



87 Carol Lane
P.O. Box 127
Oakley, CA 94561-0127
925-625-3798
Fax 925-625-0814
www.diablowater.org

Directors:
Marilyn M. Tieman
President

Scott R. Pastor
Vice President

Paul Seger
Joe Kovalick
Jason Shaw

General Manager:
Daniel Muelrath

General Counsel:
Wesley A. Miliband

Board Secretary:
Kait Knight

AGENDA

The Special Meeting of the Board of Directors of Diablo Water District will be held on November 15, 2023 at 6:30 pm at the District's office, 87 Carol Lane, Oakley, California. This meeting is being conducted in person and via webinar. Members of the public and District staff may attend the meeting via conference call / web using the credentials below. Members of the public will continue to have the opportunity to provide public input via the webinar or phone features.

Dial in Number: 1-949-346-1487

Conference ID: 772 751 989#

Or

Web Option: www.diablowater.org/webmeetings

Check your browsers' functionality or download the Microsoft Teams App prior to the meeting.

The District's agendas and supporting documents are available on the District's website: www.diablowater.org, or by calling Kait Knight at (925) 625-6587. A fee may be charged for copies.

If you have a special accommodation needs to attend the meeting, please provide at least two (2) working days' notice prior to the meeting by calling Kait Knight at (925) 625-6587.

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

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.**

Action Items

3. Delta Conveyance Alternatives Letter to MET.

Staff Recommendation: Authorize the Board President to sign the letter and Staff to send the letter.

4. Creation of Facilities Reserve Charge Subcommittee Ad Hoc.

Staff Recommendation: Establish an FRC ad hoc subcommittee and select two directors to serve on the subcommittee.

5. Award of Contract for Engineering Services to Develop Phase 2 of 2, Capital Improvement Plan.

Staff Recommendation: Authorize the General Manager to execute a professional services agreement for engineering services to develop Phase 2 of 2, Capital Improvement Plan with the District's Engineer, CDM Smith, in an amount not to exceed \$124,104 plus a 10% contingency.

6. Wholesale Rate Pass-through.

Staff Recommendation: Authorize a 3% rate pass-through, for a total effective rate increase of 7%.

Discussion Items

7. General Manager's Reports.

- Water Supply Charts

8. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

9. Future Agenda Items.

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

10. Next Meetings of the Board of Directors.

- December 13, 2023 Special Meeting – 2:30 pm
- ~~December 27, 2023 Regular Meeting – 6:30 pm – canceled~~
- January 24, 2024 Regular Meeting – 6:30 pm
- February 28, 2024 Regular Meeting – 6:30 pm

Closed Session Items

11. Closed Session - Conference with Legal Counsel – Existing Litigation (Government Code sec. 54956.9)

Name of Case: In re Aqueous Film-Forming Foams Product Liability Litigation, MDL No. 2:18-mn-02873 relating to City of Camden, et al., v. E.I. DuPont de Nemours and Company, et al.,

No. 2:23-cv-03230-RMG (United States District Court, District of South Carolina, Charleston Division) for litigation involving PFAS

Closed Session - Conference with Real Property Negotiations (Government Code sec. 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

Closed Session - Public Employee Evaluation (Government Code sections 54957 and 54957.6)

Agency Designated Representative: General Manager

Titles: All positions except General Manager

12. Adjournment.

Posted this 9th day of November 2023.



Dan Muelrath, General Manager

DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 3

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Delta Conveyance Alternatives Letter to MET.

At the Board's October regular board meeting, a member of the Sierra Club presented a draft letter during public comment. The intent of the letter is to encourage the Metropolitan Water District of Southern California to consider project alternatives other than the Delta Conveyance Project. The letter's message and policy position align with previous positions already taken by the District.

To date, the District has taken two similar positions in opposition to the Delta Conveyance Project with the previous letters being sent to the California Department of Water Resources (the lead agency for the project). This will be the first time the District is engaging in direct communication with southern California water agencies regarding the Delta Conveyance Project.

