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Directors:
Paul Seger
President

Scott R. Pastor
Vice President

Kenneth L. Crockett
Marilyn Tieman
Joe Kovalick

General Manager:
Daniel Muelrath

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 JULY 27, 2022

Due to the current COVID-19 Pandemic, Local Health Orders, and the Governor's Health Orders, the Regular Meeting of the Board of Directors of Diablo Water District was held on July 27, 2022 at 6:30 pm at the District's office and 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 6:31 p.m. on July 27, 2022.

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

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

General Counsel: Wes Miliband (AARLL)

District Engineer: Bill Brick (CDM Smith)

Others Present: Pete Zirkle (ISD Liaison)

- 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). **All virtual attendees will remain on mute until called upon to address the Board.**

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. Remote Meeting Access Approval.

Staff Recommendation: Approve remote meeting access for the current agenda.

B. Minutes of the Regular Meeting of May 25, 2022.

Staff Recommendation: Approve.

C. Minutes of the Special Meeting of June 1, 2022.

Staff Recommendation: Approve.

D. Acceptance of Grant Deed – Corporation Yard.

Staff Recommendation: Authorize the District's Secretary to accept the Grant Deed and Resolution 2022 – 19 Accepting the Grant Deed.

E. Acceptance of Facilities – Bridgehead Chevron – 5433 Neroly Road.

Staff Recommendation: Adopt Resolution Number 2022 – 20.

F. Small Water System Consolidations – Letter of Intent.

Staff Recommendation: Authorize the General Manager to execute the Letter of Intent, and other required non-financially binding documents, in order to proceed with the consolidation feasibility study for the Sandmound Blvd area project.

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

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

4. Public Hearing Regarding Proposed Increase in Water Charges for County Well Systems M-24 Southpark, M-25 Knightsen, and M-27 Willow Park Marina.

Staff Recommendation: Conduct public hearing by opening the hearing and receiving staff presentation and comments from

Directors and the public, and then close the hearing.

Public hearing conducted and closed by President Seger.

5. Proposed Water Rate Adoption for County Well Systems M-24 Southpark, M-25 Knightsen, and M-27 Willow Park Marina.

Staff Recommendation: Adopt Resolution Number 2022-21, determining compliance with procedural requirements, making findings and determinations, revising rates for M-24, M-25, and M-27 potable and non-potable water services, and amending the corresponding rate and charge schedules of the Diablo Water District, and taking related actions.

It was moved by Director Tiernan, seconded by Director Crockett, and approved by the following vote to adopt Resolution Number 2022-21, determining compliance with procedural requirements, making findings and determinations, revising rates for M-24, M-25, and M-27 potable and non-potable water services, and amending the corresponding rate and charge schedules of the Diablo Water District, and taking related actions.

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

6. Fire Protection System Passive Purge Design Standard.

Staff Recommendation: Authorize staff to finalize the passive purge detail and include in the District's standards and specifications.

It was moved by Director Crockett, seconded by Director Tiernan, and approved by the following vote to authorize staff to finalize the passive purge detail and include in the District's standards and specifications.

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

7. Authorization to Write-Off Uncollectible Accounts for FY 2021-2022.

Staff Recommendation: Authorize staff to write-off \$15,382.64 in bad debt from the financial system.

It was moved by Director Tiernan, seconded by Director Kovalick, and approved by the following vote to authorize staff to write-off \$15,382.64 in bad debt from the financial system.

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

8. Financial Reports.

Staff Recommendation: Approve warrant register 2022-05, 2022-06, ACH and wire transactions, and receive the monthly financial statements.

Director Kovalick requested additional information on the refund to the Antioch Bridge and the payment to the City of Oakley.

Jennifer McCoy, Finance & Accounting Manager, explained there had been a programming error on the meter since it was installed a few years ago, just recently discovered by Sensus. The District had been investigating for leaks, and the issue was compounded by issues with homeless tampering with the water. The payment to City of Oakley was for a CIP project.

President Seger inquired on how much of the state arrearage funds were returned. Jennifer McCoy informed the Board that \$245k was received and the District was able to apply \$210k to delinquent accounts.

It was moved by Director Crockett, seconded by Director Tiernan, and approved by the following vote to approve warrant register 2022-05, 2022-06, ACH and wire transactions, and receive the monthly financial statements.

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

9. Blending Facility Water Hardness Update.

Staff Recommendation: Authorize staff to operate the Blending Facility at a 180ppm blended water hardness target.

The Board had extensive discussion regarding the effects of raising hardness levels.

Director Tiernan expressed concern over potential damage to customer homes and our equipment. General Manager Muelrath noted that he wasn't anticipating damage to our infrastructure, but customers may experience increased scaling. The District is ramping up messaging to customers on how they can tackle these issues and understand the financial consequences if we do not raise water hardness.

