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Directors:
Paul Seger
President

Scott R. Pastor
Vice President

Kenneth L. Crockett
Marilyn Tiernan
Joe Kovalick

General Manager
& Secretary:
Daniel Muelrath

General Counsel:
Wesley A. Miliband

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT
HELD ON MAY 10, 2021

Due to the current COVID-19 Pandemic, Local Health Orders, and the Governor's Health Orders, the Special Meeting of the Board of Directors of Diablo Water District was held on May 10, 2021 at 3:30 pm via conference call / web as noticed in the posted agenda.

1. Call to Order and Roll Call

The special meeting of the Board of Directors of Diablo Water District (District) was called to order by President Seger at 3:30 p.m. on May 10, 2021.

Directors Present: Seger, Pastor, Crockett, Tiernan, Kovalick

Staff Present: Dan Muelrath, Kait Knight, Jennifer McCoy, Nacho Mendoza

General Counsel: Wes Miliband (AARLL)

District Engineer: Bill Brick & Andria Loutsch (CDM Smith)

Others Present: Angela Lowery (ISD Liaison), Vicki Kretsinger (LSCE), Maggie Gudino (SWRCB), Brian Kidwell (SWRC), Tim Ellsworth (CCCEH), Members of General Public

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).

None

3. Groundwater Sustainability Plan Overview and Update.

Presentation by Vicki Kretsinger (LSCE) was received.

John Gennrich, President of Pleasantimes Mutual Water Company, inquired how this would affect new wells added to Pleasantimes Mutual's system. General Manager Muelrath explained that the County is the Groundwater Sustainability Agency (GSA) for their area.

Director Kovalick requested that published chapters of the Groundwater Sustainability Plan (GSP) be made prominent on the District's website.

President Seger inquired how the GSP would protect the DuPont site from contamination and Vicki Kretsinger (LSCE) explained that the DuPont site is under regulatory requirements to clean up the contaminants that have occurred, and the GSA/GSP needs to protect its resources from further contamination.

4. Sandmound Blvd. Small Water Systems – Issues and Opportunities.

General Manager Muelrath went over the water quality issues, inadequate fire flow, low storage volumes, technical operations & maintenance issues, and limited repair and rehabilitation funding that the water systems on Sandmound Blvd. are facing. General Manager Muelrath discussed the possibility of voluntary consolidation and submitting for a technical assistance grant.

Danny Raymond, Vice President of Delta Mutual Water Company, expressed that his stakeholders voted last year to join Diablo Water District as soon as possible and that they are ready and willing to make it happen.

Connie Skoog, President of Delta Mutual Water Company, asked what the consolidation process consists of and that she wants to see this project move forward as they are under a timeline for their compliance order. General Manager Muelrath explained that the process usually consists of three steps, however, he is hoping that this would be expedited into a two-step process: initiating technical assistance and outreach then engineering and design. Connie volunteered to be a resource to other small water companies regarding this process.

Brian Kidwell, State Water Resource Board, confirmed that an income survey has already been completed for Delta Mutual Water Company and that if they are working towards resolution of the compliance order, the deadline will be able to be extended. He also confirmed that Diablo Water District would be able to move forward using the same engineers the District typically uses.

President Seger asked if the funding would cover the new connection fees, solar, and renewable energy. General Manager Muelrath confirmed that the State is pushing for regional consolidation and that the grant funding would cover new connection fees. He also explained that the facilities charge, once updated, will have the renewable energy as part of the Facilities Reserve Charge.

Director Tiernan requested a breakdown of what the cost to the District would be if the District moved forward with consolidations. General Manager Muelrath answered that if the area is a Disadvantaged Community (DAC) the costs are 100% recoverable. If the costs were not covered, there would be a feasibility study and the mutual may have to cover the difference.

5. Bethel Island Small Water Systems – Issues and Opportunities.

General Manager Muelrath went over the secondary water quality issues the small water systems on Bethel Island have experienced. This also included inadequate fire flow, low storage volumes, technical operations & maintenance issues, and limited repair and rehabilitation funding. General Manager Muelrath discussed the possibility of consolidation and submitting for technical assistance grant once the District moves forward with voluntary consolidation of the Bethel Island area.