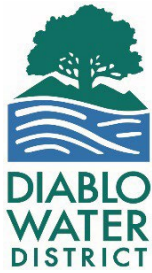
To find a full list of water districts/agencies that support the Delta Conveyance Project please visit:
<https://socalwater.org/delta-conveyance/>

RECOMMENDATION:

Authorize the Board President to sign the letter and Staff to send the letter.

Dan Muelrath

Dan Muelrath
General Manager



87 Carol Lane
P.O. Box 127
Oakley, CA 94561-
0127
925-625-3798
Fax 925-625-0814
www.diablowater.org

Directors:
Marilyn M. Tiernan
President

Scott R. Pastor
Vice President

Paul Seger
Joe Kovalick
Jason Shaw

General Manager:
Daniel Muelrath

General Counsel:
Wesley A. Miliband

Board Secretary:
Kait Knight

November XX, 2023

Adan Ortega, Chair
Metropolitan Water District of Southern California 700 North Alameda Street
Los Angeles, CA 90012-2944

Sent via email to: dl-boardsupportteam@mwdh2o.com

Re: Delta Conveyance Project

Dear Board of Directors:

On behalf of Diablo Water District and our more than 45,000 residents and ratepayers, we write to urge you not to fund this next phase of the Delta Conveyance. The project's final EIR will be coming out soon, which will likely lead to funding decisions in the coming months.

Our board and staff are well-versed in California's efforts to develop and implement smart, equitable water policies that support our communities and economy while also protecting the state's precious environment. Our goal, like yours, is to provide a safe and reliable supply of water to our residents.

The Delta Conveyance project comes at a time when climate change tells us that dependence on imported water is less viable and less sustainable than ever. These changes, as well as the continued diversion of freshwater flows from the Bay Delta, threaten our local supply, ecosystems, and culture. The health of the Bay Delta ecosystem has been declining for decades, which has put the ecosystem and communities that depend on it at risk. After years of drought, low river flows, high water temperatures, and massive fish kills, the situation has become so acute that the commercial and recreational salmon fishery was closed this year, for just the third time in California history and the Delta Longfin Smelt has not been seen or recorded since 2018.

You have an opportunity to support your neighbors to the north.

Instead of supporting the tunnel, we urge you to push the Department of Water Resources to help develop plans for meeting California's water demand without the tunnel, while shoring up existing infrastructure by making it all earthquake-resilient and conducting necessary repairs. The State Water Resources Control Board is moving forward with regulations to significantly increase urban conservation, authorize direct potable reuse, and manage aquifers through SGMA implementation. Those projects would include improvements made to existing infrastructure around the state, and investments in local, sustainable water sourcing through conservation, groundwater remediation and recharge, water recycling, stormwater capture, and efficiency. These improvements will increase your water supply portfolio resiliency, eliminating the need for the tunnel while creating local jobs and continuing to reduce water demand.

Thank you for your consideration. We are happy to work with you in this process.

Sincerely,

Marilyn M. Tiernan, Board President

DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 4

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Creation of Facilities Reserve Charge Subcommittee Ad Hoc.

The purpose of this ad hoc would be to review Staff and the District Engineer's work on updating the Facilities Reserve Charge (FRC). Prior to taking action on future FRCs, the subcommittee will bring recommendations back to the full Board. The proposed participants of the ad hoc subcommittee would be comprised of two Directors, the General Manager, Forward Planning Manager, and District Engineer.

FRC Ad Hoc Subcommittee:

- Duration: 9 months
- Scope: Review FRC update work.

Final approval of FRC-related actions will be provided by the full Board of Directors.

RECOMMENDATION:

Establish an FRC ad hoc subcommittee and select two directors to serve on the subcommittee.

