

Public Meeting Summary
Sandmound and Bethel Island Project
September 7, 2023

Speakers:

Katrina Hiott, Rural Development Specialist III, RCAC
Toby Roy, Rural Development Specialist Engineer, RCAC
Andria Loutsch, CDM Consultants
Dan Muelrath, General Manager, Diablo Water District (DWD)

This document provides a brief summary of some of the items discussed at the September 7, 2023 public meeting. Toby Roy and Andria Loutsch presented a status update on the Sandmound Project. Toby Roy presented a status update on the Bethel Island Project. Powerpoint presentations for these projects are attached. Katrina Hiott and Dan Muelrath were available to answer questions from the audience. 50 members of the public attended the meeting,

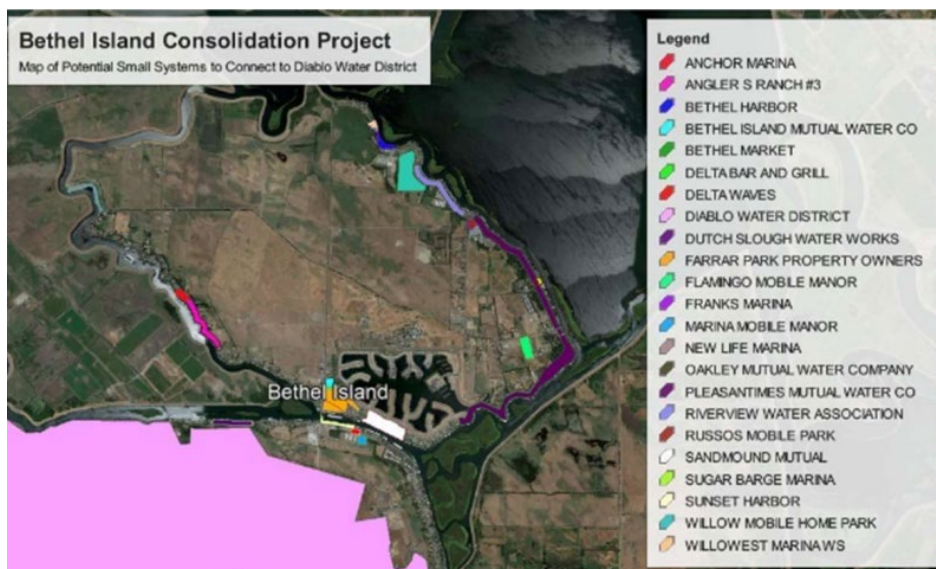
A brief summary of the Sandmound project is below:

The Sandmound project is in the sphere of influence for Diablo Water District (DWD) and will consolidate four small water systems: Oakley MWD, Delta MWC, Sandy Point MHP, and Willow Park Marina. The systems will be served by DWD. Planning is being done under the State Water Board's SAFER program. As part of the planning, a Preliminary Engineering Report outlining the proposed improvements for the consolidation will be finalized in the near future. This will be followed by development of plans and specifications, preparation of environmental compliance documents and a construction grant application. A construction grant application will be submitted to request Drinking Water State Revolving Fund (DWSRF) construction funding by approximately October 2024. It is then expected to take the Water Board approximately 9-12 months to enter into a grant agreement with DWD. Construction could commence in late 2025. A map of the project area is shown below.



A brief summary of the status of the Bethel Island project is below.

The Bethel Island Project will include a consolidation of approximately 25 small water systems located on Bethel Island to be served by DWD. The project would require annexation of the Bethel Island area into the DWD service area. RCAC submitted an application to the State Water Board to obtain grant funding for a DWSRF Planning Grant. The grant application is currently complete. The State Water Board has stated that it could take 9 months to review the application and enter into a grant agreement with DWD. The planning under the grant would be similar to planning in the Sandmound project with completion of a Preliminary Engineering Report, plans and specifications, preparation of environmental compliance documents and a construction grant application. Construction for this project could potentially commence around 2028. A map of the proposed project area is shown below.



The meeting participants discussed the benefits and concerns of consolidation for local small water systems and residents. Some of the questions and issues raised at the meeting are addressed below.

