



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Gold-Level of Governance



President – Bill Mayer • Vice-President – Bill Pease • Director – Kevin Graves • Director – Robert Leete • Director – Bryon Gutow

**MINUTES OF THE REGULAR MEETING
OF THE STANDING FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
Wednesday, October 2, 2019
STANDING FINANCE COMMITTEE REGULAR MEETING 3:30 P.M. - 4:30 P.M.
Community Center
1601 Discovery Bay Boulevard, Discovery Bay, California
Website address: www.todb.ca.gov**

Finance Committee Members

*Chair Robert Leete
Vice-Chair Bill Mayer*

A. ROLL CALL

1. Call business meeting to order 3:30 p.m. – By Chair Leete.
2. Roll Call – All present.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

None.

C. DRAFT MINUTES TO BE APPROVED

1. August 7, 2019 DRAFT Regular Finance Committee meeting minutes – Approved.

D. PRESENTATIONS

1. Finance Update – No update.

E. DISCUSSION ITEMS

1. Discussion Regarding Solar Panels.

Executive Assistant Heintz – Provided a summary regarding the Solar Panels related to a demand charge, Power Purchase Agreement (PPA), RFP process, Net Energy Metering (NEM), and Grant incentives. Also provided details regarding handouts provided related to the utility rate and the questions/answers from the last meeting:

- Dollar amount for the O&M costs – corrected and added into the cash flow amount.

There was discussion regarding the O&M costs.

- Net Energy Metering (NEM) – approximate cost \$1,400 for a complete system (not for just one panel).

There was discussion regarding the cost of an NEM with a PPA (no upfront cost).

- Demand Charge how does it fit in the calculation of the cash flow dollar amount – cash flow is the energy charge only.
- Use of the Demand Charge (how Veolia would handle a solar system) – previous power experience with solar and there would be a converter box to store the energy and battery.
- Most systems do not have a battery (inverter takes the power from the solar system and converts to the power needed).
- Do the Tilt Systems follow the sun – Fixed does not move or follow the sun and the Tracker follows the sun.
- During a power outage will the generator switch on or switch to PG&E energy – when the grid goes down so does the Solar System.
- PG&E reports power outage warnings for Tier 1, 2, and 3 – the Town is Tier 1 and power is fed from Tier 2 – Town power could be off for 2 to 3 days – The Town would run generators, inform the Air Resource Board that PG&E had shut power down.

- Will the generator run more with solar – There will be no difference in the future – solar system has nothing to do with running of generators.
- Does the Solar System need a switch gear for Plant to run power – Electronically can be done with a disconnect switch.
- Number of PG&E accounts for the Town – 52 PG&E individual accounts (grouped into 8 different account numbers).
- Grant Company California Consulting, LLC – unaware of any grants for solar.
- Public Agencies who have solar systems – Napa Sanitation and Liberty Union High School.

There was discussion regarding the projections, savings with a solar system, other entities with solar, and the difference between removable and fixed solar systems. The discussion continued regarding a fixed solar system, keep the discussion going (not an urgent item at this time) and hold the item for a couple of months.

2. Discussion Regarding Financing Denitrification and Plant No. 1 Projects.

General Manager Davies – Provided the details regarding types of payment for Denitrification.

Assistant General Manager Breitstein – Provided additional details regarding the options;

- Option 1 – refurbish Plant 1 with Denitrification – staff would like to contribute \$1.746m (contingency amount for the project could be potential problems with the refurbishment of Plant 1).
- Option 2 – decommission Plant 1 and build new facilities at Plant 2 – staff would like to contribute \$3.249m.

Once projects are complete the Board can decide to use any remaining contingency money (\$3.249m) towards the Bond payment for other projects.

- If the Board selects Option 1 – Board can Bond the project for 20 years
- If the Board selects Option 2 – Board can finance the project over 35 years (less expense for rate payer) life is 40 years.

There was discussion regarding the balance in reserves (capital reserves), bond costs, the contingencies, design of Plant 2 (design, construction, permitting, and construction management). The discussion continued regarding the reserve fund and revolving fund (infrastructure replacement, pump replacement, etc.), capital reserve fund (capacity and connection fees), and financing the project.

General Manager – Stated tonight's Board meeting discussion will be Option 1 and Option 2; Assistant General Manager will provide the details of Option 1 and Option 2.

Vice-Chair Mayer provided details regarding the Pool Project financing and to reconsider.

Public Comment Regarding:

- Available reserve money conflicts with the Financial Audit Statements.

3. Discussion Regarding the Purchasing Policy.

Assistant General Manager Breitstein – Provided the details regarding the spending limits of the Purchasing Policy; increase the spending limit (from \$10,000 to \$50,000 for the General Manager), and the process for purchasing goods and services.

There was discussion regarding the spending limit, reasonable increase, and that the Purchasing Policy will be brought to the Board for approval.

F. FUTURE DISCUSSION/AGENDA ITEMS

G. ADJOURNMENT

1. The meeting adjourned at 4:10 p.m. to the next Standing Finance Committee meeting at the Community Center located at 1601 Discovery Bay Boulevard.

//cmc – 10-03-19

<http://www.todb.ca.gov/agendas-minutes>