



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

AGENDA

The Special Meeting of the Board of Directors of Diablo Water District will be held on June 12, 2024 at 2:30 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: 414 766 96#

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. 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 May 22, 2024.

Staff Recommendation: Approve.

B. Minutes of the Regular Meeting of May 22, 2024.

Staff Recommendation: Approve.

C. Update Regulation 124 - District Credit Card Use Policy.

Staff Recommendation: Adopt Resolution No. 2024-04.

D. Update Regulation 110 - Statements of Candidates for Office of Director.

Staff Recommendation: Adopt Resolution No. 2024-05.

E. Authorization to Execute Master Services Agreement with Luhdorff & Scalmanini Consulting Engineers, Inc.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

F. Authorization to Execute Facilities Installation Agreement with Clyde Miles Construction Co., Inc. for Subdivision 8803 Brownstone Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

G. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9618 Summer Lake North, Phase 1- Village 3 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

H. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9620 Summer Lake North, Phase 1- Village 5 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

4. Financial Reports.

Staff Recommendation: Approve warrant register 2024-5, ACH wire transactions for May 2024, and receive the monthly financial statement for April 2024.

5. Corrected Authorization to Mail Prop 218 for the District's Well Systems.

Staff Recommendation: Authorize the mailing of Prop 218 notifications for the proposed rate increase to the District's M25 Well System.

6. Fiscal Year 2024/25 Budget Approval.

Staff Recommendation: Adopt the Fiscal Year 2024/25 Budget.

7. Ordering Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order.

Staff Recommendation: Adopt Resolution 2024-06.

Discussion Items

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.

- ~~June 26, 2024 Regular Meeting – 6:30 pm – canceled~~
- July 24, 2024 Regular Meeting – 6:30 pm
- August 28, 2024 Regular Meeting – 6:30 pm
- September 25, 2024 Regular Meeting – 6:30 pm

Closed Session Items

**11. 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

12. Adjournment.

Posted this 6th day of June 2024.



Dan Muelrath, General Manager

DIABLO WATER DISTRICT

June 12, 2024 Board Meeting

Item Number 3

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

3A. Minutes of the Special Meeting of May 22, 2024.

Staff Recommendation: Approve.

3B. Minutes of the Regular Meeting of May 22, 2024.

Staff Recommendation: Approve.

3C. Amend Regulation 124 - District Credit Card Use Policy.

Staff Recommendation: Adopt Resolution No. 2024-04.

3D. Amend Regulation 110 – Statements of Candidates for Office of Director.

Staff Recommendation: Adopt Resolution No. 2024-05.

3E. Authorization to Execute Master Services Agreement with Luhdorff & Scalmanini Consulting Engineers, Inc.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

3F. Authorization to Execute Facilities Installation Agreement with Clyde Miles Construction Co., Inc. for Subdivision 8803 Brownstone Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.



3G. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9618 Summer Lake North, Phase 1-Village 3 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

3H. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9620 Summer Lake North, Phase 1-Village 5 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

RECOMMENDATION:

Approve.

Dan Muelrath

Dan Muelrath
General Manager





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WESLEY A. MILIBAND

BOARD SECRETARY:
KAIT KNIGHT

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT
HELD ON MAY 22, 2024

The Special Meeting of the Board of Directors of Diablo Water District was held on May 22, 2024 at 6:00 pm at the District's office, 87 Carol Lane, Oakley, California and via conference call / web as noticed in the posted agenda.

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

The special meeting of the Board of Directors of Diablo Water District (District) was called to order by Director Tiernan at 6:02 p.m. on May 22, 2024.

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

Action Items

3. District General Counsel.

Recommendation: Authorize the General Manager to execute an agreement for General Counsel services with Miliband Water Law.

It was moved by Director Shaw, seconded by Director Seger and approved by the following vote to authorize the General Manager to execute an agreement for General Counsel services with Miliband Water Law.

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

4. Adjournment.

Director Tiernan adjourned the meeting at 6:19 p.m.

Kait Knight, Board Secretary

DRAFT



BOARD OF DIRECTORS:
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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 MAY 22, 2024

The Regular Meeting of the Board of Directors of Diablo Water District was held on May 22, 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.

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 6:34 p.m. on May 22, 2024.

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

Presentation Items

3. Presentation – Salmon Poaching.

Bud Chaddick

The Board received a presentation on salmon poaching in Marsh Creek from Bud Chaddick, a local fisherman.

The Board expressed a desire to explore potential enforcement authority for the GSA and to consider Board representation at the Marsh Creek Watershed Council meetings.

Action Items

4. 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 Regular Meeting of April 24, 2024.

Staff Recommendation: Approve.

B. Authorization to Execute Facilities Installation Agreement with Meritage Homes of California, Inc. for Subdivision 9615 Machado Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

C. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9616 Summer Lake North, Phase 1- Village 1 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

D. Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9617 Summer Lake North, Phase 1- Village 2 Improvements.

Staff Recommendation: Authorize the General Manager to Execute the Agreement.

Director Seger pulled items 4C and 4D for further discussion.

It was moved by Director Seger, seconded by Director Shaw and approved by the following vote to approve items 4A and 4B of the Consent Calendar.

AYES: Seger, Kovalick, Shaw, Tiernan
NOES: Pastor

ABSTAIN: None

Director Seger inquired about the FIA process and entitlements, highlighting concerns that the developer has constructed only a 100-year levy, which would not adequately protect District assets in the event of a breach.

General Manager Muelrath advised that the FIA locks in District Standards & Specs. Levy protection is built into the FRCs paid by developers and these fees are not locked into the FIA agreement date.

It was moved by Director Shaw, seconded by Vice President Pastor and approved by the following vote to approve items 4C and 4D of the Consent Calendar.

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

5. Financial Reports.

Staff Recommendation: Approve warrant register 2024-4, ACH wire transactions for April 2024, and receive the monthly financial statement for March 2024.

It was moved by Director Shaw, seconded by Director Seger, and approved by the following vote to approve warrant register 2024-4, ACH wire transactions for April 2024, and receive the monthly financial statement for March 2024.

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

6. Authorization to Mail Prop 218 for the District's Well Systems.

Staff Recommendation: Authorize the mailing of Prop 218 notifications for the proposed rate increase to the District's Well Systems.

It was moved by Director Seger, seconded by Director Shaw, and approved by the following vote to authorize the mailing of Prop 218 notifications for the proposed rate increase to the District's Well Systems.

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

7. Rate Pass-through.

Staff Recommendation: Authorize the rate pass-through adjustments in Attachment A effective for July 2024 water bills.

Director Kovalick thought the pass-through should be a more modest option to cover the \$1.5m shortfall discussed at the April board meeting.

General Manager Muelrath advised that the \$1.5m shortfall in this current year compounds annually and was closed this past fiscal year with one-time savings of hiring and project delays. He also highlighted that the District has leveraged \$7.5m in grant funding for District resiliency projects.

The Board engaged in heavy discussion, including the impact of not raising rates during the pandemic, how customer classifications impact the system, and that state regulations will continue to drive down demand while inflationary costs keep rising.

It was moved by Vice President Pastor, seconded by President Tiernan, and approved by the following vote to authorize the rate pass-through adjustments in Attachment A effective for July 2024 water bills.

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

After discussion of Agenda Item 8, Director Seger requested to change his vote. After consultation with General Counsel Miliband, discussion, and with approval of President Tiernan, a new vote was allowed.

It was moved by Vice President Pastor, seconded by President Tiernan, and approved by the following vote to authorize the rate pass-through adjustments in Attachment A effective for July 2024 water bills.

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

Discussion Items

8. Fiscal Year 2024/25 Draft Budget.

Director Kovalick asked Staff if the credit card processing fees could be reduced. He also highlighted the major costs of water purchases from CCWD and operating expenses of Randall-Bold Water Treatment Plant.

General Manager Muelrath told the Board that Staff messaging is focused around ACH and bank bill pay which do not cost the District, and is also exploring options and working with the District's billing system to see if fees can be reduced. For the major costs of water purchases from CCWD and operating expenses of Randall-Bold Water Treatment Plant, he explained that these used to account for 40% of the budget and are now at 60% of the budget. He shared that wellhead treatment projects, and other ideas explored at the BlueSky Planning meeting would be brought in front of the Board at the July meeting.

9. Contra Costa County Local Hazard Mitigation Plan.

Director Kovalick asked if the dollar amount for the identified mitigation actions would be included in the plan. General Manager Muelrath advised that this has been asked of the County.

10. General Manager's Reports.

- Water Supply Charts
- FY 2025 Federal Earmark

General Manager Muelrath provided a report on the current water supply to the Board. Additionally, he updated the Board on the R2 seismic grant status, and that it was on the final federal desk, and if awarded, the goal would be to start construction this fall.

11. Engineer's Reports.

- Construction project updates.

Bill Brick, CDM Smith, reported on the status of construction projects.

12. General Counsel's Reports.

General Counsel Miliband reported on ongoing litigation pending in Federal court regarding the emergency drought regulations implemented in 2021. Private companies, which divert water into creeks, had their water diversions curtailed and claimed that the State Water Resources Control Board (SWRCB) didn't go through the legal process to end their water rights. Yesterday, the judge dismissed many of the claims, but did not dismiss the claim concerning the Endangered Species Act.

He also informed the Board about SB 1147, which would require water bottling companies to report microplastic levels in their source water to the state.

13. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

President Tiernan provided updates from the City of Oakley meeting, highlighting that the 55-acre park was approved and the City is seeking grant funding for it.

Vice President Pastor attended the Ironhouse meeting and reported that it was shared that the presidential elections are holding up the grant process. He also reported that the LAFCO meeting was canceled.

Director Seger attended the Contra Costa Water District meetings and shared that they passed their budget, reporting that water sales are decreasing and rates will be increasing.

Director Shaw attended the ECWMA meeting and reported out on SB 552 which will require the County to assist small water systems with their groundwater sustainability. The county is recruiting a task force from local GSAs to assist with the unfunded state-mandate. He also reported that the City of Antioch's Desalination Plant should be in commission in a few months. Director Kovalick asked if the District can explore using the RO facility to treat our well water.

14. Future Agenda Items.

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

General Manager Muelrath requested that the Board send all final budget questions to him over the next week to finalize them for the Special meeting on June 12th.

15. Next Meetings of the Board of Directors.

- June 12, 2024 Special Meeting - 2:30 pm
- ~~June 26, 2024 Regular Meeting - 6:30 pm - canceled~~
- July 24, 2024 Regular Meeting - 6:30 pm
- August 28, 2024 Regular Meeting - 6:30 pm

**16. 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 9:31 p.m.

Kait Knight, Board Secretary

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 3.C

TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: Amend Regulation 124 – Credit Cards.

District policies that reference job titles need to be updated when existing job titles change, or new ones are added. This update is to add job titles and reflect job title changes that have occurred over the past three years. Additionally, this is the first time in three years that the District has updated its credit card limits.

An increase in limits is proposed to reflect the higher costs of routinely purchased items.

RECOMMENDATION:

Approve Resolution No. 2024-04.

Dan Muelrath

Dan Muelrath
General Manager

Attached: 1.) Regulation 124 Redline Copy
2.) Regulation 124 Clean Copy
3.) Resolution No. 2024-04

DIABLO WATER DISTRICT
REGULATION NO. 124
DISTRICT CREDIT CARD USE POLICY

Section I. Purpose of Policy.

- A. The Purpose of Diablo Water District's Credit Card Use Policy is to provide guidelines for the use of ~~the District's~~ District credit cards. The use of a District credit card may provide ~~for~~ better control and accounting of funds than the use of cash or personal credit card in certain situations and in emergency situations. The use of a District credit card is the use of District funds and therefore shall follow the guidelines of this policy.
- B. The District has entered into a "Local Agency Subscription Agreement" (Attached Exhibit A) with U.S. Bank National Association (U.S. Bank) under the terms and conditions of the Purchase Card Services Participating Addendum No. 7-14-99-22 signed September 29, 2014 and entered into by U.S. Bank National Association (U.S. Bank) and the State of California, Department of General Services (Attached Exhibit B). Under this agreement, the District agrees to accept and perform all duties, responsibilities and obligations required of Participating Agencies as set forth in the Participating Addendum.

Section II. Policy.

- A. The District's credit cards are to be used in the conduct of authorized District

business. District credit cards shall not be used for any personal expenses, even if the intent is to reimburse the District at a later date.

Section III. Allowed Uses.

The following uses are allowed:

- A. Credit cards are to be used for budgeted or emergency District business only.
- B. Credit cards are to be used only if a vendor will not accept a purchase order and/or the purchase cannot wait for the issuance of a check.
- C. Making travel arrangements and purchasing lodging, transportation and other minor purchases associated with District business--related travel and activities with limitations as stated in the District's Regulation Number 112. Any charges for personal expenses or incidentals must be ~~paid for~~paid separately by the District employee and not charged to the District credit card.
- D. The purchase of authorized meals for which no cash advance has been received.
- E. The purchase of fuel, oil and minor repairs ~~of to~~to District owned vehicles.

Section IV. Prohibited Uses.

The following uses are prohibited:

- A. Any and all non-business--related expenses;
- B. Any personal items and/or personal services even if the intent is to reimburse the District at a later date, including spouse and family member expenses;
- C. Cash advances, wire transfers, or money orders;
- D. Purchase fuel for privately owned vehicles;

- E. Purchasing non-budgeted items without prior approval;
- F. Purchase of alcoholic beverages; and
- G. Any purchases for which proper authorization has not been received.

Section V. Card Issuance and Credit Limits.

A. District credit cards will be issued by the Finance & Accounting Manager to the following positions (Cardholder) with the monthly limits:

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- 1. Senior Water Efficiency Specialist \$5,000
- 2. Accounting Analyst \$5,000
- 3. Maintenance & Construction Supervisor \$5,000
- 4. Human Resources Manager \$7,500
- 5. Strategic Initiatives Project Manager \$7,500
- ~~1-6.~~ Program Analyst — District & Community Relations Manager
\$~~5,000~~7,500
- ~~2-7.~~ Management Program Analyst — Forward Planning Manager
\$~~5,000~~7,500
- ~~3-8.~~ Manager of Water Operations Manager
\$~~5,000~~7,500
- ~~4-9.~~ Manager of Construction and Maintenance Manager
\$~~5,000~~7,500
- ~~5-10.~~ Finance & Accounting Manager \$~~10,000~~12,500
- ~~6-11.~~ General Manager \$10,000

B. In the event of an emergency, the General Manager is authorized to increase credit card limits as required to make immediate purchases related to the

emergency.

Section VI. Procedures.

Cardholders shall complete the following steps with each purchase:

A. Documentation Required for purchases:

1. Receipt must contain the following information:
 - (a) Vendor's contact information
 - (b) Date of purchase
 - (c) Amount of total purchase
 - (d) Brief but specific description of item(s) being purchased

2. For internet orders, print a copy of the order form.
3. For mail orders, keep a copy of the order form and shipping slip.
4. Purchase orders are preferred to be used with each purchase.

B. Documentation Required for Training and Travel Expenses

1. Hotel receipt should contain full detail of charges.
2. All charges for meals should contain full detail of charges including tip if applicable.
3. All meals purchased should detail who attended, purpose of the meal, and must be signed by the cardholder.
4. Receipts for car rentals, tolls, and any other miscellaneous charges must accompany a detailed receipt. Receipt must note reason for expense and must be signed by cardholder.

C. Approval of Statements.

1. Each Cardholder will receive their own individual card statement and be

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responsible for keeping track of their purchases. Once the Cardholder receives their statement, they shall submit the statement along with all supporting documentation to their ~~direct manager Finance & Accounting Manager~~ within five (5) days of receiving the statement. Each Cardholder is responsible for detailing the budgeted general ledger account to which each transaction should be charged to.

2. Approving managers will have three days to review statements and supporting receipts, sign and submit to the Accounting Analyst for payment processing. ~~The General Manager will review the statements and return it back to the Finance & Accounting Manager for processing.~~
3. The General Manager's statement and receipts will be reviewed by the Finance & Accounting Manager.

Section VII. Disputes.

- A. If items purchased with a District credit card are found defective, the Cardholder has the responsibility to return the item(s) to the merchant for replacement or to receive a credit on the purchase.
- B. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute and the District will follow the guidelines and procedures outlined in the "Participating Addendum" (Exhibit B).

Section VIII. Lost or Stolen Credit Cards.

- A. The Cardholder is responsible for the security of the District credit card.

Should any employee lose or have a District credit card stolen, it is their responsibility to contact the District's Finance & Accounting Manager within 24 hours of discovery.

Section IX. Payment Processing.

- A. The ~~Finance & Accounting Manager~~ Accounting Analyst will process all credit card billings in sufficient time to avoid late penalties and interest. Under no circumstances will the District's Accounts Payable Department "hold" a statement pending the resolution of a dispute or while waiting for backup documentation from Cardholders.

Section X. Surrender Upon Request of Separation.

- A. The District reserves the right in its sole discretion to refuse to issue to and/or withdraw authorization to use a District issued credit card from any Cardholder. The Cardholder shall immediately surrender the card upon retirement, termination or upon the request of the District. Use of the card for any purpose after its surrender is prohibited.

Section XI. Violation of Policy.

- A. Violations of the District's Credit Card Use Policy may be subject to disciplinary action, up to and including termination.
- B. This policy does not claim to have addressed all contingencies and conditions. Any necessary and reasonable expense that may from time-to-time be justified due to circumstances or opportunities for the District may be honored upon approval by the General Manager.

DIABLO WATER DISTRICT

REGULATION NO. 124

DISTRICT CREDIT CARD USE POLICY

Section I. Purpose of Policy.

- A. The Purpose of Diablo Water District's Credit Card Use Policy is to provide guidelines for the use of District credit cards. The use of a District credit card may provide better control and accounting of funds than the use of cash or personal credit card in certain situations and in emergency situations. The use of a District credit card is the use of District funds and therefore shall follow the guidelines of this policy.
- B. The District has entered into a "Local Agency Subscription Agreement" (Attached Exhibit A) with U.S. Bank National Association (U.S. Bank) under the terms and conditions of the Purchase Card Services Participating Addendum No. 7-14-99-22 signed September 29, 2014 and entered into by U.S. Bank National Association (U.S. Bank) and the State of California, Department of General Services (Attached Exhibit B). Under this agreement, the District agrees to accept and perform all duties, responsibilities and obligations required of Participating Agencies as set forth in the Participating Addendum.

Section II. Policy.

- A. The District's credit cards are to be used in the conduct of authorized District

business. District credit cards shall not be used for any personal expenses, even if the intent is to reimburse the District at a later date.

Section III. Allowed Uses.

The following uses are allowed:

- A. Credit cards are to be used for budgeted or emergency District business only.
- B. Credit cards are to be used only if a vendor will not accept a purchase order and/or the purchase cannot wait for the issuance of a check.
- C. Making travel arrangements and purchasing lodging, transportation and other minor purchases associated with District business-related travel and activities with limitations as stated in the District's Regulation Number 112. Any charges for personal expenses or incidentals must be paid separately by the District employee and not charged to the District credit card.
- D. The purchase of authorized meals for which no cash advance has been received.
- E. The purchase of fuel, oil and minor repairs to District owned vehicles.

Section IV. Prohibited Uses.

The following uses are prohibited:

- A. Any and all non-business-related expenses;
- B. Any personal items and/or personal services even if the intent is to reimburse the District at a later date, including spouse and family member expenses;
- C. Cash advances, wire transfers, or money orders;
- D. Purchase fuel for privately owned vehicles;
- E. Purchasing non-budgeted items without prior approval;

- F. Purchase of alcoholic beverages; and
- G. Any purchases for which proper authorization has not been received.

Section V. Card Issuance and Credit Limits.

A. District credit cards will be issued by the Finance & Accounting Manager to the following positions (Cardholder) with the monthly limits:

1. Senior Water Efficiency Specialist	\$5,000
2. Accounting Analyst	\$5,000
3. Maintenance & Construction Supervisor	\$5,000
4. Human Resources Manager	\$7,500
5. Strategic Initiatives Project Manager	\$7,500
6. District & Community Relations Manager	\$7,500
7. Forward Planning Manager	\$7,500
8. Water Operations Manager	\$7,500
9. Construction and Maintenance Manager	\$7,500
10. Finance & Accounting Manager	\$12,500
11. General Manager	\$10,000

B. In the event of an emergency, the General Manager is authorized to increase credit card limits as required to make immediate purchases related to the emergency.

Section VI. Procedures.

Cardholders shall complete the following steps with each purchase:

- A. Documentation Required for purchases:
 - 1. Receipt must contain the following information:

- (a) Vendor's contact information
- (b) Date of purchase
- (c) Amount of total purchase
- (d) Brief but specific description of item(s) being purchased

- 2. For internet orders, print a copy of the order form.
- 3. For mail orders, keep a copy of the order form and shipping slip.
- 4. Purchase orders are preferred to be used with each purchase.

B. Documentation Required for Training and Travel Expenses

- 1. Hotel receipts should contain full detail of charges.
- 2. All charges for meals should contain full detail of charges including tip if applicable.
- 3. All meals purchased should detail who attended, purpose of the meal, and must be signed by the cardholder.
- 4. Receipts for car rentals, tolls, and any other miscellaneous charges must accompany a detailed receipt. Receipt must note reason for expense and must be signed by cardholder.

C. Approval of Statements.

- 1. Each Cardholder will receive their own individual card statement and be responsible for keeping track of their purchases. Once the Cardholder receives their statement, they shall submit the statement along with all supporting documentation to their direct manager within five (5) days of receiving the statement. Each Cardholder is responsible for detailing the budgeted general ledger account to which each transaction should be

charged to.

2. Approving managers will have three days to review statements and supporting receipts, sign and submit to the Accounting Analyst for payment processing.
3. The General Manager's statement and receipts will be reviewed by the Finance & Accounting Manager.

Section VII. Disputes.

- A. If items purchased with a District credit card are found defective, the Cardholder has the responsibility to return the item(s) to the merchant for replacement or to receive a credit on the purchase.
- B. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute and the District will follow the guidelines and procedures outlined in the "Participating Addendum" (Exhibit B).

Section VIII. Lost or Stolen Credit Cards.

- A. The Cardholder is responsible for the security of the District credit card. Should any employee lose or have a District credit card stolen, it is their responsibility to contact the District's Finance & Accounting Manager within 24 hours of discovery.

Section IX. Payment Processing.

- A. The Accounting Analyst will process all credit card billings in sufficient time to avoid late penalties and interest. Under no circumstances will the District's Accounts Payable Department "hold" a statement pending the

resolution of a dispute or while waiting for backup documentation from Cardholders.

Section X. Surrender Upon Request of Separation.

- A. The District reserves the right in its sole discretion to refuse to issue to and/or withdraw authorization to use a District issued credit card from any Cardholder. The Cardholder shall immediately surrender the card upon retirement, termination or upon the request of the District. Use of the card for any purpose after its surrender is prohibited.

Section XI. Violation of Policy.

- A. Violations of the District's Credit Card Use Policy may be subject to disciplinary action, up to and including termination.
- B. This policy does not claim to have addressed all contingencies and conditions. Any necessary and reasonable expense that may from time-to-time be justified due to circumstances or opportunities for the District may be honored upon approval by the General Manager.

RESOLUTION NUMBER 2024-04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF DIABLO
WATER DISTRICT AMENDING DISTRICT
REGULATION NUMBER 124**

WHEREAS, the District has Administrative Regulations for the effective and efficient operation of the District;

WHEREAS, periodically these regulations need to be updated to reflect current statuses and industry trends; and

WHEREAS, Staff and General Counsel reviewed and provided suggested updates as shown in the Attachment, here-in referenced and incorporated;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Diablo Water District:

1. Update District Regulation 124 as shown in Attachment.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of Diablo Water District at a meeting thereof held on June 12, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DATED:

Kait Knight, Secretary

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 3.D

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Amend Regulation 110 – Statements of Candidates for Office of Director.

Regulation update to amend the allowable maximum word count and spacing limitations to align with the County’s General Election candidate statement guidelines.

RECOMMENDATION:

Approve Resolution No. 2024-05.

Dan Muelrath

Dan Muelrath
General Manager

Attached: 1.) Regulation 110 Redline Copy
2.) Regulation 110 Clean Copy
3.) Resolution No. 2024-05

DIABLO WATER DISTRICT

REGULATION NO. 110

STATEMENTS OF CANDIDATES FOR OFFICE OF DIRECTOR

Section I. Authority

- A. This regulation is adopted pursuant to Section 10012 of the Elections Code.

Section II. Candidates' Statements

~~A>—Candidates' statements for inclusion in the voters' pamphlet shall not exceed the allowable maximum word count and spacing limitations set by the County's General Election candidate statement guidelines. Candidates' statements for inclusion in the voters' pamphlet shall not exceed 200 words.~~

~~B>A>~~ Each candidate who files a statement shall be charged the actual prorated cost of printing, handling, translating and mailing his statement. The candidate shall be required to pay the estimated amount of said cost at the time the statement is filed.

~~C>B>~~ No materials on behalf of a candidate other than the candidate's statement shall be mailed with the sample ballot.

DIABLO WATER DISTRICT

REGULATION NO. 110

STATEMENTS OF CANDIDATES FOR OFFICE OF DIRECTOR

Section I. Authority

- A. This regulation is adopted pursuant to Section 10012 of the Elections Code.

Section II. Candidates' Statements

- A. Candidates' statements for inclusion in the voters' pamphlet shall not exceed the allowable maximum word count and spacing limitations set by the County's General Election candidate statement guidelines.
- B. Each candidate who files a statement shall be charged the actual prorated cost of printing, handling, translating and mailing his statement. The candidate shall be required to pay the estimated amount of said cost at the time the statement is filed.
- C. No materials on behalf of a candidate other than the candidate's statement shall be mailed with the sample ballot.

RESOLUTION NUMBER 2024-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF DIABLO
WATER DISTRICT AMENDING DISTRICT
REGULATION NUMBER 110**

WHEREAS, the District has Administrative Regulations for the effective and efficient operation of the District;

WHEREAS, periodically these regulations need to be updated to reflect current statuses and industry trends; and

WHEREAS, Staff and General Counsel reviewed and provided suggested updates as shown in the Attachment, here-in referenced and incorporated;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Diablo Water District:

1. Update District Regulation 110 as shown in Attachment.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of Diablo Water District at a meeting thereof held on June 12, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DATED:

Kait Knight, Secretary

DIABLO WATER DISTRICT

June 12, 2024 Board Meeting

Item Number 3.E

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Authorization to Execute Master Services Agreement with Luhdorff & Scalmanini Consulting Engineers, Inc.

The District currently does not have a “services as needed” master agreement with Luhdorff & Scalmanini Consulting Engineering, Inc. (LCSE). The attached agreement would be used as needed and separate contracts would still be negotiated for large standalone projects (i.e. groundwater production wells). Examples of services that would be performed under this agreement include but are not limited to:

- Evaluation of new monitoring well designs that are being installed by developers.
- Providing general guidance on groundwater and aquifer related items.
- Performing GSA/GSP related work that is not covered by the subbasin grant.
- Field inspections.

RECOMMENDATION:

Authorize the General Manager to Execute the Agreement.

Dan Muelrath

Dan Muelrath
General Manager

Attached: MASTER SERVICES AGREEMENT “MSA/24-1-065” LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.

MASTER SERVICES AGREEMENT "MSA/24-1-065"
LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC.

THIS MASTER SERVICES AGREEMENT (this "**Agreement**") is entered into as of April 15, 2024 (the "**Effective Date**"), by and between Diablo Water District (hereafter called "**Client**"), and Luhdorff & Scalmanini Consulting Engineers, Inc., a California corporation (hereafter called "**LSCE**").

Client Contact:	Dan Muelrath	LSCE Contact:	Will Halligan
Address:	87 Carol Lane	Address:	500 First Street
City, State, Zip:	Oakley, Ca 94561	City, State, Zip:	Woodland, CA 95691
Phone:	(925) 6253798	Phone:	(530) 661-0109
Email:	dmuelrath@diablowater.org	Email:	whalligan@lsce.com

RECITALS:

- A. WHEREAS, Client desires to retain LSCE to perform certain consulting services in connection with a project as described herein.
- B. WHEREAS, LSCE desires to perform the consulting services as described herein, pursuant to the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Client and LSCE hereby agree as follows:

PROVISIONS OF AGREEMENT

1. Services. LSCE shall provide the services (collectively, the "**Services**") described in the written Work Authorization attached hereto as **Exhibit A** or in any additional Work Authorization that may be entered into between the parties from time-to-time hereafter (each, a "**Work Authorization**"). Each Work Authorization shall contain the scope of various Services to be provided by LSCE, the Schedule of Fees, and the Fee and estimated Expenses due for such Services relative to each individual project referenced in such Work Authorization. Each Work Authorization shall be numbered sequentially (for example, as "A-1", "A-2", "A-3", etc.), and, upon execution by both parties, become a part of this Agreement and be subject to all of its provisions. The parties agree that no provision of any Work Authorization shall be deemed to modify or be inconsistent with the terms of this Agreement unless specifically indicated therein.
2. Compensation. As consideration for the Services, Client shall pay LSCE the amount set forth in the applicable Work Authorization (the "**Fee**"). The Fee shall be calculated based on LSCE's Schedule of Fees in the Work Authorization. In addition to the Fee, LSCE will invoice Client for its reasonable and necessary travel and other out-of-pocket expenses incurred in providing the Services (the "**Expenses**").
3. Term. The term of this Agreement shall commence on the Effective Date and shall end on December 31, 2026, unless this Agreement is sooner terminated as provided herein (the "**Term**").
4. Invoicing and Payment.
 - (a) Monthly Invoices. All Fees, Expenses, and other charges due to LSCE will be billed monthly and shall be due at the time of billing unless specified otherwise in the applicable Work Authorization. If Client fails to pay LSCE within thirty (30) days after invoices are rendered, LSCE shall have the right in its sole discretion to consider such default in payment a material breach of this Agreement, and, upon written notice, LSCE's duties, obligations, and responsibilities under this Agreement may be suspended or terminated. In such event, Client shall promptly pay LSCE for all outstanding Fees, Expenses, and charges due to LSCE at the time of suspension or termination. If LSCE elects to suspend or terminate LSCE's services pursuant to this provision, LSCE is entitled to reasonable suspension or termination costs and expenses.

(b) Accuracy of Invoices. Client agrees that all billings from LSCE to Client are correct and binding on Client unless Client, within ten (10) days from the date of receipt of such billing, notifies LSCE in writing of alleged inaccuracies, discrepancies, or errors in billing.

(c) Late Payment Charge. Client agrees to pay a monthly late payment charge, which will be the lesser of one and one-half percent (1-1/2%) per month or a monthly charge not to exceed the maximum legal rate, which will be applied to any unpaid balance commencing thirty (30) days after the date of the billing.

5. Work Product. Client acknowledges and agrees that all reports, plans, specifications, field data and notes and other documents, including all such documents on electronic media, prepared by LSCE under this Agreement are instruments of service of LSCE, shall remain the property of LSCE, and may be used by LSCE without limitation without the consent of Client. Upon request and payment of all costs related thereto, Client is entitled to a copy of all final plans and specifications for use in connection with the project for which the plans and specifications have been prepared. Client acknowledges and agrees that its right to utilize final plans and specifications and the services of LSCE provided pursuant to this Agreement will continue only so long as Client is not in default of this Agreement, and only so long as Client has performed all of its obligations under this Agreement. In the event Client is in default of any of the terms or conditions of this Agreement, Client's right to utilize the instruments of service of LSCE pursuant to this paragraph shall be automatically revoked.
6. Non-Use of Draft Work Product; Use of Final Work Product. Client agrees not to use or permit any other person to use plans, specifications, drawings, cost estimates, reports or other documents prepared by LSCE which plans, specifications, drawings, cost estimates, reports or other documents are not final and which are not signed and stamped or sealed by LSCE. Client acknowledges and agrees that all documents on electronic files, or drawings, reports, and data on any form of electronic media generated and furnished by the LSCE, are not final plans or documents. Client shall be liable for any such use of all non-final or draft plans, specifications, drawings, cost estimates, reports, electronic files, or other documents that are not signed and stamped or sealed by LSCE. Client hereby waives any claim for liability against LSCE for such use. Client agrees, to the extent permitted by law, to indemnify and hold harmless LSCE, its officers, directors, employees, and subconsultants against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from a violation of this paragraph by Client. Client further agrees that final plans, specifications, drawings, cost estimates, reports or other documents are for the exclusive use of Client and may be used by Client only for the project described in the applicable Work Authorization and such use is subject to the terms and conditions of this Agreement. Such final plans, specifications, drawings, cost estimates, reports or other documents may not be changed or used on a different project without written authorization or approval by LSCE. If signed check prints are required to be submitted with a stamp or seal, they shall not be considered final for purposes of this paragraph.
7. Electronic Files.
 - (a) Ownership of Electronic Files. In accepting and utilizing any electronic files, or drawings, reports and data on any form of electronic media generated and furnished by LSCE ("**Electronic Files**"), Client covenants and agrees that all such Electronic Files are instruments of service of LSCE, who shall be deemed the author, and shall retain all common law, statutory law and other rights, including copyrights.
 - (b) Use of Electronic Files. Client agrees not to use or reuse any Electronic Files, in whole or in part, for any purpose or project other than the project that is the subject of this Agreement. Client agrees not to make changes to or transfer the Electronic Files to any person or entity without the prior written consent of LSCE. Client further agrees to waive all claims against LSCE resulting in any way from any unauthorized changes, use, or reuse of the Electronic Files for any other project by anyone other than LSCE.
 - (c) Technological Specifications. Client acknowledges and agrees that Client and LSCE have agreed on all hardware and software specifications that may be necessary for transmission of Electronic Files relevant to the project. These specifications, if applicable, are attached as **Exhibit B** to this Agreement, which is incorporated herein by this reference.
 - (d) Acceptance of Electronic Files. Electronic Files furnished by LSCE to Client shall be subject to an acceptance period of fifteen (15) days during which the Client agrees to perform appropriate acceptance tests. LSCE shall correct any discrepancies or errors detected and reported within the acceptance period. After the acceptance period, the Electronic Files shall be deemed to be accepted and LSCE shall have any obligation to correct errors or maintain Electronic Files.
 - (e) Electronic Files Are Not Construction Documents. Electronic Files, such as computer-aided drafting and design files, are not construction documents, and LSCE makes no representation as to their accuracy or completeness. Client is aware and agrees that differences may exist between the Electronic Files delivered and the printed hard copy construction documents. In the event of a conflict between the signed construction documents prepared by LSCE and

any Electronic Files, the signed and stamped or sealed hard copy construction documents, copies of which shall be kept by LSCE, shall govern.

(f) Indemnity and Indemnification Related to Electronic Files. Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless LSCE, its officers, directors, employees and subconsultants against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from any unauthorized changes made by anyone other than LSCE or from any use or reuse of the Electronic Files for any other project by anyone other than LSCE.

(g) No Warranties; LSCE Not Liable. Under no circumstances shall delivery of electronic files for use by Client be deemed a sale of a product by LSCE, and LSCE makes no warranties, either express or implied, of merchantability and fitness for any particular purpose. In no event shall LSCE be liable for indirect or consequential damages as a result of Client's use or reuse of the electronic files.

8. Termination.

(a) Client acknowledges LSCE has the right to complete all services agreed to be rendered pursuant to this Agreement and any applicable Work Authorization. In the event this Agreement is terminated before the completion of all Services, unless LSCE is responsible for such early termination, Client hereby agrees to release LSCE from all liability for Services performed. In the event all or any portion of the Services by LSCE are suspended, abandoned, or otherwise terminated, Client shall pay LSCE all fees and charges for Services provided prior to termination.

(b) Client acknowledges and agrees that, if project Services are terminated for the convenience of Client, LSCE is entitled to reasonable termination costs and expenses, to be paid by Client.

(c) If Client is in default regarding the Client's payment obligations under this Agreement, and Client requests LSCE continue providing some or all of the Services, LSCE shall have no obligation to provide any further Services unless Client provides financial assurances satisfactory to LSCE in LSCE's sole discretion.

(d) The parties agree that termination of this Agreement terminates any Work Authorization issued pursuant to this Agreement unless expressly excepted. Conversely, any Work Authorization may be separately terminated by either party under the same terms and conditions that apply to this Agreement without such termination constituting a termination of this Agreement or any other Work Authorization issued hereunder.

9. Non-Solicitation. Neither party will solicit for employment or hire employees of the other party during the term of this Agreement and for one-year thereafter. This restriction will not apply where (as shown by written records or other reasonable evidence) the person is employed as a result of an open market employment campaign without direct solicitation of the employee or if the employee is referred on an unsolicited basis by an employment agency. This paragraph shall survive the termination of this Agreement.