What are the benefits of consolidation? Many of the small water systems in the area have aging infrastructure requiring replacement in the near future. Through implementation of a consolidation project the participating entities can apply for and potentially receive grant funding significantly offsetting customer costs of infrastructure replacement. Operating under a consolidated system is more efficient and can reduce overall operating costs to customers. The current systems are subject to regulatory and monitoring requirements as public water systems. Once consolidation occurs these requirements will be met by Diablo WD, saving costs in monitoring and permitting.

What water quality concerns will be addressed through consolidation projects on Bethel Island and in the Sandmound area? The wells in the Sandmound area contain arsenic and manganese in concentrations over the drinking water standard. Additionally, the total dissolved solids (salt and minerals) in the well water range from approximately 700 to 1,000. The water provided by the systems on Bethel Island meets drinking water standards, but some wells may also have elevated TDS

concentrations above recommended levels. Water provided by DWD meets all drinking water standards and averages 350 mg/L of TDS, which will benefit both the Sandmound and Bethel Island customers.

Will private well owners be able to connect to a consolidated system? If properties with private wells are located next to a water line constructed for the consolidation project, those potential customers may be able to participate in the consolidation project and obtain water service from DWD.

What will the costs be for customers to connect into a consolidated system? While there is no guarantee of grant funding, in disadvantaged communities typically a DWSRF grant can pay for construction of water system infrastructure, connection fees, installation of the laterals from the meter to the property line and installation of backflow protection. The costs for installing a lateral from the meter to the house on the customers' property, if needed, are commonly paid by the customers.

Are there other requirements for water systems and customers that connect? Small water systems that connect to DWD would need to initially sign a nonbinding letter of intent to participate in a consolidation project. As the project proceeds and grant funding is obtained, the small systems would need to enter into a consolidation agreement with DWD and agree to dissolve their current public water system. Participation in the consolidation project by the water systems is voluntary. The individual customers would become customers of DWD, paying the DWD rates.

What is the growth inducement of a consolidation project on Bethel Island? A consolidation project on Bethel Island will be planned to serve existing customers. The ability to allow future growth and development is determined by the County planning ordinances.

What is the ongoing cost of water from DWD? The current Monthly Service Charge: for a 5/8-inch meter = \$20.44 (*typical home*). The DWD also charges a Water Consumption Charge under a tiered rate structure:

Tier 1: 0-8 units \$3.05 per unit
Tier 2: 9-14 units \$5.08 per unit
Tier 3: 15+ units \$6.97 per unit

(1 Unit = 100 cubic feet or 748 gallons)

What is the timing of system improvements for the proposed Sandmound and Bethel Island consolidation projects? The following are estimated timelines based on the time for project planning and obtaining grant funding approvals by the State Water Board. Timelines can also change depending on permitting requirements.

The planning for the Sandmound Consolidation Project and the DWSRF construction grant application are expected to be completed in late 2024. After approval of DWSRF funding by the State Water Board, construction could begin as early as late 2025.

The planning for the Bethel Island project could potentially begin in mid -2024, with a DWSRF grant application completed in 2026. Construction could begin as early as 2028.

How do we know if funding will continue to be available during these extended time frames? While there is never a guarantee on grant (or loan) funding, the DWSRF program is a long-standing funding

program in the US and California over many decades and is anticipated to continue into the future. The terms of the funding could change over time.

Is there a way to speed up the process to obtain funding for project construction?

The project itself requires significant planning by professionals, including development of a preliminary engineering report, plans and specifications, environmental review and permitting, which takes time to do properly.

The State Water Board as a funder, has a responsibility to do their due diligence in review of the funding applications. This includes:

- 1) Determining eligibility
- 2) Evaluation of scope and determining if the project is feasible and will lead to long -term sustainability
- 3) Review of the credit and financial condition of the entity receiving the funding
- 4) Environmental review of the project

This requires several reviewers within the Water Board and could take as long as 9-12 months.

If an application does not appear to be moving forward, residents and interested parties can reach out to Water Board staff to determine status of the project review.

Residents can also talk to their elected State Representatives to let them know their interest in funding water projects in the area. This effort can help raise the level of interest in these projects at the State Water Board. The State Water Board is very interested in successful consolidation projects and an engaged and supportive community is likely to have a successful project.