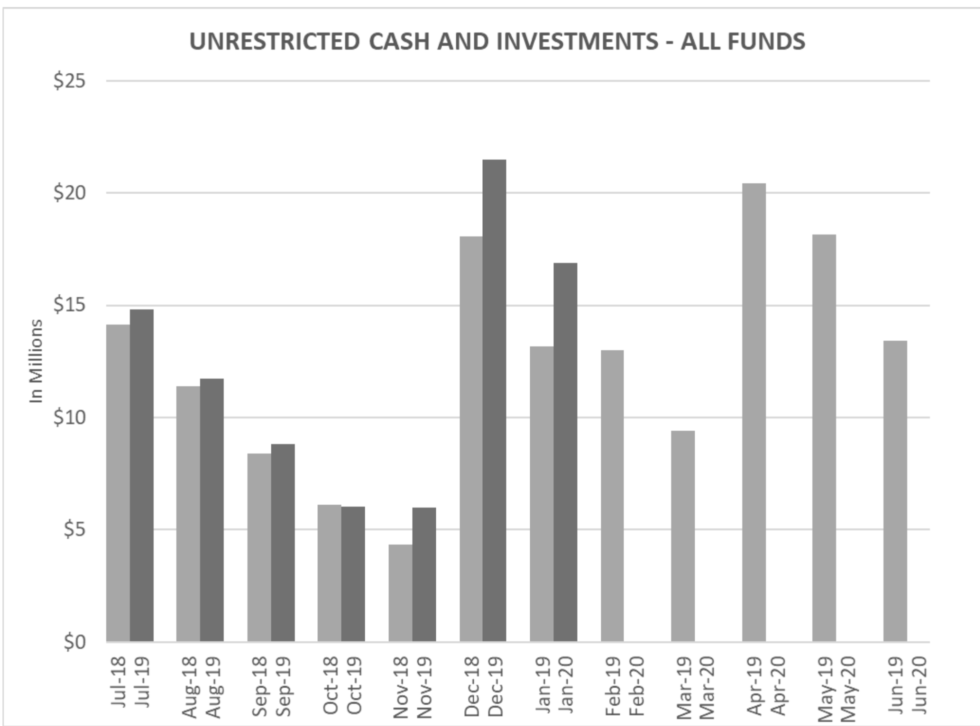


Analysis

Several significant projects continue to proceed, with additional expenditures expected in late spring and summer as the construction season begins. Some projects are on hold bending completion of the Storm Drain Master Plan and associated rate study.

CASH BALANCES





Analysis

The required debt service reserve for the 1993 COPs was returned to the District in July 2019 once the final debt service payment was made. This amount, approximately $2.8 million, was added into the Unrestricted Cash and Investments category. The unrestricted balance of cash and investments in the current fiscal year is in a better financial position compared with prior year.

STAFFING

Current retirements in past quarter:

Position	Years of Service
Environmental Specialist	3.6 Years

Filled positions in past quarter:

Position	Status
Collection System Techs (2)	Start date 12/2019
Laboratory Aide	New position; Start date 11/2019
Maint Mechanic Supervisor	Vacant since 8/2019; Start date 11/2019
Elec/IT Supervisor	Vacant since 7/2019; Start date 12/2019
Elec/IT Tech	Vacant since 7/2019; Start date 12/2019
HR Director	Vacant since 7/2019; Start date 11/2019

Current vacancies:

Position	Status (as of March 31, 2020)
Finance Director / Treasurer	New employee started January 27, 2020.
Finance Assistant (previously called "Cashier/Customer Service")	New employee started March 23, 2020.
Accounting Technician	Vacant since 3/ 2020.
CS Tech/Eq Operator	New position. Goal to fill in 2020.
Collection System Techs (3)	One employee started March 23, 2020. Recruitment in progress for other 2 positions.
Operations Superintendent	Vacant since 12/2019. Recruitment process is ongoing. Anticipated start date for new employee: April 2020.
Environmental Services Superintendent (previously called "Env Specialist")	Vacant since 10/2019. Recruitment process is ongoing. Anticipated start date for new employee: May 2020
Maint Mechanic III (Lead)	New employee started February 3, 2020.
Maint Mechanic (3)	New employee started January 6, 2020. Second position (vacant since 2/2020) and third position (vacant since 3/2020) are under recruitment.
Electrical/Instrumentation Technician	Vacant since 1/2020. Recruitment is ongoing. Anticipated start date for new employee in April 2020.