Dan Muelrath

Dan Muelrath
General Manager

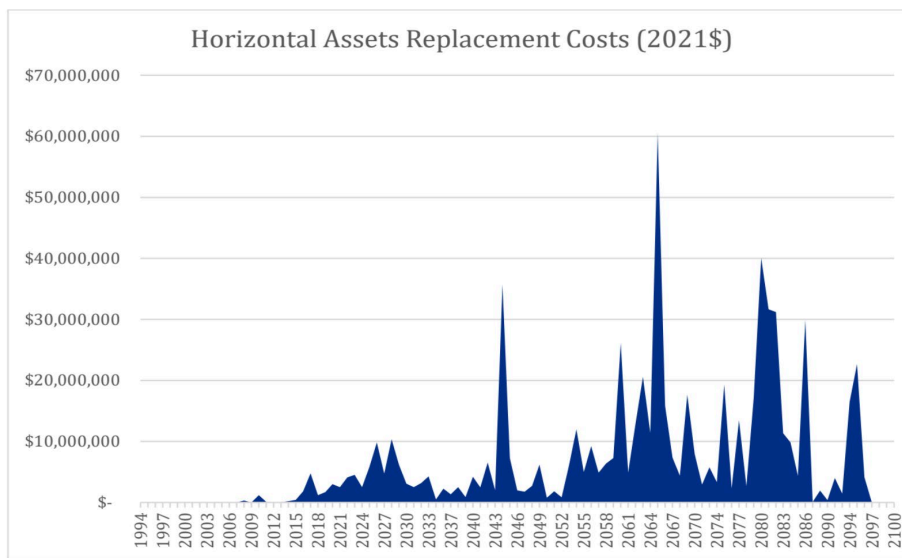
DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 5

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Award of Contract for Engineering Services to Develop Phase 2 of 2, Capital Improvement Plan.

In 2021, District Management determined the need to start the District’s financial planning efforts for future capital repair and rehabilitation projects for existing water mains, service lines, pumps, reservoirs, etc. Phase 1 of this project was performed by CDM Smith and was finished and presented to the Board in 2022. The phase 1 study showed that the current replacement value of District assets is \$718,000,000.



The District budgeted for Phase 2 of the study to be performed in this fiscal year. The study will refine replacement schedules (lifespans) of asset types (hydrants, water mains, service lines, etc.) based on real data collected over the past couple years that is stored in the District’s electronic Maintenance Management System. The result of phase 2 will be smoother, more financially sustainable replacement schedules, along with a 10-year list of projects to implement and additional data collection recommendations.

RECOMMENDATION:

Authorize the General Manager to execute a professional services agreement for engineering services to develop Phase 2 of 2, Capital Improvement Plan with the District’s Engineer, CDM Smith, in an amount not to exceed \$124,104 plus a 10% contingency.

Dan Muelrath
Dan Muelrath
General Manager

Attached: Task Order Scope

EXHIBIT A TO TASK ORDER NO. 2023-1 DIABLO WATER DISTRICT

Professional Services for CIP Asset Repair/Replacement Phase 2

The following information is provided herein:

- Purpose of Project
- Scope of Work
- Compensation
- Schedule

Purpose of Project

The purpose of the initial CIP Asset Repair/Replacement Cost Support project was to assist Diablo Water District (DWD or District) with improving its financial planning through an initial condition assessment, and estimating repair and replacement costs and timeline for its critical assets. The purpose of Phase 2, detailed herein, is to provide updates to portions of the summary report developed as part of Phase 1, focusing on projects and assets most likely requiring replacement within the next 10 years, and incorporate additional information for operations and facility-management staff to further improve asset management.

The plan will not include the jointly owned Randall-Bold Water Treatment Plant and high lift pump station. It will also not include the small separate water systems owned and operated by the District, e.g., Knightsen and Willow Park Marina.

Scope of Work

Taks 1: Kick-Off Meeting

Approach:

CDM Smith will hold a kick-off meeting with the District to review the activities to be performed under this task order. Specifically, the kick-off meeting will:

- Introduce the District and CDM Smith staff working on the various tasks,
- Review the activities and data relationships associated with each task,
- Discuss the District's history with operating valves and any related issues, and review the format of a valve operating template to be used during Task 3.

