

RESOLUTION NO. 26-20

A RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA, FOR PAYMENT OF WEST COUNTY AGENCY INVOICE OF \$617,000, AND AMEND THE WATER RESOURCE RECOVERY BUDGET IN THE AMOUNT OF \$400,000 FROM ITS CAPITAL IMPROVEMENT PROGRAM BUDGET.

WHEREAS, the West County Agency (the Agency) which is comprised of members from both the Richmond Municipal Sewer District and the West County Wastewater District adopted their annual Fiscal 2019/20 budget in the amount of \$4,012,100 on June 20, 2019; and

WHEREAS, this budget reflects amounts for both agencies for the operation, maintenance and capital expenses to conduct business for the Agency; and

WHEREAS, these expenses are comprised of the following items:

- Salaries and Wages
- Benefits
- Legal Expenses
- Banking and Financial Services
- Professional & Technical Services
- Other Purchased Services
- Utilities
- Property Services (Capital Projects)
- Permits
- Supplies
- Bad Debt Expenses
- Expenses; and

WHEREAS, the City of Richmond received an invoice for the Agency in the amount of \$2,657,974 on June 28, 2019, for its portion of the Agency's FY 2019/20 expenses; and

WHEREAS, the large increase in FY 2019/20 was due to Capital Improvement Projects that were added to the FY 2019-20 Budget for the following items:

- Dechlorination Tank (\$3,000,000)
- Repairs of 36" and 6" Sludge Line (\$400,000)
- Cathodic protection work (\$200,000)
- Aton Buoy Outfall Inspections (\$18,200); and

WHEREAS, the cost(s) for these Capital Expenses should be shared by both the Richmond Municipal Sewer District (the City) and the West County Wastewater District; and

WHEREAS, when the Water Resource Recovery Department budget was adopted in June 2019, the following items were included in the Budget:

- West County Agency Joint Use Cost Sharing (\$217,000)

WHEREAS, the City of Richmond contacted the West County Wastewater District on June 28, 2019, informing them that they were not prepared to process the invoice in the full amount due to the budget issues; and

WHEREAS, the City adopted Resolution 66-19 adopting and appropriating the Wastewater Bonds in the amount of \$22,510,000.00; and

WHEREAS, the project for the Dechlorination Tank was budgeted in the amount of \$2,021,283; and

WHEREAS, several discussions occurred regarding the invoice, and a second letter was received by the City of Richmond on August 8, 2019, requesting partial payment in the amount of \$617,000 that would be due and payable immediately; and

WHEREAS, the letter stated that there will be a period of discussion on the options for the Dechlorination Tank regarding a mutual "agreement"; and

WHEREAS, if no “agreement” is reached, the City will pay the balance of the invoice by December 1, 2019, “per obligations in the JPA”; and

WHEREAS, the City Attorney will be drafting a response concerning the payment of “Capital Costs” and how it pertains to the Joint Powers Agreement (JPA); and

WHEREAS, the City’s budget for operations and maintenance costs was \$217,000; this left a budget short-fall of \$400,000; and

WHEREAS, in order the City to process this request for payment, the City must amend the FY 2019/20 budget in the amount of \$400,000; and

WHEREAS, on November 8, 2019, after an e-mail from the General Manager of the West County Agency was sent to the City of Richmond demanding payment of the \$617,000 for the Operations and Maintenance expenses, a special check was issued to West County Agency in the amount of \$617,000.00 to cover the alleged Operations and Maintenance expenses; and

WHEREAS, the City has requested to meet with the West County Agency General Manager to discuss the details of the balance of adopted West County Agency budget before any more payments are issued; and

WHEREAS, the General Manager has stated that they will only meet with the City Manager to discuss the details of the budget.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Richmond, as follows:

Section 1. The foregoing recitals are true and correct and this City Council hereby so finds and determines.

Section 2. The Water Resource Recovery Department acknowledges receipt of the letter from West County Wastewater District requesting payment for the West County Agency in the amount of \$617,000.

Section 3. The City of Richmond issued Check No. 10175247 (in person) to the West County Agency in the amount of \$617,000.00 on November 8, 2019.

Section 4. The 2019-20 Water Resource Recovery Department budget is hereby adjusted to add \$400,000 to its expenditures from its CIP budget.

Section 5. This resolution shall take effect immediately upon its passage.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held March 24, 2020, by the following vote:

AYES: Councilmembers Choi, Johnson, Martinez, Myrick, Willis,
Vice Mayor Bates, and Mayor Butt.
NOES: None.
ABSTENTIONS: None.
ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

TOM BUTT
Mayor

Approved as to form:

BRUCE GOODMILLER
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 26-20**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on March 24, 2020.



Pamela Christian, Clerk of the City of Richmond

CLERK'S CERTIFICATE

I, Pamela Christian, City Clerk of the City of Richmond, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of **Resolution No. 26-20** duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 24th day of March 2020, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:


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| AYES: | Councilmembers Choi, Johnson, Martinez, Myrick, Willis, Vice Mayor Bates, and Mayor Butt. |
| NOES: | None. |
| ABSTENTIONS: | None. |
| ABSENT: | None. |

An agenda of said meeting was posted before said meeting at City Hall, 450 Civic Center Plaza in the City of Richmond, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: March 25, 2020.


Pamela Christian
City Clerk of the City of Richmond

[SEAL]