10. Prevailing Wage; Public Works. Unless the Services to be provided by LSCE expressly include LSCE's assistance in determinations regarding the application of prevailing wages, Client and LSCE acknowledge and agree that it is Client's exclusive responsibility to determine whether the project that is the subject of this Agreement is a "public work" as defined in California Labor Code Section 1720, or whether prevailing wage rates are to be paid to certain workers in connection with the project, or determine the rate of prevailing wages to be paid to certain workers. LSCE will develop its schedule of labor rates in reliance on the determinations of Client. In the event of a dispute regarding whether the project is a "public work", whether prevailing wages are to be paid, or the amount of prevailing wages to be paid to individual workers, Client agrees to pay LSCE for any and all additional costs and expenses (including additional wages, penalties & interest) incurred by LSCE and further agrees, to the extent permitted by law, to defend, indemnify and hold harmless LSCE, its officers, directors, employees and subconsultants from all damages, liabilities or costs, including reasonable attorneys' fees and costs, arising from or related to the Client's determinations regarding the application of or payment of prevailing wages.

11. Construction Phase Services. If the Services do not include construction-phase services for this project, Client acknowledges such construction-phase services will be provided by Client or by others and Client assumes all responsibility for interpretation of the contract documents and for construction observation and supervision and waives any claim against LSCE that may in any way be connected thereto. In addition, Client agrees, to the fullest extent permitted by law, to indemnify and hold LSCE harmless from any loss, claim, or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of such construction-phase services by other persons or entities and from any and all claims arising from the modification, clarification, interpretation, adjustments or changes made to the contract documents to reflect changed field or other conditions.

12. Common Interest Developments.

(a) Pre-Litigation Costs. If the Services include the rendition of professional services for a project which is a common interest development subject to the provisions of Civil Code section 1375, Client agrees to reimburse LSCE for all costs associated with LSCE's participation in the pre-litigation process described in Civil Code section 1375. Further, Client agrees to pay LSCE's fees for time incurred participating in the pre-litigation process. These fees and costs shall be paid as extra services in accordance with LSCE's normal hourly rates in effect at the time LSCE participates in the pre-litigation process. For purposes of this paragraph, a "common interest development" shall be a common interest development as defined in Civil Code section 1375.

(b) Indemnification. Client agrees, to the extent permitted by law, to defend, indemnify and hold harmless LSCE, its officers, directors, employees and subconsultants from all damages, liabilities or costs, including reasonable attorneys' fees and costs, arising from or related to LSCE's participation in the pre-litigation process pursuant to Civil Code section 1375.

(c) Notice. Client agrees that, if Client receives a Notice of Commencement of Legal Proceedings pursuant to Civil Code section 1375, Client will notify LSCE within 10 days of Client's receipt of the Notice of Commencement of Legal Proceedings, provided the Notice of Commencement of Legal Proceedings either identifies LSCE as a potentially responsible party or the face of the Notice contains information which identifies LSCE's potential responsibility. If Client does not timely notify LSCE, then Client agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless LSCE, its officers, directors, employees and subconsultants from all damages, liabilities or costs, including reasonable attorneys' fees and costs, arising from or related to Client's failure to timely notify LSCE.

13. Effect of Client Bankruptcy. If Client files a voluntary petition seeking relief under the United States Bankruptcy Code or if there is an involuntary bankruptcy petition filed against Client in the United States Bankruptcy Court, and that petition is not dismissed within fifteen (15) days of its filing, LSCE shall be entitled to suspend its performance of any and all of its obligations pursuant to this Agreement. If, upon filing a voluntary petition or an involuntary petition in the United States Bankruptcy Court, Client seeks to have LSCE continue to provide Services pursuant to this Agreement, Client agrees to comply with applicable provisions of the United States Bankruptcy Code to ensure payment for any continuing or reinstated Services.

14. Non-Waiver of Liens. This Agreement shall not be construed to alter, affect, or waive any design professional's lien, mechanic's lien, or stop notice right which LSCE may have for the performance of Services pursuant to this Agreement. Client agrees to provide to LSCE the present name and address of the record owner of the property upon which the project is to be located. Client also agrees to provide LSCE with the name and address of any and all lenders who may loan money on the project and who are entitled to receive a preliminary notice.

15. No Additional Obligations. LSCE shall not be required to execute any documents subsequent to the signing of this Agreement, including but not limited to any documents that in any way might, in the judgment of LSCE, increase LSCE's contractual or legal obligations or risk, or adversely affect the availability or cost of its professional or general liability insurance. Nor shall LSCE be required to sign any documents, requested by any party, including Client, that would result in LSCE's having to certify, guarantee, warrant, or state the existence of conditions whose existence LSCE cannot ascertain. The Client also agrees not to make resolution of any dispute with LSCE or payment of any money due to LSCE, in any way contingent upon LSCE's signing any such certification, guarantee, warranty or statement.

16. Field Conditions. Client acknowledges that the design services performed pursuant to this agreement are based upon field and other conditions existing at the time these services were performed. Client further acknowledges that field and other conditions may change by the time project construction occurs and clarification, adjustments, modifications and other changes may be necessary to reflect changed field or other conditions. Such clarifications, adjustments, modifications and other changes shall be paid for by Client as extra services in accordance with LSCE's normal hourly rates then in effect.

17. Force Majeure. LSCE is not responsible for delay caused by activities or factors beyond LSCE's reasonable control, including but not limited to, delays by reason of strikes, lockouts, work slowdowns or stoppages, power failures, accidents or equipment malfunctions, acts of God, failure of Client to furnish timely information or approve or disapprove of LSCE's services or instruments of service promptly, faulty performance by Client or other contractors or governmental agencies. When such delays beyond LSCE's reasonable control occur, Client agrees LSCE shall not be responsible for damages nor shall LSCE be deemed to be in default of this Agreement. Further, when such delays occur, Client agrees that, to the extent such delays cause LSCE to perform extra services, such services shall be paid for by Client as extra services in accordance with LSCE's normal hourly rates then in effect.

18. Government Actions; Limitation of Liability. LSCE shall not be liable for damages resulting from the actions or inactions of governmental agencies including, but not limited to, permit processing, environmental impact reports, dedications,

general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, project or plan approvals, and building permits. Client agrees that it is the responsibility of Client to maintain in good standing all governmental approvals or permits and to timely apply for any necessary extensions thereof.

19. Quantity Estimates. If the Services require LSCE to estimate quantities, such estimates are made on the basis of LSCE's experience and qualifications and represent LSCE's best judgment as a professional generally familiar with the industry. However, such estimates are only estimates and shall not constitute representations, warranties or guarantees of the quantities of the subject of the estimate. If the Services require LSCE to provide its opinion of probable construction costs, such opinion is to be made on the basis of LSCE's experience and qualifications and represents LSCE's best judgment as to the probable construction costs. However, since LSCE has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, such opinions of probable construction costs do not constitute representations, warranties or guarantees of the accuracy of such opinions, as compared to bid or actual costs.
20. Work By Third Parties. Client acknowledges that LSCE is not responsible for the performance of work by third parties including, but not limited to, the construction contractor and its subcontractors.
21. No Warranties. LSCE makes no warranty, either express or implied, as to its findings, recommendations, plans, specifications, or professional advice except that the services were performed pursuant to generally accepted standards of professional practice in effect at the time of performance.
22. LSCE Not Liable For Client Plan Changes Not Authorized By LSCE. In the event (1) Client agrees to, authorizes, or permits changes in the plans, specifications, documents, or electronic files prepared by LSCE, which changes are not consented to in writing by LSCE, or (2) Client agrees to, authorizes or permits construction of unauthorized changes in the plans, specifications, documents, or electronic files prepared by LSCE, which changes are not consented to in writing by LSCE, or (3) Client does not follow recommendations prepared by LSCE pursuant to this Agreement, which changed recommendations are not consented to in writing by LSCE: Client acknowledges that the unauthorized changes and their effects are not the responsibility of LSCE and Client agrees to release LSCE from all liability arising from the use of such changes, and further agrees, to the extent permitted by law, to defend, indemnify and hold harmless LSCE, its officers, directors, employees and subconsultants from and against all claims, demands, damages or costs, including attorneys' fees, arising from the unauthorized changes.
23. Venue. Client agrees that in the event LSCE institutes litigation to enforce or interpret the provisions of this Agreement, such litigation is to be brought and adjudicated in the appropriate court in the county in which LSCE's place of business is located, and Client waives the right to bring, try or remove such litigation to any other county or judicial district.
24. Disputes.
 - (a) Except as provided in subdivisions (b) and (c), in an effort to resolve any conflicts that arise during the design or construction of the project or following completion of the project, Client and LSCE agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation, unless the parties mutually agree otherwise.
 - (b) Client and LSCE further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.
 - (c) Subdivision (a) shall not preclude or limit LSCE's right to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court. Subdivision (a) shall not preclude or limit LSCE's right to record, perfect or enforce applicable mechanic's lien or stop notice remedies.
25. Independent Contractor. Client engages LSCE hereunder as an independent contractor. Client shall have no right to control, supervise, or direct the manner or method by which LSCE performs its obligations under this Agreement. In performance of this Agreement, LSCE, including any and all of LSCE's officers, agents, employees, and independent contractors, will at all times be acting and performing as an independent contractor, and will act in its independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of Client.
26. Cooperation. Client and LSCE agree to cooperate with each other in order to fulfill their responsibilities and obligations under this agreement. Both Client and LSCE shall endeavor to maintain good working relationships among members of the project team.

27. Binding Agreement. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of Client and LSCE.
28. Assignment. This Agreement shall not be assigned by either Client or LSCE without prior written consent of the other. Neither Client nor LSCE shall assign claims arising from the Agreement without prior written consent of the other.
29. Entire Agreement; Amendment. This Agreement contains the entire agreement between Client and LSCE relating to the project and the provision of services for the project. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both Client and LSCE.
30. Waiver. LSCE's or Client's waiver of any term, condition or covenant shall not constitute the waiver of any other term, condition or covenant. LSCE's or Client's waiver of any breach of this Agreement shall not constitute the waiver of any other breach of the Agreement.
31. Severability. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding on Client and LSCE.
32. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
33. Notices. All notices, approvals, demands, reports and other communications provided for in this Agreement (each, a "**Notice**") shall be in writing and shall be given to such party at its address as set forth above or such address as such party may hereafter specify for the purpose by Notice to the other party listed below. Each Notice shall be deemed delivered to the party to whom it is addressed: (a) if personally served or delivered, upon delivery; (b) if given by electronic mail, upon the sender's receipt of written acknowledgment or confirmation of receipt of the entire Notice; (c) if given by mail with first-class postage prepaid, seventy-two (72) hours after such Notice is deposited with the United States Mail; or (d) if given by overnight courier with overnight courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier.
34. Indian Law Provisions. If Client is a federally recognized Indian Tribe, the following additional provisions shall apply to this Agreement:

(a) Waiver of Sovereign Immunity. Client, for itself and by action of its tribal council and general council (together with Client and all other tribal entities of Client, collectively, the "**Tribe**") hereby expressly, unequivocally and irrevocably waives the Tribe's sovereign immunity on a limited basis in favor of LSCE (and any defense based thereon) for enforcement of this Agreement and submits, for itself, to the jurisdiction of the Superior Court State of California for the County of Yolo and any United States District Court for the Eastern District of California, over any such action and over Client, and the Tribe and LSCE each irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such California state court or in such federal court. The Tribe and LSCE each agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Consent to Jurisdiction. The Tribe and LSCE each consents to the jurisdiction and venue of any court referred to in subparagraph (a) above and waives any argument that venue in such forums is not convenient. In the event the Tribe commences any action in another jurisdiction or venue under any tort or contract theory arising directly or indirectly from the relationship created by this Agreement, LSCE at its option shall be entitled to have the case transferred to one of the jurisdictions and venues above-described, or if such transfer cannot be accomplished under applicable law, to have such case dismissed without prejudice.

IN WITNESS WHEREOF, the parties hereby execute this Agreement to be effective as of the Effective Date.

Client: _____ LSCE: _____

By: _____ By: _____

Title: _____ Title: _____

Date Signed: _____ Date Signed: _____

EXHIBIT A
WORK AUTHORIZATION

Shall include but not limited to

- Technical Support
 - Providing Engineering and Hydrogeologic technical services
- Field Support
 - Oversight of field work
- As Needed Services

EXHIBIT B
Technical Specifications

NA

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 3.F

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Authorization to Execute Facilities Installation Agreement with Clyde Miles Construction Co., Inc. for Subdivision 8803 Brownstone Improvements.

Attached is the Facilities Installation Agreement with Clyde Miles Construction Co., Inc. for Subdivision 8803 Brownstone Improvements. Design plans have been approved and signed on May 16, 2024.

The project consists of 51 single services, one irrigation service, water mains and appurtenances to serve water to the project.

RECOMMENDATION:

Authorize the General Manager to Execute the Agreement.

Dan Muelrath

Dan Muelrath General
Manager

Attached: Diablo Water District Facilities Installation Agreement Sub. 8803 Brownstone Improvements

**DIABLO WATER DISTRICT
FACILITIES INSTALLATION AGREEMENT
BROWNSTONE IMPROVEMENT PLANS
SUBDIVISION NO. 8803**

This Agreement (“Agreement”) is made and entered into this ____ day of _____, 2024 (“**Effective Date**”), by and between the **DIABLO WATER DISTRICT**, a county water district organized and operating pursuant to Water Code section 30000 *et seq.* (herein referred to as “**District**”), and **CLYDE MILES CONSTRUCTION CO., INC.** (herein referred to as “**Developer**”).

1. **Developer's Land** The Developer warrants that it is the owner of the land within the boundaries of the District designated “Subdivision 8803 Brownstone”, consisting of 50 lots, numbered 1 to 50 within approximately 10.77 acres of land and is hereinafter referred to as the “**Developer’s Land**,” described as Contra Costa County Assessor Parcel No. 034-210-009 as depicted in Exhibit “A” attached hereto. The District understands that the Developer seeks to construct a development project on Developer’s Land and desires to obtain water services from the District. The installation of the Facilities (defined below) required as part of the District providing water services to the proposed development on Developer’s Land is herein called the “Project.”

Developer’s development project proposes to construct the water infrastructure needed for the Project as set forth in the Plans (defined below), including but not limited to water mains, service lines, meters and appurtenances necessary to provide potable water to each water service depicted on the referenced approved Plans.

2. **District Water Service** Subject to any required consent of the U. S. Bureau of Reclamation and Contra Costa Water District, the District shall furnish potable water service to the Project subject to the terms of the District’s current regulations (as may be amended to address imminent health or safety issues during the pendency of construction) (“**District’s Regulations**”), provided the District's water distribution system is extended to the Developer’s Land on the terms and conditions set forth in this Agreement. The Developer acknowledges and agrees that water service to the Developer’s Land shall not be provided until the Developer has received any required written consent of the U.S. Bureau of Reclamation to include the

Developer's Land in the Central Valley Project water service area. The Developer hereby acknowledges receipt of a copy of the District's Water Regulations and the District's Standard Specifications and Drawings dated October 2022 ("**District Specifications**"). The District reserves its authority to amend its Regulations, with amendments applicable to this Agreement and related design plans for imminent health and safety needs, including county, state and/or federal drinking water regulations. Any amendments to or development of Regulations for financing mechanisms are subject to Section 8 below and applicable law including, without limitation, notice and opportunity for public participation.

3. **Required Facilities; Construction & Dedication** The water mains, service lines, meters and appurtenances necessary to extend the District's water distribution system to the Developer's Land, hereinafter collectively referred to as the "Facilities," are shown on the plans for the construction of Subdivision No. 8803 Brownstone Improvement Plans, prepared by DK Engineering and approved by the District on May 16, 2024, ("**Plans**"). The Developer shall, at Developer's sole expense and without cost to the District, construct and install the Facilities in accordance with said Plans and the District's Specifications. It is the sole responsibility of the Developer and/or Developer's contractor to pothole existing utilities prior to commencing any work relative to the installation of the Facilities. Any required revisions to the Plans shall be approved by the District, in writing, prior to the continuation of the Project.

Meter boxes shall not be located within the sidelines of a driveway or in a sidewalk. Any meter so located shall be properly relocated prior to commencement of water service to Developer's Land.

The Developer shall not connect, or permit to be connected, to the District's water distribution system any main, pipe, fitting, valve or appurtenance not shown on said Plans without the prior written approval of the District.

The Developer is solely responsible for the actions of Developer's contractor, subcontractors, or any affiliates on the jobsite, including, but not limited to, the tampering of water service and/or theft of water. Any unmetered water use, regardless of quantity, will be subject to the same penalties as unauthorized water use from hydrants (*see* District Regulation 5, Section 5). Any and all water charges and/or penalties resulting from the actions of the Developer, Developer's contractor, subcontractor, or any affiliates, relating to the tampering of

water service and/or theft of water will be deducted from the Developer's Deposit (defined below). Any damage to the District's existing water facilities caused by the Developer, contractor, sub-contractor, or any affiliates, will be repaired by the District, or a contractor designated by the District, at the Developer's sole cost and expense before water service is provided by the District.

4. **Application for Service** Developer hereby applies for water service, which can be provided by the Facilities described herein, and the capacities secured hereby, in accordance with the District's Regulations as may be amended from time-to-time to address imminent health or safety needs as more particularly described in Section 2 above during the pendency of the Project and performance of this Agreement, and the provisions of this Agreement.

Subject to the terms of this Agreement, the District agrees to issue such permit in accordance with the District's Regulations. Such a permit shall not be issued if the Facilities deviate from the approved Plans, unless such deviations are approved, in writing, by the District's General Manager.

Developer acknowledges and agrees that the billing rates for water service lies, and shall be the sole purview of, the District.

5. **Easements and Right of Entry** The Developer has granted to the District all necessary easements for the Facilities on the relevant Project final maps. All such easements or grants to the District shall be clear of title and issues which may result in a loss or impairment of the rights granted to the District for access to the Facilities or any part thereof.

6. **Notification of Construction Activities** The Developer agrees to notify the District, in writing, at least forty-eight (48) hours prior to the commencement of construction of any portion of the Facilities. Until such easements have been recorded and until the right-of-way for public streets has been accepted by the appropriate and corresponding governmental agency, the District shall have the right to enter the aforementioned future easement and proposed public street areas within the Developer's Land for the purpose of ascertaining whether the provisions of this Agreement are being performed.

7. **District's Costs** The District's present total estimate of its costs for engineering, inspection, and administration in connection with the installation of the Facilities for the Project is **\$75,000 (Seventy-Five Thousand Dollars)**, which may be amended upon the District's

reasonable determination of the need for additional engineering, inspection, and administration services (“Project Costs”). The Developer has heretofore paid **\$34,000 (Fifteen Thousand Dollars)** on account thereof (“Developer’s Deposit”) as a portion of the Project Costs. The Developer shall pay the District the remaining **\$41,000 (Forty-One Thousand Dollars)** of the Project Costs upon execution of this Agreement.

If prior to the District's acceptance of the Facilities, the Developer’s Deposit on account falls below **\$5,000 (Five Thousand Dollars)** or falls into a negative status, the District shall request additional funds in order to continue with the Project. The Developer must pay the District the requested amount within fifteen (15) business days. If the requested amount is not received within fifteen (15) business days, the District shall direct the Developer to suspend all work on the Facilities, at which time the Developer will be issued a cease-and-desist order on all Facilities installation activities. Additionally, the Developer will be charged an interest charge at the current Local Agency Investment Fund rate until the requested Developer’s Deposit amount is received and Developer’s Deposit account has a positive balance.

Upon completion of the installation of the Facilities or the earlier termination of this Agreement, the District shall determine the remaining balance of the Project Costs account, if any. A Project Costs account statement shall be given to the Developer and any outstanding amounts due to the District must be received within ten (10) business days of request. If the outstanding balance due is not received within ten (10) business days of request, the District shall charge the Developer an interest charge at the current Local Agency Investment Fund rate until the amount is received. If the Developer’s Deposit is in a positive state, the remaining positive balance shall be refunded or credited to the Developer.

The Project Costs shall include, but are not limited to, the salary and benefits earned by each District employee, contract employee, and/or contractor for each hour or fraction of an hour that the employee is engaged in working in connection with the Facilities and/or Project, plus a thirty-two and seven tenths’ percent (32.7%) overhead charge. Use of the District's vehicles shall be charged at the current Caltrans equipment rental rates. Services of consulting engineers and/or attorneys shall be charged at cost.

8. **Connection Charges and Additional District Charges** The Developer shall pay the District’s connection charges for water services for 50 residential lots, one 1-inch service for

existing church, one 1-inch irrigation service, and any other service(s) that may be shown on the Plans. The District's connection charges for a metered water service shall be paid before water service from that meter is requested. Water shall not be furnished to any lot, irrigation, or any other service unless and until the District's connection charges have been paid. Before the installation of any water service that is not shown on the Plans occurs, the connection charges for such water service shall be paid by the Developer. Any charges paid shall be for the charges (fees or rates, as the case may be) in effect on the date of payment.

In addition, water service shall not be furnished to any lot or irrigation service until the Developer provides satisfactory evidence to the District that all facilities reserve charges of Contra Costa Water District have been paid to the extent required of Developer. The Developer may verify the amount of any and all facilities reserve charges with Contra Costa Water District.

The District shall not impose a connection charge for District potable water meters that are presently on the Developer's Land or are moved to a different location on the Developer's Land.

9. **Performance, Labor and Material Bonds** Prior to commencement of the installation of the Facilities and not later than sixty (60) days after the date of this Agreement, the Developer shall deliver to the District a corporate surety performance bond reasonably satisfactory to the District in the amount of **\$470,000 (Four Hundred Seventy Thousand Dollars) ("Performance Bond")** and a corporate surety labor and materials bond satisfactory to the District in the amount of **\$235,000 (Two Hundred Thirty-Five Thousand Dollars) ("Payment Bond")**, both covering the Developer's performance of this Agreement. Sureties on the Performance Bond and Payment Bond shall be admitted carriers in the State of California. All costs of the bond premium for the Performance Bond and Payment Bond and all costs for renewals of the Performance Bond and Payment Bond shall be the sole responsibility and liability of the Developer. In lieu of a corporate surety bond(s), the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District. The parties agree that the provisions of California Government Code Section 66499.7 shall control to allow for release or partial release of any security related to installation of the Facilities, and the District agrees that it will allow for partial release of security in the event of a request by the Developer subject to

Section 66499.7.

10. **Building & Grading Permits** The Developer shall, at Developer's sole expense, obtain all building permits and all necessary grading permits for the installation of the Facilities; and thereupon, Developer shall promptly commence the Project within twelve (12) months from the date of this Agreement and diligently prosecute to completion the installation of the Facilities.

11. **Installation of Facilities** The Facilities shall be installed by a contractor licensed by the State of California to install such Facilities, satisfactory to the District in the District's sole discretion, in a good and workmanlike manner and to the satisfaction of the District. All of the Project's design, construction, and completion shall comply with the applicable State of California requirements for public works projects, including, but not limited to, prevailing wage requirements. The District shall have absolute and sole discretion in determining the kind and quality of work and materials.

As the Project progresses, the District shall have the right to revise and amend Plans and the District Specifications as the District deems necessary. Any additional Project Costs arising from any such revision of Plans and District Specifications shall be paid for by the Developer.

All work shall be inspected and approved by a representative of the District and no portion of the Facilities shall be covered or obscured until the Facilities have been inspected and approved by the District's inspector. No paving shall occur until all follow-up water quality testing has been completed and passed, and the District provides confirmation in writing to the Developer of such completion of the water quality testing. Storm drain and sewer lines must be installed away from potable water lines as stated in the District Specifications or as deemed necessary by the District's engineers.

If the Developer has not completed the construction and installation of the Facilities, for which the Plans have been approved by the District, within three hundred sixty-five (365) consecutive calendar days after the date of approval, this Agreement shall automatically terminate, unless the Parties mutually agree to an extension of the Agreement term by written amendment, which shall become effective upon approval of the District's Board of Directors or the District's duly authorized employee.

12. **Acceptance of Facilities** Upon completion of the installation of the Facilities, the Facilities shall be tested by the District. No water service shall be furnished to the Developer's

Land until the results of all final tests are satisfactory to the District. Upon the District's acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District's water distribution system, and shall thereafter be operated and maintained by the District. The Developer shall not seek any certificate of occupancy or final inspection of any structures to be built on the Developer's Land until the District has accepted all of the Facilities. Water service shall not be provided to any of the Developer's Land until the District has received a complete list of addresses assigned by the City of Oakley or Contra Costa County for every lot within the Developer's Land.

13. **Resolution of Acceptance** Developer agrees that, upon the acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District's water system and shall thereafter be operated and maintained by the District. It is also understood and agreed that Developer hereby disclaims, in favor of the District, all right, title and interest in the Facilities and any appurtenances and easements once accepted by the District; and that Developer hereby covenants and agrees to execute and deliver to the District any documents required to complete the transfer of the Facilities concurrently with the acceptance of the Facilities by the District; and that Developer hereby agrees that Developer will, pending acceptance by the District, complete the Facilities and transfer the same debt-free to the District.

Developer and District agree that the above provisions shall not preclude the use of the on-site Facilities by Developer prior to acceptance by the District, as long as the quality of the water is acceptable to the District pursuant to the District's Regulations and written approval has been obtained from the District for permission to connect to said Facilities and/or existing facilities. Developer agrees that the use of said Facilities by the Developer, transferee or assignee of Developer or others within the District, will not and does not constitute acceptance of the Facilities by the District.

14. **Insurance** Before starting the installation of the Facilities, the Developer shall deliver to the District insurance certificates of the Developer and the Developer's underground contractor, as applicable, naming the District, its directors, officers, attorneys, employees, authorized volunteers, and its consulting engineers, CDM Smith, Inc., as additional insureds and stating that the insurance may not be canceled without 30-days' prior written notice to the District. The coverages of said insurance shall be not less than the following and shall adhere to

the District's current insurance requirements and provisions as per attached Exhibit "B."

Workers Compensation and Employer's Liability

\$1,000,000 for each occurrence

Comprehensive Auto Liability

Bodily Injury: \$1,000,000 for each person and \$2,000,000 for each accident

Property Damage: \$2,000,000 for each occurrence and annual aggregate

Comprehensive General Liability

Bodily Injury: \$2,000,000 for each occurrence and annual aggregate

Property Damage: \$5,000,000 for each occurrence and annual aggregate

15. **As-Built Drawings** Upon completion of the installation and prior to the final acceptance of the Facilities by the District, the Developer shall deliver to the District one set of full-size reproducible drawings and two sets of prints, both revised to show as-built conditions of the Facilities. The reproducible set shall be photo quality on plain mylar. Sepia, vellum or diazo mylar are not acceptable. Developer shall also deliver a PDF (Portable Document Format) version of the as-built drawings to the District; and the Global Positioning System (GPS) coordinates of all buried fittings (excluding saddles and corporation stops) and all above ground Facilities as determined by the District in a shapefile data format as defined by Environmental Systems Research Institute, Inc. (ESRI). GPS coordinates of existing water facilities that are exposed during any construction activity shall also be provided. All GPS coordinates shall be to within an accuracy of ten (10) centimeters and shall include Latitude, Longitude and Elevation.

16. **Warranty of Facilities/Maintenance of Facilities** The Developer hereby warrants and guarantees the materials and the workmanship of the Facilities for a period of thirty-six (36) months following final acceptance of the Facilities by the District. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities. In the event that a defect in materials and/or workmanship in the Facilities is discovered within the above-mentioned time period, the District may provide notice to the Developer requesting that Developer promptly correct any such defect, at the Developer's sole cost, at the earliest possible time.

In the case of an emergency (where immediate action to repair or correct the defect is required), or at the District's option, the District may repair or correct such defect and thereafter

bill the Developer for the cost of such maintenance and/or repair. The Developer shall pay to the District on demand, but under no circumstances, no later than 10 (ten) days after the District's demand, the amount of any costs incurred by the District in replacing, repairing, or maintaining said Facilities as shall be reasonably necessary during the period of thirty-six (36) months following final acceptance thereof by the District ("**Maintenance Costs**").

To secure said Maintenance Costs, the Developer shall, prior to the commencement of any water service through the Facilities, deliver to the District a corporate surety maintenance bond satisfactory to the District in the amount of **\$117,500 (One Hundred Seventeen Thousand Five Hundred Dollars) ("Maintenance Bond")**. All costs of the bond premium for the Maintenance Bond shall be the sole responsibility and liability of the Developer. In lieu of a Maintenance Bond, the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District, or cash.

17. **Obstruction of Water Meters** The Developer shall not cause or permit any water meter on Developer's Land to be obstructed in a manner that interferes with a convenient reading or servicing of the meter by the District. If the obstruction is not immediately removed by the Developer, the obstruction may be removed by the District without prior notice to the Developer and the Developer shall reimburse the District for its costs and expenses thereby incurred, including overhead.

18. **Indemnity** The Developer shall indemnify and hold the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers harmless from all damage, loss, liability, claims, demands, causes of action and judgments of any nature connected in any way with the work of installation of the Facilities and the Project, or with the removal of obstructions of meters (including, without limitation, all damage, loss, liability, claims, demands, causes of action and judgments made, obtained or asserted by any employee of the Developer or any employee of the Developer's agents or contractors), unless caused by the sole negligence or willful misconduct of the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers or for actions involving any public agency which may be involved in land use planning or approvals to which the District is required to indemnify as a part of the development process. The District makes no

representation, warranty or guarantee of any kind with respect to the suitability of its water supply for use with, compatibility with, or interaction of its water supply with any materials, components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement. Developer assumes all risk of, responsibility and liability for and further agrees to fully defend, indemnify and hold harmless the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers with respect to, any and all consequences, conditions, injury, damage, loss or expense, including reasonable attorney's fees, which may arise or are claimed to have arisen as a result of unsuitability of use with, compatibility with, or interaction of District's water supply with any materials, components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement.

19. **Remedies for Breach** In the event of default or delay on the part of the Developer in making any payment or performing its obligations as set forth in this Agreement, the District shall have the right to refuse to provide water service, and to disconnect and to discontinue water service through the Facilities. The Developer shall inform each person to whom the Developer may sell, lease, transfer or assign any right, title or interest in the Developer's Land of the provisions of this section. In the event of the District or Developer failing to complete its obligations under this Agreement, the District or Developer, as the case may be, shall have all rights and remedies available in law and/or equity.

20. **Successors and Assigns** This Agreement shall bind and benefit the successors and assigns of the parties to this Agreement; however, this Agreement shall not be assigned by the Developer without the prior written consent of the District. Prior to any assignment of this Agreement by Developer, there shall be a complete substitution of all securities, required by this Agreement, with the District. Developer shall also inform all future assignees, if any, of the terms and conditions of this Agreement.

21. **Benefits to Run with the Land** The Parties to this Agreement specifically acknowledge and agree that all development approvals made pursuant to this Agreement shall specifically be and run with the Developer's Land. Under no circumstances shall such development approvals, or service agreement, be severed from such real property. Any attempt to sever such development approvals from Developer's Land shall be void without further action by either

party hereto.

22. **Attorneys' Fees** If either party brings an action or a proceeding against the other by reason of default or any term of condition of this Agreement, or otherwise arising out of this Agreement, each party shall bear its own attorneys' fees.

23. **Interpretation** The parties hereto acknowledge and agree that each have been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement.

24. **Applicable Law** The parties hereto understand and agree that the terms of this Agreement, and any Exhibits attached hereto, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California. The parties hereto do expressly agree that in the event of a dispute concerning the terms hereof, the venue for any legal action shall be within the appropriate court in the County of Contra Costa, State of California.

25. **Compliance with California Environmental Quality Act** Developer hereby represents and confirms to the District that all actions necessary to comply with the California Environmental Quality Act have been completed, at no expense to the District, with respect to the Developer's Land and Developer's proposed project.

26. **Waiver** Either party to this Agreement may specifically and expressly waive, in writing, the requirements of any portion of this Agreement, or any breach thereof, but no such waiver shall constitute a further or continuing waiver of the obligation of any preceding or succeeding reach of the same or any other provision. A waiving party may, at any time, thereafter, require future compliance by the other party hereto with the provisions that are so waived. The consent of one party to any acts by the other party for which such written consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of any party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, covenants, conditions, and agreements contained in this Agreement shall be cumulative and none of them shall be exclusive of any other.

27. **Notices** Any notice, request, demand, consent, approval or other communication

required or permitted hereunder by law, shall be validly given and made only if in writing and delivered in person to an office or duly authorized representative of the party or deposited in the United States mail, first class postage prepaid and addressed to the party for whom intended as follows:

To District: Diablo Water District
Attention: General Manager
P.O. Box 127
Oakley, CA 94561-0127

To Developer:

Any party may, from time to time, by written notice to the other party hereto, designate a different address which shall be substituted for that above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

28. **Amendments** No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing and signed by the authorized representatives of both of the parties hereto.

29. **Captions** The captions contained within this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof.

30. **Entire Agreement** This Agreement contains the entire agreement and understanding concerning the subject matter hereof and supersedes and replaces all prior negotiations and proposed agreements, whether written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein to induce the execution of this Agreement, and acknowledges that this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

31. **Authority of Signatories** The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the party for whom they signed.

DIABLO WATER DISTRICT

**CLYDE MILES CONSTRUCTION CO.,
INC.**

By: _____
Dan Muelrath, General Manager

By: _____
_____, Authorized Signer

Attest:

Christine Belleci, Forward Planning Manager

(Attach Notary Statement)

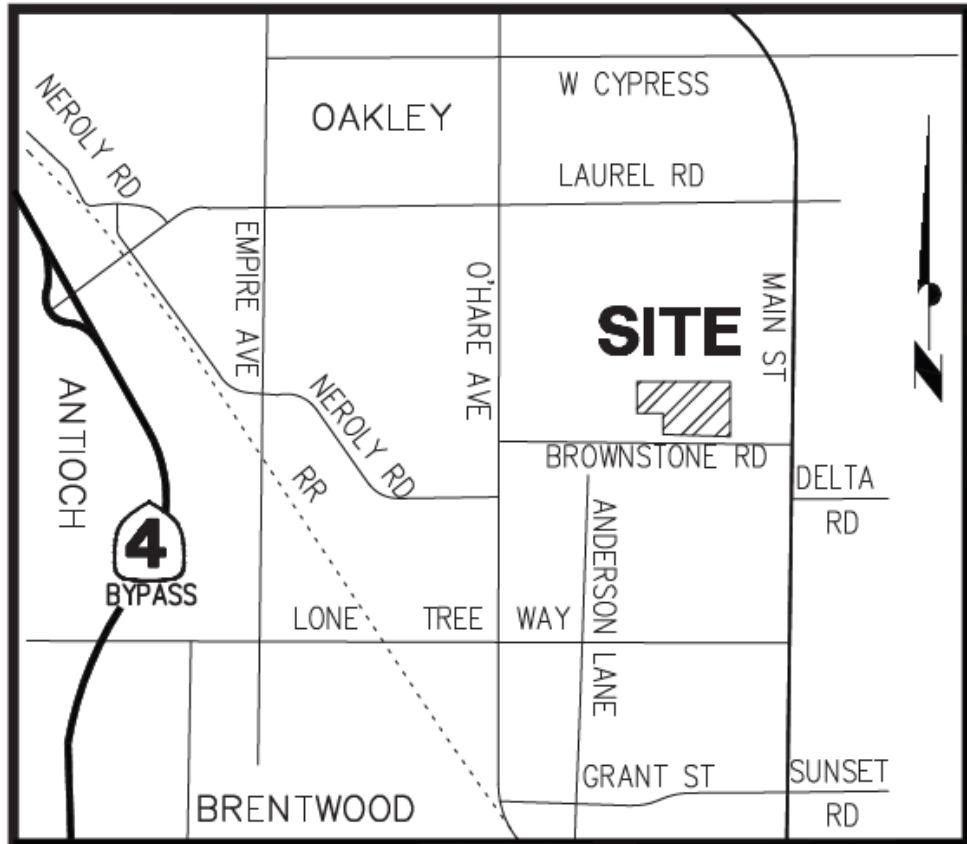
******ATTACH THE FOLLOWING PRIOR TO EXECUTION******

**“Exhibit A” to the Agreement
Legal Description, Parcel Map, and Parcel Numbers**

**“Exhibit B” to the Agreement
Insurance Requirements**

DRAFT

DIABLO WATER DISTRICT
June 12, 2024



Vicinity Map

Not to Scale

Subdivision 8803 Brownstone
Clyde Miles Construction Co., Inc.

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 3.G

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9618 Summer Lake North, Phase 1- Village 3 Improvements.

Attached is the Facilities Installation Agreement with Civic Summer Lake North, a California limited liability company for Subdivision 9618 Summer Lake North, Phase 1- Village 3 Improvements. Design plans have been approved and signed on May 16, 2024.

The project consists of 54 single services, potable water mains and appurtenances to serve water to the project.