Return to Agenda

Vallejo FLOOD & WASTEWATER DISTRICT

District Manager
Melissa Morton

April 14, 2020

BOARD COMMUNICATION

Consent Item No. 4E

TO: THE HONORABLE PRESIDENT AND BOARD OF TRUSTEES

FROM: MELISSA MORTON, DISTRICT MANAGER Melissa Morton
JEFF TUCKER, DIRECTOR OF FINANCE/TREASURER

SUBJECT: APPROVAL OF REVENUE AND ACCOUNTS RECEIVABLE POLICIES

BACKGROUND AND DISCUSSION

The purpose of Revenue and Accounts Receivable Policies is to provide guidance to staff on a variety of parameters and expectations related to fee setting and revenue forecasting, collection, recognition and allocation.

Highlights from Proposed Revenue and Accounts Receivable Policy:

Property Taxes

Property taxes are general purpose revenues, available to the District for any legal expense under its purview. They are unrestricted and can apply to any sewer, stormwater and flood control programs established by the Board.

Property taxes are not a fee or charge, and they are not restricted by Propositions 218 and 26. For this reason, staff recommends that the first priority of property tax revenue be for those programs that cannot legally be financed from fees and charges, such as any rate reduction programs.

Property taxes are collected based on property assessed values in the District, and are not linked specifically to the use of specific services. Therefore, these revenues are most appropriately applied to those types of expenses that impact the system district-wide and not caused by specific system users. As rain and storms affects both the stormwater and sewer systems in ways that are not directly related to specific users, staff recommends that property tax revenue address the impacts of rain and storms on the District's systems.

Staff is recommending the following prioritization for property tax revenues:

1. Rate reduction programs, such as the one established for sewer service charges
2. Stormwater operating and capital expenses related to water quality and the collection and removal of trash
3. Inflow and infiltration projects in the sewer collection system

Fees and Charges
The vast majority of District revenues are collected from user fees. Current state law provides that the revenue from fees and charges must not exceed the cost of providing the services, and that there must be a reasonable nexus between the fee charged and the services received. The policies as proposed ensure that the District adheres to the relevant state laws, and that the District periodically conduct fee and/or engineering studies to remain in compliance with state law.

The policies dictate that there is no “comingling” of restricted revenues, and that interest accruing to restricted revenues is attributed to those revenues and retain the same restrictions as those revenues.

Lease Revenue
It is not clear whether revenue generated from leases of District-owned land is general, unrestricted revenue (similar to property taxes) or restricted to the fund that financed the underlying capital that is generating the lease income. Staff recommends that the District assume a conservative approach to the designation of this revenue source, and restrict the use of lease revenues.

Forecasting and Reporting
It is a recognized Best Practice that revenues should be estimated conservatively when developing budgets, so that the District is not overreaching and potentially supporting ongoing operational expenses from revenues that aren’t likely to be realized. This policy directs staff to be objective, analytical and conservative in its estimates, and to regularly report to the Board through the fiscal year whether the revenues are being collected as originally estimated. If not, staff is directed to explain significant variances.

Staff also recommends a policy of not using one-time or unpredictable revenue to pay for ongoing or programmatic expenses. This policy supports the practice of maintain a budget and long-term financial forecast that is balanced and sustainable.

Accounts Receivable
The District has an existing policy and practice of charging 1.5% interest on accounts receivable that are overdue. The recommended policy affirms this policy and practice.

RECOMMENDATION

Approve the Revenue and Accounts Receivable Policies as submitted.

ALTERNATIVES CONSIDERED

None

ENVIRONMENTAL REVIEW

This is not a project under CEQA and no environmental review is required.