- Review the list of vertical and horizontal assets previously identified during Phase 1, and based thereon, which items are currently identified as needing replacement within the next 10 years (this list will continue to be refined during the project),
- Review recent District updates to the vertical and horizontal assets lists, and
- Discuss the District's goals and initial ideas for updating the anticipated remaining life of various assets.

Key Assumptions:

- The Kickoff Meeting will be held in person, and/or hybrid (in-person and virtual) as necessary to accommodate the District's staff.

Deliverables:

- CDM Smith will prepare a PowerPoint presentation to facilitate discussion of the intended meeting topics, and
- Meeting notes and action items.

Task 2: Maintenance Management Solutions (MMS) Data Gap Analysis

Approach:

The objective of this task is to review and synchronize the information in the Phase 1 asset lists with the attribute data contained in the District's Maintenance Management Solutions (MMS) software; this will result in more complete asset lists for evaluation under Task 5. The results of the associated gap analysis will also better inform the District of the areas of its MMS for improvement. This task will include the following activities:

- Attend one half-day MMS User Group meeting with the District on November 2, 2023,
- Become familiar with and review data stored in the District's existing MMS,
- Compare the data stored in the District's existing MMS to CDM Smith's latest GIS file,
- Compare the data stored in the District's existing MMS to the data recorded in the Phase 1 final report,
- Update Phase 1 horizontal and vertical asset tables with any additional pertinent data contained in the MMS, and
- Provide District with a list of Phase 1 horizontal and vertical asset information which has not been captured in the MMS (for incorporation by District).

Key Assumptions:

- CDM Smith will be given access to the District's MMS to review the status of information contained therein.

- The Task 5 Report will not reflect any updates by DWD to the MMS after CDM Smith's initial review unless CDM Smith is notified prior to completion of Task 2.

Deliverables:

- The results of the Task 2 activities will become a component of the updated asset lists evaluated and contained in the Final Report under Task 5.

Task 3: Develop Valve Exercising Program

Approach:

The objective of this task is to coordinate with DWD to develop a Valve Exercising Program to be initiated as soon as possible, and intended to be continuing by the District past the end of this Task Order. The Phase 2 work will focus on the District's larger valves and those that are deemed 'critical' to operations. The results of this task will help inform the list of future repair/replacement projects recommended to be performed within the next 10 years. Specific activities will include:

- CDM Smith will populate the valve data-collection template developed under Task 1 with existing information on the valves to be tested. CDM Smith will also hold a phone interview with District operations staff to develop a process for collecting the necessary field data and entering it into the template spreadsheet, and/or directly into the MMS. The resulting information will be documented by CDM Smith and distributed to District staff for implementation.
- It is anticipated that the following information will be prepopulated into the valve testing list by CDM Smith for District use in the field: location, valve number, approximate year installed, type, and size. It is anticipated that the following information will be collected by District staff during valve operation/testing: normally open/closed position, ability to fully close/open valve, other notes pertaining to the valve's condition.
- Valves experiencing operational issues, whether already known or identified during this task, will be highlighted for potential replacement within the next 1-5 years.

Key Assumptions:

- The template for collecting valve information will be presented, discussed, and agreed-upon during the kick-off meeting.
- District staff will try to operate and report the condition of as many valves as possible prior to CDM Smith's completion of the draft Task 5 report.
- The Phase 2 study will include both buried and above-grade valves, and involve approximately 100-150 valves.
- FH lateral valves will not be included in this phase of the study.
- The valve operating/testing information will be a digital file, to be saved and updated by staff on the District's Sharepoint server.

Deliverables:

- Brief 1-2 page document containing instructions for conducting the Valve Exercising Program, inclusive of the list of 'critical' valves to be tested.
- The results of the Task 3 activities will become a component of the updated asset lists evaluated and contained in the Final Report under Task 5.