RECOMMENDATION:

Authorize the General Manager to Execute the Agreement.

Dan Muelrath

Dan Muelrath General
Manager

Attached: Diablo Water District Facilities Installation Agreement Sub. 9618 Summer Lake North, Phase 1 – Village 3 Improvements

**DIABLO WATER DISTRICT
FACILITIES INSTALLATION AGREEMENT
SUMMER LAKE NORTH – PHASE 1
SUBDIVISION 9618 – VILLAGE 3 IMPROVEMENT PLANS**

This Agreement (“Agreement”) is made and entered into this ____ day of ____, 2024 (“**Effective Date**”), by and between the **DIABLO WATER DISTRICT**, a county water district organized and operating pursuant to Water Code section 30000 *et seq.* (herein referred to as “**District**”), and **CIVIC SUMMER LAKE NORTH**, a California limited liability company (herein referred to as “**Developer**”).

1. **Developer's Land** The Developer warrants that it is the owner of the land within the boundaries of the District designated “Summer Lake North – Phase 1, Village 3 Improvement Plans, Subdivision 9618”, consisting of 54 lots, numbered 582 to 588; 624 to 633; 650 to 670; 687 to 691; and 711 to 721 within approximately ____ acres of land and is hereinafter referred to as the “**Developer’s Land**,” described as Contra Costa County Assessor Parcel No. _____ as depicted in Exhibit “A” attached hereto. The District understands that the Developer seeks to construct a development project on Developer’s Land and desires to obtain water services from the District. The installation of the Facilities (defined below) required as part of the District providing water services to the proposed development on Developer’s Land is herein called the “Project.”

Developer’s development project proposes to construct the water infrastructure needed for the Project as set forth in the Plans (defined below), including but not limited to water mains, service lines, meters and appurtenances necessary to provide potable water and/or recycled water to each water service depicted on the referenced approved Plans.

2. **District Water Service** Subject to any required consent of the U. S. Bureau of Reclamation and Contra Costa Water District, the District shall furnish potable water service to the Project subject to the terms of the District’s current regulations (as may be amended to address imminent health or safety issues during the pendency of construction) (“**District’s Regulations**”), provided the District's water distribution system is extended to the Developer’s Land on the terms and conditions set forth in this Agreement. The Developer acknowledges and agrees that water service to the Developer’s Land shall not be provided until the Developer has received any required written consent of the U.S. Bureau of Reclamation to include the Developer’s Land in the Central Valley Project water service area. The Developer hereby acknowledges receipt of a copy of the District's Water Regulations and the District's Standard Specifications and Drawings dated October 2022 (“**District Specifications**”). The District

reserves its authority to amend its Regulations, with amendments applicable to this Agreement and related design plans for imminent health and safety needs, including county, state and/or federal drinking water regulations. Any amendments to or development of Regulations for financing mechanisms are subject to Section 8 below and applicable law including, without limitation, notice and opportunity for public participation.

3. **Required Facilities; Construction & Dedication** The water mains, service lines, meters and appurtenances necessary to extend the District's water distribution system to the Developer's Land, hereinafter collectively referred to as the "Facilities," are shown on the plans for the construction of "**Summer Lake North – Phase 1, Village 3 Improvement Plans, Subdivision 9618**", prepared by Carlson, Barbee & Gibson, Inc. and approved by the District on May 16, 2024, ("**Plans**"). The Developer shall, at Developer's sole expense and without cost to the District, construct and install the Facilities in accordance with said Plans and the District's Specifications. It is the sole responsibility of the Developer and/or Developer's contractor to pothole existing utilities prior to commencing any work relative to the installation of the Facilities. Any required revisions to the Plans shall be approved by the District, in writing, prior to the continuation of the Project.

Meter boxes shall not be located within the sidelines of a driveway or in a sidewalk. Any meter so located shall be properly relocated prior to commencement of water service to Developer's Land.

The Developer shall not connect, or permit to be connected, to the District's water distribution system any main, pipe, fitting, valve or appurtenance not shown on said Plans without the prior written approval of the District.

The Developer is solely responsible for the actions of Developer's contractor, subcontractors, or any affiliates on the jobsite, including, but not limited to, the tampering of water service and/or theft of water. Any unmetered water use, regardless of quantity, will be subject to the same penalties as unauthorized water use from hydrants (*see* District Regulation 5, Section 5). Any and all water charges and/or penalties resulting from the actions of the Developer, Developer's contractor, subcontractor, or any affiliates, relating to the tampering of water service and/or theft of water will be deducted from the Developer's Deposit (defined below). Any damage to the District's existing water facilities caused by the Developer, contractor, sub-contractor, or any affiliates, will be repaired by the District, or a contractor designated by the District, at the Developer's sole cost and expense before water service is provided by the District.

Developer shall be required to install a pressure-reducing valve, approved by the District, at the water service entrance to every structure that will receive water service from the District

in order to minimize the effect of higher-than-normal water pressure at the location of the Project. Concurrent with the recordation of the Final Map for the Developer's Land, Developer shall also execute and record a covenant, that will run with the Developer's land, to place each and every subsequent owner of each and every residential lot on notice of the responsibility to maintain the pressure-reducing valves, installed by the Developer, and that the District is in no way liable for any damage that may result due to water pressure. The language and form of this covenant shall be subject to the sole approval of the District, shall be recorded against each residential lot prior to commencement of water service, and shall be in a form substantially similar to Exhibit "B," attached hereto.

4. **Application for Service** Developer hereby applies for water service, which can be provided by the Facilities described herein, and the capacities secured hereby, in accordance with the District's Regulations as may be amended from time-to-time to address imminent health or safety needs as more particularly described in Section 2 above during the pendency of the Project and performance of this Agreement, and the provisions of this Agreement.

Subject to the terms of this Agreement, the District agrees to issue such permit in accordance with the District's Regulations. Such a permit shall not be issued if the Facilities deviate from the approved Plans, unless such deviations are approved, in writing, by the District's General Manager.

Developer acknowledges and agrees that the billing rates for water service lies, and shall be the sole purview of, the District.

5. **Easements and Right of Entry** The Developer has granted to the District all necessary easements for the Facilities on the relevant Project final maps. All such easements or grants to the District shall be clear of title and issues which may result in a loss or impairment of the rights granted to the District for access to the Facilities or any part thereof.

6. **Notification of Construction Activities** The Developer agrees to notify the District, in writing, at least forty-eight (48) hours prior to the commencement of construction of any portion of the Facilities. Until such easements have been recorded and until the right-of-way for public streets has been accepted by the appropriate and corresponding governmental agency, the District shall have the right to enter the aforementioned future easement and proposed public street areas within the Developer's Land for the purpose of ascertaining whether the provisions of this Agreement are being performed.

7. **District's Costs** The District's present total estimate of its costs for engineering, inspection, and administration in connection with the installation of the Facilities for the Project is **\$50,000 (Fifty**

Thousand Dollars), which may be amended upon the District's reasonable determination of the need for additional engineering, inspection, and administration services ("Project Costs"). The Developer has heretofore paid **\$15,000 (Fifteen Thousand)** on account thereof ("Developer's Deposit") as a portion of the Project Costs. The Developer shall pay the District the remaining **\$35,000 (Thirty-Five Thousand)** of the Project Costs upon execution of this Agreement.

If prior to the District's acceptance of the Facilities, the Developer's Deposit on account falls below **\$5,000 (Five Thousand Dollars)** or falls into a negative status, the District shall request additional funds in order to continue with the Project. The Developer must pay the District the requested amount within fifteen (15) business days. If the requested amount is not received within fifteen (15) business days, the District shall direct the Developer to suspend all work on the Facilities, at which time the Developer will be issued a cease-and-desist order on all Facilities installation activities. Additionally, the Developer will be charged an interest charge at the current Local Agency Investment Fund rate until the requested Developer's Deposit amount is received and Developer's Deposit account has a positive balance.

Upon completion of the installation of the Facilities or the earlier termination of this Agreement, the District shall determine the remaining balance of the Project Costs account, if any. A Project Costs account statement shall be given to the Developer and any outstanding amounts due to the District must be received within ten (10) business days of request. If the outstanding balance due is not received within ten (10) business days of request, the District shall charge the Developer an interest charge at the current Local Agency Investment Fund rate until the amount is received. If the Developer's Deposit is in a positive state, the remaining positive balance shall be refunded or credited to the Developer.

The Project Costs shall include, but are not limited to, the salary and benefits earned by each District employee, contract employee, and/or contractor for each hour or fraction of an hour that the employee is engaged in working in connection with the Facilities and/or Project, plus a thirty-two and seven tenths percent (32.7%) overhead charge. Use of the District's vehicles shall be charged at the current Caltrans equipment rental rates. Services of consulting engineers and/or attorneys shall be charged at cost.

8. **Connection Charges and Additional District Charges** The Developer shall pay the District's connection charges for water services for 54 residential lots and any other service(s) that may be shown on the Plans. The District's connection charges for a metered water service shall be paid before water service from that meter is requested. Water shall not be furnished to any lot, irrigation, or any other service unless and until the District's connection charges have been paid. Before the installation of any

water service that is not shown on the Plans occurs, the connection charges for such water service shall be paid by the Developer. Any charges paid shall be for the charges (fees or rates, as the case may be) in effect on the date of payment.

In addition, water service shall not be furnished to any lot or irrigation service until the Developer provides satisfactory evidence to the District that all facilities reserve charges of Contra Costa Water District have been paid to the extent required of Developer. The Developer may verify the amount of any and all facilities reserve charges with Contra Costa Water District.

The District shall not impose a connection charge for District potable water meters that are presently on the Developer's Land or are moved to a different location on the Developer's Land.

9. **Performance, Labor and Material Bonds** Prior to commencement of the installation of the Facilities and not later than sixty (60) days after the date of this Agreement, the Developer shall deliver to the District a corporate surety performance bond reasonably satisfactory to the District in the amount of **\$330,000 (Three Hundred Thirty Thousand Dollars) ("Performance Bond")** and a corporate surety labor and materials bond satisfactory to the District in the amount of **\$165,000 (One Hundred Sixty-Five Thousand) ("Payment Bond")**, both covering the Developer's performance of this Agreement. Sureties on the Performance Bond and Payment Bond shall be admitted carriers in the State of California. All costs of the bond premium for the Performance Bond and Payment Bond and all costs for renewals of the Performance Bond and Payment Bond shall be the sole responsibility and liability of the Developer. In lieu of a corporate surety bond(s), the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District. The parties agree that the provisions of California Government Code Section 66499.7 shall control to allow for release or partial release of any security related to installation of the Facilities, and the District agrees that it will allow for partial release of security in the event of a request by the Developer subject to Section 66499.7.

10. **Building & Grading Permits** The Developer shall, at Developer's sole expense, obtain all building permits and all necessary grading permits for the installation of the Facilities; and thereupon, Developer shall promptly commence the Project within twelve (12) months from the date of this Agreement and diligently prosecute to completion the installation of the Facilities.

11. **Installation of Facilities** The Facilities shall be installed by a contractor licensed by the State of California to install such Facilities, satisfactory to the District in the District's sole discretion, in a good and workmanlike manner. DeNova Homes, Inc. is working to become a pre-approved contractor for purposes of the installation of the Facilities. The District shall have reasonable discretion in

determining the kind and quality of work and materials, provided the Developer shall have the right to install the Facilities that have been approved on the Plans.

As the Project progresses, the District shall have the right to reasonably revise the Plans and the District Specifications to address imminent health and safety issues as more particularly described in Section 2 above. Any additional Project Costs arising from any such revision of Plans and District Specifications shall be paid for by the Developer.

All work shall be inspected and approved by a representative of the District within two (2) business days of receipt of a call for inspection or as soon as reasonably feasible thereafter for circumstances beyond the District's control such as emergencies, illness and vacations, and no portion of the Facilities shall be covered or obscured until the Facilities have been inspected and approved by the District's inspector. No paving shall occur until all follow-up water quality testing has been completed and passed, and the District provides confirmation in writing to the Developer of such completion of the water quality testing. Notwithstanding the foregoing, if the Developer proceeds to pave prior to the District's inspection, the Developer shall proceed at its own risk with the understanding that facilities may need to be replaced/repared at the sole expense of the Developer if water quality testing does not pass.

Storm drain and sewer lines must be installed away from potable water lines as stated in the District Specifications or as deemed reasonably necessary by the District's engineers.

If the Developer has not commenced the construction and installation of the Facilities, for which the Plans have been approved by the District, within three hundred sixty-five (365) consecutive calendar days after the Plans have been approved by the District which is May 16, 2024 as also stated in Section 3 above, this Agreement shall automatically terminate, unless the Parties mutually agree to an extension of the Agreement term by written amendment, which shall become effective upon approval of the District's Board of Directors or the District's duly authorized employee.

12. **Acceptance of Facilities** Upon completion of the installation of the Facilities, the Facilities shall be tested by the District, as set forth herein unless otherwise agreed to in writing between the Parties. Developer may request, in the form of a written letter or email, a final inspection by the District. Within two (2) business days of receipt of the written letter or email request or as soon as reasonably feasible thereafter, the District will commence inspection and testing of the Facilities. If all Facilities are determined by the District to be complete and satisfactory, then the District shall, within two (2) business days or as soon as reasonably feasible thereafter, issue a notice of completion to the Developer and shall timely commence the necessary steps to accept the Facilities. If the District finds that the Facilities are not complete or satisfactory, then within two (2) business days or as soon as reasonably

feasible thereafter the District shall provide a list of items which the District has found to be incomplete or unsatisfactory with sufficient detail – such as reference to the Plans, applicable Regulations, and the like – to allow the Developer to adequately understand the reason for the incompleteness or unsatisfactory determination such that the Developer may complete and/or correct the Facilities (the “**Punchlist**”). Upon completion of the Punchlist work, the Developer may request, in the form of a written letter or email, another final inspection by the District, and irrespective of such a request, the District shall have the right to re-test the Facilities. Within two (2) business days of receipt of the written letter or email request or as soon as reasonably feasible thereafter, the District will commence inspection and testing of the Facilities, continuing the process of review until such time as the Facilities are found to be complete and satisfactory by the District such that the District is able to timely commence the process to accept the Facilities. Once the District has determined that the Facilities are complete and satisfactory, the process undertaken by the District to accept the Facilities shall be completed within thirty (30) days or as soon as reasonably feasible thereafter. No water service shall be furnished to the Developer’s Land until the results of all final tests are satisfactory to the District using reasonable judgment consistent with industry customs and practices. Upon the District's acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District's water distribution system, and shall thereafter be operated and maintained by the District.

13. **Resolution of Acceptance** Developer agrees that, upon the acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District’s water system and shall thereafter be operated and maintained by the District. It is also understood and agreed that Developer hereby disclaims, in favor of the District, all right, title and interest in the Facilities and any appurtenances and easements once accepted by the District; and that Developer hereby covenants and agrees to execute and deliver to the District any documents required to complete the transfer of the Facilities concurrently with the acceptance of the Facilities by the District; and that Developer hereby agrees that Developer will, pending acceptance by the District, complete the Facilities and transfer the same debt-free to the District.

Developer and District agree that the above provisions shall not preclude the use of the on-site Facilities by Developer prior to acceptance by the District, as long as the quality of the water is acceptable to the District pursuant to the District's Regulations and written approval has been obtained from the District for permission to connect to said Facilities and/or existing facilities. Developer agrees that the use of said Facilities by the Developer, transferee or assignee of Developer or others within the District, will not and does not constitute acceptance of the Facilities by the District.

14. **Insurance** Before starting the installation of the Facilities, the Developer shall deliver to the District insurance certificates of the Developer and the Developer's underground contractor, as applicable, naming the District, its directors, officers, attorneys, employees, authorized volunteers, and its consulting engineers, CDM Smith, Inc., as additional insureds and stating that the insurance may not be canceled without 30-days' prior written notice to the District. The coverages of said insurance shall be not less than the following and shall adhere to the District's current insurance requirements and provisions as per attached **Exhibit "C"**.

Workers Compensation and Employer's Liability

\$1,000,000 for each occurrence

Comprehensive Auto Liability

Bodily Injury: \$1,000,000 for each person and \$2,000,000 for each accident

Property Damage: \$2,000,000 for each occurrence and annual aggregate

Comprehensive General Liability

Bodily Injury: \$2,000,000 for each occurrence and annual aggregate

Property Damage: \$5,000,000 for each occurrence and annual aggregate

15. **As-Built Drawings** Upon completion of the installation and prior to the final acceptance of the Facilities by the District, the Developer shall deliver to the District one set of full-size reproducible drawings and two sets of prints, both revised to show as-built conditions of the Facilities. The reproducible set shall be photo quality on plain mylar. Sepia, vellum or diazo mylar are not acceptable. Developer shall also deliver a PDF (Portable Document Format) version of the as-built drawings to the District; and the Global Positioning System (GPS) coordinates of all buried fittings (excluding saddles and corporation stops) and all above ground Facilities as determined by the District in a shapefile data format as defined by Environmental Systems Research Institute, Inc. (ESRI). GPS coordinates of existing water facilities that are exposed during any construction activity shall also be provided. All GPS coordinates shall be to within an accuracy of ten (10) centimeters and shall include Latitude, Longitude and Elevation.

16. **Warranty of Facilities/Maintenance of Facilities** The Developer hereby warrants and guarantees the materials and the workmanship of the Facilities for a period of thirty-six (36) months following final acceptance of the Facilities by the District. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities. In the event that a defect in materials and/or workmanship in the Facilities is discovered within the above-mentioned time period, the District may provide notice to the Developer requesting that Developer promptly correct any such defect, at the

Developer's sole cost, at the earliest possible time.

In the case of an emergency (where immediate action to repair or correct the defect is required), or at the District's option, the District may repair or correct such defect and thereafter bill the Developer for the cost of such maintenance and/or repair. The Developer shall pay to the District on demand, but under no circumstances, no later than 10 (ten) days after the District's demand, the amount of any costs incurred by the District in replacing, repairing, or maintaining said Facilities as shall be reasonably necessary during the period of thirty-six (36) months following final acceptance thereof by the District ("**Maintenance Costs**").

To secure said Maintenance Costs, the Developer shall, prior to the commencement of any water service through the Facilities, deliver to the District a corporate surety maintenance bond satisfactory to the District in the amount of **\$82,500 (Eighty-Two Thousand Five Hundred Dollars)** ("**Maintenance Bond**"). All costs of the bond premium for the Maintenance Bond shall be the sole responsibility and liability of the Developer. In lieu of a Maintenance Bond, the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District, or cash.

17. **Obstruction of Water Meters** The Developer shall not cause or permit any water meter on Developer's Land to be obstructed in a manner that interferes with a convenient reading or servicing of the meter by the District. If the obstruction is not immediately removed by the Developer, the obstruction may be removed by the District without prior notice to the Developer and the Developer shall reimburse the District for its costs and expenses thereby incurred, including overhead.

18. **Indemnity** The Developer shall indemnify and hold the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers harmless from all damage, loss, liability, claims, demands, causes of action and judgments of any nature connected in any way with the work of installation of the Facilities and the Project, or with the removal of obstructions of meters (including, without limitation, all damage, loss, liability, claims, demands, causes of action and judgments made, obtained or asserted by any employee of the Developer or any employee of the Developer's agents or contractors), unless caused by the sole negligence or willful misconduct of the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers or for actions involving any public agency which may be involved in land use planning or approvals to which the District is required to indemnify as a part of the development process. The District makes no representation, warranty or guarantee of any kind with respect to the suitability of its water supply for use with, compatibility with, or interaction of its water supply with any materials,

components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement. Developer assumes all risk of, responsibility and liability for and further agrees to fully defend, indemnify and hold harmless the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers with respect to, any and all consequences, conditions, injury, damage, loss or expense, including reasonable attorney's fees, which may arise or are claimed to have arisen as a result of unsuitability of use with, compatibility with, or interaction of District's water supply with any materials, components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement.

19. **Remedies for Breach** In the event of default or delay on the part of the Developer in making any payment or performing its obligations as set forth in this Agreement, the District shall have the right to refuse to provide water service, and to disconnect and to discontinue water service through the Facilities. The Developer shall inform each person to whom the Developer may sell, lease, transfer or assign any right, title or interest in the Developer's Land of the provisions of this section. In the event of the District or Developer failing to complete its obligations under this Agreement, the District or Developer, as the case may be, shall have all rights and remedies available in law and/or equity.

20. **Successors and Assigns** This Agreement shall bind and benefit the successors and assigns of the parties to this Agreement; however, this Agreement shall not be assigned by the Developer without the prior written consent of the District. Prior to any assignment of this Agreement by Developer, there shall be a complete substitution of all securities, required by this Agreement, with the District. Developer shall also inform all future assignees, if any, of the terms and conditions of this Agreement.

21. **Benefits to Run with the Land** The Parties to this Agreement specifically acknowledge and agree that all development approvals made pursuant to this Agreement shall specifically be and run with the Developer's Land. Under no circumstances shall such development approvals, or service agreement, be severed from such real property. Any attempt to sever such development approvals from Developer's Land shall be void without further action by either party hereto.

22. **Attorneys' Fees** If either party brings an action or a proceeding against the other by reason of default or any term of condition of this Agreement, or otherwise arising out of this Agreement, each party shall bear its own attorneys' fees.

23. **Interpretation** The parties hereto acknowledge and agree that each have been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this

Agreement.

24. **Applicable Law** The parties hereto understand and agree that the terms of this Agreement, and any Exhibits attached hereto, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California. The parties hereto do expressly agree that in the event of a dispute concerning the terms hereof, the venue for any legal action shall be within the appropriate court in the County of Contra Costa, State of California.

25. **Compliance with California Environmental Quality Act** Developer hereby represents and confirms to the District that all actions necessary to comply with the California Environmental Quality Act have been completed, at no expense to the District, with respect to the Developer's Land and Developer's proposed project.

26. **Waiver** Either party to this Agreement may specifically and expressly waive, in writing, the requirements of any portion of this Agreement, or any breach thereof, but no such waiver shall constitute a further or continuing waiver of the obligation of any preceding or succeeding reach of the same or any other provision. A waiving party may, at any time, thereafter, require future compliance by the other party hereto with the provisions that are so waived. The consent of one party to any acts by the other party for which such written consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of any party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, covenants, conditions, and agreements contained in this Agreement shall be cumulative and none of them shall be exclusive of any other.

27. **Notices** Any notice, request, demand, consent, approval or other communication required or permitted hereunder by law, shall be validly given and made only if in writing and delivered in person to an office or duly authorized representative of the party or deposited in the United States mail, first class postage prepaid and addressed to the party for whom intended as follows:

To District: Diablo Water District
Attention: General Manager
P.O. Box 127
Oakley, CA 94561-0127

To Developer: Civic Summer Lake North, LLC
Attention: Ryan Parlett and Alec Tappin
1500 Willow Pass Court
Concord, CA 94520

With a Copy To:

Civic Summer Lake North, LLC
Attention: Dana Tsubota and Trent Sanson
1500 Willow Pass Court
Concord, CA 94520

Any party may, from time to time, by written notice to the other party hereto, designate a different address which shall be substituted for that above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

28. **Amendments** No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing and signed by the authorized representatives of both of the parties hereto.

29. **Captions** The captions contained within this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof.

30. **Entire Agreement** This Agreement contains the entire agreement and understanding concerning the subject matter hereof and supersedes and replaces all prior negotiations and proposed agreements, whether written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein to induce the execution of this Agreement, and acknowledges that this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

31. **Authority of Signatories** The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the party for whom they signed.

DIABLO WATER DISTRICT

CIVIC SUMMER LAKE NORTH,
a California limited liability company

By: _____
Dan Muelrath, General Manager

By: _____
Ryan Parlett, Authorized Signer

Attest:

Christine Belleci, Forward Planning Manager

(Attach Notary Statement)

*******ATTACH THE FOLLOWING PRIOR TO EXECUTION*******

**“Exhibit A” to the Agreement
Legal Description, Parcel Map, and Parcel Numbers**

**“Exhibit B” to the Agreement
RESTRICTIVE COVENANT TO RUN WITH THE LAND SUBDIVISION _____**
(The following exhibits to be included with the Restrictive Covenant)

**“Exhibit A” of the Restrictive Covenant
Legal Description to the Restrictive Covenant**

**“Exhibit B” of the Restrictive Covenant
PARCEL MAP**

**“Exhibit C” of the Restrictive Covenant
List of APN’s**

**“Exhibit C” to the Agreement
Insurance Requirements**

EXHIBIT "B"
To Facilities Installation Agreement for Subdivision

Recording Requested by:
DIABLO WATER DISTRICT
Without fee – Government Code § 6103

When recorded mail to:
Diablo Water District
P.O. Box 127
Oakley, CA 94561-0127

APNs: SEE ATTACHED EXHIBIT "C"

Space above this line for Recorder's use

For benefit of: DIABLO WATER DISTRICT

RESTRICTIVE COVENANT TO RUN WITH THE LAND SUBDIVISION _____

Owner, its heirs, successors, assigns, transferees; and subsequent owners of the real property described in Exhibit "A" attached hereto and incorporated herein, subject hereto, acknowledges, consents and agrees to forever release the Diablo Water District, its successors and assigns from any and all liability resulting directly or indirectly from the possible effects and resulting damage due to a malfunction or other problems with the pressure-reducing equipment installed on Owner's property to control the higher than normal pressure under which water service is normally received from Diablo Water District, or from the higher than normal pressure itself. Owner understands that the pressure reducing equipment is installed on Owner's property and agrees to be solely responsible for all operation and maintenance thereof.

It is intended that this covenant shall run with the real property subject to this document.

Dated:

Notary:

"OWNER"

By _____

(Print name)

(Title)

EXHIBIT "A" of the Restrictive Covenant

**SUBDIVISION _____
OAKLEY, CALIFORNIA**

REAL PROPERTY, SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF OAKLEY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WHICH IS CONTAINED WITHIN SUBDIVISION _____, _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING ALL OF PARCEL A, AS SAID PARCEL A IS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED _____, IN BOOK _____ OF PARCEL MAPS, AT PAGE _____, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

ATTACHED HERETO IS EXHIBIT "B" TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION

EXHIBIT “B” of the Restrictive Covenant
(Insert Parcel Map)

DRAFT

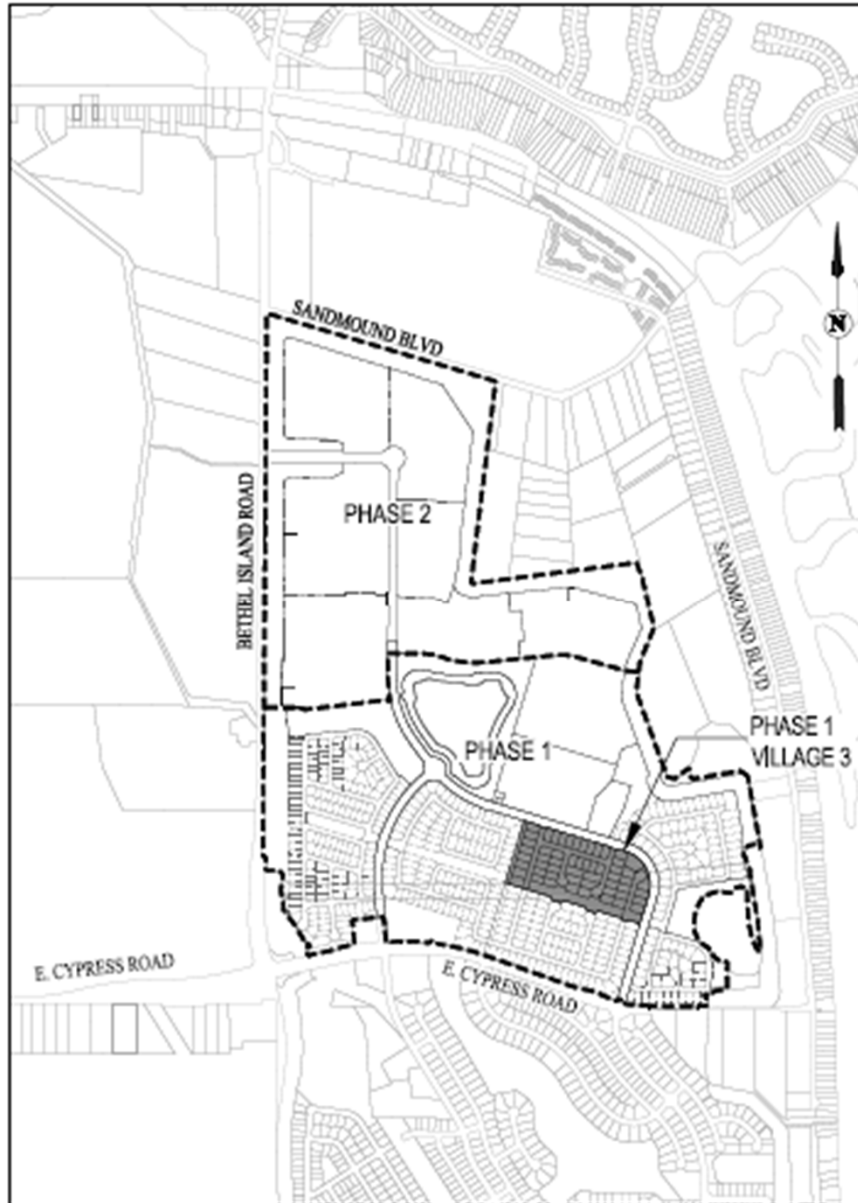
EXHIBIT “C” of the Restrictive Covenant

List of APNs

[to be provided prior to recording]

DRAFT

DIABLO WATER DISTRICT
June 12, 2024



Vicinity Map

Not to Scale

Subdivision 9618 Summer Lake North
Phase 1 Village 3 Improvements
Civic Summer Lake North, LLC

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 3.H

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Authorization to Execute Facilities Installation Agreement with Civic Summer Lake North for Subdivision 9620 Summer Lake North, Phase 1- Village 5 Improvements.

Attached is the Facilities Installation Agreement with Civic Summer Lake North, a California limited liability company for Subdivision 9620 Summer Lake North, Phase 1- Village 5 Improvements. Design plans have been approved and signed on May 16, 2024.

The project consists of 79 single services, potable mains and appurtenances to serve water to the project.

RECOMMENDATION:

Authorize the General Manager to Execute the Agreement.

Dan Muelrath

Dan Muelrath General
Manager

Attached: Diablo Water District Facilities Installation Agreement Sub. 9620 Summer Lake North, Phase 1 – Village 5 Improvements

**DIABLO WATER DISTRICT
FACILITIES INSTALLATION AGREEMENT
SUMMER LAKE NORTH – PHASE 1
SUBDIVISION 9620 – VILLAGE 5 IMPROVEMENT PLANS**

This Agreement (“Agreement”) is made and entered into this ____ day of _____, 2024 (“**Effective Date**”), by and between the **DIABLO WATER DISTRICT**, a county water district organized and operating pursuant to Water Code section 30000 *et seq.* (herein referred to as “**District**”), and **CIVIC SUMMER LAKE NORTH**, a California limited liability company (herein referred to as “**Developer**”).

1. **Developer's Land** The Developer warrants that it is the owner of the land within the boundaries of the District designated “Summer Lake North – Phase 1, Village 5 Improvement Plans, Subdivision 9620”, consisting of 79 lots, numbered 1 to 36; 51 to 85; and 160 to 167 within approximately _____ acres of land and is hereinafter referred to as the “**Developer’s Land**,” described as Contra Costa County Assessor Parcel No. _____ as depicted in Exhibit “A” attached hereto. The District understands that the Developer seeks to construct a development project on Developer’s Land and desires to obtain water services from the District. The installation of the Facilities (defined below) required as part of the District providing water services to the proposed development on Developer’s Land is herein called the “Project.”

Developer’s development project proposes to construct the water infrastructure needed for the Project as set forth in the Plans (defined below), including but not limited to water mains, service lines, meters and appurtenances necessary to provide potable water and/or recycled water to each water service depicted on the referenced approved Plans.

2. **District Water Service** Subject to any required consent of the U. S. Bureau of Reclamation and Contra Costa Water District, the District shall furnish potable water service to the Project subject to the terms of the District’s current regulations (as may be amended to address imminent health or safety issues during the pendency of construction) (“**District’s Regulations**”), provided the District's water distribution system is extended to the Developer’s Land on the terms and conditions set forth in this Agreement. The Developer acknowledges and agrees that water service to the Developer’s Land shall not be provided until the Developer has received any required written consent of the U.S. Bureau of Reclamation to include the Developer’s Land in the Central Valley Project water service area. The Developer hereby acknowledges receipt of a copy of the District's Water Regulations and the District's Standard Specifications and Drawings dated October 2022 (“**District Specifications**”). The District

reserves its authority to amend its Regulations, with amendments applicable to this Agreement and related design plans for imminent health and safety needs, including county, state and/or federal drinking water regulations. Any amendments to or development of Regulations for financing mechanisms are subject to Section 8 below and applicable law including, without limitation, notice and opportunity for public participation.

3. **Required Facilities; Construction & Dedication** The water mains, service lines, meters and appurtenances necessary to extend the District's water distribution system to the Developer's Land, hereinafter collectively referred to as the "Facilities," are shown on the plans for the construction of "**Summer Lake North – Phase 1, Village 5 Improvement Plans, Subdivision 9620**", prepared by Carlson, Barbee & Gibson, Inc. and approved by the District on May 16, 2024, ("**Plans**"). The Developer shall, at Developer's sole expense and without cost to the District, construct and install the Facilities in accordance with said Plans and the District's Specifications. It is the sole responsibility of the Developer and/or Developer's contractor to pothole existing utilities prior to commencing any work relative to the installation of the Facilities. Any required revisions to the Plans shall be approved by the District, in writing, prior to the continuation of the Project.

Meter boxes shall not be located within the sidelines of a driveway or in a sidewalk. Any meter so located shall be properly relocated prior to commencement of water service to Developer's Land.

The Developer shall not connect, or permit to be connected, to the District's water distribution system any main, pipe, fitting, valve or appurtenance not shown on said Plans without the prior written approval of the District.

The Developer is solely responsible for the actions of Developer's contractor, subcontractors, or any affiliates on the jobsite, including, but not limited to, the tampering of water service and/or theft of water. Any unmetered water use, regardless of quantity, will be subject to the same penalties as unauthorized water use from hydrants (*see* District Regulation 5, Section 5). Any and all water charges and/or penalties resulting from the actions of the Developer, Developer's contractor, subcontractor, or any affiliates, relating to the tampering of water service and/or theft of water will be deducted from the Developer's Deposit (defined below). Any damage to the District's existing water facilities caused by the Developer, contractor, sub-contractor, or any affiliates, will be repaired by the District, or a contractor designated by the District, at the Developer's sole cost and expense before water service is provided by the District.

Developer shall be required to install a pressure-reducing valve, approved by the District, at the water service entrance to every structure that will receive water service from the District

in order to minimize the effect of higher-than-normal water pressure at the location of the Project. Concurrent with the recordation of the Final Map for the Developer's Land, Developer shall also execute and record a covenant, that will run with the Developer's land, to place each and every subsequent owner of each and every residential lot on notice of the responsibility to maintain the pressure-reducing valves, installed by the Developer, and that the District is in no way liable for any damage that may result due to water pressure. The language and form of this covenant shall be subject to the sole approval of the District, shall be recorded against each residential lot prior to commencement of water service, and shall be in a form substantially similar to Exhibit "B," attached hereto.

4. **Application for Service** Developer hereby applies for water service, which can be provided by the Facilities described herein, and the capacities secured hereby, in accordance with the District's Regulations as may be amended from time-to-time to address imminent health or safety needs as more particularly described in Section 2 above during the pendency of the Project and performance of this Agreement, and the provisions of this Agreement.

Subject to the terms of this Agreement, the District agrees to issue such permit in accordance with the District's Regulations. Such a permit shall not be issued if the Facilities deviate from the approved Plans, unless such deviations are approved, in writing, by the District's General Manager.

Developer acknowledges and agrees that the billing rates for water service lies, and shall be the sole purview of, the District.

5. **Easements and Right of Entry** The Developer has granted to the District all necessary easements for the Facilities on the relevant Project final maps. All such easements or grants to the District shall be clear of title and issues which may result in a loss or impairment of the rights granted to the District for access to the Facilities or any part thereof.

6. **Notification of Construction Activities** The Developer agrees to notify the District, in writing, at least forty-eight (48) hours prior to the commencement of construction of any portion of the Facilities. Until such easements have been recorded and until the right-of-way for public streets has been accepted by the appropriate and corresponding governmental agency, the District shall have the right to enter the aforementioned future easement and proposed public street areas within the Developer's Land for the purpose of ascertaining whether the provisions of this Agreement are being performed.