FISCAL IMPACT

None

PROPOSED ACTION

Adopt a resolution approving the Revenue and Accounts Receivable Policies.

DOCUMENTS ATTACHED

A. Resolution
B. Revenue and Accounts Receivable Policies

CONTACT PERSON

Jeff Tucker, Director of Finance/Treasurer, (707) 652-7802

RESOLUTION NUMBER 2020 -

A RESOLUTION TO APPROVE THE VALLEJO FLOOD AND WASTEWATER DISTRICT REVENUE AND ACCOUNTS RECEIVABLE POLICIES

BE IT RESOLVED, by the Board of Trustees of the Vallejo Flood and Wastewater District of Solano County, California as follows:

WHEREAS, the Board of Trustees of the Vallejo Flood and Wastewater District desires to provide direction and guidance to staff in the recognition and recording of revenues, forecasting of revenues for budget purposes, and to affirm the interest rate for overdue accounts receivable; and

WHEREAS, property tax revenue is unrestricted and available to the District for any allowable expenses within its mission, and the Board of Trustees desires to designate priorities for the uses of this revenue as stated in the attached policy; and

WHEREAS, the Board of Trustees directs staff through the attached policy to set fees and charges to recover the operational needs for the programs for which the charges and fees are collected, and to conduct fee studies as appropriate to effectuate this policy.

IT IS, THEREFORE, RESOLVED by the Board of Trustees of the Vallejo Flood and Wastewater District that the Board adopts and approves Revenue and Accounts Receivable Policies for the Vallejo Flood and Wastewater District attached.

ADOPTED by the Board of Trustees of the Vallejo Flood and Wastewater District on the 14th day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

WITNESS my hand and the Seal of said District this 14th day of April, 2020.

MJ BROWN
Clerk of the Board

Revenue and Accounts Receivable Policies
of the
Vallejo Flood and Wastewater District

Approved by the Board of Trustees on ________________

Prepared by the Finance Department

Revenue and Accounts Receivable Policies
Vallejo Flood and Wastewater District

Table of Contents

Revenue and Accounts Receivable Policies
Vallejo Flood and Wastewater District

A. Purpose of the policy

The purpose of this policy is to provide guidance to staff on the recognition, collection and allocation of District revenues.

B. Property tax revenue

Property tax revenue collected by the District may be used for any legitimate District purpose, at the discretion of the Board of Trustees.

The Board of Trustees hereby designates the following priority uses for property tax revenue:

First, Property tax revenues shall be used to pay for any rate reduction programs established by the Board of Trustees.

Second, property tax revenues shall be used to pay for stormwater operating or capital expenses related to water quality and the collection and removal of trash and other pollutants of concern.

Third, property tax revenues shall be used to pay for inflow and infiltration reduction projects or other capital projects in the sewer collection system.

C. Fees and charges

Fees and charges shall be set to recover the current operational needs of the District, including the financing of capital improvements in accordance with the Capital Improvement Plan. Fees and charges shall be allocated to the funds from which the revenue was generated, and used for the stated purpose for which they were collected.

D. Fee studies and engineering reports

The District shall conduct fee studies and/or engineering reports, as appropriate, for sewer service charges, stormwater service charges, upper lateral program charges, sewer connection fees, stormwater connection fees, and other charges. The District shall conform the studies to comply with Proposition 218, Proposition 26 and other state law related to these revenues. The studies shall be performed periodically, when there is a major change in the customer base, when there is identified need for a significant increase in revenue, or as required by law.

E. Lease revenues

Revenue generated from lease income should be allocated to the fund that financed the underlying capital that is generating the income.

F. Fund structure and segregation of restricted revenues

The District shall establish and maintain three (3) funds for accounting purposes and in accordance with Generally Accepted Accounting Principles. Those funds shall be for (1) sewer related revenues, expenses, and assets, (2) stormwater related revenues, expenses and assets, and (3) upper lateral related revenues, expenses and assets.

The District shall also maintain sub-funds or other restricted accounts within the funds, to account for connection fees and other restricted revenues, in compliance with state law. Interest from investments associated with these restricted accounts shall accrue to those restricted sub-funds or accounts.