Task 4: Review Historical Horizontal Asset Records

Approach:

This task is a continuation of the Phase 1 effort to develop a detailed list and history of the District's horizontal assets. The scope in Phase 1 did not have sufficient time or budget to review and catalog asset records before 1970; however, it is understood that the District has these documents stored on a Laserfiche cloud. CDM Smith will review records to provide updates to the Phase 1 Final Report, CDM Smith will complete the following:

- Perform review of District records stored on Laserfiche cloud pertaining to assets installed prior to 1970,
- Compare records from Laserfiche cloud to data collected from initial condition assessment performed under Phase 1, and
- Generate a list of records pertinent to the Phase 1 Final Report which were not identified for incorporation.

Key Assumptions:

- Records pre-1970 are stored on a Laserfiche cloud which is accessible electronically and does not require onsite review of records.
- CDM Smith will receive authorization and access to the District's Laserfiche cloud.
- The level of effort associated with this task will not exceed \$15,000.

Deliverables:

- The results of the Task 3 activities will become a component of the updated asset lists evaluated and contained in the Final Report under Task 5.

Task 5: Near-Term Asset Repair/Replacement Update Report

Approach:

The results of Tasks 1-4 will be used to update the vertical and horizontal assets contained in the Phase 1 CIP Asset Repair/Replacement Cost Support Final Report; the updated lists will be reevaluated to identify assets which are reaching the end of their useful life and are most likely to require replacement or repair within the next 10 years. A brief report will be developed to summarize the activities performed during Tasks 1-4, and any related results and conclusions. As a part of this effort CDM Smith will:

- Review and update expected lifetimes of different vertical and horizontal asset categories (in coordination with input from the District),
- Categorize assets into groups requiring repair in 0-5 years and 6-10 years,
- Determine which assets will require repair and which will require replacement,
- Update the present cost for repair or replacement of all horizontal and vertical assets. CDM Smith will reach out to collect current cost data from equipment vendors for those items to be addressed within the next 10 years. The cost to repair/replace items with longer remaining life will be generated by escalating the initial Phase 1 costs using ENR CCI valves.
- Facilitate a review meeting of the list developed with the District and revise the list based on feedback received, and
- Develop a draft and final report documenting the work performed under this task order.

Key Assumptions:

- A meeting will be held to discuss the District's comments on the draft report. The meeting will be held using MS Teams.

Deliverables:

- Updated list of vertical and horizontal assets List of assets requiring replacement within 10 years and associated cost estimate for replacement/repair of assets

Task 6: Project Management

Approach:

- Project management and administration – scheduling, scope compliance review, and providing monthly invoices and progress reports. Direct staff, review work progress, schedule work assignments, and review budget cost reports.
- Project coordination.

Key Assumptions:

- The assumed duration of the project is presented in the sections that follow.

Deliverables:

- Monthly progress reports and invoices.

Compensation

Compensation will be on a time and materials basis according to the Attachment 1 – CDM Smith Billing Rate Schedule. The total cost for the CIP Asset Repair/Replacement Phase 2 task order is summarized below. Attachment 2 provides a summary of the costs by task. There are no subconsultants on this project.

Tasks	Amount
Task 1 – Kick-Off Meeting	\$13,545
Task 2 – Material Management System Data Gap Analysis	\$20,994
Task 3 – Develop Valve Exercising Program	\$21,610
Task 4 – Review Historical Horizontal Asset Records	\$15,000
Task 5 – Near-Term Asset Repair/Repair Update Report	\$25,982
Task 6 – Project Management	\$26,974
TOTAL	\$124,105

Schedule

It is assumed that the Kickoff Meeting will be held with the District within 3 weeks following notice to proceed. The goal is to provide the draft Task 5 report by June 1, 2024. The Final Report will be submitted approximately two weeks after receiving comments from the District on the Draft Report. All work on this task order will be completed by June 30, 2024.

DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 6

TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: Wholesale Rate Pass-through.

Due to cost increases that exceeded the assumptions in the District's rate model, Staff recommends implementing the District's option to implement a rate pass-through. Rate pass-throughs are allowable under Prop 218 and as indicated in the District's most recent Prop 218 notification (citations included below).

Rate Pass-through and Future Rate Increases: In the above proposed rate schedule the District has built in assumptions regarding future wholesale water rate increases, utility expenses, and labor expenses. Should these future actual expenses be below or exceed the included inflation, these costs/savings, at the Board's discretion, may be included in future rate adjustment increases/decreases.

2024 Pass-through calculations:

- CCWD: Actual rate increase – Budgeted rate increase = Amount to recoup via pass-through
- PG&E: Actual rate increase – Budgeted rate increase = Amount to recoup via pass-through
- Labor: Actual rate increase – Budgeted rate increase = Amount to recoup via pass-through

When determining the new proposed rates, the pass-through needs to be applied equally to the service charge and each tier so that the cost allocation proportionality (as determined in the last rate study) is not modified.

Estimated pass-through:

- Wholesale water rates (budgeted at 5.25%, actual rate increase of 7%)
 - o \$70,000 in additional cost for water purchases
 - o \$363,785 RBTWP Annual True-up
- Utility rates (PG&E budgeted at 3%, likely to come in at 12.5%)
 - o \$37,500 in additional cost.
- Labor rates (on track with budget – nothing to pass-through)

Total eligible pass-through costs: \$471,285

Additional rate increase above adopted rate of 4%: 3.0%

Total effective rate increase on bills rendered after March 1, 2024: 7%

RECOMMENDATION:

Authorize a 3% rate pass-through, for a total effective rate increase of 7%.

Dan Muelrath

Dan Muelrath
General Manager

DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 7

TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: General Manager's Reports.

Items included for discussion:

- Water Supply Charts.
 - Statewide Reservoirs.
 - Los Vaqueros Reservoir = 132,669 AF (82.9% of capacity, last month 80.7%)
- Contra Costa County General Plan and Climate Action Plan update.
 - Comments due January 31st.
 - Website: <https://envisioncontracosta2040.org>
- WaterReuse California Conference
 - DPR regulations to be adopted by state in December.
 - Community engagement is critical.
 - Customer confidence is gained through presentations, demonstration facilities, and transparent decision making.
 - Lots of agencies chasing limited available funds.
 - Next large tranche of money for recycled water may become available if the 2024 climate bond passes.
 - Diablo Water District's potential DPR project is being talked about in the consulting industry.

RECOMMENDATION:

Discuss.