7. **District's Costs** The District's present total estimate of its costs for engineering, inspection, and administration in connection with the installation of the Facilities for the Project is **\$75,000**

(Seventy-Five Thousand Dollars), which may be amended upon the District's reasonable determination of the need for additional engineering, inspection, and administration services ("Project Costs"). The Developer has heretofore paid **\$15,000 (Fifteen Thousand)** on account thereof ("Developer's Deposit") as a portion of the Project Costs. The Developer shall pay the District the remaining **\$60,000 (Sixty Thousand)** of the Project Costs upon execution of this Agreement.

If prior to the District's acceptance of the Facilities, the Developer's Deposit on account falls below **\$5,000 (Five Thousand Dollars)** or falls into a negative status, the District shall request additional funds in order to continue with the Project. The Developer must pay the District the requested amount within fifteen (15) business days. If the requested amount is not received within fifteen (15) business days, the District shall direct the Developer to suspend all work on the Facilities, at which time the Developer will be issued a cease-and-desist order on all Facilities installation activities. Additionally, the Developer will be charged an interest charge at the current Local Agency Investment Fund rate until the requested Developer's Deposit amount is received and Developer's Deposit account has a positive balance.

Upon completion of the installation of the Facilities or the earlier termination of this Agreement, the District shall determine the remaining balance of the Project Costs account, if any. A Project Costs account statement shall be given to the Developer and any outstanding amounts due to the District must be received within ten (10) business days of request. If the outstanding balance due is not received within ten (10) business days of request, the District shall charge the Developer an interest charge at the current Local Agency Investment Fund rate until the amount is received. If the Developer's Deposit is in a positive state, the remaining positive balance shall be refunded or credited to the Developer.

The Project Costs shall include, but are not limited to, the salary and benefits earned by each District employee, contract employee, and/or contractor for each hour or fraction of an hour that the employee is engaged in working in connection with the Facilities and/or Project, plus a thirty-two and seven tenths percent (32.7%) overhead charge. Use of the District's vehicles shall be charged at the current Caltrans equipment rental rates. Services of consulting engineers and/or attorneys shall be charged at cost.

8. **Connection Charges and Additional District Charges** The Developer shall pay the District's connection charges for water services for 54 residential lots and any other service(s) that may be shown on the Plans. The District's connection charges for a metered water service shall be paid before water service from that meter is requested. Water shall not be furnished to any lot, irrigation, or any other service unless and until the District's connection charges have been paid. Before the installation of any

water service that is not shown on the Plans occurs, the connection charges for such water service shall be paid by the Developer. Any charges paid shall be for the charges (fees or rates, as the case may be) in effect on the date of payment.

In addition, water service shall not be furnished to any lot or irrigation service until the Developer provides satisfactory evidence to the District that all facilities reserve charges of Contra Costa Water District have been paid to the extent required of Developer. The Developer may verify the amount of any and all facilities reserve charges with Contra Costa Water District.

The District shall not impose a connection charge for District potable water meters that are presently on the Developer's Land or are moved to a different location on the Developer's Land.

9. **Performance, Labor and Material Bonds** Prior to commencement of the installation of the Facilities and not later than sixty (60) days after the date of this Agreement, the Developer shall deliver to the District a corporate surety performance bond reasonably satisfactory to the District in the amount of **\$460,000 (Four Hundred Sixty Thousand Dollars)** ("**Performance Bond**") and a corporate surety labor and materials bond satisfactory to the District in the amount of **\$230,000 (Two Hundred Thirty Thousand)** ("**Payment Bond**"), both covering the Developer's performance of this Agreement. Sureties on the Performance Bond and Payment Bond shall be admitted carriers in the State of California. All costs of the bond premium for the Performance Bond and Payment Bond and all costs for renewals of the Performance Bond and Payment Bond shall be the sole responsibility and liability of the Developer. In lieu of a corporate surety bond(s), the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District. The parties agree that the provisions of California Government Code Section 66499.7 shall control to allow for release or partial release of any security related to installation of the Facilities, and the District agrees that it will allow for partial release of security in the event of a request by the Developer subject to Section 66499.7.

10. **Building & Grading Permits** The Developer shall, at Developer's sole expense, obtain all building permits and all necessary grading permits for the installation of the Facilities; and thereupon, Developer shall promptly commence the Project within twelve (12) months from the date of this Agreement and diligently prosecute to completion the installation of the Facilities.

11. **Installation of Facilities** The Facilities shall be installed by a contractor licensed by the State of California to install such Facilities, satisfactory to the District in the District's sole discretion, in a good and workmanlike manner. DeNova Homes, Inc. is working to become a pre-approved contractor for purposes of the installation of the Facilities. The District shall have reasonable discretion in

determining the kind and quality of work and materials, provided the Developer shall have the right to install the Facilities that have been approved on the Plans.

As the Project progresses, the District shall have the right to reasonably revise the Plans and the District Specifications to address imminent health and safety issues as more particularly described in Section 2 above. Any additional Project Costs arising from any such revision of Plans and District Specifications shall be paid for by the Developer.

All work shall be inspected and approved by a representative of the District within two (2) business days of receipt of a call for inspection or as soon as reasonably feasible thereafter for circumstances beyond the District's control such as emergencies, illness and vacations, and no portion of the Facilities shall be covered or obscured until the Facilities have been inspected and approved by the District's inspector. No paving shall occur until all follow-up water quality testing has been completed and passed, and the District provides confirmation in writing to the Developer of such completion of the water quality testing. Notwithstanding the foregoing, if the Developer proceeds to pave prior to the District's inspection, the Developer shall proceed at its own risk with the understanding that facilities may need to be replaced/repared at the sole expense of the Developer if water quality testing does not pass.

Storm drain and sewer lines must be installed away from potable water lines as stated in the District Specifications or as deemed reasonably necessary by the District's engineers.

If the Developer has not commenced the construction and installation of the Facilities, for which the Plans have been approved by the District, within three hundred sixty-five (365) consecutive calendar days after the Plans have been approved by the District which is May 16, 2024 as also stated in Section 3 above, this Agreement shall automatically terminate, unless the Parties mutually agree to an extension of the Agreement term by written amendment, which shall become effective upon approval of the District's Board of Directors or the District's duly authorized employee.

12. **Acceptance of Facilities** Upon completion of the installation of the Facilities, the Facilities shall be tested by the District, as set forth herein unless otherwise agreed to in writing between the Parties. Developer may request, in the form of a written letter or email, a final inspection by the District. Within two (2) business days of receipt of the written letter or email request or as soon as reasonably feasible thereafter, the District will commence inspection and testing of the Facilities. If all Facilities are determined by the District to be complete and satisfactory, then the District shall, within two (2) business days or as soon as reasonably feasible thereafter, issue a notice of completion to the Developer and shall timely commence the necessary steps to accept the Facilities. If the District finds that the Facilities are not complete or satisfactory, then within two (2) business days or as soon as reasonably

feasible thereafter the District shall provide a list of items which the District has found to be incomplete or unsatisfactory with sufficient detail – such as reference to the Plans, applicable Regulations, and the like – to allow the Developer to adequately understand the reason for the incompleteness or unsatisfactory determination such that the Developer may complete and/or correct the Facilities (the “**Punchlist**”). Upon completion of the Punchlist work, the Developer may request, in the form of a written letter or email, another final inspection by the District, and irrespective of such a request, the District shall have the right to re-test the Facilities. Within two (2) business days of receipt of the written letter or email request or as soon as reasonably feasible thereafter, the District will commence inspection and testing of the Facilities, continuing the process of review until such time as the Facilities are found to be complete and satisfactory by the District such that the District is able to timely commence the process to accept the Facilities. Once the District has determined that the Facilities are complete and satisfactory, the process undertaken by the District to accept the Facilities shall be completed within thirty (30) days or as soon as reasonably feasible thereafter. No water service shall be furnished to the Developer’s Land until the results of all final tests are satisfactory to the District using reasonable judgment consistent with industry customs and practices. Upon the District's acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District's water distribution system, and shall thereafter be operated and maintained by the District.

13. **Resolution of Acceptance** Developer agrees that, upon the acceptance of the Facilities, the Facilities shall become the property of the District, shall be a part of the District’s water system and shall thereafter be operated and maintained by the District. It is also understood and agreed that Developer hereby disclaims, in favor of the District, all right, title and interest in the Facilities and any appurtenances and easements once accepted by the District; and that Developer hereby covenants and agrees to execute and deliver to the District any documents required to complete the transfer of the Facilities concurrently with the acceptance of the Facilities by the District; and that Developer hereby agrees that Developer will, pending acceptance by the District, complete the Facilities and transfer the same debt-free to the District.

Developer and District agree that the above provisions shall not preclude the use of the on-site Facilities by Developer prior to acceptance by the District, as long as the quality of the water is acceptable to the District pursuant to the District's Regulations and written approval has been obtained from the District for permission to connect to said Facilities and/or existing facilities. Developer agrees that the use of said Facilities by the Developer, transferee or assignee of Developer or others within the District, will not and does not constitute acceptance of the Facilities by the District.

14. **Insurance** Before starting the installation of the Facilities, the Developer shall deliver to the District insurance certificates of the Developer and the Developer's underground contractor, as applicable, naming the District, its directors, officers, attorneys, employees, authorized volunteers, and its consulting engineers, CDM Smith, Inc., as additional insureds and stating that the insurance may not be canceled without 30-days' prior written notice to the District. The coverages of said insurance shall be not less than the following and shall adhere to the District's current insurance requirements and provisions as per attached **Exhibit "C"**.

Workers Compensation and Employer's Liability

\$1,000,000 for each occurrence

Comprehensive Auto Liability

Bodily Injury: \$1,000,000 for each person and \$2,000,000 for each accident

Property Damage: \$2,000,000 for each occurrence and annual aggregate

Comprehensive General Liability

Bodily Injury: \$2,000,000 for each occurrence and annual aggregate

Property Damage: \$5,000,000 for each occurrence and annual aggregate

15. **As-Built Drawings** Upon completion of the installation and prior to the final acceptance of the Facilities by the District, the Developer shall deliver to the District one set of full-size reproducible drawings and two sets of prints, both revised to show as-built conditions of the Facilities. The reproducible set shall be photo quality on plain mylar. Sepia, vellum or diazo mylar are not acceptable. Developer shall also deliver a PDF (Portable Document Format) version of the as-built drawings to the District; and the Global Positioning System (GPS) coordinates of all buried fittings (excluding saddles and corporation stops) and all above ground Facilities as determined by the District in a shapefile data format as defined by Environmental Systems Research Institute, Inc. (ESRI). GPS coordinates of existing water facilities that are exposed during any construction activity shall also be provided. All GPS coordinates shall be to within an accuracy of ten (10) centimeters and shall include Latitude, Longitude and Elevation.

16. **Warranty of Facilities/Maintenance of Facilities** The Developer hereby warrants and guarantees the materials and the workmanship of the Facilities for a period of thirty-six (36) months following final acceptance of the Facilities by the District. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities. In the event that a defect in materials and/or workmanship in the Facilities is discovered within the above-mentioned time period, the District may provide notice to the Developer requesting that Developer promptly correct any such defect, at the

Developer's sole cost, at the earliest possible time.

In the case of an emergency (where immediate action to repair or correct the defect is required), or at the District's option, the District may repair or correct such defect and thereafter bill the Developer for the cost of such maintenance and/or repair. The Developer shall pay to the District on demand, but under no circumstances, no later than 10 (ten) days after the District's demand, the amount of any costs incurred by the District in replacing, repairing, or maintaining said Facilities as shall be reasonably necessary during the period of thirty-six (36) months following final acceptance thereof by the District ("**Maintenance Costs**").

To secure said Maintenance Costs, the Developer shall, prior to the commencement of any water service through the Facilities, deliver to the District a corporate surety maintenance bond satisfactory to the District in the amount of **\$115,000 (One Hundred Fifteen Thousand Dollars)** ("**Maintenance Bond**"). All costs of the bond premium for the Maintenance Bond shall be the sole responsibility and liability of the Developer. In lieu of a Maintenance Bond, the District may consider accepting an irrevocable letter of credit from an appropriate financial institution, as determined by the District's sole discretion, in a form satisfactory to the District, or cash.

17. **Obstruction of Water Meters** The Developer shall not cause or permit any water meter on Developer's Land to be obstructed in a manner that interferes with a convenient reading or servicing of the meter by the District. If the obstruction is not immediately removed by the Developer, the obstruction may be removed by the District without prior notice to the Developer and the Developer shall reimburse the District for its costs and expenses thereby incurred, including overhead.

18. **Indemnity** The Developer shall indemnify and hold the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers harmless from all damage, loss, liability, claims, demands, causes of action and judgments of any nature connected in any way with the work of installation of the Facilities and the Project, or with the removal of obstructions of meters (including, without limitation, all damage, loss, liability, claims, demands, causes of action and judgments made, obtained or asserted by any employee of the Developer or any employee of the Developer's agents or contractors), unless caused by the sole negligence or willful misconduct of the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers or for actions involving any public agency which may be involved in land use planning or approvals to which the District is required to indemnify as a part of the development process. The District makes no representation, warranty or guarantee of any kind with respect to the suitability of its water supply for use with, compatibility with, or interaction of its water supply with any materials,

components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement. Developer assumes all risk of, responsibility and liability for and further agrees to fully defend, indemnify and hold harmless the District, its directors, officers, contractors, consultants, employees, authorized volunteers, and District's engineers with respect to, any and all consequences, conditions, injury, damage, loss or expense, including reasonable attorney's fees, which may arise or are claimed to have arisen as a result of unsuitability of use with, compatibility with, or interaction of District's water supply with any materials, components, products or fixtures which are incorporated into or utilized in any improvements upon the real property which is the subject of this Agreement.

19. **Remedies for Breach** In the event of default or delay on the part of the Developer in making any payment or performing its obligations as set forth in this Agreement, the District shall have the right to refuse to provide water service, and to disconnect and to discontinue water service through the Facilities. The Developer shall inform each person to whom the Developer may sell, lease, transfer or assign any right, title or interest in the Developer's Land of the provisions of this section. In the event of the District or Developer failing to complete its obligations under this Agreement, the District or Developer, as the case may be, shall have all rights and remedies available in law and/or equity.

20. **Successors and Assigns** This Agreement shall bind and benefit the successors and assigns of the parties to this Agreement; however, this Agreement shall not be assigned by the Developer without the prior written consent of the District. Prior to any assignment of this Agreement by Developer, there shall be a complete substitution of all securities, required by this Agreement, with the District. Developer shall also inform all future assignees, if any, of the terms and conditions of this Agreement.

21. **Benefits to Run with the Land** The Parties to this Agreement specifically acknowledge and agree that all development approvals made pursuant to this Agreement shall specifically be and run with the Developer's Land. Under no circumstances shall such development approvals, or service agreement, be severed from such real property. Any attempt to sever such development approvals from Developer's Land shall be void without further action by either party hereto.

22. **Attorneys' Fees** If either party brings an action or a proceeding against the other by reason of default or any term of condition of this Agreement, or otherwise arising out of this Agreement, each party shall bear its own attorneys' fees.

23. **Interpretation** The parties hereto acknowledge and agree that each have been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this

Agreement.

24. **Applicable Law** The parties hereto understand and agree that the terms of this Agreement, and any Exhibits attached hereto, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California. The parties hereto do expressly agree that in the event of a dispute concerning the terms hereof, the venue for any legal action shall be within the appropriate court in the County of Contra Costa, State of California.

25. **Compliance with California Environmental Quality Act** Developer hereby represents and confirms to the District that all actions necessary to comply with the California Environmental Quality Act have been completed, at no expense to the District, with respect to the Developer's Land and Developer's proposed project.

26. **Waiver** Either party to this Agreement may specifically and expressly waive, in writing, the requirements of any portion of this Agreement, or any breach thereof, but no such waiver shall constitute a further or continuing waiver of the obligation of any preceding or succeeding reach of the same or any other provision. A waiving party may, at any time, thereafter, require future compliance by the other party hereto with the provisions that are so waived. The consent of one party to any acts by the other party for which such written consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of any party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, covenants, conditions, and agreements contained in this Agreement shall be cumulative and none of them shall be exclusive of any other.

27. **Notices** Any notice, request, demand, consent, approval or other communication required or permitted hereunder by law, shall be validly given and made only if in writing and delivered in person to an office or duly authorized representative of the party or deposited in the United States mail, first class postage prepaid and addressed to the party for whom intended as follows:

To District:	Diablo Water District Attention: General Manager P.O. Box 127 Oakley, CA 94561-0127
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To Developer:	Civic Summer Lake North, LLC Attention: Ryan Parlett and Alec Tappin 1500 Willow Pass Court Concord, CA 94520
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With a Copy To:

Civic Summer Lake North, LLC
Attention: Dana Tsubota and Trent Sanson
1500 Willow Pass Court
Concord, CA 94520

Any party may, from time to time, by written notice to the other party hereto, designate a different address which shall be substituted for that above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

28. **Amendments** No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing and signed by the authorized representatives of both of the parties hereto.

29. **Captions** The captions contained within this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof.

30. **Entire Agreement** This Agreement contains the entire agreement and understanding concerning the subject matter hereof and supersedes and replaces all prior negotiations and proposed agreements, whether written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein to induce the execution of this Agreement, and acknowledges that this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

31. **Authority of Signatories** The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the party for whom they signed.

DIABLO WATER DISTRICT

CIVIC SUMMER LAKE NORTH,
a California limited liability company

By: _____
Dan Muelrath, General Manager

By: _____
Ryan Parlett, Authorized Signer

Attest:

Christine Belleci, Forward Planning Manager

(Attach Notary Statement)

*******ATTACH THE FOLLOWING PRIOR TO EXECUTION*******

**“Exhibit A” to the Agreement
Legal Description, Parcel Map, and Parcel Numbers**

**“Exhibit B” to the Agreement
RESTRICTIVE COVENANT TO RUN WITH THE LAND SUBDIVISION _____**
(The following exhibits to be included with the Restrictive Covenant)

**“Exhibit A” of the Restrictive Covenant
Legal Description to the Restrictive Covenant**

**“Exhibit B” of the Restrictive Covenant
PARCEL MAP**

**“Exhibit C” of the Restrictive Covenant
List of APN’s**

**“Exhibit C” to the Agreement
Insurance Requirements**

EXHIBIT "B"
To Facilities Installation Agreement for Subdivision

Recording Requested by:
DIABLO WATER DISTRICT
Without fee – Government Code § 6103

When recorded mail to:
Diablo Water District
P.O. Box 127
Oakley, CA 94561-0127

APNs: SEE ATTACHED EXHIBIT "C"

Space above this line for Recorder's use

For benefit of: DIABLO WATER DISTRICT

RESTRICTIVE COVENANT TO RUN WITH THE LAND SUBDIVISION _____

Owner, its heirs, successors, assigns, transferees; and subsequent owners of the real property described in Exhibit "A" attached hereto and incorporated herein, subject hereto, acknowledges, consents and agrees to forever release the Diablo Water District, its successors and assigns from any and all liability resulting directly or indirectly from the possible effects and resulting damage due to a malfunction or other problems with the pressure-reducing equipment installed on Owner's property to control the higher than normal pressure under which water service is normally received from Diablo Water District, or from the higher than normal pressure itself. Owner understands that the pressure reducing equipment is installed on Owner's property and agrees to be solely responsible for all operation and maintenance thereof.

It is intended that this covenant shall run with the real property subject to this document.

Dated:

Notary:

"OWNER"

By _____

(Print name)

(Title)

EXHIBIT "A" of the Restrictive Covenant

**SUBDIVISION _____
OAKLEY, CALIFORNIA**

REAL PROPERTY, SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF OAKLEY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WHICH IS CONTAINED WITHIN SUBDIVISION _____, _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING ALL OF PARCEL A, AS SAID PARCEL A IS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED _____, IN BOOK _____ OF PARCEL MAPS, AT PAGE _____, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

ATTACHED HERETO IS EXHIBIT "B" TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION

EXHIBIT “B” of the Restrictive Covenant
(Insert Parcel Map)

DRAFT

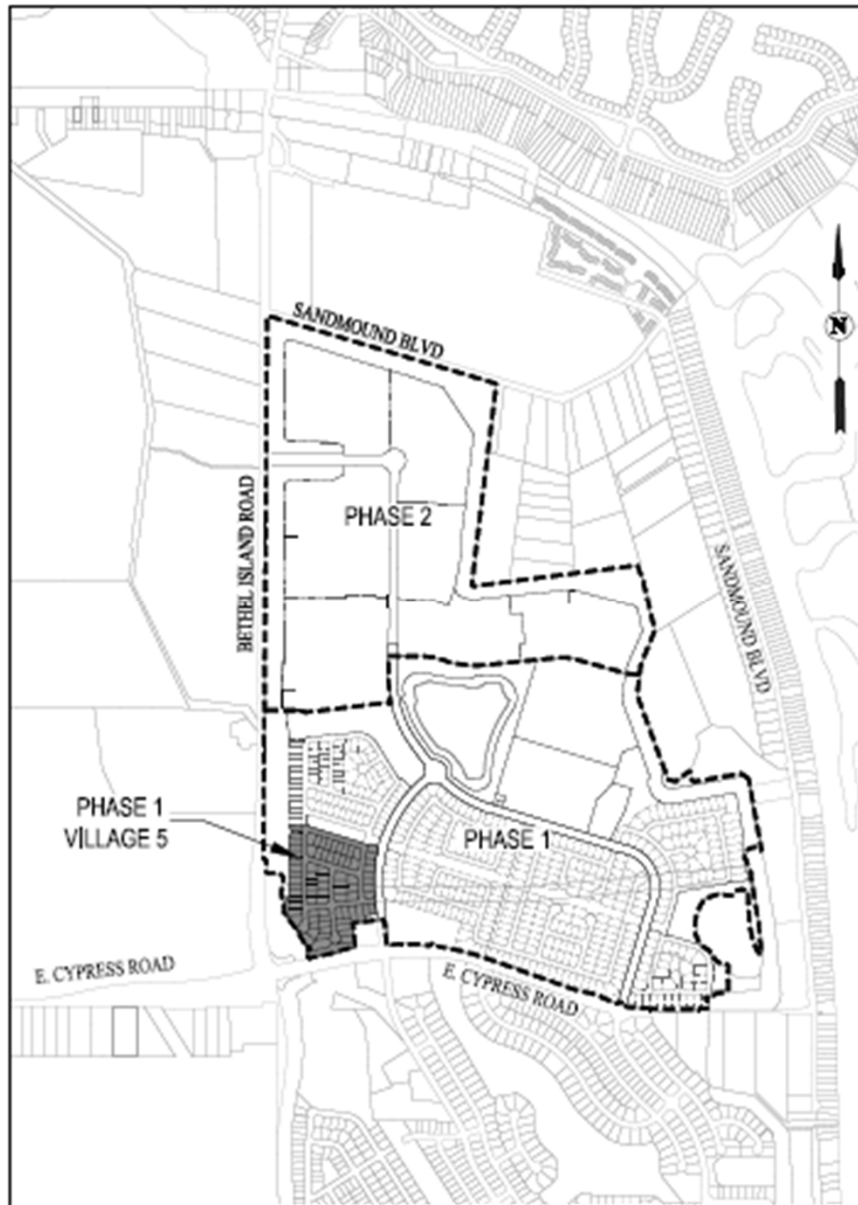
EXHIBIT “C” of the Restrictive Covenant

List of APNs

[to be provided prior to recording]

DRAFT

DIABLO WATER DISTRICT
June 12, 2024



Vicinity Map

Not to Scale

Subdivision 9620 Summer Lake North
Phase 1 Village 5 Improvements
Civic Summer Lake North, LLC

DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 4

TO: Each Director
FROM: Jennifer McCoy, Finance & Accounting Manager
SUBJECT: Financial Reports.

Items included for discussion:

- Warrant Register Number:
 - 2024-5
 - ACH and Wire Transactions – May 2024

- Monthly Financial Statements
 - April 2024

RECOMMENDATION:

Approve warrant register 2024-5, ACH wire transactions for May 2024, and receive the monthly financial statement for April 2024.

Jennifer McCoy
Jennifer McCoy
Finance & Accounting Manager

Attached: 1.) Warrant Registers 2024-5
3.) ACH and Wire Transactions for May 2024
4.) April 2024 Financial Statement



DIABLO WATER DISTRICT
WARRANT REGISTER 2024 - 5
June 12, 2024

<u>Check Numbers</u>	<u>Detail</u>	<u>Amount</u>
May AP Checks 57040 - 57081	See Detail Check Register	202,535.94
May AP Checks 57082 - 57125	See Detail Check Register	661,410.20
May Utility Billing Refund Checks 57126 - 57151	See Detail Check Register	4,593.88
May AP Checks 57152 - 57164	See Detail Check Register	4,842.73
May AP Checks 57165 - 57194	See Detail Check Register	528,246.02
Payroll Checks 57195 - 57197	May Payroll Checks	13,793.34
Payroll Direct Deposit Employees	May Payroll Direct Deposit	155,207.54
May AP Checks 57198 - 57203	Checks Voided Due to Printer Error	-
May AP Checks 57204 - 57209	See Detail Check Register	137,598.47
 TOTAL WARRANTS		 1,708,228.12

The foregoing Accounts Payable Warrants 57040 through 57209, payroll for May 2024, Federal, State Income Taxes withheld and retirement are hereby approved for payment.

General Manager

Director

Director

Director

Director

Director

Signatures Required: General Manager and minimum of three (3) Directors



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank -AP Bank						
AANTEX01	AANTEX PEST CONTROL	05/01/2024	Regular	0.00	355.00	57040
ACCBUSINESS	ACC BUSINESS	05/01/2024	Regular	0.00	598.66	57041
AQUA	AQUA METRIC	05/01/2024	Regular	0.00	3,018.19	57042
AT&TUVRS	AT&T	05/01/2024	Regular	0.00	166.78	57043
AT&T	AT&T	05/01/2024	Regular	0.00	323.65	57044
AALR&R	ATKINSON, ANDELSON, LOYA, RUUD	05/01/2024	Regular	0.00	7,926.19	57045
BRENNTAG	BRENNTAG PACIFIC, INC	05/01/2024	Regular	0.00	868.83	57046
BRNTROCK	BRENTWOOD DECORATIVE ROCK	05/01/2024	Regular	0.00	469.69	57047
CALCOM	CALIFORNIA COMMERCIAL SOLAR, II	05/01/2024	Regular	0.00	54,500.00	57048
CDM01	CDM SMITH	05/01/2024	Regular	0.00	55,911.65	57049
CITYOFBW	CITY OF BRENTWOOD	05/01/2024	Regular	0.00	1,104.72	57050
CITYOAKL	CITY OF OAKLEY	05/01/2024	Regular	0.00	3,690.80	57051
CITYOAKL	CITY OF OAKLEY	05/01/2024	Regular	0.00	1,335.00	57052
COMCAST2	COMCAST	05/01/2024	Regular	0.00	220.83	57053
CORE&MAIN	CORE & MAIN	05/01/2024	Regular	0.00	8,243.25	57054
CTECAL	CTE CAL, INC	05/01/2024	Regular	0.00	542.00	57055
EAGLE01	EAGLE BUSINESS FORMS INC	05/01/2024	Regular	0.00	777.89	57056
ECS IMAGING, INC	ECS IMAGING, INC	05/01/2024	Regular	0.00	1,660.00	57057
DEBTBOOK	FIFTH ASSET, INC	05/01/2024	Regular	0.00	8,000.00	57058
HARRING	HARRINGTON IND PLASTICS	05/01/2024	Regular	0.00	1,010.09	57059
HILLCHEM	HILL BROTHERS CHEMICAL CO	05/01/2024	Regular	0.00	1,243.15	57060
HUNTSONS	HUNT AND SONS INC	05/01/2024	Regular	0.00	233.08	57061
TIERNAN, M	MARILYN TIERNAN	05/01/2024	Regular	0.00	75.31	57062
MMANC	MMANC	05/01/2024	Regular	0.00	95.00	57063
NATEC	NATEC INTERNATIONAL INC	05/01/2024	Regular	0.00	1,650.00	57064
OKLYACE	OAKLEY ACE HARDWARE	05/01/2024	Regular	0.00	230.32	57065
PACG&E03	PACIFIC GAS & ELECTRIC	05/01/2024	Regular	0.00	591.11	57066
PACG&E04	PACIFIC GAS & ELECTRIC	05/01/2024	Regular	0.00	7,358.95	57067
PACG&E01	PACIFIC GAS & ELECTRIC CO	05/01/2024	Regular	0.00	12,020.52	57068
PURPOSE BUILT	PURPOSE BUILT TRADE CO	05/01/2024	Regular	0.00	228.36	57069
QUADIENT LEASING	QUADIENT LEASING USA, INC	05/01/2024	Regular	0.00	570.36	57070
US BANK	US BANK	05/01/2024	Regular	0.00	19,642.48	57071
	Void	05/01/2024	Regular	0.00	0.00	57072
	Void	05/01/2024	Regular	0.00	0.00	57073
	Void	05/01/2024	Regular	0.00	0.00	57074
	Void	05/01/2024	Regular	0.00	0.00	57075
	Void	05/01/2024	Regular	0.00	0.00	57076
	Void	05/01/2024	Regular	0.00	0.00	57077
VERIZON	VERIZON WIRELESS	05/01/2024	Regular	0.00	2,045.51	57078
VIKINGSHRED	VIKING SHRED	05/01/2024	Regular	0.00	53.99	57079
WATERSAV	WATERSAVERS IRRIGATION	05/01/2024	Regular	0.00	263.56	57080

Check Register

Packet: APPKT00642-APRIL 2024 WARRANTS 5-1-24

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
WEX BANK - CHEVRON	WEX BANK	05/01/2024	Regular	0.00	5,511.02	57081

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	68	36	0.00	202,535.94
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	68	42	0.00	202,535.94

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2024	202,535.94
			<hr/>
			202,535.94



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank -AP Bank						
ALLBAY	ALL BAY ANSWERING SERVICE	05/16/2024	Regular	0.00	486.00	57082
ALTAMONT	ALTAMONT LANDSCAPE INC	05/16/2024	Regular	0.00	799.00	57083
AWWA	AMERICAN WATER WORKS ASSOCIA	05/16/2024	Regular	0.00	321.00	57084
AQUA	AQUA METRIC	05/16/2024	Regular	0.00	3,266.65	57085
AT&TUVRS	AT&T	05/16/2024	Regular	0.00	106.29	57086
AT&T	AT&T	05/16/2024	Regular	0.00	213.91	57087
BAVCO	BAVCO	05/16/2024	Regular	0.00	4,171.71	57088
BIGBLUMB	BIG "B" LUMBERTERIA INC	05/16/2024	Regular	0.00	112.25	57089
BWAUTO01	BRENTWOOD AUTO PARTS INC	05/16/2024	Regular	0.00	194.89	57090
LINNCHCK	CHUCK LINN	05/16/2024	Regular	0.00	219.95	57091
CCWD-RB	CONTRA COSTA WATER DIST	05/16/2024	Regular	0.00	195,666.01	57092
CCWD01	CONTRA COSTA WATER DIST	05/16/2024	Regular	0.00	398,928.98	57093
CORE&MAIN	CORE & MAIN	05/16/2024	Regular	0.00	10,170.40	57094
COMCOLO1	CREDIT CONSULTING SER INC	05/16/2024	Regular	0.00	259.30	57095
BOWERS01	DANNY BOWERS	05/16/2024	Regular	0.00	219.95	57096
DATA INSTINCTS	DATA INSTINCTS	05/16/2024	Regular	0.00	8,704.51	57097
DURHAM	DURHAM PUMP, INC	05/16/2024	Regular	0.00	3,625.00	57098
EAGLE01	EAGLE BUSINESS FORMS INC	05/16/2024	Regular	0.00	574.49	57099
GUYREED1	GUY REED TRUCKING	05/16/2024	Regular	0.00	4,058.96	57100
HARRING	HARRINGTON IND PLASTICS	05/16/2024	Regular	0.00	207.02	57101
HUNTSONS	HUNT AND SONS INC	05/16/2024	Regular	0.00	136.89	57102
INFOSEND	INFOSEND	05/16/2024	Regular	0.00	8,085.18	57103
INSIGHT	INSIGHT PUBLIC SECTOR, INC	05/16/2024	Regular	0.00	144.55	57104
KUTCH	KUTCH MOBILE SERVICE	05/16/2024	Regular	0.00	998.95	57105
LOWES	LOWE'S	05/16/2024	Regular	0.00	322.72	57106
ROMERO	LUIS ROMERO	05/16/2024	Regular	0.00	502.71	57107
MISCO	MISCOwater	05/16/2024	Regular	0.00	1,064.08	57108
OAKDISPO	MT DIABLO	05/16/2024	Regular	0.00	443.75	57109
OKLYACE	OAKLEY ACE HARDWARE	05/16/2024	Regular	0.00	409.85	57110
OKLY UPHOLST	OAKLEY AUTO UPHOLSTERY & DESIG	05/16/2024	Regular	0.00	1,400.00	57111
PACG&E01	PACIFIC GAS & ELECTRIC CO	05/16/2024	Regular	0.00	581.66	57112
PAPE	PAPE MACHINERY, INC.	05/16/2024	Regular	0.00	35.40	57113
PAULSAUT	PAUL'S AUTOMOTIVE CENTER	05/16/2024	Regular	0.00	236.00	57114
PURPOSE BUILT	PURPOSE BUILT TRADE CO	05/16/2024	Regular	0.00	1,026.48	57115
RAUCHCOM	RAUCH COMM CONSULTANT INC	05/16/2024	Regular	0.00	826.57	57116
RGWEQUIP	RGW EQUIPMENT SALES. SERVICE, P	05/16/2024	Regular	0.00	687.40	57117
SHIRK, S	SAVANA SHIRK	05/16/2024	Regular	0.00	1,188.00	57118
SWRCB	SWRCB	05/16/2024	Regular	0.00	6,384.68	57119
ULINE	ULINE	05/16/2024	Regular	0.00	2,269.64	57120
UNIONPRC	UNION PACIFIC RAILROAD CO	05/16/2024	Regular	0.00	100.00	57121
VIP CLEANING	VIP CLEANING SERVICE	05/16/2024	Regular	0.00	900.00	57122
WATER ISAC	WATER INFORMATION SHARING AN	05/16/2024	Regular	0.00	580.00	57123
WATERSAV	WATERSAVERS IRRIGATION	05/16/2024	Regular	0.00	354.42	57124

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
WOODARD	WOODARD & CURRAN	05/16/2024	Regular	0.00	425.00	57125

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	72	44	0.00	661,410.20
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	72	44	0.00	661,410.20

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2024	661,410.20
			<hr/>
			661,410.20



Diablo Water District, CA

Refund Check Register

Refund Check Detail

UBPKT05573 - Refunds 01 UBPKT05565 Regular

Account	Name	Date	Check #	Amount	Code	Receipt	Amount	Type
099-09354-22	CAMPANELLA CORPORATION	5/16/2024	57126	1,298.43			1298.43	Generated From Billing
103-03083-01	FRIEND, GEORGE AND LISA	5/16/2024	57127	22.64			22.64	Generated From Billing
106-02239-03	WARE, QIANA	5/16/2024	57128	82.77			82.77	Generated From Billing
109-01730-07	ORTIZ, JOSHUA	5/16/2024	57129	37.17			37.17	Generated From Billing
109-11905-04	ZHANG, JU RU	5/16/2024	57130	57.96			57.96	Generated From Billing
109-12865-01	FERNANDEZ, ELIELEEN	5/16/2024	57131	138.04			138.04	Generated From Billing
110-00031-06	NACNAC, RAPHAEL	5/16/2024	57132	160.50			160.50	Generated From Billing
110-00064-09	REN, XIANG QIAN	5/16/2024	57133	32.48			32.48	Generated From Billing
110-00085-10	CALBAY REALTY	5/16/2024	57134	76.85			76.85	Generated From Billing
110-06604-01	ZIEGLER, ROBERT	5/16/2024	57135	27.35			27.35	Generated From Billing
110-06639-01	VILLANUEVA, JAIME	5/16/2024	57136	151.08			151.08	Generated From Billing
111-12201-01	REVURI, SATHISH	5/16/2024	57137	89.99			89.99	Generated From Billing
112-04779-08	A MEADOWS PROPERTY MANAGEMENT	5/16/2024	57138	82.90			82.90	Generated From Billing
117-06212-08	ROMARCO PROPERTIES	5/16/2024	57139	62.44			62.44	Generated From Billing
119-02765-08	INC, BEST PROPERTY MANAGEMENT	5/16/2024	57140	63.34			63.34	Generated From Billing
119-02830-03	BETANCUR, MONICA	5/16/2024	57141	77.96			77.96	Generated From Billing
119-02867-06	EEN PROPERTY MANAGEMENT	5/16/2024	57142	85.01			85.01	Generated From Billing
119-03060-02	PEAVY, WILLIAM	5/16/2024	57143	10.70			10.70	Generated From Billing
124-10043-04	HERNANDEZ, PAULA	5/16/2024	57144	75.44			75.44	Generated From Billing
128-09409-06	WESTON, JOHNATHAN	5/16/2024	57145	172.68			172.68	Generated From Billing
129-10946-02	ZAMORA, ANGELICA	5/16/2024	57146	173.21			173.21	Generated From Billing
130-06224-01	FRAZIER-MYERS, REJOIS	5/16/2024	57147	84.49			84.49	Generated From Billing
137-12537-01	REYES, MARIA RENELLEN L	5/16/2024	57148	1,338.07			1338.07	Deposit
137-13623-01	SIVATHANUPILLAI, ADHIKESAVEN	5/16/2024	57149	96.51			96.51	Generated From Billing
138-13257-04	PARKS PROPERTY MANAGEMENT	5/16/2024	57150	65.12			65.12	Generated From Billing
139-13483-00	PULTE GROUP - 1055	5/16/2024	57151	30.75			30.75	Generated From Billing
Total Refunds: 26			Total Refunded Amount:	4,593.88				