G. Revenue forecasting

The District shall estimate revenues conservatively, through an objective, analytical process. The District shall regularly report on forecasted vs. actual revenues, and provide explanations for significant variances.

H. Use of one-time and unpredictable revenues

One-time revenues shall be used to support one-time expenditures or increase fund equity. Unpredictable revenues shall not be used to support ongoing operational expenses for a period longer than the revenue can reasonably be expected to support them.

I. Accounts receivable

The District shall strive to collect all fees and charges imposed, and all receivables due to the District. The District shall actively pursue and settle delinquent accounts.

Accounts Receivable shall be due as Net 30. All unpaid accounts shall accrue interest at 1.5% per month, beginning when the account is 60 days due.

The District retains all rights and privileges under statute and case law to collect delinquent accounts.

Vallejo
FLOOD & WASTEWATER DISTRICT

Return to Agenda

District Manager
Melissa Morton

April 14, 2020

BOARD COMMUNICATION Administrative Item No. 5A

TO: THE HONORABLE PRESIDENT AND BOARD OF TRUSTEES

FROM: MELISSA MORTON, DISTRICT MANAGER
JEFF TUCKER, DIRECTOR OF FINANCE/TREASURER

Melissa Morton

SUBJECT: CONSIDERATION OF APPROVING AN INTRAFUND LOAN IN THE STORMWATER FUND TO FINANCE CAPITAL IMPROVEMENT PROJECT #CDD001 STORMWATER TRASH CAPTURE PROGRAM

BACKGROUND AND DISCUSSION

The San Francisco Bay Regional Water Quality Control Board (Regional Board) adopted the Municipal Regional NPDES Stormwater Permit on November 19, 2015, issuing waste discharge requirements. Section C.10 of the permit required that trash capture measures be implemented to achieve 70% trash removal from receiving waters by June 30, 2017. Despite the City and the District's best efforts, 70% trash capture was not achieved by that date and as such the Regional Board issued a tentative Cease and Desist Order, and a hearing was held on June 13, 2018. Staff presented information at the hearing, including measures the District was proposing to construct to meet 80% trash removal.

The Board of Trustees approved the FY 2019-2020 and 2020-2021 biennial budget and Capital Improvement Plan, which includes CIP #CDD001 Stormwater Trash Capture Program. This project will construct seven large trash capture devices at three sites in the District's service area, which along with existing trash capture devices and related activities, will place the District and City of Vallejo into compliance with the 80% trash capture requirement. The capital project is expected to cost up to $5 million, including design, engineering, construction management and hard construction costs.

Significant portions of Caltrans right-of-way within the District's service area contribute to trash generation and drain to the District's storm drain system. Caltrans is also under a Cease and Desist Order regarding trash capture compliance and recognizes their responsibility for contributing to the need for the project and agreed to reimburse the District for the hard construction costs for two of the three trash capture device sites that also treat runoff from its right-of-way. The Caltrans contribution is expected to be approximately $2.7 million. The District and City of Vallejo will be financially responsible for the remaining $2.3 million of project costs.

The Stormwater Fund contains revenues and fund equity for connection fees and other non-capacity related activities. The connection fee revenue is restricted by law, and is not available to spend directly on this project. The unrestricted fund equity in the Stormwater fund was approximately $8.3 million at the end of FY 2018-19. There is planned spending on maintenance and operations work within the Stormwater Fund in the next several years that will result in a fund equity reduction to under $5 million by the end of FY 2021-22, with a continuing trend until such time as there is an increase in stormwater fee revenue to stabilize the fund.

While there is some fund equity available for the District's portion of this project, the District does not have adequate resources in the non-restricted portion of the Stormwater Fund to pay for the entire project. This is necessary because it is expected that Caltrans will not pay the District for its portion until the project is complete. For this reason, it is necessary to borrow funds to pay for the project.

