



BOARD OF DIRECTORS:
MARILYN M. TIERNAN
PRESIDENT

SCOTT R. PASTOR
VICE PRESIDENT

PAUL SEGER
JOE KOVALICK
JASON SHAW

GENERAL MANAGER:
DANIEL MUEL RATH

GENERAL COUNSEL:
WESLEY A. MILIBAND

BOARD SECRETARY:
KAIT KNIGHT

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT
HELD ON FEBRUARY 28, 2024

The Regular Meeting of the Board of Directors of Diablo Water District was held on February 28, 2024 at 6:30 pm at the District's office, 87 Carol Lane, Oakley, California and via conference call / web as noticed in the posted agenda.

Director Kovalick attended the meeting remotely as noticed in the agenda.

1. Call to Order and Roll Call and Pledge of Allegiance.

The regular meeting of the Board of Directors of Diablo Water District (District) was called to order by Director Tiernan at 6:30 p.m. on February 28, 2024.

Directors Present: Tiernan, Pastor, Seger, Kovalick, Shaw
Staff Present: Dan Muelrath, Kait Knight, Nacho Mendoza, Wayne Weaver
General Counsel: Wes Miliband (AARLL)
Others Present: Bill Brick (CDM Smith), Angela Lowrey (Ironhouse)

2. Public Input.

Anyone present may address the Board of Directors on any subject within the jurisdiction of Diablo Water District. If the subject item is on this Agenda, please hold public comment until the appropriate item.

General Manager Muelrath noted that District staff were currently conducting field repairs.

Action Items

3. Consent Calendar.

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that

an item be removed from the Consent Calendar for discussion, it will be considered separately. *The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.*

A. Minutes of the Special Meeting of January 18, 2024

Staff Recommendation: Approve.

B. Minutes of the Regular Meeting of January 24, 2024.

Staff Recommendation: Approve.

It was moved by Director Seger, seconded by President Tiernan and approved by the following vote to approve the Consent Calendar.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan

NOES: None

ABSTAIN: None

4. Financial Reports.

Staff Recommendation: Approve warrant register 2024-1, ACH wire transactions for January 2024, and receive the monthly financial statement for December 2023.

General Manager Muelrath pointed out that water revenue continued to decline due to rainfall and informed the Board of the recent pump replacement at M-27.

It was moved by Director Seger, seconded by President Tiernan, and approved by the following vote to approve warrant register 2024-1, ACH wire transactions for January 2024, and receive the monthly financial statement for December 2023.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan

NOES: None

ABSTAIN: None

5. Authorization to Extend Audit Services with MUN CPAs, LLP.

Staff Recommendation: Authorize District staff to extend audit services with MUN CPAs, LLP for the next three years with the option of an additional two-year extension.

It was moved by Director Seger, seconded by Director Kovalick, and approved by the following vote to authorize District staff to extend audit services with MUN CPAs, LLP for the next three years with the option of an additional two-year extension.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan
NOES: None
ABSTAIN: None

6. LAFCO Special District Seat Nomination.

Staff Recommendation: If desired, adopt Resolution 2024 – 02 nominating Mr. McGill for the LAFCO Special District Seat.

Vice President Pastor acknowledged Mr. McGill's engagement with LAFCO, and the Board reached a consensus in support of his nomination.

It was moved by President Tiernan, seconded by Director Kovalick, and approved by the following vote to adopt Resolution 2024 – 02 nominating Mr. McGill for the LAFCO Special District Seat.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan
NOES: None
ABSTAIN: None

7. District Ad Hoc Committees.

Staff Recommendation: Appoint ad hoc members to the Recycled Water ad hoc through 2024 with a scope of vetting potential recycled water projects and developing a contract with Ironhouse to secure future recycled water supply.

General Manager Muelrath advised the Board that the New Corporation Yard ad hoc would remain active for approximately six more months. Additionally, if a rate study is included in the new budget, a new ad hoc committee would be necessary.

Director Kovalick proposed re-establishing the Recycled Water ad hoc with the same membership and re-establishing the Cybersecurity ad hoc to address the recent cyber-attack on the City of Oakley and its vulnerabilities. General Manager

Muelrath suggested that the Cybersecurity ad hoc should be set to sunset on June 30, 2024.

It was moved by Director Kovalick, seconded by President Tiernan, and approved by the following vote to appoint the existing members to the Recycled Water ad hoc through 2024 with a scope of vetting potential recycled water projects and developing a contract with Ironhouse to secure future recycled water supply, and re-establish the Cybersecurity ad hoc through June 30, 2024.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan
NOES: None
ABSTAIN: None

8. Policy Position on AB 2257.

Staff Recommendation: Authorize the General Manager to execute a letter of support for AB 2257 and sign ACWA's coalition letter of support.