Revenue Code Summary

Revenue Code	Amount
996 - Unapplied Credits	4593.88
Revenue Total:	4593.88

General Ledger Distribution

Posting Date: 05/16/2024

	Account Number	Account Name	Posting Amount	IFT
Fund:	01 - General Operating			
	01-00-109-000	Claim on Pooled Cash	-4,593.88	Yes
	01-00-110-000	Accounts Receivable - Water Bills	4,593.88	
		01 Total:	0.00	
Fund:	99 - Pooled Cash			
	99-00-100-000	Pooled Cash	-4,593.88	
	99-00-209-000	Due To Other Funds	4,593.88	Yes
		99 Total:	0.00	
		Distribution Total:	0.00	



Check Register

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank -AP Bank						
ESPINOZA, A	ALFONSO ESPINOZA	05/23/2024	Regular	0.00	274.36	57152
AMENDOZA	ATANACIO MENDOZA	05/23/2024	Regular	0.00	1,539.32	57153
VELAZQUEZ, C	CAMILO VELEZQUEZ	05/23/2024	Regular	0.00	48.45	57154
RIVERA, C	CARLOS RIVERA	05/23/2024	Regular	0.00	57.04	57155
CRAWFORD, C	CHAD CRAWFORD	05/23/2024	Regular	0.00	47.73	57156
PADILLAG	GINO PADILLA	05/23/2024	Regular	0.00	56.73	57157
DEJESUSH	HUNTER DEJESUS	05/23/2024	Regular	0.00	102.16	57158
JP HERRERA	JOHN P HERRERA	05/23/2024	Regular	0.00	104.01	57159
GONZALEZ, J	JORGE GONZALEZ	05/23/2024	Regular	0.00	595.92	57160
ROMERO	LUIS ROMERO	05/23/2024	Regular	0.00	321.00	57161
GROOVER, M	MATT GROOVER	05/23/2024	Regular	0.00	17.04	57162
LIRA, M	MICHAEL LIRA	05/23/2024	Regular	0.00	157.38	57163
WEAVERW	WAYNE WEAVER	05/23/2024	Regular	0.00	1,521.59	57164

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	13	13	0.00	4,842.73
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	13	13	0.00	4,842.73

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2024	4,842.73
			<hr/>
			4,842.73



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank -AP Bank						
AQUA	AQUA METRIC	05/23/2024	Regular	0.00	10,047.17	57165
AT&T	AT&T	05/23/2024	Regular	0.00	323.78	57166
AALR&R	ATKINSON, ANDELSON, LOYA, RUUD	05/23/2024	Regular	0.00	10,568.26	57167
BWAUTO01	BRENTWOOD AUTO PARTS INC	05/23/2024	Regular	0.00	30.44	57168
CAPITALONE	CAPITAL ONE PUBLIC FUNDING, LLC	05/23/2024	Regular	0.00	140,055.60	57169
CAPITALONE	CAPITAL ONE PUBLIC FUNDING, LLC	05/23/2024	Regular	0.00	36,584.75	57170
CDM01	CDM SMITH	05/23/2024	Regular	0.00	86,863.29	57171
	Void	05/23/2024	Regular	0.00	0.00	57172
CCHEALTH	CONTRA COSTA HEALTH SERV	05/23/2024	Regular	0.00	2,690.00	57173
CCWD-RB	CONTRA COSTA WATER DIST	05/23/2024	Regular	0.00	186,220.75	57174
BERUMEN, D	DERRICK BERUMEN	05/23/2024	Regular	0.00	439.00	57175
HANSON	HANSON BRIDGETT LLP	05/23/2024	Regular	0.00	4,888.00	57176
HARRING	HARRINGTON IND PLASTICS	05/23/2024	Regular	0.00	445.58	57177
HARRIS01	HARRIS COLOR GRAPHICS, INC	05/23/2024	Regular	0.00	508.95	57178
HASA	HASA	05/23/2024	Regular	0.00	4,647.04	57179
USABLU	HD SUPPLY FACILITIES MAIN	05/23/2024	Regular	0.00	128.21	57180
HILLCHEM	HILL BROTHERS CHEMICAL CO	05/23/2024	Regular	0.00	1,229.45	57181
HUNTSONS	HUNT AND SONS INC	05/23/2024	Regular	0.00	223.28	57182
LUHDORFF	LUHDORFF & SCALMANINI,	05/23/2024	Regular	0.00	9,500.00	57183
OKLYACE	OAKLEY ACE HARDWARE	05/23/2024	Regular	0.00	283.49	57184
PACG&E04	PACIFIC GAS & ELECTRIC	05/23/2024	Regular	0.00	16,655.09	57185
PACG&E03	PACIFIC GAS & ELECTRIC	05/23/2024	Regular	0.00	2,114.15	57186
PETTYCSH	PETTY CASH	05/23/2024	Regular	0.00	1,273.34	57187
	Void	05/23/2024	Regular	0.00	0.00	57188
PURPOSE BUILT	PURPOSE BUILT TRADE CO	05/23/2024	Regular	0.00	6,146.03	57189
BAYAREA1	ROADSAFE TRAFFIC SYSTEMS	05/23/2024	Regular	0.00	1,234.69	57190
THATCHER	THATCHER COMPANY OF CALIFORNI	05/23/2024	Regular	0.00	1,836.97	57191
VERIZON	VERIZON WIRELESS	05/23/2024	Regular	0.00	1,872.37	57192
WATERSAV	WATERSAVERS IRRIGATION	05/23/2024	Regular	0.00	708.84	57193
WOODARD	WOODARD & CURRAN	05/23/2024	Regular	0.00	727.50	57194

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	47	28	0.00	528,246.02
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	47	30	0.00	528,246.02

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2024	528,246.02
			<hr/> 528,246.02



Diablo Water District, CA

Payroll Check Register Checks

Pay Period: 4/27/2024-5/26/2024

Packet: PYPKT00384 - MAY 2024 PAYROLL 5-28-24 LP
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Check Type	Date	Amount	Number
PADILLA, GINO L	P02	Regular	05/31/2024	4,885.02	57195
TIERNAN, MARILYN M	T57	Regular	05/31/2024	308.22	57196
WEAVER, WAYNE A	W27	Regular	05/31/2024	8,600.10	57197



Diablo Water District, CA

Payroll Check Register

Direct Deposits

Pay Period: 4/27/2024-5/26/2024

Packet: PYPKT00384 - MAY 2024 PAYROLL 5-28-24 LP
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Date	Amount	Number
ALVARADO, HECTOR A	A85	05/31/2024	5,003.11	872
BELLECI, CHRISTINE	B32	05/31/2024	8,905.90	873
CASTOR, LaVONDA	C03	05/31/2024	7,440.18	874
CRAWFORD, CHAD D	C09	05/31/2024	5,831.29	875
DEJESUS, HUNTER J	D10	05/31/2024	5,800.57	876
FORD, WILLOW	F01	05/31/2024	4,744.57	877
GONZALEZ, JORGE R	G17	05/31/2024	8,608.75	878
GROOVER, MATTHEW J	G21	05/31/2024	4,789.38	879
GONZALES, SOPHIA M	G91	05/31/2024	7,355.52	880
HERRERA, JOHN P	H02	05/31/2024	5,067.14	881
KOVALICK, JOSEPH A	K01	05/31/2024	92.35	882
KNIGHT, KATHLEEN MARIE	K24	05/31/2024	7,314.16	883
McCoy, JENNIFER	L21	05/31/2024	10,868.49	884
LIRA, MICHAEL	L28	05/31/2024	7,158.32	885
LEYBA, SANDRA	L85	05/31/2024	6,353.49	886
MENDOZA, ATANACIO	M20	05/31/2024	8,731.64	887
MILINA, CHERI	M21	05/31/2024	4,401.47	888
MUELRATH, DANIEL B	M22	05/31/2024	15,013.42	889
PASTOR, SCOTT R	P03	05/31/2024	92.35	890
POSADA, LAUREN A	P89	05/31/2024	7,231.33	891
BALESTERI, REBECCA	R20	05/31/2024	4,932.80	892
ROMERO, LUIS J	R22	05/31/2024	7,830.40	893
SMITH, JAMES F	S55	05/31/2024	5,016.78	894
SEGER, PAUL S	S65	05/31/2024	184.70	895
SHAW, JASON R	S74	05/31/2024	92.35	896
VELAZQUEZ, CAMILO R	V01	05/31/2024	6,347.08	897



Diablo Water District, CA

Payroll Check Register Report Summary

Pay Period: 4/27/2024-5/26/2024

Packet: PYPKT00384 - MAY 2024 PAYROLL 5-28-24 LP
Payroll Set: Payroll Set 01 - 01

Type	Count	Amount
Regular Checks	3	13,793.34
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	26	155,207.54
Total	29	169,000.88



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank -AP Bank						
CCCEFCU0	1st NORTHERN CA	05/29/2024	Regular	0.00	3,500.00	57204
ACWAHPIT	ACWA/JPIA	05/29/2024	Regular	0.00	57,112.41	57205
DWPYRLTX	DIABLO WATER DISTRICT	05/29/2024	Regular	0.00	69,662.03	57206
LININS01	LINCOLN NAT'L LIFE INS	05/29/2024	Regular	0.00	3,558.59	57207
STANDINS	STANDARD INSURANCE CO	05/29/2024	Regular	0.00	3,205.04	57208
VISIONSR	VISION SERVICE PLAN	05/29/2024	Regular	0.00	560.40	57209

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	9	6	0.00	137,598.47
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	9	6	0.00	137,598.47

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2024	137,598.47
			<hr/>
			137,598.47

**DIABLO WATER DISTRICT
MONTHLY FINANCIAL REPORT
FOR PERIOD APRIL 1, 2024 TO APRIL 30, 2024**

Balance as of March 31, 2024	<u><u>\$18,426,890.95</u></u>
Receipts, April 2024	
Operating	966,798.36
Non-Operating (MERA, Admin, Inspection & Eng Fees & Contract Services)	43,887.39
Facilities Reserve	209,019.84
Interest	
General	22,948.28
MERA	1,463.17
Facilities Reserve	23,445.05
Investment activity (+ or -)	4,703.43
Disbursements, April 2024	
Operating	(915,055.60)
Facilities Reserve	(98,134.14)
Quarterly Bank Analysis Charges	0.00
Balance as of April 30, 2024	<u><u>\$18,685,966.73</u></u>

FUNDS (as of close of business on April 30, 2024)	AMOUNT
District General Fund	4,890,500.96
Restricted funds	
2019 Series Held in Trust by US Bank	0.00
2022 Loan Project Funds - LAIF Account	3,836,000.00
Facilities Reserve (<i>AB-1600 Requirements</i>)	6,865,831.65
Designated Funds	
Rate Stabilization Fund (Target \$1M)	1,000,000.00
Reserve Fund - Capital Reserve (Target \$2M by 2025)	750,000.00
Reserve Fund - Emergency Reserve (Target \$5M by 2030)	0.00
Main Extension Reimbursement (MERA)	539,670.36
Knightsen Well System (M25)	42,892.60
Willow Park Marnia Well System (M27)	17,867.59
Customer Deposits	346,120.00
Developer Admin, Inspection & Eng Deposit Totals	(200,374.18)
Current Active Projects	\$ (169,018.74)
Archived Projects	\$ 3,075.20
Projects on Hold	\$ (16,379.55)
Project for Tracking Purposes Only	\$ (16,764.55)
Accidents Pending Collection	\$ (1,286.54)
Subdivision #4990 Phase 3 Bond Deposit	300,000.00
51 Carol Lane Performance Bond	105,000.00
Cypress Self Storage Maintenance Bond	0.00
Substandard Street Investment	
Future Relocation of Bethel Island Road Offsite Waterline	192,000.00
District's Portion of Investment	457.75
TOTAL	<u><u>\$18,685,966.73</u></u>

DIABLO WATER DISTRICT
MONTHLY FINANCIAL REPORT
FOR PERIOD APRIL 1, 2024 TO APRIL 30, 2024
PAGE 2

INVESTMENTS/BANK ACCOUNTS
(as of close of business on April 30, 2024)

<u>INSTITUTION</u>	PAR VALUE	RATE OF INTEREST	MARKET VALUE
California Local Agency Investment Fund	*	4.272	8,474,750.21
BMO, General Checking Account	*		4,026,425.53
US Bank - 6712258600 <i>Held US Bank</i> - Value with Interest Earnings/Res Fund 2019			0.00
US Bank 6712258602 Reserve Fund - Series 2019	-	Varies	
US Bank 6712258603 Corpyard Project Fund - Series 2019	-	Varies	
MBS RMB-028036 <i>Held Bank of New York</i> - Value with Interest Earnings			6,184,790.99
MD 05/07/24 TSRY5727258 United States Treasury Bills	2,570,000.00	4.842	
MD 08/26/24 03065Q-AK-4 Americu Credit Union Rome N/CD	249,000.00	3.25	
MD 09/10/24 649447-VN-6 New York Cmnty Bk Westbury New York/CD	240,000.00	0.70	
MD 09/23/24 34520L-AF-0 Forbright BK Potomac/CD	245,000.00	3.45	
MD 09/30/24 550551-FY-6 Luther Burbank CVGS Santa Rosa Calif/CD	245,000.00	3.80	
MD 04/07/25 02589AC34 American Express Natl Bk Brokered Intl/CD	240,000.00	2.55	
MD 04/21/25 3133EMWH1 Federal Farm CR BKS Bond Rated AA+ Callable 4/21/22	400,000.00	0.71	
MD 04/30/25 20415QHS1 Community West BK N A Goleta Calif/CD	249,000.00	0.40	
MD 05/20/25 58404D-HB-0 Medallion BK Salt Lake City Utah/CD	249,000.00	0.85	
MD 06/19/25 29278TPQ7 Enerbank USA Salt Lake City/CD	245,000.00	0.70	
MD 06/30/25 740367LJ4 Preferred BK Los Angeles Calif/CD	151,000.00	0.70	
MD 09/25/25 05580A-XF-6 BMW BK North Amer Salt Lake City Utah/CD	249,000.00	0.50	
MD 10/23/25 88241TJJ0 Texas Exchange BK SSB Crowley/CD Callable 01/23/21	125,000.00	0.60	
MD 11/03/25 61768E-2P-7 Morgan Stanley Private BK Natl Assn/CD	243,000.00	5.05	
MD 05/14/26 06048W-L9-9 Bank Amer Corp Medium Term Rated A2 Callable 5/14/2	200,000.00	1.40	
MD 11/27/26 052392CC9 Austin Telco Fed Cr Un Tex Sc/CD	200,000.00	5.05	
MD 01/29/27 42869G-AA-4 Hickam Fed Cr Un Honolulu Hawaii SH CTF/CD	220,000.00	4.40	
MD 05/18/27 14042RRF0 Capital One Natl Assn Mclean VA/CD	230,000.00	3.20	
Multibank Interest, Money Management Fund	6,482.89		

TOTAL \$18,685,966.73

* Demand Account

The monthly Financial Report is in compliance with the District's Investment Policy (Reg. 111).
It is expected that there are sufficient funds to meet anticipated expenses for the next 6 months.

ACRONYMS

- ADMIN - Administration
- BK - Bank
- CD - Certificate of Deposit
- ENG - Engineering
- MBS - Multi-Bank Securities, Inc
- MD - Maturity Date
- MERA - Main Extension Reimbursement Account
- Mtg - Meeting
- RES - Reserve

DIABLO WATER DISTRICT
MONTHLY FINANCIAL REPORT
FOR PERIOD APRIL 1, 2024 TO APRIL 30, 2024
PAGE 3

HELD IN TRUST BY DIABLO WATER DISTRICT
For Board of Directors Information Only
 (as of close of business on April 30, 2024)

<u>INSTITUTION</u>	RATE OF INTEREST	MARKET VALUE
Lincoln National, Deferred Compensation (Quarterly)	Varies	1,187,330.27
CERBT Funds (Quarterly)	7.127% year/year	1,159,661.08
<i>TOTAL</i>		<i>\$2,346,991.35</i>

Deferred Compensation is pre tax money that has been deposited by District employees into the District's 457 Deferred Compensation Plan. All monies in the plan are held in trust by the District for the exclusive benefit of each employee.

CERBT Funds - California Employers' Retiree Trust Fund is administered by CalPERS. The interest earned on the District's balance in this Trust Fund is used to pay the Diablo Water District portion of retiree medical benefit premiums. If requested by the District, CalPERS reimburses the District each July from the Trust Fund for the previous year's total cost of retiree medical benefit premiums.

COUNTY WELL FUND BALANCES

<u>Knightsen (M25)</u>	<u>Expenses</u>	<u>Income</u>	<u>Total Fund Balance</u>
FY 07/08	(6,686.92)	6,234.61	(23,573.85)
FY 08/09	(7,727.20)	6,678.44	(24,622.61)
FY 09/10	(10,755.47)	6,597.68	(28,780.40)
FY 10/11	(14,038.87)	6,436.27	(36,383.00)
FY 11/12	(12,396.89)	8,286.50	(40,493.39)
FY 12/13	(10,137.89)	8,883.84	(41,747.44)
FY 13/14	(6,200.51)	12,272.06	(35,675.89)
FY 14/15	(6,932.58)	15,655.41	(26,953.06)
FY 15/16	(8,416.99)	16,875.62	(18,494.43)
FY 16/17	(8,785.34)	17,273.74	(10,006.03)
FY 17/18	(7,922.88)	20,365.36	2,436.45
FY 18/19	(11,864.02)	17,841.20	8,413.63
FY 19/20	(9,223.40)	19,299.15	18,489.38
FY 20/21	(15,538.25)	16,817.08	19,768.21
FY 21/22	(11,441.81)	18,374.15	26,700.55
FY 22/23	(9,348.58)	20,744.48	38,096.45
FY 23/24 (As of Apr)	(14,434.57)	19,230.72	42,892.60

<u>Willow Park (M27)</u>	<u>Expenses</u>	<u>Income</u>	<u>Total Fund Balance</u>
FY 07/08	(18,540.27)	35,856.74	93,589.03
FY 08/09	(22,923.46)	37,741.56	108,407.13
FY 09/10	(18,061.81)	36,018.24	126,363.56
FY 10/11	(23,516.61)	36,036.01	138,882.96
FY 11/12	(24,035.34)	36,667.17	151,514.79
FY 12/13	(47,529.75)	34,738.68	138,723.72
FY 13/14	(49,171.53)	39,995.81	129,548.00
FY 14/15	(13,720.87)	40,031.50	155,858.63
FY 15/16	(15,238.28)	40,514.09	181,134.44
FY 16/17	(71,763.56)	40,811.23	150,182.11
FY 17/18	(127,061.18)	42,658.12	65,779.05
FY 18/19	(115,739.39)	44,305.39	(5,654.95)
FY 19/20	(36,613.13)	46,080.33	3,812.25
FY 20/21	(98,331.00)	48,344.04	(46,174.71)
FY 21/22	(35,917.18)	56,310.23	(25,781.66)
FY 22/23	(49,426.10)	67,652.30	(7,555.46)
FY 23/24 (As of Apr)	(45,449.95)	70,873.00	17,867.59

DIABLO WATER DISTRICT
BANKING ACTIVITY for May 2024
June 12, 2024

TRANSACTION TYPE	DATE	PAYABLE TO	FOR	AMOUNT
Electronic Debit	05/01/24	State EDD	State Withholding - April 2024 Payroll	14,863.82
Electronic Debit	05/02/24	CalPERS	SIP 457 Deferred Comp - April 2024 Payroll Deductions	8,179.66
Electronic Debit	05/02/24	CalPERS	CalPERS Retirement Contributions - April 2024 Payroll	46,171.29
Electronic Debit	05/02/24	Multibank	New Investment - Morgan Stanley PVT Bank CD	243,000.00
Electronic Debit	05/02/24	Global Payments	Credit Card Processing Fees - Open Edge (Apr)	10,014.69
Electronic Debit	05/07/24	Merchant Bankcard	Credit Card Processing Fees - Vantiv (Apr)	322.84
Electronic Debit	05/30/24	State EDD	State Withholding - May 2024 Payroll	12,463.85
Electronic Debit	05/30/24	CalPERS	SIP 457 Deferred Comp - May 2024 Payroll Deductions	8,179.67
Electronic Debit	05/30/24	CalPERS	CalPERS Retirement Contributions - May 2024 Payroll	52,724.03
Electronic Debit	05/31/24	DWD Direct Deposit	Payroll May 2024 - Direct Deposit (See Warrant Reg)	155,207.54
TOTAL ACTIVITY				551,127.39

The above Banking Transactions for May 2024 were given to the Board of Directors for their review as part of the June 12, 2024 Board Meeting.

Jennifer McCoy

 Jennifer McCoy
 Finance & Accounting Manager

June 4, 2024

 Date

DIABLO WATER DISTRICT

June 12, 2024 Board Meeting

Item Number 5

TO: Each Director
FROM: Jennifer McCoy, Finance & Accounting Manager
SUBJECT: Corrected Authorization to Mail Prop 218 for the District's M25 Well System.

The District owns and operates three financially-independent well systems that are separate from the District's larger water distribution system. Revenues and expenses for the well systems are tracked independently, and rates are set based on current and future cost estimates. Expenses for this system are experiencing high inflationary pressure for energy and chemical expenses in addition to individually identified items below. The numbers presented last month for M-25 were incorrect and the error was caught before mailing the Prop 218 notification.

Knightsen Well System M-25 (23 customers): fund balance historically stays in the positive; however, the District strives to increase the investments in this well system to include: SCADA, a backup generator for power outages, the installation of security cameras, and building a larger emergency reserve balance for large assets items (pumps, tanks, etc.). Staff recommends shifting from bi-monthly to monthly billing to align with all other District billing cycles, in addition to increasing the monthly water service charge rates by 15% to the following:

<u>Size of Meter:</u>	<u>Service Charge Amount:</u>
5/8"	\$97.24
1"	\$136.13
1 1/2"	\$175.03
2"	\$281.99
3"	\$1,069.63

RECOMMENDATION:

Authorize the mailing of Prop 218 notifications for the proposed rate increase to the District's M25 Well System.

Jennifer McCoy

Jennifer McCoy
Finance & Accounting Manager

Attached: M25 Prop 218 Letter



County Well System M-25 Knightsen

NOTICE IS HEREBY GIVEN that the Board of Directors of Diablo Water District shall hold a public hearing at 6:30 p.m. on August 28, 2024, at the office of the District at 87 Carol Lane, Oakley, California. You can find the login information for the meeting on our website www.diablowater.org and click on board agendas and minutes.

At such time, the Board will consider a proposal to shift from bi-monthly to monthly water billing, as well as to increase the monthly service charge rates by 15% for well system M25 water service from Diablo Water District to the following:

<u>Size of Meter:</u>	<u>Service Charge Amount:</u>
5/8"	\$97.24
1"	\$136.13
1 1/2"	\$175.03
2"	\$281.99
3"	\$1,069.63

This increase is necessary to cover rising costs in utilities, chemicals, and labor, as well as upcoming future expenses such as the installment of a security camera system, an emergency back-up generator for power outages and the addition of remote supervisory and security controls for the well system. Additional expenses over the next 5 years are projected to be approximately \$275,000 and would result in a negative fund balance without the proposed rate increase.

This well system is also subject to District Regulations No. 6 & 7 as they relate to backflow prevention service charges and the conditions of water service delivered.

A written protest against the proposed increase may be mailed or delivered to Diablo Water District at 87 Carol Lane, P.O. Box 127, Oakley, CA 94561 and must be received before the close of the Public Hearing on August 28, 2024.

Please call the Finance and Accounting Manager at Diablo Water District, Jennifer McCoy, at 925-625-0484 if you have any questions.

M25 WELL FUND BALANCES

<u>Knightsen (M25)</u>	<u>Expenses</u>	<u>Income</u>	<u>Total Fund Balance</u>
FY 07/08	(6,686.92)	6,234.61	(23,573.85)
FY 08/09	(7,727.20)	6,678.44	(24,622.61)
FY 09/10	(10,755.47)	6,597.68	(28,780.40)
FY 10/11	(14,038.87)	6,436.27	(36,383.00)
FY 11/12	(12,396.89)	8,286.50	(40,493.39)
FY 12/13	(10,137.89)	8,883.84	(41,747.44)
FY 13/14	(6,200.51)	12,272.06	(35,675.89)
FY 14/15	(6,932.58)	15,655.41	(26,953.06)
FY 15/16	(8,416.99)	16,875.62	(18,494.43)
FY 16/17	(8,785.34)	17,273.74	(10,006.03)
FY 17/18	(7,922.88)	20,365.36	2,436.45
FY 18/19	(11,864.02)	17,841.20	8,413.63
FY 19/20	(9,223.40)	19,299.15	18,489.38
FY 20/21	(15,538.25)	16,817.08	19,768.21
FY 21/22	(11,441.81)	18,374.15	26,700.55
FY 22/23	(9,348.58)	20,744.48	38,096.45
FY 23/24 (As of Apr)	(14,434.57)	19,119.45	42,781.33

DIABLO WATER DISTRICT

June 12, 2024 Board Meeting

Item Number 6

TO: Each Director

FROM: Dan Muelrath, General Manager
Jennifer McCoy, Finance & Accounting Manager

SUBJECT: Fiscal Year 2024/25 Budget Approval.

The attached Fiscal Year 2024/25 final budget represents Staff's efforts to incorporate the Board's direction given during earlier Board meetings this year, as well as the operational needs of the District.

RECOMMENDATION:

Adopt the Fiscal Year 2024/25 Budget.

Dan Muelrath

Dan Muelrath
General Manager

Attached: Fiscal Year 2024/25 Final Budget

DIABLO WATER DISTRICT

FISCAL YEAR 2024/25 BUDGET



Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.

FEATURES:
RECAP OF FY 2023/24
DISTRICT UPDATES
DISTRICT VISION
FY 2024/25 BUDGET
STRATEGIC PLAN

Acronyms Used

CCWD	Contra Costa Water District	IT	Information Technology
CIP	Capital Improvement Project	IVR	Interactive Voice Response
COP	Certificate of Participation	JPIA	Joint Powers Insurance Authority
CSDA	California Special Districts Association	LAFCO	Local Agency Formation Commission
DEI	Diversity, Equity, and Inclusion	LAIF	Local Agency Investment Fund
DPR	Direct Potable Reuse	LTD	Long-Term Disability
EOC	Emergency Operations Center	MEDI	Medicare
ESG	Environmental, Social & Governance	MERA	Main Extension Reimbursement Assessment
EV	Electric Vehicle	O&M	Operations and Maintenance
FEMA	Federal Emergency Management Agency	OPEB	Other Post-Employment Benefits
FICA	Federal Insurance Contributions Act	PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
FR	Facilities Reserve Fund	RBWTP	Randall-Bold Water Treatment Plant
FTE	Full-Time Equivalent	R1	Reservoir 1 - 2.5-million-gallon reservoir
FY	Fiscal Year	R2	Reservoir 2 - 5-million-gallon reservoir
GF	General Fund	R3	Reservoir 3 - 5-million-gallon reservoir
GFOA	Government Finance Officers Association	SCADA	Supervisory Control and Data Acquisition
GHG	Greenhouse Gas	SCOCO	Sustainable Contra Costa
GIS	Geographical Information System	SMS	Short Message Service
GM	General Manager	STD	Short-Term Disability
GSA	Groundwater Sustainability Agency	SWRCB	State Water Resources Control Board
GSP	Groundwater Sustainability Plan	UCMR	Unregulated Contaminant Monitoring Rule
HR	Human Resources	T&D	Transmission and Distribution
		WTP	Water Treatment Plant

Cover Photos (from left column to right column):

Diablo Water District Construction & Maintenance Crew Emergency Valve Replacement

Big Break Marina, Oakley

New Emergency Operations Center with Staff

Fire Flow Testing, Oakley Logistics Center

District Board of Directors with Summer Series Winner

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General Manager's Message



This past Fiscal Year 2023/24, the District continued to position itself as a highly responsive public water district, connected to and fulfilling the needs of our community. This community is the same one that voted on and established the District over 70 years ago, so we recognize the value of public trust and strive to strengthen that trust and commitment every day.

Under the guidance of our elected Board, we made great strides in increasing the resiliency of our water system, employees, and facilities over the past year. This is highlighted by the completion of our emergency operations center, a project five years in the making, from conceptual drawings to project completion. This critical investment stands to benefit the community by preparing us to quickly address routine emergencies, such as water main breaks, as well as larger-scale natural disasters.

As always, we value and encourage public engagement. Please reach out to us to discuss how we can better serve you or to participate in programs we already offer. Your input is vital as we strive to continually enhance our services to meet and exceed both current and future demands.

Email us anytime at customers@diablowater.org.

Working together, I am confident that we will continue to provide sustainable, high-quality water, coupled with exceptional customer service. I am honored to present the Fiscal Year 2024/25 Budget.

Dan Muelrath, General Manager
Diablo Water District



GM: Dan Muelrath

Board of Directors



Marilyn Tiernan
President



Scott Pastor
Vice President



Paul Seger
Director



Joe Kovalick
Director



Jason Shaw
Director

Diablo Water District is an independent, self-governing local public agency created on May 7, 1953, under the County Water District Law of California. The District is governed by an elected five-member Board of Directors.

The District is dedicated to environmentally responsible operations, adhering to principles of sound business and engineering to deliver exceptional service at the lowest reasonable cost. We are committed to equitable treatment of all customers and employees.

The District, with a staff of 27 budgeted employees, obtains, treats, and supplies water for about 45,000 people and the parks, schools, and businesses throughout a 21-square-mile area consisting of Oakley, Cypress Corridor, and Hotchkiss Tract, as well as Summer Lakes, and portions of Bethel Island and Knightsen.

Implementing Our Mission & Vision

As stewards of our community's water resources, we are committed to environmental responsibility in all of our operations. Our mission drives us to lead in delivering high-quality water, exceptional customer service, engaging with the public, furthering technical innovation, and managing our finances efficiently and responsibly.

Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.



In Fiscal Year 2023/24, the District prioritized long-term water solutions in alignment with our goal to achieve carbon neutrality by December 31, 2027, 18 years ahead of the state mandate. We pursued a regional strategy to improve water supply and operational efficiencies, collaborating with local agencies on projects and initiatives aimed at ensuring a resilient water future. Our investments included maintaining and enhancing our current water system and mains on a 100-year replacement cycle, alongside targeted outreach funded by grants to explore expanding the use of recycled water to enhance our water supply portfolio.

Our Vision: We are a valued community resource.



Ensuring reliable access to water whenever it's needed remains our top priority. We've dedicated ourselves to meeting the diverse needs of our customers through both in-person and online resources.

Our committed staff is available 24/7 to promptly respond to emergency repairs. Nearly all water main and service line repairs are conducted in-house, ensuring prompt resolution of leaks to save water and minimize interruptions to our customers' water service.

Through ongoing investments in technology and equipment, we aim to deliver excellent service to our customers while safeguarding the resources entrusted to us.

Our Guiding Principles

The District adopted its guiding principles to ensure that all decisions and operations align with the mission and vision. Serving as a beacon, these principles navigate the challenges and changes in the water industry, guiding us toward our goal of building a resilient and sustainable future. They are essential for maintaining integrity, efficiency, and innovation, enabling us to remain an industry-leading agency focused on fulfilling our mission of providing safe, reliable, and high-quality drinking water to our customers.

Public service is at the heart of everything we do.



We are focused on long-term water solutions.

Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



We are driven by excellence.

By providing outstanding customer service, high-quality water, and industry best practices in safety.



We are leaders in environmental and sustainable projects.

Through focusing on carbon neutrality, groundwater sustainability, and a one water approach.



We are transparent with financial and policy decisions.

Through treating rate payer's funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We are committed to diversity, equity, and inclusion.

Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

Current Strategic Initiatives

Carbon Neutrality - Resiliency - Recycled Water - Groundwater Sustainability



Diablo Water District continues its commitment to a Carbon-Neutral future. Following the Board resolution adopted in 2021 to achieve carbon neutrality by the end of 2027, the District allocates a portion of its budget to this goal through local, job-producing solar installations and the conversion of its fleet to electric. The District has already installed solar panels at its main office, and the new emergency operations center is fully electric and will be 100% offset with onsite solar.

Living at the confluence of the Sacramento and San Joaquin Rivers, in the heart of the Delta and earthquake country, requires advanced planning and investments in resilient infrastructure. The water district is currently earthquake-retrofitting your water reservoirs and designing future infrastructure to be hardened to future floods and other natural disasters. The overall goal is to maintain water service during a natural disaster.



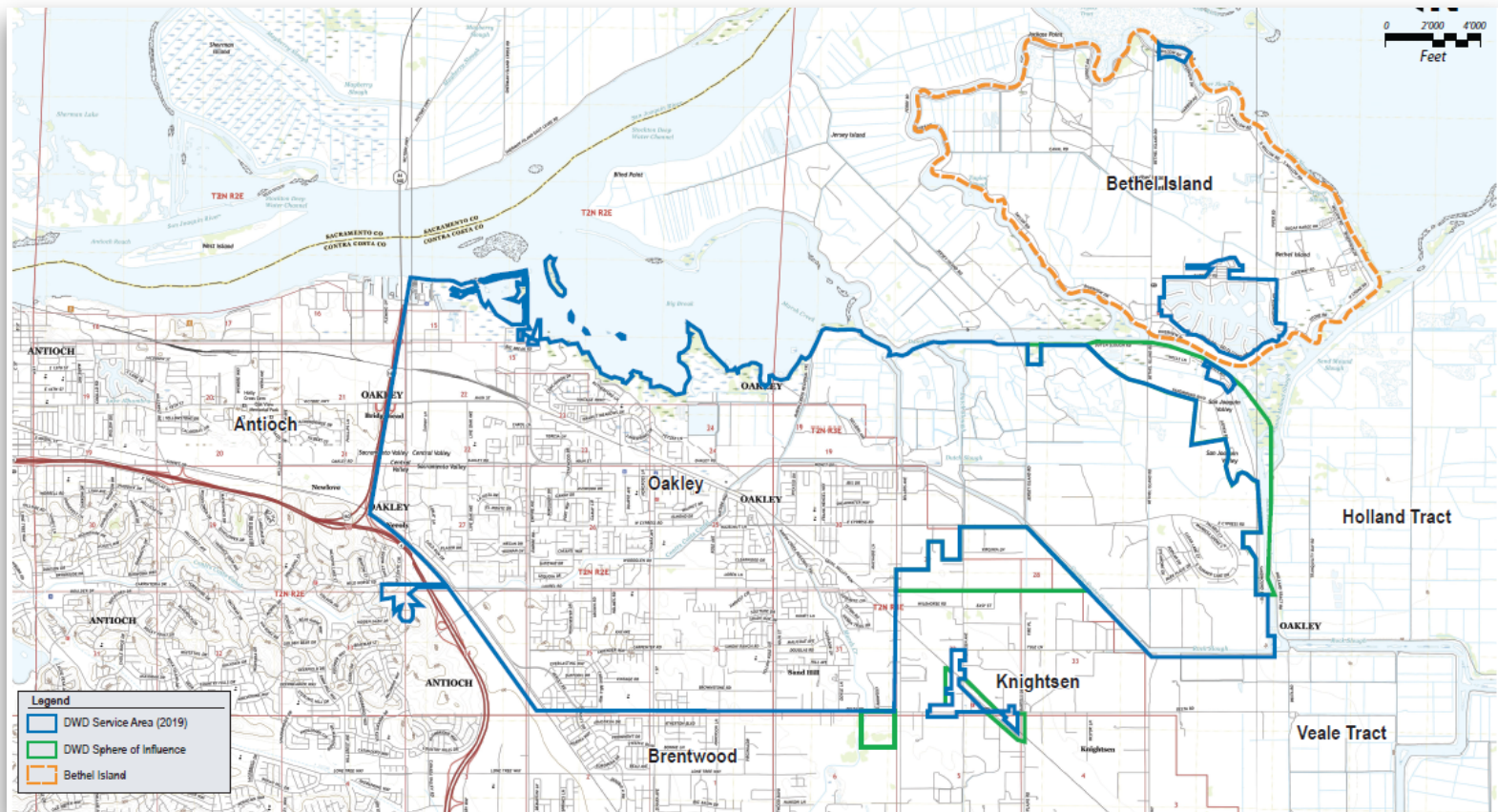
One of the best ways to extend the District's current potable water supply is through the use of recycled water. Diablo Water District has partnered with Ironhouse to research the potential for direct potable reuse. The first steps of public opinion surveys have been completed. The next step is to complete a demonstration facility for the public to visit.