Dan Muelrath

Dan Muelrath
General Manager

Attached: Statewide Reservoir Conditions

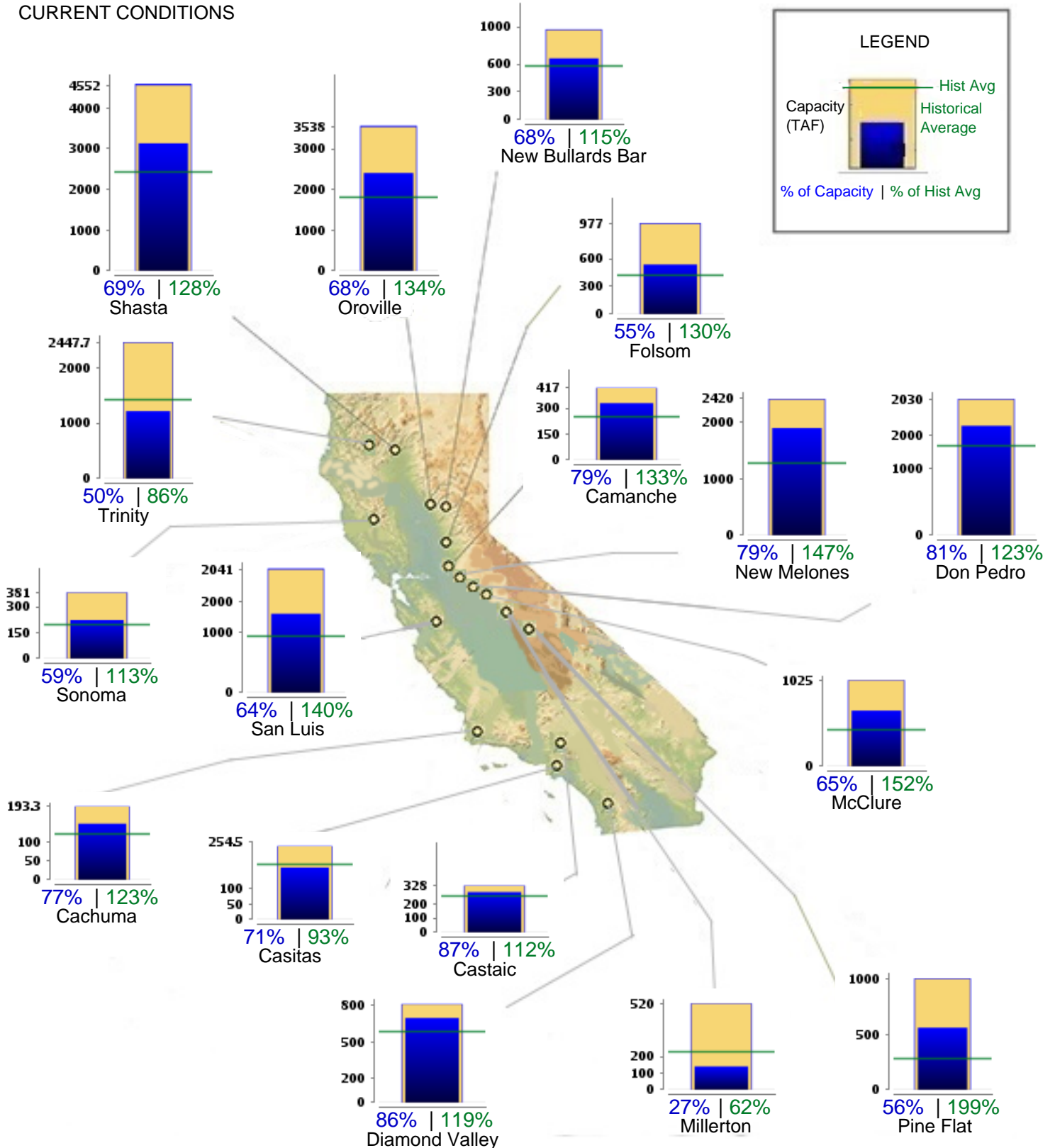


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - November 5, 2023

CURRENT CONDITIONS



DIABLO WATER DISTRICT
November 15, 2023 Board Meeting
Item Number 8

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Directors' Reports.

Representative assignments verbal reports:

- City of Oakley – Director Kovalick
- Ironhouse Sanitary District – Director Pastor
- LAFCO – Director Pastor
- Contra Costa Water District – Director Seger
- ECC Groundwater Sustainability – Director Tiernan

RECOMMENDATION:

Discuss.

Dan Muelrath _____
Dan Muelrath
General Manager

DIABLO WATER DISTRICT
 November 15, 2023 Board Meeting
 Item Number 9

TO: Each Director
 FROM: Dan Muelrath, General Manager
 SUBJECT: Future Agenda Items.

December 13, 2023	
Annual Audit Acceptance	Action
Blue Sky Planning Draft Results	Action
County General Plan comments	Discussion
January 24, 2024	
FIA for DC Booster & Pump Station	Action
Board Best Practice Annual Review	Discussion
Other Items	Future Date
EPA WaterSense New Home Certification	Apr
FEMA Local Hazard Mitigation Plan Overview	Jan