General Manager Muelrath highlighted the opportunity to collaborate directly with Assemblymember Wilson, and the Board consensus supported the bill.

It was moved by Director Kovalick, seconded by Director Seger, and approved by the following vote to authorize the General Manager to execute a letter of support for AB 2257 and sign ACWA's coalition letter of support.

AYES: Pastor, Seger, Kovalick, Shaw, Tiernan
NOES: None
ABSTAIN: None

Discussion Items

9. Fiscal Year 2024/25 Budget Policy Planning Workshop.

President Tiernan inquired about staffing requirements beyond the noted water operator. General Manager Muelrath indicated that the rate impact for current position needs would be approximately 15-18%. The rate model does not support changes in demands and expenses or added positions this year.

Director Seger recognized Staff for providing advanced notice of budget items being presented, demonstrating true transparency.

Director Shaw suggested that the salary savings for this fiscal year be allocated to management to purchase items needed to improve job efficiency.

10. General Manager's Reports.

- Water Supply Charts
- CalPERS
- FEMA Local Hazard Mitigation Plan

General Manager Muelrath reported that the snowpack anticipated this week should raise levels to 100%, and nearly all California reservoirs are currently at full capacity. He also noted that the draft of the FEMA Local Hazard Mitigation Plan would initially be made public shortly, and any comments from the Board would be incorporated during that period.

11. Engineer's Reports.

- Construction project updates.

Bill Brick, CDM Smith, reported on the status of construction projects, and mentioned that Elm Lane should be ready for the consent calendar at a future board meeting.

12. General Counsel's Reports.

General Counsel Miliband reported on a housing bill reintroduced by Senator Padilla that combines efforts and programs primarily targeted at the homelessness crisis.

He also informed the Board about the submission of a change petition for the Delta Conveyance Project by DWR. The final EIR was released in December 2023, resulting in nine cases. The SWRCB will need to review the petition and determine its completeness before initiating a public protest period. During this period, agencies can identify any impacts on their legal rights and/or the environment. The timing of these proceedings is yet to be determined, and the Board will receive updates accordingly.

13. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

President Tiernan reported on the meetings for the City of Oakley, highlighting approval for a stormwater contract and that there is no funding for current basin expenses – some of which cost \$250k a year. She also mentioned discussions regarding the challenges associated with widening East Cypress Road.

Vice President Pastor provided updates from the Ironhouse meeting, confirming with Director Lowrey that their education trailer would be launched within the next month. He reported on the ongoing updates to their website and literature, as well as the Directors' participation in media training. He also highlighted the difficulties staff are having to define job salary classifications as their staff cover many roles that are not comparable to other agencies.

Regarding the LAFCO meeting, Vice President Pastor informed the Board about the unresolved issues with the Alamo Cemetery, which are currently at a standstill. He also noted that there is an open seat for a citizen to join LAFCO, but as of February 14th, no applications had been received.

Director Seger reported that CCWD was meeting tonight and had nothing to report.

General Manager Muelrath updated the Board on the discussions held during discussions at the ECC Groundwater Sustainability meeting regarding the additional guidance on annual updates from DWR. It was decided by a slim majority to utilize the funds available to move forward with LSCE incorporating the updates into the plan.

General Manager Muelrath advised that CCSDA will next meet on March 18, 2024.

14. Future Agenda Items.

- Preliminary list of items for the next two months.
- Other items being tracked and awaiting a scheduled date.

15. Next Meetings of the Board of Directors.

- March 27, 2024 Regular Meeting – 6:30 pm
- April 24, 2024 Regular Meeting – 6:30 pm
- May 22, 2024 Regular Meeting – 6:30 pm

Closed Session

**16. Closed Session – Conference with Real Property Negotiations
(Government Code § 54956.8)**

Property Description: 3760 Neroly Road, Oakley CA 94561

Negotiation: Diablo Water District General Manager Dan Muelrath and Contra Costa Water District Representative TBD

Under Negotiation: Terms and Price

**Closed Session – Conference with Real Property Negotiations
(Government Code § 54956.8)**

Property Description: Jersey Island located in Contra Costa County
Negotiation: Diablo Water District General Manager Dan Muelrath and
Ironhouse/Reclamation District 830 Representative TBD
Under Negotiation: Terms and Price

No reportable action.

Open Session

17. Adjournment.

Director Tiernan adjourned the meeting at 9:12 p.m.



Kait Knight, Board Secretary