Diablo Water District also serves as the Groundwater Sustainability Agency (GSA) responsible for the future health of our groundwater aquifer. Through advanced groundwater monitoring and continual reporting, the District will continue to lead the way to a sustainable future.



View our complete Strategic Plan here ([Appendix B](#)).

District Service Area Map



Diablo Water District currently provides water to Oakley, Cypress Corridor, and Hotchkiss Tract, as well as Summer Lakes, and portions of Bethel Island and Knightsen.

The District remains committed to enhancing long-term water resilience and exploring additional water supply opportunities to accommodate the growth and expansion of our service area. We are currently actively pursuing two separate grants to facilitate consolidation opportunities for surrounding disadvantaged communities experiencing primary and secondary water quality exceedances. Our aim is to secure 100% grant funding for these projects.

- Water mutuals on Sandmound have experienced primary arsenic exceedances in their water supply and have agreed to consolidate with the District. This project has developed 90% plans for consolidation, with construction anticipated to commence in Fall 2025.
- Water mutuals on Bethel Island, facing secondary exceedances, have engaged in discussions with the District regarding voluntary consolidation facilitated by District outreach efforts. Currently, we are assessing the feasibility of extending consolidation to 13 additional water systems in Bethel Island.

Please reference [Appendix C](#) for a detailed breakdown of the community we serve.

A Year in Review

Fiscal Year 2023/24

Water Resources

- Continued Blue Sky Planning Alternative Water Study exploring future water supply sources.
- Completed UCMR 5 Sampling for PFAS - no PFAS recorded.
- Completed all internal backflow testing.
- Secured a grant agreement to expand the use of recycled water in our service area.

Infrastructure

- Purchased generator for continued use of pumping well water during a power outage.
- Installed a recycled water main for landscape irrigation.
- Contributed to the design of a parallel pipeline to ensure water resiliency.
- RBWTP CIP Projects - HighLift pump motor rebuild and pump replacement.

Employees

- Attained certifications beyond industry requirements.
- Initiated ergonomic assessments to prioritize injury prevention.
- Developed a leadership academy to foster professional growth.
- Created career advancement paths and a compensation schedule to align with industry standards.

Sustainability

- Actively mitigated water loss through leak detection and meter calibration.
- Supplied water at community events to diminish the use of single-use plastic bottles.
- Implemented solar panels at the new EOC, designed to completely offset energy consumption.
- Registered with Climate Registry for GHG tracking.

Community

- Public outreach to explore recycled water usage.
- Continued consolidation efforts for Sandmound and Bethel Island.
- Granted two scholarships, supported targeted events, and provided educational resources for students.
- Enhanced resources to cater to the diverse needs of our customers.

Governance

- Awarded GFOA Distinguished Budget, CSDA Transparency Certificate of Excellence, SCOCO Leadership in Sustainability, and achieved a clean audit.
- Implemented Cybersecurity industry best practices, including 24/7 monitoring of assets.
- Completed sanitary survey with SWRCB with zero deficiencies noted.

Looking Forward Fiscal Year 2024/25



Goals for the Year

1. Install two publicly accessible electric vehicle chargers at the new EOC/Corporation Yard.
2. Conduct in-depth customer service survey to enhance service quality and gather feedback from customers.*
3. Acquire two electric vehicles to help achieve District's carbon neutrality goal and reduce emissions.
4. Implement Procore Project Management Software to optimize project development processes.
5. Install Stonecreek Well Filter to mitigate manganese in well water.*
6. Deploy remote access water meters to pilot remote shut-off functionality, monitor water pressure, and track water temperature.
7. Complete comprehensive SCADA system upgrade to enhance monitoring and control capabilities.
8. Collaborate with local agencies to develop mutual aid agreements during emergencies.
9. Host grand opening and commence operations at District's EOC/Corporation Yard.
10. R2 Phase 2 Seismic Retrofit to reinforce infrastructure and enhance resilience against earthquakes.

* These goals were carried over from FY 2023/24 due to financial and staffing constraints.



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facebook.com/diablowaterdistrict

Administration Team

- Implement Board Policy Direction
- Finance
- Accounting
- State and Federal Reporting
- Utility Billing
- Customer Service
- Water Conservation
- Education and Outreach
- Public Information
- Legal Compliance
- Legislative Affairs
- Human Resources

Oversees all aspects of District leadership and management. Prepares monthly financial reports, annual operating budgets, manages new bond issuances, serves as internal auditor, and assists with external auditors to safeguard the financial health of the District.

Manages and prepares monthly billing, establishes and maintains accounts, and delivers valuable customer service. Implements water conservation education initiatives, including personal outreach through conservation kit delivery and the Lawn to Garden rebate program.

Engages with customers through targeted community outreach events and resources to enhance communication and service delivery. Manages employee relations, including recruitment, benefits administration, retirement planning, training, workers' compensation, and safety protocols.



Initiatives & Objectives

Grant Funding

Leverage grant and federal funding for resiliency projects, including R1 & R2 seismic, recycled water, and parallel pipeline.

ESG Investments

Reinvest District reserves into ESG-compliant funds as they mature.*

Employee Development

Continue DEI training and develop leadership academy for employees' professional growth.

Customer Service Survey

Conduct customer service survey to identify areas to enhance public engagement and customer service.

* View our complete ESG Investment Policy here ([Appendix D](#)).

Water Operations Team

- Water Quality
- Water Treatment
- Well Operations
- State Reporting
- SCADA
- Groundwater Sustainability Plan (GSP)
- Reservoir Operations and Maintenance
- Advance Metering Infrastructure
- Field Customer Service

Monitors and maintains systems and equipment to ensure safe drinking water, including SCADA systems, analyzers, chemical feed pumps, and mechanical equipment. Plans, operates, and sustains infrastructure to meet both current and future water needs, as well as rehabilitate or replace existing infrastructure as outlined in the District's CIP to ensure optimal facility operation over time. Protects the distribution system from contamination or pollution through water quality monitoring programs while adapting to emerging regulatory requirements.

Prioritizes customer inquiries, fostering trust through responsive service and positive experiences. Manages the District's Blending Facility to ensure consistent water quality for all customers by blending locally produced groundwater with treated surface water from the RBWTP. Operates groundwater facilities in a responsible and sustainable manner.



Initiatives & Objectives

Stonecreek Well Filter
Install well filter to remove manganese for improved water quality and resiliency.

SCADA Upgrade
SCADA system upgrade for monitoring and control to meet industry standards and support Cybersecurity initiatives.

Remote Access Water Meters
Deploy water meters with remote access for emergency water shut-offs and to monitor pressure throughout the distribution system.

Recycled Water
Continue public outreach and the design of the DPR facility for education and training on water reuse and its benefits.

Advanced Planning and Construction Team

- Long-Range Planning
- Engineering
- New Development
- Capital Improvement Projects
- Backflow Testing
- Valve and Hydrant Maintenance
- Resilience/Risk Management
- IT/Cybersecurity
- Grants

Plans for the future of the District through comprehensive long-range planning documents spanning 25+ years, addressing water supply sources, water demands, future developments, annexations, and enhancements to water system facilities.

Ensures the resilience and risk management of existing and future facilities under the purview of the District. Collaborates with the District's risk-sharing pool under a JPIA to mitigate potential risks and exposures effectively.

Coordinates with developers, engineers, contractors, and homeowners seeking new or modified water services or extensions to water mains. Supervises the maintenance, replacement, installation, and repair of the District's facilities to uphold the quality and reliability of the distribution system.



Initiatives & Objectives

Reservoir & Pump Station

Begin construction of the new reservoir and pumps at Delta Coves to provide resiliency for water distribution and fire fighting use.

Occupation of Corporation Yard

Occupy the new carbon-neutral, 100% solar-offset emergency operations center/corporation yard.

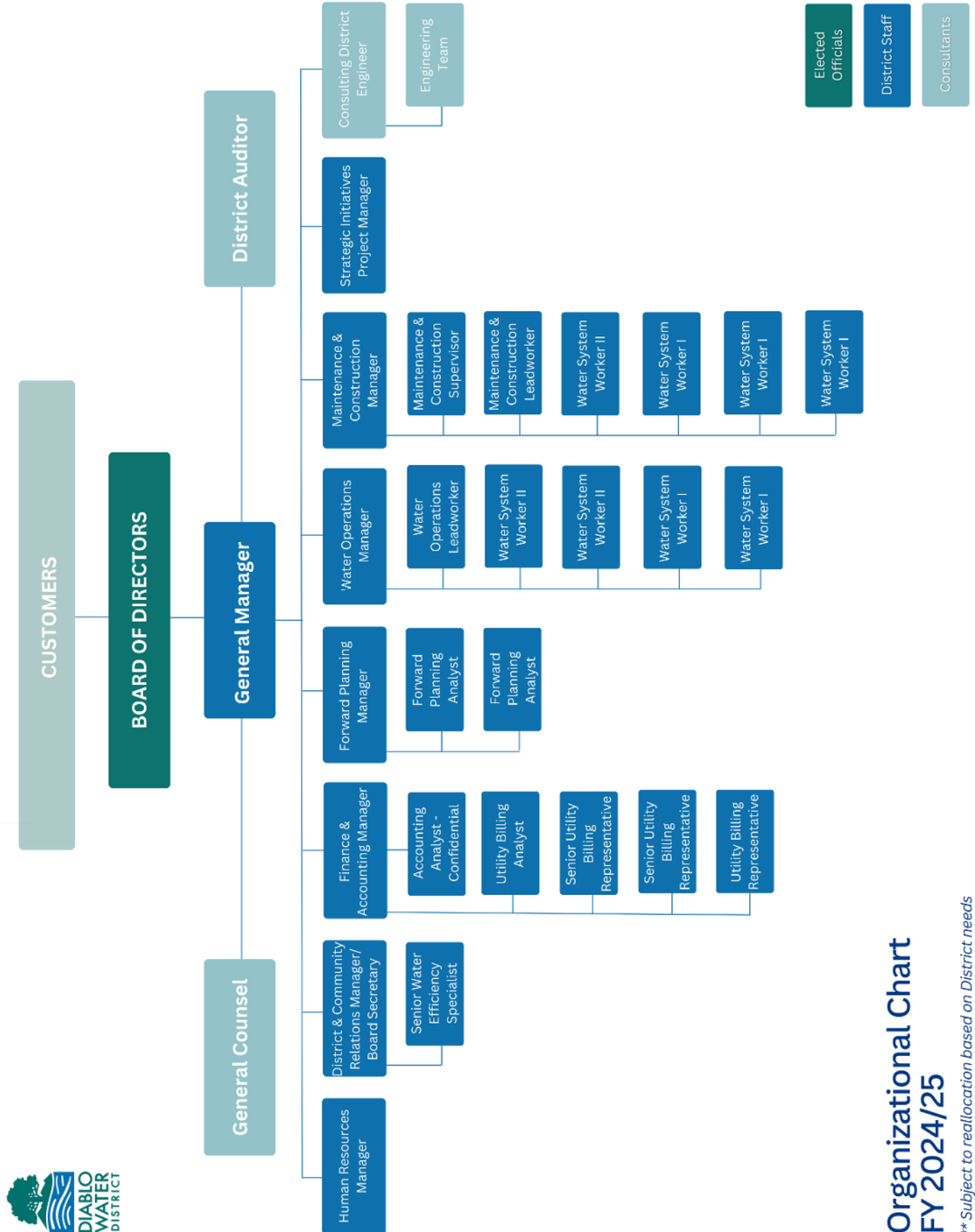
EV FLEET

Acquire two electric vehicles to support carbon neutrality goals, reduce emissions, and promote sustainability.

Cybersecurity

Partner with third-party services, federal and state agencies, to enhance cybersecurity measures aimed at protecting our water systems and data.

District Organizational Chart



Organizational Chart FY 2024/25

** Subject to reallocation based on District needs

Please refer to [Appendix A](#) for a detailed breakdown of District employees and the employee compensation schedule.

Budget Process



Our Budget Process

Diablo Water District is committed to sustainable practices and operating with an environmentally and fiscally responsible mindset. The District understands that the decisions made today affect the water of tomorrow. The budget process is an important part of planning for the future with infrastructure improvements, investments in alternative water sources, and continued training of District staff.

The District adopts the budget on an annual basis. The annual process begins in January with strategic planning, including anticipated future CIP projects, followed by policy direction from the Board of Directors in February, and continues in March with the management team beginning financial review, planning, and development. District policies, initiatives, and long-term strategic planning are at the forefront of this process. The District also identifies all funding and revenue sources that will support these expenditures. The Board of Directors is presented with ongoing updated reports through public board meetings, where the public and Board of Directors are encouraged to participate.

Staff from all areas of the organization are essential to the budget process. Management regularly meets with members of their teams for requested resources and improvements needed and collectively brings this information forward in weekly management meetings for review and approval. Staff then incorporates Board input and direction and refines budgeted revenue and expenses as needed. If an item is needed after the budget has been adopted, the Board of Directors has the legal authority to approve additional expenditures, as long as the budget remains balanced at the end of the fiscal year. This would require reallocating other items.

The District prides itself on transparency and including the community at all levels of decision-making. The District values input and feedback from ratepayers and continues to make communication and participation easy and feasible for all. The District communicates regularly through social media platforms, as well as through monthly E-Newsletters and bill notifications, about all ongoing financial policies, discussions, and decision-making. Members of the public continue to have the opportunity to provide public input in person or virtually, during monthly board meetings.

The Board of Directors is presented with a draft budget to review at the May board meeting. Additional direction is received, and revisions are made. The final budget is then brought before the Board of Directors at the June board meeting for adoption.

District staff and Board Members work diligently on the budget and budget document throughout the year.
This year, over 400 hours were invested in preparing the budget.

FY 2024/25 Budget

The District has an inclusive budgeting process that involves team members from all levels of the District. With the Board of Directors setting the policy direction, the District’s management team works with their colleagues to identify the needs and resources required to achieve the policy goals. While the current economic environment of supply chain constraints and high inflation, coupled with weather extremes that impact water demands, is presenting a challenging time for budget forecasting, the balanced budget presented preserves the District’s reserves, maintains required debt coverage ratios, and allows future flexibility.

Over the next five years, the District is making a concerted effort to reduce risk and increase the resiliency of the water distribution system and future water supply by investing more than \$26 million. The identified risks and budgeted projects focus on these main areas:

- Earthquake / seismic retrofits.
- Security upgrades, including Cybersecurity.
- Backup power for public safety power shut-offs.
- Climate change adjustments for long-range planning and infrastructure impacts.
- Elimination of District-generated Greenhouse Gases (pumping, fleet, etc.).
- Improved water quality.

The ending fund balances shown in Figure 1.1 below show a healthy financial picture for both the District's General Operating Fund and the growth of future reserves. Assumptions that may impact future projections include, but are not limited to:

- Weather extremes that cause reductions in water demands.
- Wholesale water rates.
- Interest rates causing a slowdown in construction and new connection fees.

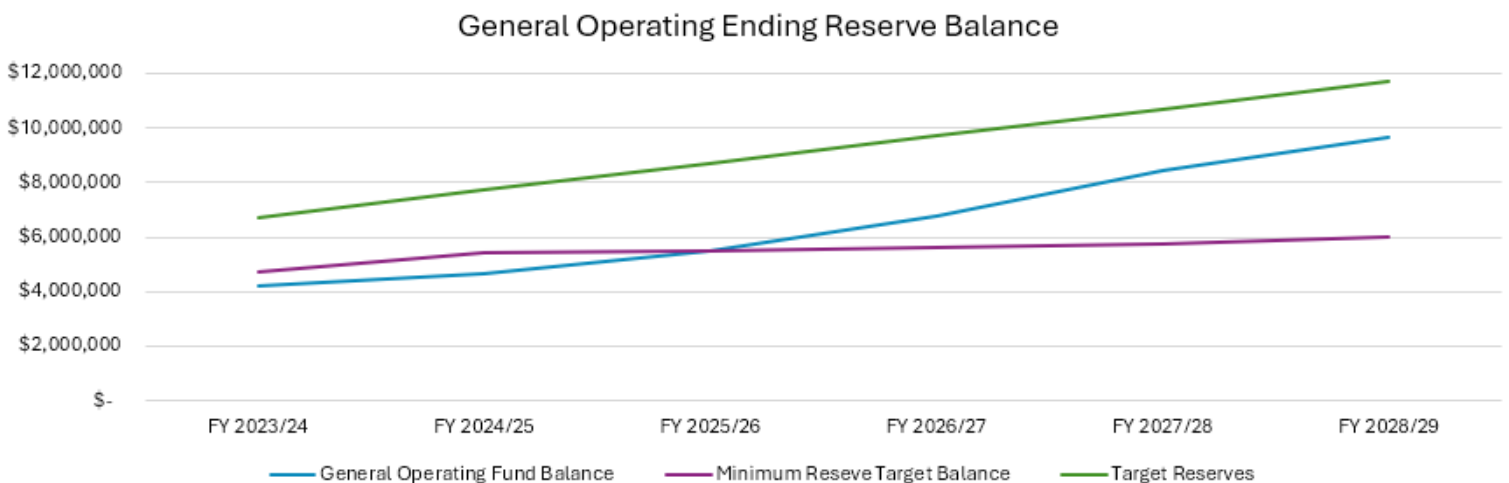


Figure 1.1

Projected Future Expenses

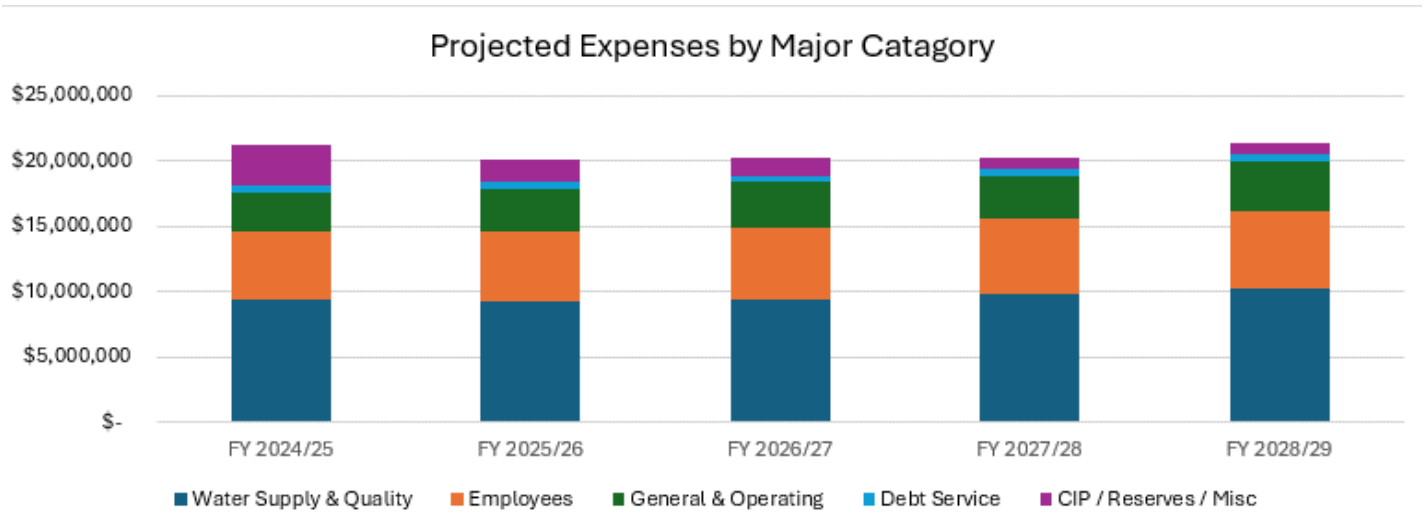


Figure 1.2

The District manages a 10-year long-range financial and rate model forecasting tool. This tool allows the District to anticipate and analyze future revenue requirements and associated water rates to support future expenses.

Over the next 10 years, the following cost categories are the largest drivers of increased future expenses:

- Cost to purchase wholesale water.
- Increases to the District's reserve fund balances.
 - Establish capital reserve
 - Establish emergency reserves
- Additional capital improvement repair and replacement projects.
- Inflationary pressure on chemicals, fuel, and materials.
- Large expenses at Randall-Bold Water Treatment Plant.
- Climate Change and Resiliency project expenses.
- Development of resilient water supplies to match future demands and weather variability.



Integrity is our guiding principle. The District remains transparent with all financial and policy decisions. In 2024, we will conduct a full rate study to support future revenue requirements and update our rate model. Please visit our website for more information about our best-value water rates.

We recognize the financial impact of rate adjustments on our customers and reaffirm your District water rates are based on the actual cost of providing water service.

General Operating Fund 01

Revenue:

In Fiscal Year ending June 30, 2024, the District's income from water sales is estimated to be \$13.9 million, which is 6% below budget. This shortfall is due to the historic 3-year drought followed by two above-average rainfall winters that have suppressed water demands.

Fiscal Year 2024/25 income from water sales is estimated to be \$18.1 million, which reflects a 22% increase due to new connections and an inflationary-driven rate pass-through [1].

Fiscal Year 2024/25 Budgeted Total Revenue = \$21.7 million. This includes revenue from all sources, excluding Facilities Reserve fund revenue:

- Water sales.
- Check valve charges.
- Miscellaneous income.
- Interest / rental income.
- Reimbursements (wells systems and developers).
- Grant income for R2 seismic improvement.

Expenses:

As of June 30, 2024, the District's estimated operating expenses are \$72,975 higher than budgeted, primarily due to the higher-than-expected cost of wholesale water. However, the delayed hiring of one budgeted staff position, along with other miscellaneous savings, leaves the District's overall expenses \$99,573 below budget.

Fiscal Year 2024/25 expenses reflect the following priorities, purchases, and project expenses:

- Increase in the costs of wholesale water purchases.
- Customer service survey.
- RBWTP O&M and CIP projects.
- 1.5 new positions.
- Final design for a parallel pipeline from R2/3 to the main transmission system.
- SCADA system upgrades.
- Cybersecurity and alarm improvements.
- Mini excavator.
- East Cypress Parallel 20" transmission water main (city/developer installed).
- Furnishing and equipping a new Emergency Operations Center / Corporation Yard.
- 3.8% [2] cost-of-living adjustment.

[1] 4% increase in February 2024, plus the wholesale rate pass-throughs.

[2] Based on San Francisco Bay Area Consumer Price Index of 3.8% (April 2023 to April 2024)

Facilities Reserve Fund 02

Revenue:

In Fiscal Year ending June 30, 2024, the District's estimated income from developer connection fees is \$1.7 million, which is \$1 million lower than budgeted due to higher interest rates.

Fiscal Year 2024/25 Budgeted Total Revenue = \$2.5 million, which is down 14% from the previous Fiscal Year and still lower than historical trends. The District expects new connections to stabilize around 200 connections per year, which is down over 50% from the pandemic-inspired boom.

Expenses:

As of June 30, 2024, the District's estimated expenses are \$2.3 million less than budgeted due to deferring one capital project to next fiscal year.

Fiscal Year 2024/25 expenses reflect the following priorities, purchases, and project expenses:

- Finish engineering the parallel pipeline from reservoirs to transmission mains.
- Iron and Manganese filter for Stonecreek Well.
- East Cypress parallel 20" transmission water main (city/developer installed).
- Randall-Bold Water Treatment Plant Capacity Preservation Projects.
- Initial investigation of additional water rights.

MERA Funds

The main extension reimbursement assessment (MERA) is the funding mechanism to reimburse the costs for water main extensions constructed by developers that are oversized beyond what is required to serve the development. Funds in this account are provided by developers and are paid back out to developers.

Well Funds

Well Systems M25 and M27 have been reviewed, and proposed rate increases incorporated.

- M25 - SCADA upgrades and maintenance.
- M27 - Continues to expend more funds than revenue it generates. This, combined with the compliance order due to high arsenic levels, is why the District is seeking to eliminate M27 via consolidation with the District's larger system. This consolidation is expected to take place in Fiscal Year 2026/27.

Other Assumptions in the Fiscal Year 2024/25 Annual Budget:

- *Future rate increase will occur on July 1 each year.*
- *Future water demands per connection will continue to decline.*

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Beginning Fiscal Year Fund Balance - Includes Rate Stabilization	4,326,819	4,326,819	4,222,832
Operating Revenues				
	Water Sales - Residential/Business	14,820,000	13,923,483	18,119,427
01-00-500-000	Water Sales - Domestic & Business	14,820,000	13,923,483	18,119,427
	Water Sales - Other	430,000	347,091	400,000
01-00-500-001	Water Sales - Hydrant/Fire/Construction	350,000	306,091	350,000
01-24-500-000	Water Sales - Non Potable from Southpark Well	80,000	41,000	50,000
	Check Valve Charges	252,965	260,675	317,415
01-00-515-000	Check Valve Maintenance	250,000	258,782	315,000
01-00-515-001	Check Valve Installation	2,575	1,528	2,000
01-24-515-000	Check Valve Maintenance Southpark	390	365	415
	Miscellaneous Income	415,000	439,079	432,500
01-00-520-004	Late Charges	100,148	107,000	110,000
01-00-520-000	Trip Charges	35,000	40,000	42,000
01-00-520-001	Call-Out Charges	2,000	2,200	2,400
01-00-520-007	Tampering Charges	45,000	60,000	50,000
01-00-520-003	Returned Item Charges	4,000	4,600	5,000
01-00-520-005	Meter Repairs	2,000	500	1,000
01-00-520-009	Application/Delinquent/Disconnect Fees	98,000	95,500	101,100
01-00-530-000	Hydrant Meter Replacement	2,000	-	2,000
01-00-530-001	Hydrant Meter Repairs	500	-	500
01-00-530-002	Field Service Charges	2,000	175	1,000
01-00-540-000	Bad Debt Recovery	2,000	2,500	2,500
01-10-580-004	Delta Coves Property Tax Income	61,800	68,816	75,000
01-13-725-000	Reimbursement for Retirees Health Benefits - OPEB	60,552	57,788	40,000
Non-Operating Revenues				
	Interest/Rental Income/Other	305,061	821,900	2,060,900
01-00-510-001	Interest Income Investments	30,000	260,000	200,000
01-00-510-002	Interest Income LAIF	40,000	180,000	75,000
01-00-580-000	Other Income	50,000	185,000	155,000
01-00-580-010	Grant Revenue	50,000	51,000	1,482,900
01-00-581-000	Rental Income	135,061	145,900	148,000
	Reimbursements from Well Systems/Developers	511,000	351,000	400,000
25-00-109-000	Knightsen Well - M25	3,000	3,700	4,000
Multiple	Developers	500,000	343,500	392,000
27-00-109-000	Willow Park Marina Well - M27	8,000	3,800	4,000
	Total General Fund Revenues	16,734,026	16,143,227	21,730,242

*Basis of accounting: accrual.

**For the previous three years of audited data, please see [Appendix E](#).

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 FY 2024/25 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
Operating Expenses				
	Administrative and General	204,405	199,819	227,550
Multiple	District Regulatory Permits and Dues	93,500	89,477	94,000
Multiple	District Associations and Subscriptions	24,580	26,698	37,925
01-00-733-000	Audit	50,700	53,450	60,000
01-00-733-001	LAFCO - 50% GF and 50% FR	3,000	2,776	3,000
Multiple	Taxes and Licenses	2,625	2,417	2,625
01-04-800-028	Office Record Imaging	30,000	25,000	30,000
	Board of Directors	24,010	20,555	44,362
01-00-751-000	Payroll & Taxes	13,450	11,180	13,287
01-00-750-000	Mailings/Workers' Comp/Elections/Training/Miscellaneous	10,560	9,375	31,075
	Engineering / Consulting	270,500	286,500	348,500
Multiple	Engineering	212,500	197,500	115,000
Multiple	Consulting	58,000	89,000	233,500
	Finance	365,000	360,890	391,000
01-05-735-000	Bank Charges	2,500	1,200	2,000
01-05-735-001	Collections Expense	3,000	3,000	3,000
01-05-735-002	Bills/Envelopes/Mailing Service	26,500	24,000	26,000
01-05-735-004	Postage Account	75,000	75,000	77,000
01-05-735-005	Postage Meter	3,000	3,000	3,000
01-05-735-003	Upgrades for Software	5,000	1,000	5,000
01-05-735-008	Credit Card Processing	250,000	253,690	275,000
	Customer Service	178,650	33,170	161,650
01-03-734-000	Answering Service	2,150	2,000	2,150
01-03-734-002	Conservation	75,000	4,200	50,000
01-00-734-001	Website	8,000	3,500	8,000
01-03-734-003	Tyler Software - SMS Customer Notifications & IVR	750	1,000	1,500
01-03-734-005	Customer Service Survey	25,000	-	25,000
01-03-734-004	Scholarship	1,000	2,000	3,500
Multiple	Public Information	66,750	20,470	71,500
	Office	235,980	220,560	259,800
Multiple	Maintenance Agreements	52,980	46,460	53,300
01-04-737-000	Janitorial Service	12,500	12,500	12,500
01-04-742-001	Office Supplies/Logo Uniforms	27,500	22,500	22,500
01-04-742-000	Miscellaneous	5,000	5,000	5,000
01-04-739-000	New Equipment	12,000	12,000	25,000
01-00-731-000	Manager Expenses	6,000	4,000	7,000
01-04-738-000	Landscaping Services	9,000	7,500	9,000
01-04-738-001	Office Building Maintenance	7,500	7,500	10,000
01-04-740-000	Software - Annual Fees	85,000	85,000	95,000
01-04-741-000	Office - Utilities	7,500	7,500	8,000
Multiple	Office - Phone Line Services	11,000	10,600	12,500

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Insurance	140,000	146,022	180,000
01-00-732-000	<i>Business, Auto, Liability, Commercial, Etc.</i>	140,000	146,022	180,000
	Legal Expenses	45,000	60,000	55,000
01-00-730-000	<i>Legal Expenses - 50% GF and 50% FR</i>	45,000	60,000	55,000
	Operations and Maintenance	1,240,250	1,152,995	1,622,780
Multiple	<i>Maintenance Corpyard</i>	29,760	27,014	42,260
Multiple	<i>Maintenance T&D</i>	444,120	388,620	526,120
Multiple	<i>Maintenance Backflow</i>	78,000	108,485	80,000
Multiple	<i>Maintenance Reservoirs</i>	29,500	7,046	38,000
Multiple	<i>Maintenance Blending</i>	24,650	15,000	25,150
Multiple	<i>Maintenance Glen Park Well</i>	25,580	80,300	14,600
Multiple	<i>Maintenance Stonecreek Well</i>	10,280	10,120	134,300
Multiple	<i>Maintenance Delta Coves</i>	5,430	6,780	10,300
Multiple	<i>Maintenance M24 Southpark - Non Potable Water</i>	140,280	5,300	144,300
01-00-766-000	<i>Water Samples</i>	80,000	80,000	82,400
Multiple	<i>General Operating Corpyard</i>	56,450	54,690	88,950
Multiple	<i>Telephone Services for Field</i>	13,700	12,800	29,500
Multiple	<i>Utilities for Field</i>	302,500	356,840	406,900
	Payroll - Salaries/Benefits/Taxes	4,308,760	4,072,481	5,212,024
Multiple	<i>Salaries</i>	2,572,932	2,416,479	3,157,176
Multiple	<i>Overtime</i>	169,487	275,179	181,129
Multiple	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	1,132,885	993,901	1,320,875
Multiple	<i>Taxes - Workers' Compensation/FICA/Medi</i>	237,021	237,280	318,744
01-13-725-000	<i>Retired Employees Benefits</i>	45,372	41,878	43,000
01-13-726-000	<i>Contra Costa County Employee Retirement Association</i>	96,763	96,763	97,100
Multiple	<i>Human Resources - Tuition Reimb/HR Needs/Recruitment Costs</i>	54,300	11,000	94,000
	Transmission and Distribution	345,400	285,245	404,800
Multiple	<i>Automotive Fuel, Maintenance, Miscellaneous</i>	149,200	104,350	154,200
01-09-767-000	<i>Chemicals Glen Park Well</i>	10,000	8,000	10,000
01-16-767-000	<i>Chemicals Blending Facility</i>	37,650	42,823	49,500
01-08-767-000	<i>Chemicals Stonecreek Well</i>	7,500	3,000	7,500
01-10-767-000	<i>Chemicals Delta Coves</i>	10,500	8,000	10,500
01-24-767-000	<i>Chemicals M24 Southpark - Non Potable Water</i>	3,000	2,800	3,000
Multiple	<i>General Operating - T&D</i>	80,550	70,946	122,250
Multiple	<i>General Operating Blending</i>	36,000	35,461	36,100
01-09-766-000	<i>General Operating Glen Park Well</i>	3,000	3,000	3,000
01-08-766-000	<i>General Operating Stonecreek Well</i>	3,000	3,000	3,500
Multiple	<i>General Operating M24 Southpark - Non Potable Water</i>	4,000	3,428	4,200
Multiple	<i>General Operating Delta Coves</i>	1,000	437	1,050
	Training	78,500	70,058	147,600
Multiple	<i>Training & Professional Development</i>	53,700	59,222	108,300
Multiple	<i>Safety</i>	24,800	10,836	39,300

21 | Diablo Water District
FY 2024/25 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Water Purchases - Source of Supply CCWD	4,985,000	5,280,944	5,642,395
01-00-610-000	<i>Water Purchases from CCWD</i>	4,985,000	5,280,944	5,642,395
	Water Treatment and Maintenance - RBWTP O&M	2,434,649	2,739,841	2,889,009
01-14-700-000	<i>Randall-Bold Water Treatment Plant O&M</i>	2,434,649	2,739,841	2,889,009
	Total Operating Expenses	14,856,104	14,929,079	17,586,470
Operating Debt Service Expenses				
01-09-801-001	<i>Refinance Glen Park & Blending 2022 Loan - 24% GF and 76% FR</i>	105,278	105,278	104,770
01-00-801-001	<i>Capital Projects Financing Loan 2022 - 50% GF and 50% FR</i>	240,942	240,942	240,603
01-00-801-002	<i>Office Building 2019 COP - 57.5% GF and 42.5% FR</i>	148,580	148,580	146,798
	Total Operating - Debt Service Expenses	494,800	494,800	492,171
Operating - Capital Expenses				
01-00-800-001	<i>Public Right of Way Relocations</i>	130,000	130,000	130,000
Multiple	<i>RBWTP - Projects & Improvements (WTP 66.5% GF & 33.5% FR)</i>	384,883	290,353	811,336
01-02-800-071	<i>Field Equipment Purchases</i>	15,000	15,000	225,000
01-02-800-038	<i>Valve Replacement</i>	25,000	25,000	40,000
01-02-800-001	<i>Add/Replace Vehicles - Construction Trucks 50% GF and 50% FR</i>	227,500	194,060	158,000
NEW	<i>Vertical Asset Replacement CIP</i>	-	-	42,500
01-12-800-002	<i>R2 Seismic Upgrades - 52% GF and 48% FR</i>	50,000	25,000	1,560,000
01-00-800-014	<i>SCADA Upgrade - 50% GF and 50% FR</i>	10,000	5,000	88,100
01-04-800-001	<i>New Office Equipment</i>	-	-	15,000
01-04-736-007	<i>Office - Building Upgrades</i>	125,000	115,000	25,000
NEW	<i>Bulk Material Covered Area</i>	-	-	75,000
	Total Operating - Capital Expenses	967,383	799,413	3,169,936
Operating - Non Capital Expenses				
Multiple	<i>Corpyard Improvements</i>	13,500	8,922	13,500
01-02-800-032	<i>Pipeline Corrosion Testing/Repairs</i>	15,000	15,000	15,000
	Total Operating - Non Capital Expenses	28,500	23,922	28,500
	Total General Fund Operating Expenses	16,346,787	16,247,214	21,277,077
	Ending Fiscal Year Fund Balances - Includes Rate Stabilization	4,714,058	4,222,832	4,675,997

The ending fund balance indicates a stable and balanced budget by managing within the District's Reserve Regulation ([Appendix D](#)).