The intrafund loan will loan money within the Stormwater Fund. It will loan up to $5 million from connection fee restricted revenues to pay for this project. The loan will be for five (5) years, but can be paid back sooner once Caltrans has reimbursed the District for its portion of the project, and when additional resources are otherwise available. The loan will have an interest rate which is the same as the rate of investment returns on the District's pooled investments as of the end of the month that interest is accrued. Payments will be made starting the fiscal year following the completion of the construction project.

RECOMMENDATION

Approve and set terms for an intrafund loan in the Stormwater Fund to finance capital improvement project #CDD001 Stormwater Trash Capture Program.

ALTERNATIVES CONSIDERED

None

ENVIRONMENTAL REVIEW

This is not a project under CEQA and no environmental review is required.

FISCAL IMPACT

None

PROPOSED ACTION

Adopt a resolution approving and setting terms for an intrafund loan in the Stormwater Fund to finance capital improvement project #CDD001 Stormwater Trash Capture Program.

DOCUMENTS ATTACHED

A. Resolution

CONTACT PERSON

Jeff Tucker, Director of Finance/Treasurer, (707) 652-7802

RESOLUTION NUMBER 2020 -

A RESOLUTION TO APPROVE AND SET TERMS FOR AN INTRAFUND LOAN IN THE STORMWATER FUND TO FINANCE CAPITAL IMPROVEMENT PROJECT #CDD001 STORMWATER TRASH CAPTURE PROGRAM

BE IT RESOLVED, by the Board of Trustees of the Vallejo Flood and Wastewater District of Solano County, California as follows:

WHEREAS, Capital Improvement Project #CDD001 Stormwater Trash Capture Program ("Project") was approved in the FY 2019-2020 and 2020-2021 Biennial Budget and Capital Improvement Plan; and

WHEREAS, the Project will construct seven (7) large trash capture devices at three (3) sites in the Vallejo Flood & Wastewater District's services area in order to comply with stormwater quality regulations, with the entire Project budgeted at $5.0 million; and

WHEREAS, the Vallejo Flood and Wastewater District is in an ongoing Cease and Desist Order from the Regional Water Quality Control Board pending completion of the proposed Project; and

WHEREAS, significant areas of Caltrans right-of-way within the District's service area will also be treated by the proposed trash capture devices at two (2) of the (3) sites; and

WHEREAS, there are insufficient unrestricted resources in the Stormwater Fund to pay for the Project immediately, and

WHEREAS, it is anticipated that Caltrans will reimburse the District for the actual hard construction costs, excluding design and other soft costs, associated with the trash capture devices that treat runoff from its right-of-way, expected to be approximately $2.7 million; and

WHEREAS, there are sufficient restricted connection fee resources in the Stormwater Fund to make this intrafund loan.

IT IS, THEREFORE, RESOLVED by the Board of Trustees of the Vallejo Flood and Wastewater District that the Board approves an intrafund loan from Stormwater Fund Connection Fee restricted revenues in an amount not to exceed $5,000,000. The intrafund loan shall be paid back over a five (5) year period, with interest compounded monthly at the rate of investment returns on the District's pooled investments for the month interest accrues. Principal and interest payments shall be made at least annually, beginning the fiscal year after the year the project is completed, while interest shall begin to accrue at the time loan proceeds are spent. There shall no penalty for early repayment.

ADOPTED by the Board of Trustees of the Vallejo Flood and Wastewater District on the 14th day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

WITNESS my hand and the Seal of said District this 14th day of April, 2020.