John Gennrich, President of Pleasantimes Mutual Water Company, said they have built a receiver box for District pipe in anticipation of future consolidation. His biggest concern is fire protection. He shared that Pleasantimes can be a leader to Bethel Island to start consolidation if they can get a fire main down Windsweep Road.

Director Crockett asked how we will address the hardship for people who want water. President Gennrich answered that the biggest hardship is the \$12,000 buy in fees to connect with the District and this is not well received in Bethel Island.

Director Tiernan wanted to know if there were any future plans for development in that area to explore the possibility of the developers offsetting costs. General Manager Muelrath answered that the island is pretty much fully developed and there are approximately 1,500-2,000 connections if the District were to service the whole island.

President Seger asked if we moved forward with consolidation would Diablo Water District be the lead agency for the grant. He also wondered if we could do recycled water as well. General Manager Muelrath explained we would be the grant applicant, but the lead agency for CEQA may be Contra Costa Water District. The recycled water is a separate expense and that would not be brought out to Bethel Island unless Delta Coves wanted to pay for it, as they are the largest user of irrigation water.

President Seger and Director Kovalick both want to see the outreach for consolidation move forward.

6. Future District Groundwater Regulations.

General Manager Muelrath presented the first draft of the new regulation regarding Groundwater Sustainability and Protection policy the board adopted at the March 10, 2021 Special Meeting. He explained this does not apply to residential wells.

Director Kovalick asked that the definition of residential wells be tightened up and asked if we would be metering developers. He also wanted to know if this would be part of the GSP. General Manager Muelrath answered that the wells will be deeded to us though they are typically deeded to the city. General Counsel Miliband clarified that under SGMA a residential is classified as under two-acre feet of water use. He also recommended that maybe we should break this apart and focus on new development first as the GSP will be a slower process.

Director Crockett expressed concern that we are dictating what farmers and ranchers can do as they may not fall under a residential classification. President Seger and Director Tiernan agreed that the District needs to be sensitive when it comes to agriculture and small businesses as this is part of our economy and community.

President Seger would also like to see the residential definition developed and wants to move this forward for developers. He asked if the monitoring would be compatible software and General Manager Muelrath confirmed that there would be a spec book with standardization.

7. Well Operations Proposed Permit Amendment.

General Manager Muelrath presented information about the District's ability to blend well water during normal operations and times of drought. Staff recommends removing the hardness limit during normal operations to allow for additional operational flexibility and the ability to utilize additional capacity of the District's groundwater wells (once the manganese filter is installed). He explained that we are really limiting what we are pumping from our wells and a 3:1 blending ratio would result in more well utilization.

Public Comment: John Gennrich warned that increased hardness can lead to increased sulfate levels and can lead to water odor issues. Nacho Mendoza, Water Operations Manager for Diablo Water District, agreed the District will need to look into this.

Director Kovalick asked if the manganese filter would limit other TDS and asked for clarification on if a state drought declaration would remove these limits. Nacho

Mendoza answered that no, a local drought declaration would need to occur. Director Kovalick did note that increasing the hardness of the water would lead customers to purchase water softeners and the cheapest option is salt. He is concerned about the salt affecting Ironhouse Sanitary District and the potential use of recycled water.

Vice President Pastor asked how much this manganese filter would cost, and if we spent more on a filter, could we improve the water quality. General Manager Muelrath said the filter is roughly \$1.2 million dollars and we would have to use some type of RO system if we wanted to improve water quality. He also added that the District is barely pumping from the Stonecreek well due to elevated manganese.

Director Tiernan shared that she is on a well and the increased hardness in the water has caused major damage to her plumbing and fixtures. She is concerned about the potential cost to customers if this occurs.

8. Future Agenda Items.

Future agenda items resulting from this meeting were discussed.

9. Adjournment.

It was moved by Director Crockett to adjourn at 6:31pm.



Dan Muelrath, General Manager/Secretary