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Beginning Fiscal Year Balance	7,120,041	7,120,041	5,983,177
Operating Revenues				
02-00-588-000	Developer Fees Income	2,737,218	1,676,432	2,000,000
02-00-581-000	Rental Income	29,010	30,465	30,814
02-00-510-000	Interest Income	100,000	240,000	200,000
02-00-580-010	Grant Revenue	-	4,303	250,000
02-00-580-000	Other Income	25,000	-	-
	Total Facilities Reserve Fund Operating Revenues	2,891,228	1,951,200	2,480,814
Operating Expenses				
	Administrative	3,000	2,776	3,000
02-00-733-001	LAFCO - 50% GF and 50% FR	3,000	2,776	3,000
NEW	Travel & Training for Employees & Directors	3,000	2,776	19,500
NEW	Accounting - Single Audit for Grants	-	-	6,500
	Payroll - Salaries/Benefits/Taxes*	991,338	896,000	1,334,748
02-00-722-000	Salaries	702,852	638,000	928,259
02-00-722-000	Overtime	13,058	13,000	50,000
02-00-723-000	Benefits - Health/LTD/STD/Life Insurance/Retirement	221,821	196,641	280,158
02-00-723-000	Taxes - Workers' Compensation/FICA/Medi	53,607	48,359	76,331
	Total Operating Expenses	994,338	898,776	1,337,748
Operating Debt Service Expenses				
02-09-801-000	Refinance Glen Park & Blending 2022 Loan - 24% GF and 76% FR	333,382	333,382	331,772
02-00-801-000	Stonecreek Well 2019 COP - 100% FR	235,200	235,200	234,100
02-00-801-001	Capital Projects Financing Loan 2022 - 50% GF and 50% FR	240,942	240,942	240,603
02-00-801-000	New Office Building 2019 COP - 57.5% GF and 42.5% FR	109,820	109,820	108,503
02-00-801-000	New Corporation Yard 2019 COP - 100% FR	213,100	213,100	210,100
	Total Operating - Debt Service Expenses	1,132,444	1,132,444	1,125,077

23 | Diablo Water District
FY 2024/25 Budget

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
Operating - Capital Expenses				
02-00-800-028	SCADA Upgrade - 50% GF and 50% FR	10,000	5,000	88,100
Multiple	Asset Management System / GIS / Mapping Update	58,000	57,450	64,500
02-00-800-030	Grant Project - Bethel Island Water Main Extension & Fire Flow	-	5,000	125,000
NEW	Grant Project - Direct Potable Reuse Training Facility	-	-	250,000
02-14-800-044	RBWTP Improvements and Projects - 66.5% GF and 33.5% FR	83,817	33,214	280,789
02-08-800-045	Stonecreek Well Filter (Manganese Treatment)	1,715,000	100,000	1,850,000
02-02-800-001	Add/Replace District Vehicles - Construction Trucks 50%GF and 50% FR	-	-	-
02-09-800-001	Glen Park Permanent Generator	250,000	253,000	-
02-12-800-001	Parallel R2/R3 Transmission Main	350,000	250,000	250,000
02-12-800-002	R2 Seismic Upgrades - 52% GF and 48% FR	50,000	15,000	1,440,000
	Total Operating - Capital Expenses	2,516,817	718,664	4,348,389
Operating - Non Capital Expenses				
02-00-735-000	Publications	1,500	-	1,500
02-00-730-000	Legal Expenses - 50% GF 50% FR / Water Rights 100% FR	145,000	100,000	130,000
02-00-800-027	Groundwater Sustainability Plan	48,500	25,000	48,500
Multiple	Engineering/Consulting/Water Rights/Miscellaneous	490,000	115,785	303,500
02-00-800-039	Facilities Plan Update	45,000	-	75,000
02-00-800-040	Recycled Water Feasibility Study	-	52,500	100,000
02-04-736-007	Financial and Project Tracking Software	19,000	44,895	42,000
	Total Operating - Non Capital Expenses	749,000	338,180	700,500
	Total Facilities Reserve Fund Operating Expenses	5,392,599	3,088,064	7,511,714
	Ending Fiscal Year Balance	4,618,670	5,983,177	952,277

DIABLO WATER DISTRICT
Knightsen Well M25 Fund
Fiscal Year 2024/25

Account Number	Account Name	Approved Budget FY 23/24	Estimated Actual FY 23/24	Budget FY 24/25
	Beginning Fiscal Year Balance		38,096	39,596
Operating Revenues				
25-25-500-000	<i>Knightsen Water Sales</i>	20,350	22,326	22,500
25-25-520-004	<i>Knightsen Late Charges</i>	-	350	-
25-25-510-000	<i>Interest Income</i>	500	1,000	500
	Total Knightsen Well Fund Operating Revenues	20,850	23,676	23,000
Operating Expenses				
25-25-770-000	<i>General Operating Expenses</i>	18,000	15,000	22,000
25-25-779-000	<i>Utilities</i>	2,000	1,875	2,000
	Total Knightsen Well Fund Operating Expenses	20,000	16,875	24,000
25-25-705-000	<i>Auto</i>	1,000	1,628	1,750
<i>Multiple</i>	<i>Reimburse Fund 01 for Benefits</i>	800	617	800
25-25-720-000	<i>Overhead Charges to Fund 01</i>	1,000	905	1,000
25-25-722-000	<i>Reimburse Fund 01 for Wages</i>	2,300	2,151	2,300
	Total Knightsen Well Fund Reimbursement to Fund 01	5,100	5,302	5,850
	Ending Fiscal Year Balance		39,596	32,746

DIABLO WATER DISTRICT
Willow Park Marina Well M27 Fund
Fiscal Year 2024/25

Account Number	Account Name	Adopted Budget FY 23/24	Estimated Actual FY 23/24	Budget FY 24/25
	Beginning Fiscal Year Balance		(7,555)	11,784
Operating Revenues				
27-27-500-000	<i>Willow Park Marina Water Sales</i>	74,844	74,844	74,844
27-27-510-000	<i>Interest Income</i>	-	140	-
	Total Willow Park Marina Well Fund Operating Revenues	74,844	74,984	74,844
Operating Expenses				
27-27-770-000	<i>Contra Costa County Admin Fees</i>	700	368	500
27-27-770-002	<i>General Operating Expenses</i>	30,000	43,000	47,000
27-27-779-000	<i>Utilities</i>	7,000	7,000	8,000
	Total Willow Park Marina Well Fund Operating Expenses	37,700	50,368	55,500
27-27-705-000	<i>Auto</i>	2,200	1,500	1,750
Multiple	<i>Reimburse Fund 01 for Benefits</i>	1,500	624	1,750
27-27-720-000	<i>Overhead Charges from Fund 01</i>	1,750	931	1,000
27-27-722-000	<i>Reimburse Fund 01 for Wages</i>	4,000	2,222	3,000
	Total Willow Park Marina Well Fund Reimbursement to Fund 01	9,450	5,276	7,500
	Ending Fiscal Year Balance		11,784	23,628

DIABLO WATER DISTRICT
MERA Fund
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Estimated Actual FY 23-24	Budget FY 24-25
	Beginning Fiscal Year Balance		541,706	587,925
Operating Revenues				
01-07-215-000	<i>MERA Income</i>	308,100	174,524	200,000
01-07-510-003	<i>Interest Income</i>	4,000	15,000	10,000
	Total MERA Fund Operating Revenues	312,100	189,524	210,000
Operating Expenses				
01-07-215-000	<i>MERA Reimbursements to Developers</i>	91,495	91,495	91,745
01-07-215-000	<i>Salaries and Benefits Charged to MERA</i>	61,404	51,810	75,877
	Total MERA Fund Operating Expenses	152,899	143,305	167,622
	Ending Fiscal Year Balance		587,925	630,303

5-Year Capital Project Replacement Plan

The following capital projects address District priorities and current strategic initiatives discussed earlier in this document.

Diablo Water District 5-Year Capital Improvement Plan					
Project	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
R1 Seismic Upgrades (Fund 01) <i>Needs grants/FEMA or other funds to move forward</i>			\$2,000,000		
R1 Exterior Repaint (Fund 01)			\$500,000		
R2 Seismic Upgrades (Fund 01 & 02)	\$3,000,000				
Electric Trucks (Fund 01)	\$150,000	\$450,000	\$450,000		
Stonecreek Well Manganese Treatment System (Fund 02)	\$1,850,000				
SCADA Server and Software Upgrades (Fund 01 & 02)	\$150,000				
Emergency Response Trailer (Fund 01)	\$50,000				
R2/R3 Solar (Fund 01 & 02)	\$750,000				
Parallel R2/R3 pipeline (Fund 02) <i>Needs grants/FEMA/financing or other funds to move forward</i>	\$125,000		\$4,250,000		
East Cypress Parallel 20" transmission main - <i>Developer installed in-lieu of District fees</i>		\$2,130,000			
Direct Potable Reuse Demonstration Facility (Fund 02)			\$3,000,000		
Water Main Line and Service Line Capital Repair and Rehabilitation Program** (Fund 01)		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
RBWTP Capital Improvements (Fund 01 & 02)	\$811,336	\$939,472	\$575,858	\$663,276	\$500,564
Total	\$26,345,506				
<p>** Preliminary forecast shows need to debt finance these improvements.</p> <p>FY 2025/26 and beyond are best estimates that will be refined as part of CIP Plan and Future Budgets.</p>					

Figure 1.3

Debt Service Coverage

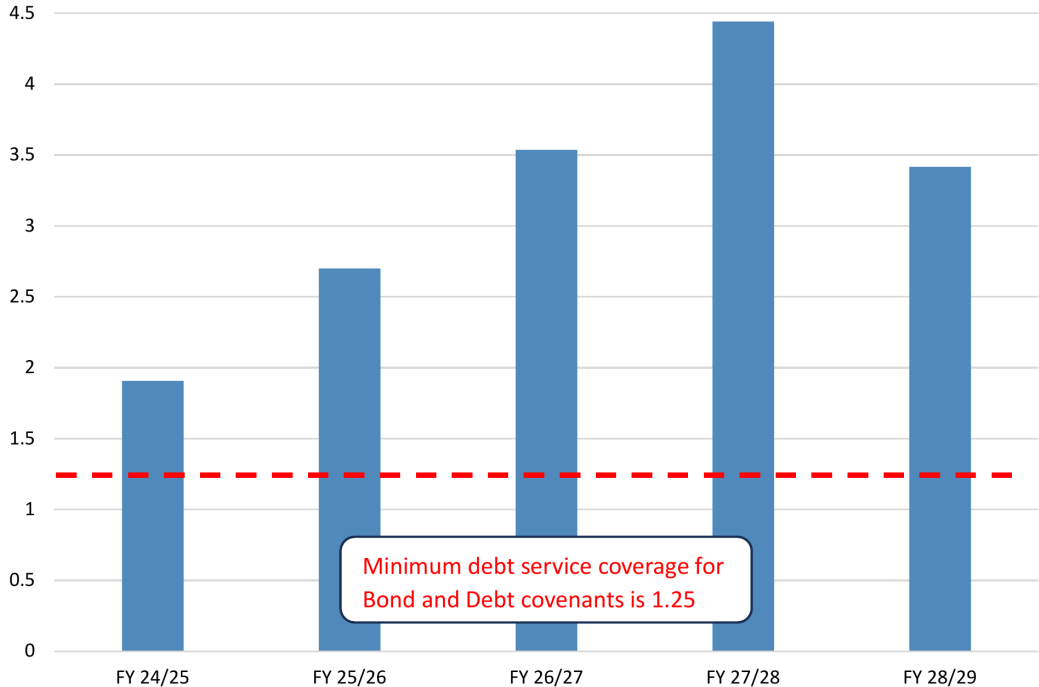


Figure 1.4

As evidenced by the District's debt-coverage ratio and bond rating upgrade of AA-, the District has strong and consistent financial coverage.

SCHEDULE OF TOTAL PAYMENTS

Payment Date	Total Loan Repayments	Total Installment Payments	Total Debt Service Payments
7/1/2024	\$ 104,885	\$ 208,356	\$ 313,241
1/1/2025	\$ 833,885	\$ 488,356	\$ 1,322,241
7/1/2025	\$ 92,058	\$ 202,950	\$ 295,008
1/1/2026	\$ 844,058	\$ 495,950	\$ 1,340,008
7/1/2026	\$ 78,832	\$ 197,293	\$ 276,125
1/1/2027	\$ 857,832	\$ 503,293	\$ 1,361,125
7/1/2027	\$ 65,124	\$ 191,383	\$ 256,507
1/1/2028	\$ 877,124	\$ 506,383	\$ 1,383,507
7/1/2028	\$ 50,817	\$ 185,301	\$ 236,118
1/1/2029	\$ 884,817	\$ 514,301	\$ 1,399,118

Figure 1.5

The above table reflects the next five years of scheduled debt service payments.

Please see [Appendix D](#) for our Debt Management Policy.

Appendix A

Personnel and Pay Summary

Employee Compensation Schedule

Pay rates across all classifications remain competitive with industry standards.

Field positions include a modest increase in lieu of the industry-standard on-call pay.

Last salary survey performed in 2024.

Next salary survey to be performed in 2026.



District Staff Holiday Lunch

District operations are committed to an industry-leading level of excellence in customer service, resiliency, water quality, and innovation. The dedicated, highly trained, certified, and hardworking employees of the District continue to be the most valuable asset and investment of the organization. Every day, we diligently and proudly deliver safe, reliable, and high-quality drinking water 24/7. Our unwavering commitment to being a valuable community resource drives the District and is the heart of everything we do.





DIABLO WATER DISTRICT
Employee Compensation Schedule
 Effective - 07/01/2024

Job Title/Classification	Hourly						FTE**
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
General Manager*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
Administrative Assistant	\$ 29.60	\$ 31.08	\$ 32.63	\$ 34.26	\$ 35.97	\$ 37.77	0
Utility Billing Representative	\$ 37.77	\$ 39.66	\$ 41.64	\$ 43.72	\$ 45.91	\$ 48.21	1
Senior Utility Billing Representative	\$ 43.72	\$ 45.91	\$ 48.21	\$ 50.62	\$ 53.15	\$ 55.81	2
Utility Billing Analyst	\$ 54.73	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	1
Accounting Analyst - Confidential	\$ 56.10	\$ 58.91	\$ 61.86	\$ 64.95	\$ 68.20	\$ 71.61	1
Finance & Accounting Manager (E)	\$ 89.94	\$ 94.44	\$ 99.16	\$ 104.12	\$ 109.33	\$ 114.80	1
Forward Planning Analyst	\$ 54.73	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	2
Forward Planning Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Human Resources Analyst - Confidential	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35	0
Human Resources Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Strategic Initiatives Project Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Water Efficiency Specialist	\$ 48.47	\$ 50.89	\$ 53.43	\$ 56.10	\$ 58.91	\$ 61.86	0
Senior Water Efficiency Specialist	\$ 56.10	\$ 58.91	\$ 61.86	\$ 64.95	\$ 68.20	\$ 71.61	1
District & Community Relations Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Field Services Technician	\$ 36.69	\$ 38.52	\$ 40.45	\$ 42.47	\$ 44.59	\$ 46.82	0
Water System Worker I	\$ 42.47	\$ 44.59	\$ 46.82	\$ 49.16	\$ 51.62	\$ 54.20	5
Water System Worker II	\$ 49.16	\$ 51.62	\$ 54.20	\$ 56.91	\$ 59.76	\$ 62.75	3
Maintenance & Construction Leadworker	\$ 56.91	\$ 59.76	\$ 62.75	\$ 65.89	\$ 69.18	\$ 72.64	1
Water Operations Leadworker	\$ 56.91	\$ 59.76	\$ 62.75	\$ 65.89	\$ 69.18	\$ 72.64	1
Maintenance & Construction Supervisor	\$ 65.89	\$ 69.18	\$ 72.64	\$ 76.27	\$ 80.08	\$ 84.08	1
Water Operations Supervisor	\$ 65.89	\$ 69.18	\$ 72.64	\$ 76.27	\$ 80.08	\$ 84.08	0
Maintenance & Construction Manager	\$ 80.65	\$ 84.68	\$ 88.91	\$ 93.36	\$ 98.03	\$ 102.93	1
Water Operations Manager (E)	\$ 89.94	\$ 94.44	\$ 99.16	\$ 104.12	\$ 109.33	\$ 114.80	1

Total: 27

*General Manager is contracted at \$24,834.15 per month

**FTE = Number of full-time employees budgeted by classification

(E) = Exempt Status

Position allocation may be adjusted at the General Manager's discretion to meet operational needs, but the total number of FTEs will remain as budgeted.

Merit and promotion increases, except for the General Manager, are subject to District Regulation 129.

The compensation ranges above were approved during the adoption of the FY 2024/25 Budget.

Personnel Summary

Diablo Water District takes pride in our exceptional team, which is committed to providing high-quality water service to our community. Our team is not only highly skilled, but many hold certifications that exceed industry standards and the requirements necessary to operate our water system. This dedication to advanced training and continuous improvement highlights our commitment to excellence and operational efficiency.

The following table provides a summary of the District's personnel and reflects changes for Fiscal Year 2024/25 , highlighting our commitment to excellence and operational efficiency.

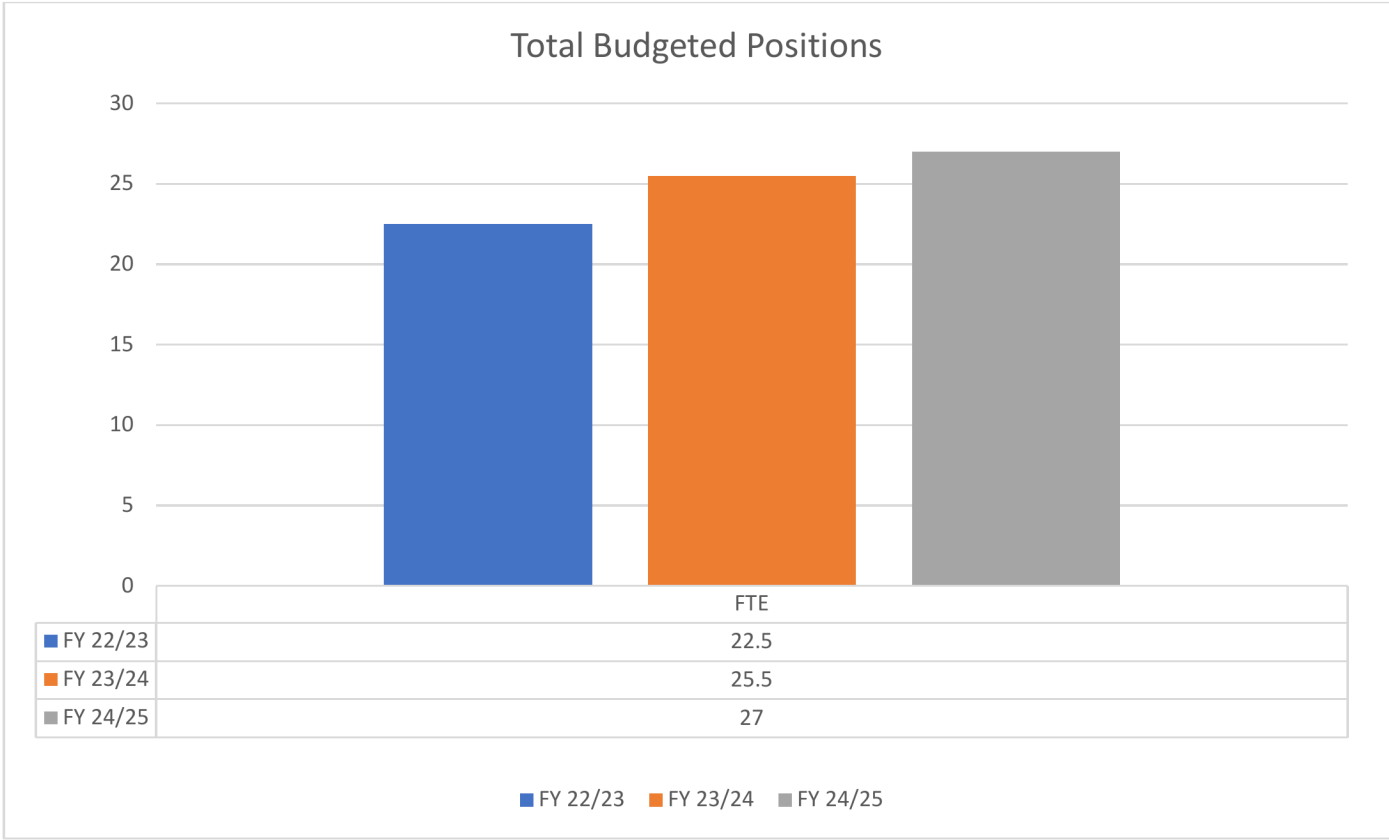


Figure 1.6

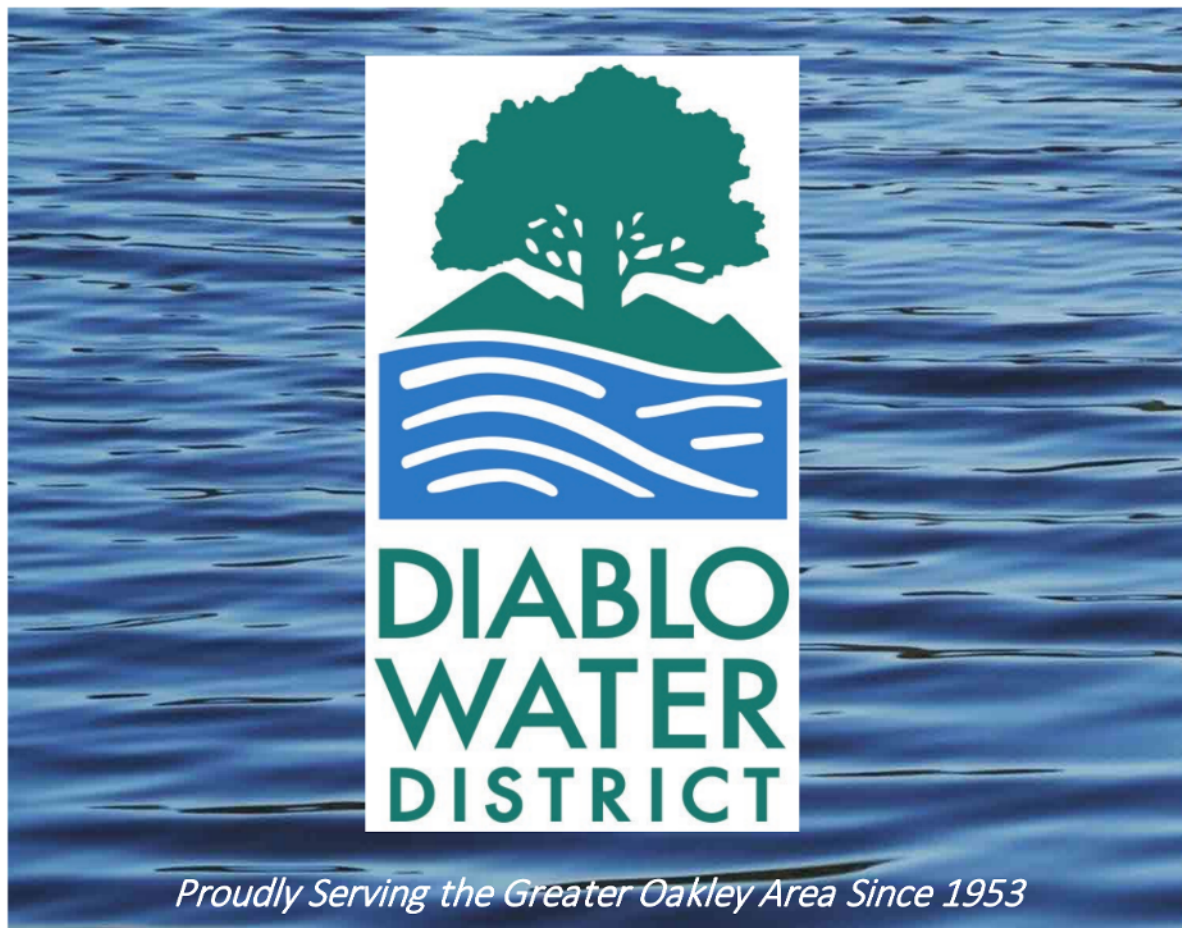
The District approved the addition of 1.5 additional FTE's for Budget Year 2024/25. These changes include the following:

1. Addition of one new Water System Worker I(FTE).
2. Conversion of one Part-Time Employee to a Full-Time Employee (FTE).

Appendix B

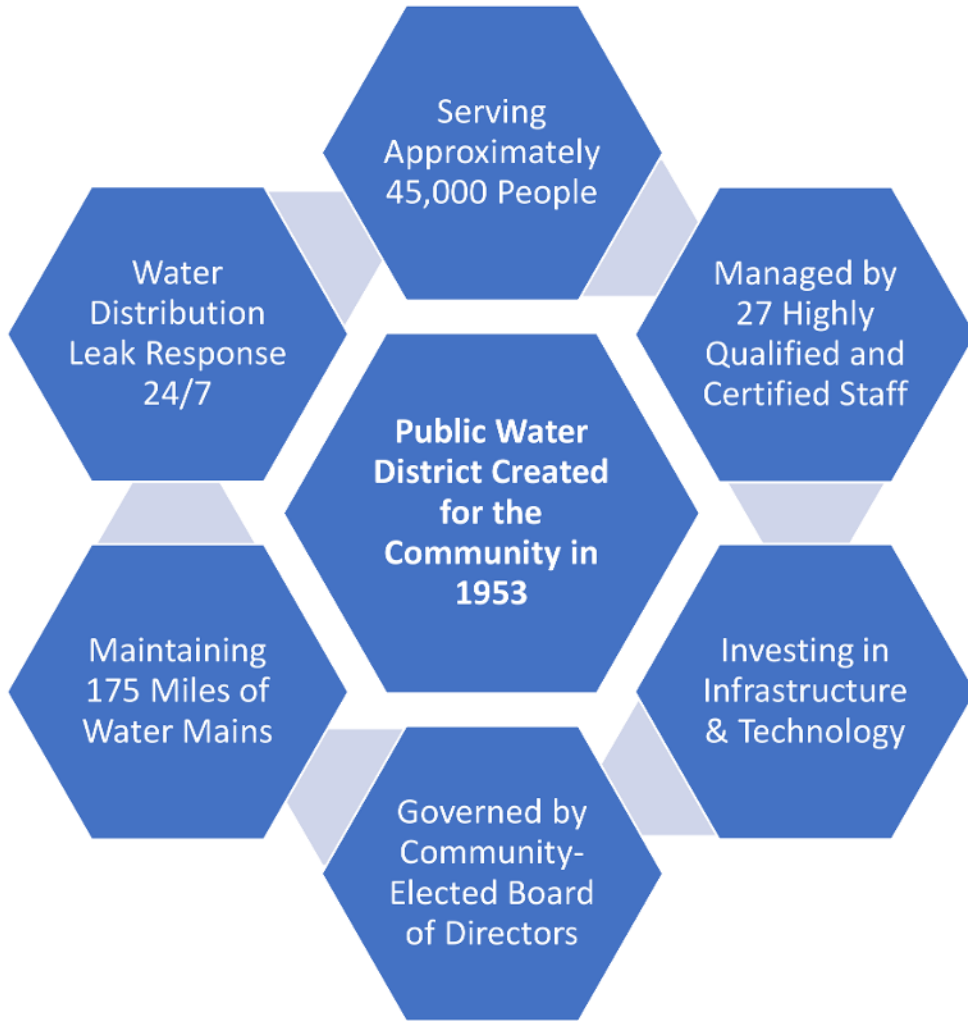
District's 5-year Strategic Plan
Fiscal Year 24/25 through Fiscal Year 28/29

Strategic Goals & Strategies



The District operates a 5-year rolling strategic plan. Every January, the plan is evaluated with new goals and initiatives being added, and existing items being revised and amended. This process develops during public Board meetings, where the focus is on strategic adjustments and updates to align with the strategic plan and current goals of the District.

Your Diablo Water District



Mission / Vision / Strategy



Mission

To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.



Vision

We are a valued community resource.

Strategy: Invest In

Water
Resources

Capital
Improvement
Projects

Employees

Sustainable
Practices

Community
Relations

Governance

Strategies



Water Resources

- Ensure adequate high-quality future water supplies to meet customer demands
- Develop sustainable and cost-effective water supplies
- Protect surface and groundwater quality



Capital Improvement Projects

- Proactively invest in District assets
- Prioritize projects that lead to resiliency of the transmission system
- Plan with the future in mind



Employees

- Recognize employees as the District's most valuable assets
- Train staff well enough so they can leave, but treat them well enough so they stay
- Encourage professional development



Sustainable Practices

- Support water-use efficiency and eliminating waste
- Implement cost-effective greenhouse gas reduction projects
- Consider life-cycle costs and environmental impacts



Community Relations

- Empower customers through information
- Actively participate in the community
- Seek community engagement



Governance

- Open and transparent
- Foster ideas that support great service and reasonable costs
- Represent all customers

Guiding Principles

Public service is at the heart of everything we do.



We are focused on long-term water solutions.
Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



We are driven by excellence.
By providing outstanding customer service, high-quality water, and industry best practices in safety.



We are leaders in environmental and sustainable projects.
Through focusing on carbon neutrality, groundwater sustainability, and a one water approach.



We are transparent with financial and policy decisions.
Through treating rate payer's funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We are committed to diversity, equity, and inclusion.
Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

Goals 2024 - 2029

Annually

- Evaluate capital asset purchases (lifespans exceeding 20 years) based on lifecycle costs
- Continually provide innovative support and training for all employees
- Annually adopt conservative balanced budgets that maintain District reserves
- Participate in community and outreach events

FY 24/25

- Activate the District's first recycled water customer(s)
- Conduct cost of service water rate study
- Perform customer feedback survey
- Implement emergency assistance agreements with neighboring agencies

FY 25/26

- Achieve 75% carbon neutrality, and remain on target for 100% neutrality by December 31, 2027
- Complete 2025 Urban Water Management Plan
- Reduce non-revenue water to industry-leading low levels through use of advanced technologies
- Implement a service and water mains replacement program

FY 26/27

- Achieve an AA or higher Bond Rating (currently AA-)
- Begin contributions to the District's Emergency Reserve Fund
- Perform customer feedback survey
- Implement carbon mitigation project(s)

FY 27/28

- Replace 100% of eligible fleet with electric vehicles
- 100% carbon-neutral
- Complete Sandmound voluntary water mutual consolidation project
- Finish R2/R3 reservoirs parallel pipeline

FY 28/29

- Earn CSDA District of Distinction Certification
- Advanced water treatment facility for groundwater
- All District reservoirs built for 100% build out
- Achieve state-mandated indoor and outdoor conservation levels

The goals listed above do not represent all goals as they currently exist or will be developed in the future.

Quick Facts



Budget

- \$21 Million O&M
- \$4.7 Million in Reserves
- Rates adopted to cover long-range expenses - zero profit



Water System

- \$721 Million of infrastructure to operate and maintain
- 175 Miles of water main
- 12.5 Million gallons of storage



Water Supply

- Source: 90% delta; 10% local groundwater
- 1.7 Billion gallons pumped to customers annually

Stay Connected

www.diablowater.org

www.facebook.com/diablowaterdistrict

customers@diablowater.org

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Physical Address: 87 Carol Ln, Oakley, CA 94561

Office/24Hrs: (925) 625-3798



Appendix C

District Statistics & Supplemental Information

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF OAKLEY

The following information is included only for the purpose of supplying general information regarding the service area of the District. The Certificates are not an obligation of the City of Oakley (the “City”), Contra Costa County (the “County”), the State of California (the “State”) or any of its political subdivisions (other than the District to the limited extent set forth in this Official Statement), and neither the County, the State nor any of its political subdivisions (other than the District to the limited extent set forth in this Official Statement) is liable therefor.

General Description and Background

The District is located in the northeastern corner of the County, about 50 miles northeast of San Francisco. The District provides water service over an area totaling approximately 21 square miles. The District’s service area includes 11,600 acres in and around the City of Oakley. An additional 4,400 adjacent acres lie within the District’s sphere of influence and are planned to be served by the District when developed. The District’s sphere of influence includes the City of Oakley, the small community of Knightsen, portions of the City of Antioch and a portion of Bethel Island, as well as several thousand acres of reclaimed land surrounded by levees including Hotchkiss Tract, and Veale Tract.

The City. The City is situated in the eastern portion of the County, along the shore of the Sacramento-San Joaquin Delta, near the cities of Pittsburg, Antioch, and Brentwood. Close to the junction of Highways 4 and 160, with access to San Francisco, the Silicon Valley, and the state capital at Sacramento, the City is equidistant from both San Francisco and Sacramento at 55 miles.

The County. Situated northeast of San Francisco, the County is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County’s heavy industry. The central section is developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

Population

The following table lists population figures for the City, the County and the State for the last five calendar years.

CITY OF OAKLEY, CONTRA COSTA COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2017 Through 2021

Year	City of Oakley	Contra Costa County	State of California
2017	40,424	1,137,577	39,352,398
2018	41,124	1,143,188	39,519,535
2019	41,775	1,147,623	39,605,361
2020	42,268	1,149,853	39,648,938
2021	42,895	1,153,854	39,466,855

Source: California Department of Finance for January 1.

Commercial Activity

Total taxable sales for the first two quarters of calendar year 2021 in the City were reported to be \$100,606,325, an 35.69% increase over the total taxable sales of \$74,145,116 reported for the first two quarters of calendar year 2020. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table for the years 2016 through 2020. Retailers that operate part-time are now tabulated with retail stores.

CITY OF OAKLEY
Taxable Retail Sales
Number of Permits and Valuation of
Taxable Transactions (shown in thousands of dollars)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	300	\$117,560	468	\$139,456
2017	307	127,273	479	149,116
2018	343	137,228	526	170,800
2019	358	134,941	565	159,209
2020	363	105,443	583	151,264

Source: State Department of Tax and Fee Administration.

Total taxable sales for the first two quarters of calendar year 2021 in the County were reported to be \$9,994,118,630, a 24.05% increase over the total taxable sales of \$8,056,802,040 reported for the first two quarters of calendar year 2020. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table for the years 2016 through 2020.

CONTRA COSTA COUNTY
Taxable Retail Sales
Number of Permits and Valuation of
Taxable Transactions
(\$000's)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	14,920	\$11,746,808	24,064	\$15,924,592
2017	14,945	12,302,863	24,114	16,558,840
2018	15,095	13,163,891	25,317	17,608,890
2019	15,337	13,301,946	26,201	18,048,985
2020	15,832	13,037,715	27,445	17,907,507

Source: State Department of Tax and Fee Administration.

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FY 2024/25 Budget

Employment and Industry

The unemployment rate in the Oakland-Hayward-Berkeley Metropolitan Division was 4.4 percent in November 2021, down from a revised 5.1 percent in October 2021, and below the year-ago estimate of 6.9 percent. This compares with an unadjusted unemployment rate of 5.4 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 4.6 in the County. The table below shows average annual employment by industry group, and the unemployment rate, for the years 2016 to 2020.

OAKLAND-HAYWARD-BERKELEY METROPOLITAN DIVISION
(Contra Costa County)
Civilian Labor Force, Employment and Unemployment
(Annual Averages-March 2020 benchmark)

	2016	2017	2018	2019	2020
Civilian Labor Force ⁽¹⁾	1,385,000	1,396,900	1,401,800	1,400,800	1,355,100
Employment	1,324,400	1,344,300	1,357,900	1,358,000	1,235,600
Unemployment	60,600	52,600	43,900	42,800	119,400
Unemployment Rate	4.4%	3.8%	3.1%	3.1%	8.8%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	1,300	1,400	1,300	1,400	1,500
Mining, Logging and Construction	68,200	71,400	75,100	75,700	70,600
Manufacturing	91,300	95,700	100,600	101,000	98,200
Wholesale Trade	48,100	48,700	47,500	45,400	42,000
Retail Trade	113,400	114,400	114,400	111,700	100,500
Transportation, Warehousing and Utilities	39,700	41,300	42,300	43,700	45,100
Information	38,900	38,900	37,500	37,200	36,000
Finance and Insurance	16,900	17,400	17,800	18,100	16,700
Real Estate and Rental and Leasing	181,100	184,500	189,500	193,200	184,600
Professional and Business Services	185,900	191,500	194,300	198,400	189,800
Educational and Health Services	111,700	114,900	117,700	121,000	84,100
Leisure and Hospitality	39,100	40,200	41,000	41,200	32,900
Other Services	13,900	13,800	13,400	13,400	14,100
Federal Government	39,700	39,300	39,400	39,600	38,000
State Government	119,800	121,500	121,800	121,800	113,800
Local Government	1,300	1,400	1,300	1,400	1,500
Total, All Industries ⁽³⁾	1,135,400	1,161,800	1,181,300	1,190,400	1,093,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

The table below shows the average annual the unemployment rate for the City, the County and the State for calendar years 2017 through 2021.