MJ BROWN
Clerk of the Board

STORMWATER

Intrafund Loan Approval

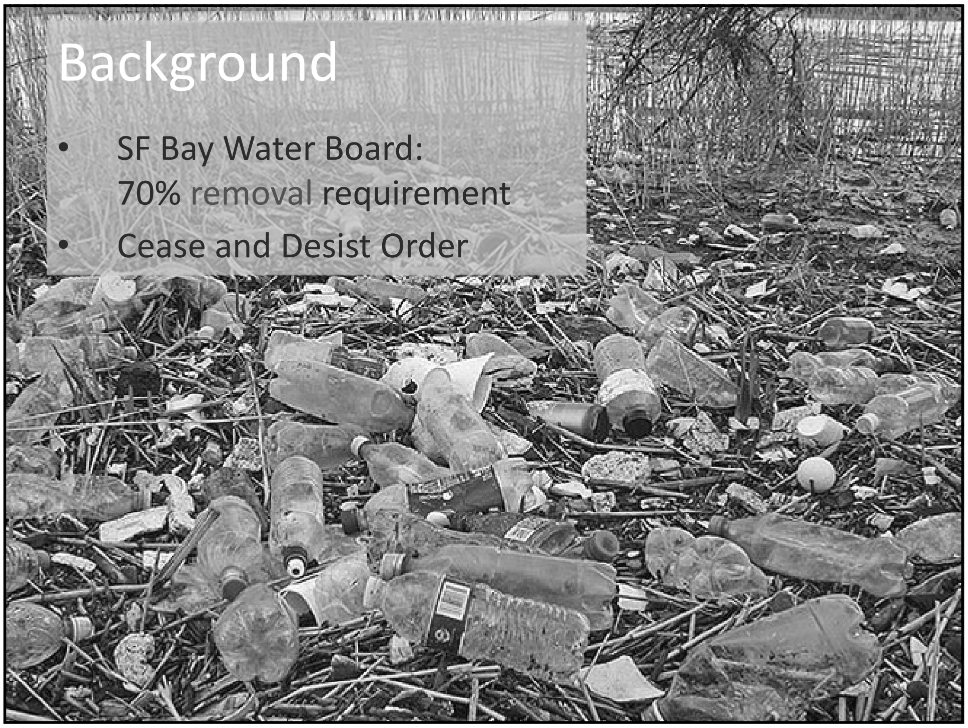
April 14, 2020

Overview

- Background
- Trash Capture Program
- CalTrans Involvement
- Financing Plan
- Advantages
- Recommendation

Background

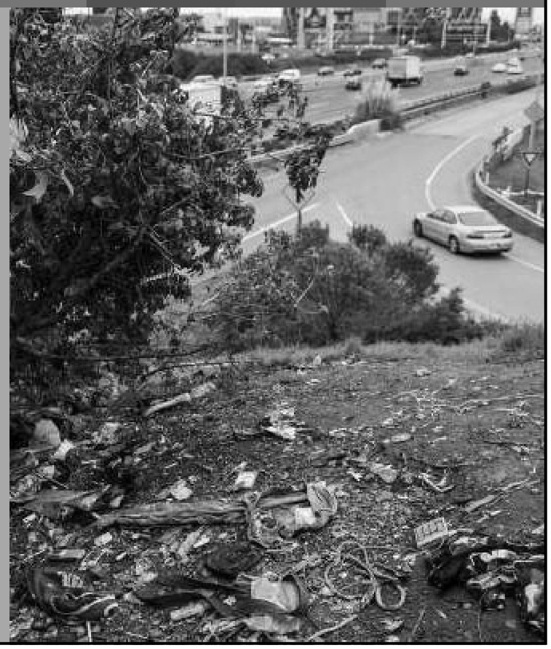
- SF Bay Water Board:
  70% removal requirement
- Cease and Desist Order



Stormwater Trash Capture Program

- 80% removal goal
- Description
  - 7 large trash capture devices
  - 3 site locations
- $5M cost

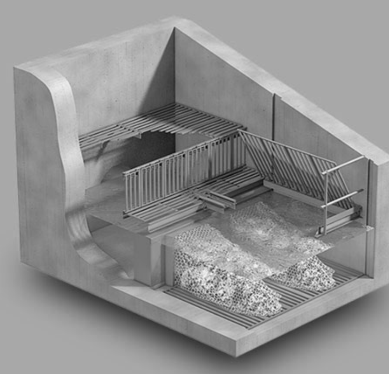
CalTrans Involvement



- Also under a Cease and Desist Order
- Recognizes contribution to VFWD system
- Pay up to $2.7 million of hard construction costs (2 of 3 sites)