Director Kovalick said he does not want harder water; however, CCWD has raised rates by 15% and thinks our customers would prefer harder water over increased pricing.

Vice President Pastor hasn't noticed a change in his water, but it could take time. He suggested monitoring customer concerns and revisiting the levels if needed.

President Seger supports both sides and asked Nacho Mendoza, Water Operations Manager, what the hardest levels the District has run in the past were, and what the savings would be going from 160ppm to 170ppm. Nacho Mendoza answered that the hardest we've gone is 160ppm +/- 5%, and that was during a drought. He recommended maximizing well water at 160ppm in the Spring to get ahead of dry summers. General Manager Muelrath noted that savings from 160ppm to 170ppm would be about \$67k.

General Manager Muelrath noted that we still have high quality water at these levels and recommended going up to 170ppm and keeping the discussion fluid once we learn more in the next month about how inflation, drought, etc. are impacting the District.

It was moved by Director Kovalick to amend the recommendation, seconded by Director Tiernan, and approved by the following vote to authorize staff to operate the Blending Facility at a 170ppm blended water hardness target.

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

10. General Manager's Reports.

- Water Supply Charts.
- WaterSense Home Certification for New Development

General Manager Muelrath reported Statewide reservoir storage is slightly better than last year at the same time. Our total water demand is below 2020 levels, despite significant growth. The Governor will meet with CUWA on Friday, and more mandatory drought responses may be coming.

The Board was also informed about the WaterSense Home Certification option. The majority of the Board expressed that this would be an upgrade for our community and are interested in more information.

11. Engineer's Reports.

- Construction project updates.

Bill Brick, CDM Smith, reported on the status and progress of active projects.

General Manager Muelrath gave an update on the Corp yard construction. District crew is installing the 10" water main to save costs and the final plan review will be to the City soon. The District is stalled on the relocation of the PG&E power pole pending PG&E to schedule.

12. General Counsel's Reports.

General Counsel Miliband gave a brief legislative follow up on items discussed at the Regular Board Meeting on May 25, 2022.

- SB 1205 (Water Availability) – this is still in legislation and has passed in the Senate.
- AB 2857 (Domestic Wells) – currently in Assembly. GSAs may be responsible for compensating domestic wells adversely impacted by SGMA.
- AB 2108 (Water Justice) – this bill is far along and has passed in Assembly and is currently in second reading for Senate.
- AB 2639 (WQCP) – this failed (requirement to have the Water Quality Control Plan updated by the end of 2023).

President Seger inquired on the status of SB 222 by Senator Dodd on the Water Rate Assistance Program. He also commented on SB 1219 positions. General

Manager Muelrath told the Board that for SB 222, ACWA is taking an “oppose unless amended” stance on this as the funding source is an issue and not fully vetted. For SB 1219, General Counsel Miliband would research.

13. Directors’ Reports.

- Representative verbal reports.
- Other items as needed.

General Manager Muelrath updated the Board of the East County Water Managers Association. ISD is working with the District to revitalize this group with hopes for a meeting in November.

President Seger reported on recent City of Oakley Council meetings. Topics discussed included affordable housing discussions and he spoke up regarding oil and gas drilling effects on groundwater including well users concern of the quality of their water.

Vice President Pastor stated that ISD has experienced high demand for recycled water, so they were looking into acquiring an additional tank. Also, the General Manager of ISD stated the funding for recycled water is going to be found at the national level, not the state, through the Coalition of Recycled Water. He also mentioned that ISD has sold all their cattle.

Director Kovalick was unable to attend the CCWD Board meeting but did note that he had publicly opposed the 15% increase in water rates at the prior meeting. He also opposed the addition of 14 new staff proposed on their agenda.

General Manager Muelrath informed the Board that the Recycled Water Ad Hoc meeting would be held tomorrow. He also let the board know of the WaterReuse conference being held September 11-13th if the Board is interested in attending.

Director Kovalick mentioned that he is hoping to propose moving forward with recycled water being pumped back into the ground for a year and then pulled out through wells, as recommended in the Recycled Water Feasibility Study. Director Crockett asked how close to the wells would this be pumped back into the ground. General Manager Muelrath explained that it was explored in the feasibility study and is requesting the cost for an updated feasibility study as prices have gone up.

Vice President Pastor added that the Mission and Values Ad Hoc committee had met and should be finished soon.

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.

- August 24, 2022 Regular Meeting – 6:30 pm
- September 28, 2022 Regular Meeting – 6:30 pm
- October 26, 2022 Regular Meeting – 6:30 pm

16. Closed Session – Conference with Legal Counsel – Anticipated Litigation.

(Government Code section 54956.9(d)(2): Two potential cases)

No reportable action.

17. Adjournment.

Director Crockett adjourned the meeting at 10:19 p.m.



Kait Knight, Board Secretary