**CITY OF OAKLEY, CONTRA COSTA COUNTY AND STATE OF CALIFORNIA
Unemployment Rate Estimates
Calendar Years 2017 Through 2021**

City of Oakley	2017	2018	2019	2020	2021
Unemployment	800	700	700	1,000	1,000
Unemployment Rate	4.2%	3.6%	3.6%	5.4%	5.3%
<hr/>					
Contra Costa County	2017	2018	2019	2020	2021
Unemployment	21,400	18,100	17,300	24,800	22,900
Unemployment Rate	3.8%	3.2%	3.1%	4.6%	4.2%
<hr/>					
State of California	2017	2018	2019	2020	2021
Unemployment	927,000	815,500	803,200	1,040,500	960,400
Unemployment Rate	4.8%	4.3%	4.2%	5.4%	5.0%

Source: California State Employment Development Department Labor Market Information Division.

Major Employers

The following table lists the principal employers in the City for the fiscal year ended June 30, 2021.

**CITY OF OAKLEY
Principal Employers
Fiscal Year Ended June, 30, 2021**

Rank	Employer	Number of Employees	Percent of Total City's Employment
1	Oakley Union Elementary School	568	22.4%
2	Lucky's	74	2.9
2	Diamond Hills Sports Club and Spa	61	2.4
3	Starbucks Coffee Store #9330	59	2.3
4	McDonalds	51	2.0
5	Raley's	44	1.7
6	Round Table Development Co.	43	1.7
7	Dutch Bros Coffee	38	1.5
8	Taco Bell	36	1.4
9	Starbucks Coffee Store #22433	36	1.4
10	Foundation Constructors	32	1.3

Source: City of Oakley.

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The following table lists the principal employers in the County, listed alphabetically, as of December 2021.

CONTRA COSTA COUNTY
Principal Employers
December 2021

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Bart	Richmond	Transit Lines
Bio-Rad Laboratories Inc	Hercules	Physicians & Surgeons Equip & Supls-Mfrs
Broadspectrum Americas	Richmond	Oil Refiners (mfrs)
C & H Sugar Co Inc	Crockett	Sugar Refiners (mfrs)
Chevron Corp	San Ramon	Oil Refiners (mfrs)
Chevron Research & Technology	San Ramon	Service Stations-Gasoline & Oil
Chevron Richmond Refinery	Richmond	Oil Refiners (mfrs)
Contra Costa Regional Med Ctr	Martinez	Hospitals
John Muir Health Concord Med	Concord	Hospitals
Kaiser Permanente Antioch Med	Antioch	Hospitals
Kaiser Permanente Martinez Med	Martinez	Clinics
Kaiser Permanente Walnut Creek	Walnut Creek	Hospitals
La Raza Market	Richmond	Grocers-Retail
Longs Drug Store	Walnut Creek	Drug Millers (mfrs)
Los Medanos College	Pittsburg	Junior-Community College-Tech Institutes
Martinez Arts Outpatient Clnc	Martinez	Surgical Centers
Nordstrom	Walnut Creek	Department Stores
Oakley Union School District	Oakley	School Districts
Robert Half Intl	San Ramon	Employment Agencies & Opportunities
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Santa Fe Pacific Pipe Lines	Richmond	Pipe Line Companies
Shell Oil Prod US Martinez	Martinez	Oil & Gas Producers
Sutter Delta Medical Ctr	Antioch	Hospitals
US Veterans Medical Ctr	Martinez	Outpatient Services
Uss Posco Industries	Pittsburg	Steel Mills (mfrs)

Source: State of California Employment Development Department, compiled from America's Labor Market Information System (ALMIS) Employer Database, 2022 1st Edition.

Construction Activity

The following table shows a five-year summary of the valuation of building permits issued in the City.

**CITY OF OAKLEY
Building Permit Valuation
(Valuation in Thousands of Dollars)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Permit Valuation</u>					
New Single-family	\$85,091.6	\$51,183.7	\$60,005.9	\$63,841.0	\$89,780.1
New Multi-family	0.0	8,111.8	0.0	0.0	21,867.5
Res. Alterations/Additions	<u>1,375.8</u>	<u>1,863.3</u>	<u>2,289.5</u>	<u>1,295.7</u>	<u>1,112.0</u>
Total Residential	86,467.4	61,158.8	62,295.4	65,136.7	112,759.6
New Commercial	3,669.4	3,688.0	5,987.9	1,285.5	27,473.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	3,125.6	4,467.5	3,831.2	3,196.2	8,594.6
Com. Alterations/Additions	<u>761.0</u>	<u>1,065.5</u>	<u>2,630.9</u>	<u>273.6</u>	<u>390.0</u>
Total Nonresidential	7,556.0	9,221.0	12,450.0	4,755.3	36,458.5
<u>New Dwelling Units</u>					
Single Family	298	175	191	231	341
Multiple Family	<u>0</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>260</u>
TOTAL	298	250	191	231	601

Source: Construction Industry Research Board, Building Permit Summary.

The following table shows a five-year summary of the valuation of building permits issued in the County.

**CONTRA COSTA COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Permit Valuation</u>					
New Single-family	\$605,151.7	\$541,940.5	\$576,116.0	\$502,567.7	\$458,503.6
New Multi-family	155,051.9	55,154.8	169,461.5	213,697.9	203,967.0
Res. Alterations/Additions	<u>312,967.0</u>	<u>354,340.6</u>	<u>337,089.0</u>	<u>300,066.4</u>	<u>213,070.0</u>
Total Residential	1,073,170.6	951,435.9	1,082,666.5	1,016,332.0	875,540.6
New Commercial	144,878.8	133,930.0	200,592.4	148,405.7	175,260.2
New Industrial	11,624.9	3,552.0	52,919.3	2,974.5	50,551.2
New Other	309,861.2	108,530.0	189,246.6	81,032.5	55,865.5
Com. Alterations/Additions	<u>333,717.2</u>	<u>361,757.0</u>	<u>287,139.5</u>	<u>240,543.0</u>	<u>142,395.8</u>
Total Nonresidential	800,082.1	607,769.0	729,897.8	472,955.7	424,072.7
<u>New Dwelling Units</u>					
Single Family	1,853	1,732	1,647	1,573	1,525
Multiple Family	<u>1,043</u>	<u>272</u>	<u>1,161</u>	<u>1,229</u>	<u>1,243</u>
TOTAL	2,896	2,004	2,808	2,802	2,768

Source: Construction Industry Research Board, Building Permit Summary.

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Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2017 through 2022.

**CITY OF OAKLEY, CONTRA COSTA COUNTY,
STATE OF CALIFORNIA & UNITED STATES
Effective Buying Income
2017 through 2022**

<u>Year</u>	<u>Area</u>	<u>Total Effective Buying Income (in Thousands)</u>	<u>Median Household Effective Buying Income</u>
2017	City of Oakley	\$913,862	\$66,618
	Contra Costa County	39,248,375	69,967
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Oakley	\$1,022,054	\$73,992
	Contra Costa County	42,543,271	74,398
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Oakley	\$1,102,038	\$75,177
	Contra Costa County	46,121,254	79,603
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Oakley	\$1,197,760	\$82,093
	Contra Costa County	48,775,464	83,242
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Oakley	\$1,319,133	\$87,303
	Contra Costa County	51,959,070	87,804
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Oakley	\$1,538,277	\$101,709
	Contra Costa County	57,555,435	98,409
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2022.

Appendix D

Financial Policies

DIABLO WATER DISTRICT
REGULATION NO. 14
RESERVE FUND MANAGEMENT

Section I. Policy

- A. The complex nature of Diablo Water District’s (District) operations and its various legal, legislative, contractual, and fiduciary requirements, dictate a multifaceted and sophisticated financial structure. A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital improvements, debt service, repair and rehabilitation of existing assets, and unplanned future emergencies. In order to meet these requirements, funds will be accumulated, maintained, expended, and restored according to this regulation and when appropriate, invested per the District’s investment policy.

Section II. General Provisions

- A. Reserve balances are considered the minimum necessary to maintain the District’s creditworthiness and adequately provide for:
1. Compliance with applicable statutory requirements
 2. Financing of future capital facilities and replacement of existing assets
 3. Cash flow requirements
 4. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy
 5. Contingencies for unforeseen operating or capital needs

- B. In the context of funding future capital facilities and replacing existing assets, the District will analyze the most cost effective and efficient method to finance a project, be it through debt financing, pay-as-you go financing, use of reserves, use of grant proceeds, or through some combination of those sources.
- C. The District has established the following two categories that comprise its reserves:
1. Restricted Cash and Investments – comprised of unspent bond proceeds, bond reserve funds (held by trustee), facilities reserve charges, and catastrophic emergency.
 - (a) These funds require a resolution of the Board to access funds that are not part of an approved budget. Additionally, unspent bond proceeds and bond reserve funds can only be spent according to the legal bond documents.
 2. Unrestricted Cash and Investments – comprises of funds to be spent on capital repair and rehabilitation, unforeseen operating expenses, seasonal cash flow fluctuations, temporary revenue reductions due to economic or drought-induced, and other prudent expenses authorized by the Board.
 - (a) These reserves can be encumbered through annual budgets, board approval, or by staff adhering to this regulation.

Section III. Reserve Funds and Target Levels

A. Rate Stabilization Fund

1. Events or Conditions Prompting the Use of the Fund: Up to 10% temporary revenue reductions due to economic or drought-induced conditions, larger than budgeted increases in wholesale water rates, minor fluctuations in cash flow, and other prudent expenses authorized by the Board.
2. Authorization Required: None. This is the default fund that is automatically reduced for month-to-month cash flow coverage. If exhausted, the next reserve to be accessed is the General Fund Operating Reserve.
3. Target Level: \$1,000,000, has been established by the District's 2021 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies.

B. General Operating Reserve

1. Events or Conditions Prompting the Use of the Fund: Working capital to meet cash flow shortfalls, unexpected capital asset replacement, and minor emergencies (less than \$1 million).
2. Authorization Required: Staff will provide a recommendation to the Board when operating reserves are expected to be needed. Board authorization required.
3. Target Level: 3 Months of current fiscal year operating and maintenance

expenses.

$$(a) \text{ Example: FY O\&M expense} = \$10,000,000 \times .25 \\ = \$2,500,000 \text{ in budgeted reserves.}$$

C. Capital Reserve

1. Events or Conditions Prompting the Use of the Fund: Repair and rehabilitation of capital assets for PAYGo projects or a combination of PAYGo and debt-financed projects.
2. Authorization Required: Staff will provide a recommendation to the Board as needed or during the annual budget setting process when capital reserves are expected to be needed. Board authorization required.
3. Target Level: \$2,000,000 has been established by the District's 2021 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies, and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2024.

D. Emergency Reserve

1. Events or Conditions Prompting the Use of the Fund: Catastrophic emergency and natural disaster expenses required to keep the District operational and start repairs, moderate to severe temporary revenue reduction due to economic or drought-induced conditions, or other force majeure events.
2. Authorization Required: These reserves may only be accessed after the

depletion of the rate stabilization reserve. An emergency declaration via Board resolution and Board authorization is required.

3. Target Level: \$5,000,000 has been established by the District's 2021 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies, and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2029.

E. Bond Proceeds (held by Trustee)

1. Events or Conditions Prompting the Use of the Fund: Can solely be spent on the projects approved in the bond legal documents.
2. Authorization Required: Surplus/excess bond proceeds can be spent on other eligible projects, subject to bond counsel and Board approval via a resolution.
3. Target Level: Zero
4. Bond proceeds should equal expected project expenses and be spent on qualified projects within three years of issuance.

F. Bond Debt Service Reserves (held by trustee)

1. Events or Conditions Prompting the Use of the Fund: Can solely be used towards the payment of the associated bond.
2. Authorization Required: No Board or Staff discretion.
3. Target Level: As established in the bond legal documents and must be maintained at this level.

G. Facilities Reserve

1. Events or Conditions Prompting the Use of the Fund: Projects, assets, staffing, etc., identified in District's Facilities Master Plan that are for the capacity (or preservation thereof), expansion and/or improvement of the District' systems due to new development.
2. Target Level: 3 years' worth of facilities funds debt payment expenditures.

(a) Example: FY Facilities Fund debt expenditure =

$$\$900,000 \times 3 = \$2,700,000.$$

Section IV. Management of Reserves

- A. The General Manager or their designee is responsible for adherence to this regulation. Further management guidance is provided below:
1. The board shall approve any reallocation of funds or any transfers among funds.
 2. Any reserve that is accessed for eligible uses shall have an adopted restoration/repayment plan adopted at the time of access of the reserve fund.
 3. The exception is the rate stabilization fund that should be fully restored during the annual budget setting process or at maximum within two years of depletion.
 4. Eligible reserve funds may be used to perform interfund loans.
 5. The interest rate shall be adjusted annually to equal the December 31st

Local Agency Investment Fund rate.

6. Length of loan and repayment schedule are to be determined on a case-by-case basis and in consultation with General Counsel.
7. Reserve funds that are invested shall be credited interest income.
8. Investments of Debt Service Reserve Funds should mature prior to the first optional redemption date. If advance refunding of outstanding bonds is being considered, then Debt Service Reserve Fund balances should remain liquid.
9. Reserve balances will be reviewed, at minimum on an annual basis during annual budget preparation to ensure compliance with this regulation.
10. To preserve its strong credit ratings, in every fiscal year, the District shall endeavor to maintain 150 to 270 days of operating cash.
11. The target established for each fund represents the baseline financial condition that is acceptable to the District from risk and long-range financial planning perspectives.

DIABLO WATER DISTRICT

Amended and Restated Debt Management Policy

This Amended and Restated Debt Management Policy (“Debt Policy”) of Diablo Water District (“District”) was approved by the District’s Board of Directors on April 27, 2022. The Debt Policy may be amended by the Board of Directors as it deems appropriate from time to time in the prudent management of the debt of the District. Any approval of debt by the Board of Directors that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy. This Debt Policy amends and restates the District’s Debt Management Policy approved by the District’s Board of Directors on September 25, 2019, in its entirety.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District.

The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit worthiness. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives, and capital improvement program or budgets, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the District.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.

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- When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- (b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
- (c) The District may use long-term debt financings subject to the following conditions:
- The project to be financed must be approved by the Board of Directors.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- State or Federal loans, including Revolving Fund loans
- loans and lines of credit with banks and other financial institutions
- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- refunding bonds, notes, loans, and other obligations

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available

when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund, facilities reserve fund, or other fund from which capital improvements are paid for.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the District to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the District.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues; and
- the District's investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the District shall retain records of all expenditures of proceeds through the final payment date for the debt.

DIABLO WATER DISTRICT

REGULATION NO. 111

INVESTMENT POLICY

Section I. Investments and Deposits

- A. Surplus money in the treasury of the District not required for the immediate necessities of the District may be invested only in accordance with the provisions of Government Code, section 53601.
- B. As far as possible, all money belonging to or in the custody of the District not otherwise invested shall be deposited for safekeeping in state or national banks in accounts insured by the Federal Deposit Insurance Corporation or in savings or other financial institutions as authorized by Government code, section 53635.
- C. District funds may be invested in public agency bonds where the issuing agency has a rating of:

<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>Aaa</u>	<u>AAA</u>	<u>AAA</u>
<u>Aa1</u>	<u>AA+</u>	<u>AA+</u>
<u>Aa2</u>	<u>AA</u>	<u>AA</u>
<u>Aa3</u>	<u>AA-</u>	<u>AA-</u>

Section II. Investment Objectives

- A. When investing, reinvesting, and managing the funds of the District, the

primary objective shall be to safeguard the principal of the funds under the District's control. The secondary objective shall be to meet the liquidity needs of the District. The third objective shall be to invest in funds that align with the District's Environments, Social, and Governance philosophy. The fourth objective shall be to achieve a return on the funds under its control.

Section III. Control

- A. All funds of the District, and the deposit and investment thereof, shall be under the continuous control of the Board of Directors. The General Manager shall have the authority to make investment decisions on behalf of the District. As trustee of said funds the Board and the General Manager are subject to the prudent investor standard as defined by Government Code, section 53600.3.

Section IV. Financial Reporting

- A. The District's staff Auditor shall render annually to the Board for its consideration a statement of investment policy as required by Government Code, Section 53646(a).
- B. The District's staff Auditor shall submit not less than quarterly to the Board and the General Manager a financial report as required by Government Code, section 53646 (b).

Section V. Interfund Loans

- A. The District will require an Interfund Loan Agreement between the lending fund and the borrowing fund for organizational, capital, operational, and maintenance purposes. The Loan Agreement shall be as approved by the

District's Board of Directors.

- B. The District's General Fund or Facilities Reserve Fund may loan monies to other funds within the District as circumstances may arise to meet current obligations. The Finance and Accounting Manager shall affect such transfers by journal entry upon the request of the General Manager.
- C. The borrowing fund shall pay the lending fund interest on the monies loaned at the current average monthly effective yield rate per LAIF (Local Agency Investment Fund).

Section VI. Environmental, Social and Governance Investment

- A. Philosophy: to invest in funds that contribute to a sustainable future for the environment, enrich the human experience, while minimizing risks and maximizing transparency of the company.
- B. Investment Criteria (if available):
 - 1. Sustainalytics ESG Score: Require a low to negligible risk score.
 - 2. Statista: Bank shall not be listed in top 25 carbon dioxide emitting banks.
 - 3. Banking on Climate Chaos: Bank shall not be listed in top 30 banks investing in fossil fuels.
 - 4. Agency bonds that support community investment, infrastructure improvements and/or environmental projects.
 - 5. Additional data sources may be considered.

Appendix E

Audited Basic Financial Statements

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Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Condensed Statement of Net Position

	June 30, 2023	June 30, 2022	Change	June 30, 2021	Change
Assets:					
Current assets	\$ 14,957,235	\$ 14,974,630	\$ (17,395)	\$ 8,302,937	\$ 6,671,693
Non-current assets	10,196,826	12,359,545	(2,162,719)	11,029,656	1,329,889
Capital assets, net	<u>72,766,924</u>	<u>69,737,069</u>	<u>3,029,855</u>	<u>67,732,971</u>	<u>2,004,098</u>
Total assets	<u>97,920,985</u>	<u>97,071,244</u>	<u>849,741</u>	<u>87,065,564</u>	<u>10,005,680</u>
Deferred outflows of resources	<u>2,859,789</u>	<u>2,008,802</u>	<u>850,987</u>	<u>1,396,727</u>	<u>612,075</u>
Total assets and deferred outflows of resources	<u>\$ 100,780,774</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>	<u>\$ 88,462,291</u>	<u>\$ 10,617,755</u>
Liabilities:					
Current liabilities	\$ 3,695,446	\$ 3,701,052	\$ (5,606)	\$ 3,326,428	\$ 374,624
Non-current liabilities	<u>22,751,522</u>	<u>22,118,371</u>	<u>633,151</u>	<u>16,541,889</u>	<u>5,576,482</u>
Total liabilities	<u>26,446,968</u>	<u>25,819,423</u>	<u>627,545</u>	<u>19,868,317</u>	<u>5,951,106</u>
Deferred inflows of resources	<u>2,025,550</u>	<u>2,988,900</u>	<u>(963,350)</u>	<u>65,821</u>	<u>2,923,079</u>
Net position:					
Net investment in capital assets	61,657,923	57,675,377	3,982,546	54,817,845	2,857,532
Restricted	8,740,823	10,934,928	(2,194,105)	10,718,413	216,515
Unrestricted	<u>1,909,510</u>	<u>1,661,418</u>	<u>248,092</u>	<u>2,991,985</u>	<u>(1,330,567)</u>
Total net position	<u>72,308,256</u>	<u>70,271,723</u>	<u>2,036,533</u>	<u>68,528,243</u>	<u>1,743,480</u>
Total liabilities, deferred outflow of resources and net position	<u>\$ 100,780,774</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>	<u>\$ 88,462,381</u>	<u>\$ 10,617,665</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$72,308,256 and \$70,271,723 as of June 30, 2023 and 2022, respectively.

By far the largest portion of the District's net position (85% as of June 30, 2023 and 82% as of June 30, 2022) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of fiscal years 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$1,909,510 and \$1,661,418, respectively, which may be utilized in future years.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2023	June 30, 2022	Change	June 30, 2021	Change
Operating revenues	\$ 14,390,909	\$ 12,572,567	\$ 1,818,342	\$ 12,881,410	\$ (308,843)
Operating expenses	<u>(14,875,541)</u>	<u>(13,153,515)</u>	<u>(1,722,026)</u>	<u>(12,747,073)</u>	<u>(406,442)</u>
Operating income (loss) before depreciation	<u>(484,632)</u>	<u>(580,948)</u>	<u>96,316</u>	<u>134,337</u>	<u>(715,285)</u>
Depreciation expense	<u>(2,442,468)</u>	<u>(1,762,000)</u>	<u>(680,468)</u>	<u>(2,135,376)</u>	<u>373,376</u>
Operating income (loss)	<u>(2,927,100)</u>	<u>(2,342,948)</u>	<u>(584,152)</u>	<u>(2,001,039)</u>	<u>(341,909)</u>
Non-operating revenues (expenses)	<u>1,159,885</u>	<u>(10,862)</u>	<u>1,170,747</u>	<u>487,158</u>	<u>(498,020)</u>
Net loss before capital contributions	<u>(1,767,215)</u>	<u>(2,353,810)</u>	<u>586,595</u>	<u>(1,513,881)</u>	<u>(839,929)</u>
Capital contributions	<u>3,803,748</u>	<u>4,332,775</u>	<u>(529,027)</u>	<u>8,370,600</u>	<u>(4,037,825)</u>
Change in net position	<u>2,036,533</u>	<u>1,978,965</u>	<u>57,568</u>	<u>6,856,719</u>	<u>(4,877,754)</u>
Net position:					
Beginning of year (includes adjustment)	<u>70,271,723</u>	<u>68,292,758</u>	<u>1,978,965</u>	<u>61,671,434</u>	<u>6,621,324</u>
End of year	<u>\$ 72,308,256</u>	<u>\$ 70,271,723</u>	<u>\$ 2,036,533</u>	<u>\$ 68,528,153</u>	<u>\$ 1,743,570</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased by \$2,036,533 and increased by \$1,978,965 for the fiscal years ended June 30, 2023 and 2022, respectively.

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FY 2024/25 Budget**

Total Revenues

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Operating Revenues:					
Water sales - residential and business	\$ 13,376,006	\$ 11,655,609	\$ 1,720,397	\$ 11,896,683	\$ (241,074)
Water sales - other	368,622	507,538	(138,916)	490,219	17,319
Other charges for services	646,281	409,420	236,861	494,508	(85,088)
Total operating revenues	<u>\$ 14,390,909</u>	<u>\$ 12,572,567</u>	<u>\$ 1,818,342</u>	<u>\$ 12,881,410</u>	<u>\$ (308,843)</u>
Non-operating:					
Investment (loss) gain	389,038	(239,694)	628,732	45,871	(285,565)
Lease revenue	169,435	125,568	43,867	143,996	(18,428)
Other non-operating revenues	1,298,880	820,062	478,818	732,852	87,210
Total non-operating revenues	<u>1,857,353</u>	<u>705,936</u>	<u>1,151,417</u>	<u>922,719</u>	<u>(216,783)</u>
Total revenues	<u>\$ 16,248,262</u>	<u>\$ 13,278,503</u>	<u>\$ 2,969,759</u>	<u>\$ 13,804,129</u>	<u>\$ (525,626)</u>

In 2023, operating revenues increased by 14.46% or \$1,818,342 from \$12,572,567 to \$14,390,909, from the prior year, primarily due to a increase in water sales of \$1,581,481. Water sales increased from the prior year due to updated and corrected water rates that went into effect in July 2022. The District also increased rates again in March 2023, to pass-through the increased cost of purchasing water and to recoup the drought surcharge rates that were charged by CCWD. In 2022, operating revenues decreased by 2.40% or \$308,843 from \$12,881,410 to \$12,572,567, from the prior year, primarily due to a consultant error in the water rate study that led to artificially low rates for 4 months, the new corrected rates became effective July 2022.

Total Expenses

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Operating expenses:					
Source of supply - water purchases	\$ 5,469,681	\$ 5,336,023	\$ 133,658	\$ 5,330,564	\$ 5,459
Water treatment - Randall-Bold water treatment	2,105,829	1,957,748	148,081	1,805,073	152,675
Well expenses	413,275	129,442	283,833	175,925	(46,483)
Maintenance	491,879	584,641	(92,762)	562,117	22,524
Transmission and distribution	2,465,026	1,844,446	620,580	1,899,217	(54,771)
Customer service	1,467,139	1,210,812	256,327	1,022,460	188,352
Administrative and general	2,462,712	2,090,403	372,309	1,951,717	138,686
Operating expenses before depreciation	<u>14,875,541</u>	<u>13,153,515</u>	<u>1,722,026</u>	<u>12,747,073</u>	<u>406,442</u>
Depreciation expense	2,442,468	1,762,000	680,468	2,135,376	(373,376)
Total operating expenses	<u>17,318,009</u>	<u>14,915,515</u>	<u>2,402,494</u>	<u>14,882,449</u>	<u>33,066</u>
Non-operating expenses:					
Interest and amortization expense	697,468	716,798	(19,330)	435,561	281,237
Total non-operating	<u>697,468</u>	<u>716,798</u>	<u>(19,330)</u>	<u>435,561</u>	<u>281,237</u>
Total expenses	<u>\$ 18,015,477</u>	<u>\$ 15,632,313</u>	<u>\$ 2,383,164</u>	<u>\$ 15,318,010</u>	<u>\$ 314,303</u>

In 2023, operating expenses before depreciation expense increased by 13.09% or \$1,722,026 from \$13,153,515 to \$14,875,541, from the prior year, primarily due to increases in source of supply – water purchases of \$133,658, well expenses of \$283,833, administrative expenses of \$372,309 and transmission/distribution expenses of \$620,580. Expenses were higher due to adding full-time employees to the District, as well as the cost of inflation on items such as chemical and energy costs.

In 2022, operating expenses before depreciation expense increased by 3.19% or \$406,442 from \$12,747,073 to \$13,153,515, from the prior year, primarily due to increases in source of supply – water purchases of \$5,459, and water treatment plant expenses of \$152,675 and customer expenses of \$188,352. Water treatment plant expenses were higher than expected due to inflation on chemical and energy costs.

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FY 2024/25 Budget

Capital Asset Administration

	Balance June 30, 2023	Balance June 30, 2022	Balance June 30, 2021
Capital assets:			
Non-depreciable assets	\$ 7,631,683	\$ 4,494,436	\$ 3,170,309
Depreciable assets	104,730,280	102,395,204	100,694,186
Accumulated depreciation	(39,595,039)	(37,152,571)	(36,131,524)
Total capital assets, net	\$ 72,766,924	\$ 69,737,069	\$ 67,732,971

At the end of fiscal year 2023 and 2022, the District's investment in capital assets amounted to \$72,766,924 and \$69,737,069 (net of accumulated depreciation), respectively. Major capital asset additions during the year amounted to \$3,272,627 and \$2,199,696 for various projects and equipment. See Note 3 for further information.

Debt Administration

The long-term debt position of the District is summarized below:

	Balance June 30, 2023	Balance June 30, 2022	Balance June 30, 2021
Long-term debt:			
Certificates-of-participation	\$ 8,193,855	\$ 8,626,229	\$ 12,994,720
Loans payable	10,309,000	10,806,000	-
Revenue bonds payable	-	-	-
Total	\$ 18,502,855	\$ 19,432,229	\$ 12,994,720

Structured long-term debt items decreased by \$929,374 for the fiscal year ended June 30, 2023, due to regular principal payments on the District's structured long-term debt items. See Note 7 for further information.

Structured long-term debt items increased by \$6,437,509 for the fiscal year ended June 30, 2022, due to regular principal payments on the District's structured long-term debt items as well as a new loan agreement. See Note 7 for further information.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Economic Conditions

The economic condition of the District continues to be stable. We have seen an increase in water sales due to the Governor easing some of the drought restrictions on residential customers effective March 2023. We have also been able to collect on and bring down our receivable balances on customers' past due water bills. The District does however, continue to be challenged by the COVID-19 pandemic with the continued cost of inflation and supply chain shortage.


The main area of uncertainty is the possibility of another drought and what our anticipated water sales will be through next year. In Fiscal year 2022, the District hired a rate consultant that restructured the rates to ensure accurate cost recovery from the appropriate customer classes (single family, multi-family, non-residential, etc.) As customer demands change over time and costs increase, the District must review its cost allocations to ensure a legal and equitable application of these costs. The new rate structure also includes drought shortage rates to help stabilize District revenue during times of drought.

Requests for Information

This financial report is designed to provide the District's ratepayers and creditors with a general overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Diablo Water District, Finance Department, at P.O. Box 127, Oakley, CA 94561 or (925) 625-3798.

Diablo Water District

FY 2024/25 Budget



*We value water and our
community; public service is at
the heart of everything we do.*

Diablo Water District

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DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 7

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Ordering Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order.

Attached is the resolution required by the Contra Costa County Elections Department for the November 5, 2024 election. The official filing period begins July 15, 2024 and ends August 9, 2024.

The seats that will be up for election are as follows:

- Ward 1 (President Tiernan)
- Ward 5 (Director Kovalick)

Holding all other variables constant, Directors Pastor, Seger and Shaw reside in Divisions that are not up for election until November 2026.

RECOMMENDATION:

Adopt Resolution 2024-06.

Dan Muelrath

Dan Muelrath
General Manager

Attached: Resolution 2024-06
Final Division Map

RESOLUTION NUMBER 2024-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF DIABLO WATER DISTRICT ORDERING EVEN-YEAR BOARD OF DIRECTORS ELECTION; CONSOLIDATION OF ELECTIONS; AND SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, California Elections Code requires a general district election be held in each district to choose a successor for each elective officer whose term will expire on the first Friday in December following an election to be held on the first Tuesday after the first Monday in November in each even-numbered year; and

WHEREAS, other elections may be held in whole or in part of the territory of the district, and it is to the advantage of the district to consolidate its general district election pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10520 requires each district involved in a general election to reimburse the County for the actual costs incurred by the County elections official in conducting the election for the district; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens, the district board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; may estimate the cost; and determine whether the estimate must be paid in advance; and

WHEREAS, Elections Code Section 12112 requires the election official of the principal county to publish a notice of the election once in a newspaper of general circulation in the district; and

WHEREAS, the next general election scheduled 130 or more days after the notice of vacancy is the November 5, 2024 general election.

NOW THEREFORE, IT IS ORDERED that an election be held within the territory included in this district on the 5th day of November 2024, for the purpose of electing members to the board of directors of said district in accordance with the following specifications:

1. The election shall be held on Tuesday, the fifth day of November, 2024. The purpose of the election is to choose members of the board of directors for the following seats:

Division/Ward 1	Four (4) year term
Division/Ward 5	Four (4) year term

2. The District has determined that the candidate will pay for the Candidate's Statement. The Candidate's Statement will be limited to 250 words. As a condition of having the Candidate's Statement published, the candidate shall pay the estimated cost at the time of filing.
3. The District directs that the Contra Costa County Registrar of Voters publish the Notice of Election in a newspaper of general circulation that is regularly circulated in the territory.
4. This District hereby requests and consents to the consolidation of its election with other elections which may be held in whole or in part of the territory of the District, as provided in Elections Code Section 10400.
5. The District will reimburse the County for the actual cost incurred by the County elections official in conducting the general district election upon receipt of a bill stating the amount due as determined by the election's official.
6. The Clerk of this Board is ordered to deliver copies of this Resolution, to the Registrar of Voters, and, if applicable, to the Registrar of Voters of any other county in which the election is to be held, and to the Board of Supervisors.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Directors of Diablo Water District at a meeting thereof, held on June 12, 2024, by the following vote:

AYES:

NOES:

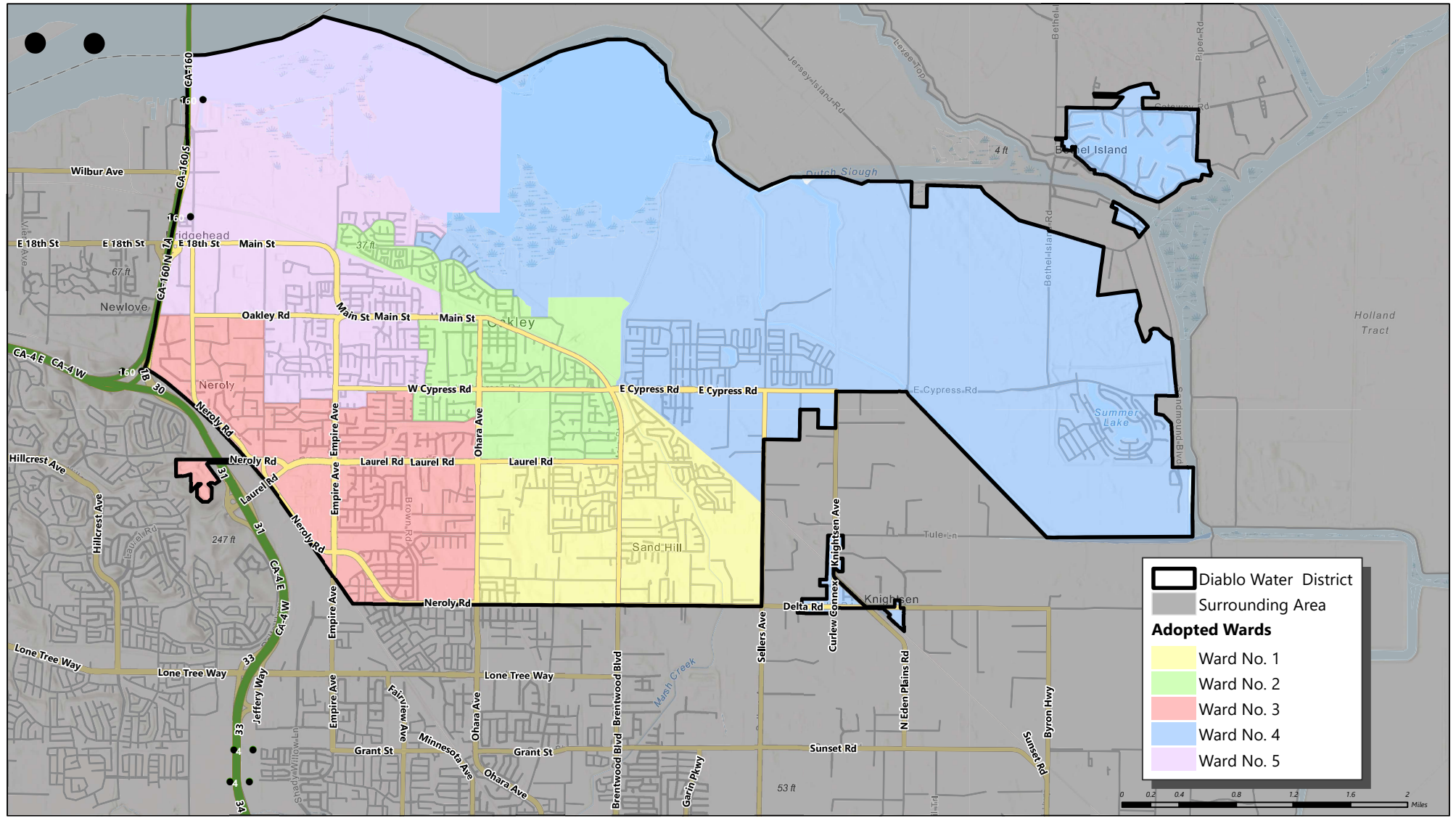
ABSENT:

DATED:

Kait Knight, Board Secretary

DIABLO WATER DISTRICT

ADOPTED WARDS 2022 - SCENARIO 4



DIABLO WATER DISTRICT
June 12, 2024 Board Meeting
Item Number 8

TO: Each Director

FROM: Dan Muelrath, General Manager

SUBJECT: Directors' Reports.

Representative assignments verbal reports:

- City of Oakley – Director Tiernan
- Ironhouse – Director Pastor
- LAFCO – Director Pastor
- Contra Costa Water District – Director Seger

Ad hoc reports:

- Report as needed.

RECOMMENDATION:

Discuss.

Dan Muelrath

Dan Muelrath
General Manager

DIABLO WATER DISTRICT
 June 12, 2024 Board Meeting
 Item Number 9

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

July 24, 2024	
Board Write Offs	Action
Sub Awardee Approval for RW Grant via EPA / ISD	Action
Carbon Neutrality Project Update	Discussion
Wellhead Treatment Update	Discussion
Blue Sky Alternate Water Supply Study Update	Discussion
	Discussion
August 28, 2024	
District Public Outreach	Discussion
Other Items	Future Date
EPA WaterSense New Home Certification	TBD