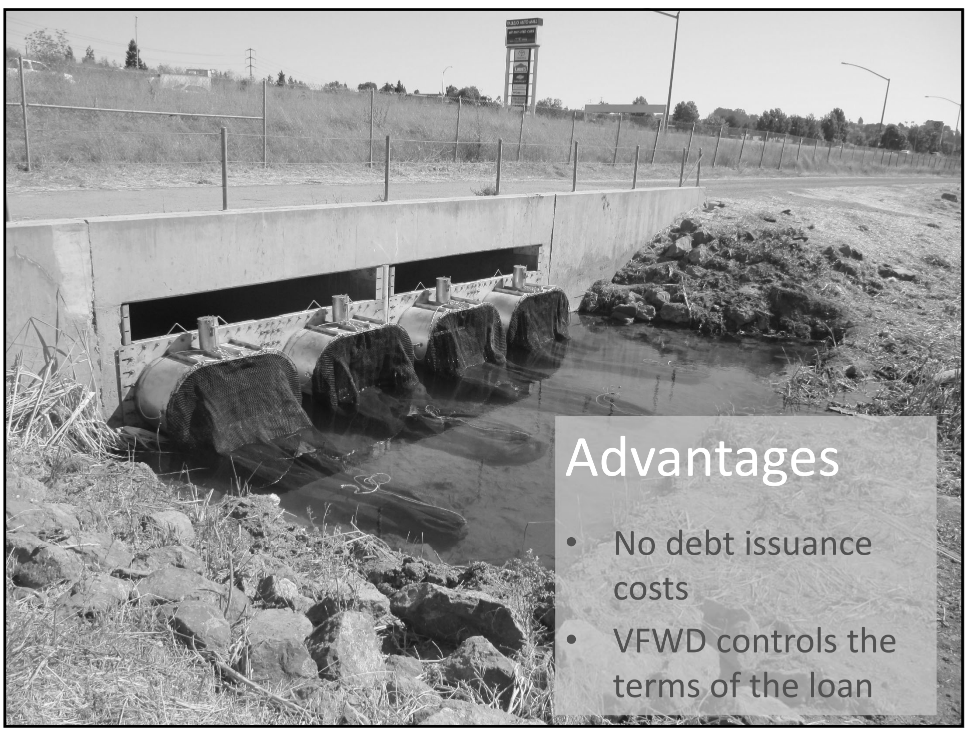
Financing Plan

- SW Connection Fees?
  not eligible
- $8.3 million in fund equity?
  planned major maintenance activity over next couple years
- Caltrans pays for $2.7 million
  reimbursed after VFWD pays



Financing Plan

- Borrow up to $5 million from Stormwater Connection Fees
- 5 year term
- Interest at same rate fees would otherwise earn

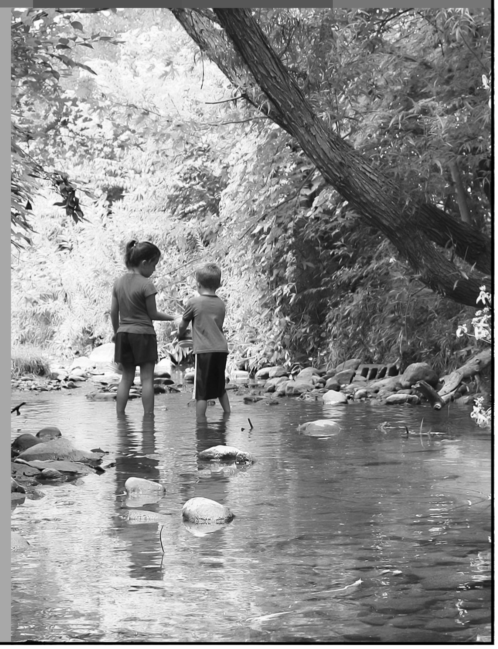


Advantages

- No debt issuance costs
- VFWD controls the terms of the loan

Recommendation

Approve resolution to authorize and set terms for an intrafund loan in the Stormwater Fund to finance the Stormwater Trash Capture Program capital project.



Questions?

Jeff Tucker
Director of Finance