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Directors:
Marilyn M. Tiernan
President

Scott R. Pastor
Vice President

Paul Seger
Joe Kovalick
Jason Shaw

General Manager:
Daniel Muelrath

General Counsel:
A. Miliband

Board Secretary:
Kait Knight

Vice President Pastor attended the meeting remotely pursuant to AB 2449.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF DIABLO WATER DISTRICT HELD ON NOVEMBER 15, 2023

The Special Meeting of the Board of Directors of Diablo Water District was held on November 15, 2023 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

The special meeting of the Board of Directors of Diablo Water District (District) was called to order by President Tiernan at 6:32 p.m. on November 15, 2023.

Directors Present:	Tiernan, Pastor, Seger, Kovalick, Shaw
Staff Present:	Dan Muelrath, Nacho Mendoza, Wayne Weaver
General Counsel:	Wes Miliband (AARLL)
District Engineer:	Bill Brick (CDM Smith)
Others Present:	Angela Lowery, Ironhouse, Members of General Public

2. Public Input.

(Anyone present may address the Board of Directors on any subject within the jurisdiction of Diablo Water District. If the subject item is on this Agenda, please hold public comment until the appropriate item). **All virtual attendees will remain on mute until called upon to address the Board.**

3. Delta Conveyance Alternatives Letter to MET.

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

Molly Culton, Organizing Manager for Sierra Club, thanked the Board for collaborating and cooperating in the efforts to share the letter with others.

It was moved by President Tiernan, seconded by Director Seger, and approved by the following vote to authorize the Board President to sign the letter and Staff to send the letter.

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

4. Creation of Facilities Reserve Charge Subcommittee Ad Hoc.

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

Director Kovalick pointed out that new developers are only paying for future development and would like to explore developers paying for the system they are buying into. General Manager Muelrath stated the fees do include capacity preservation projects, but will ask the engineering team to explore what other agencies are doing.

Director Seger wants to ensure a deep dive into what is being done around the industry so that developers are paying their share of the demand being put on our system.

It was moved by Director Kovalick, seconded by President Tiernan, and approved by the following vote to establish an FRC ad hoc subcommittee and select Director Kovalick and Director Seger to serve on the subcommittee.

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

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

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

President Tiernan asked if all the District's underground assets are insured, and also requested clarification on why we are not inclduing Knightsen and Willow

Park Marina. General Manager Muelrath advised that we could not insure that amount of assets at an affordable rate. He also clarified that Willow Park Marina is anticipated to be consolidated, and we have a good assessment for that location should consolidation not happen. Knightsen is such a small system that it could be a separate project if needed.

It was moved by Director Seger, seconded by Director Shaw, and approved by the following vote to authorize the General Manager to execute a professional services agreement for engineering services to develop Phase 2 of 2, Capital Improvement Plan with the District's Engineer, CDM Smith, in an amount not to exceed $124,104 plus a 10% contingency.

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

6. Wholesale Rate Pass-through.

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

General Manager Muelrath highlighted that what the District can control is at or below the cost of inflation. The inflated rates from PG&E and CCWD are beyond the District's control and represent the majority of the pass-through.

Director Kovalick mentioned that the volumetric rates in June 2023, from recovering the surcharge rates of CCWD, are comparable to where the rates will be in June 2024. He also requested clarification of the funds being brought in through each tier, and General Manager Muelrath said further conversations will occur at the January Strategic Planning Meeting.

President Tiernan shared that she appreciates the transparency of our pass-through and how it shows where our rates are being applied.

It was moved by Director Seger, seconded by Vice President Pastor, and approved by the following vote to authorize a 3% rate pass-through for a total effective rate increase of 7%.

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

7. General Manager's Reports.

- Water Supply Charts.

General Manager Muelrath advised that the District will scan the Contra Costa General Action Plan for items impacting the District. Comments are due January 31, 2024, and Directors are encouraged to bring any relevant information for review to Staff's attention. He mentioned that December is still the goal for the state to adopt DPR regulations. He emphasized the importance of transparency to the public as we move forward with the potential project, and when funds become available, there will be a lot of agencies applying for them so being shovel-ready is an advantage. There was discussion on the draft regulations.

8. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

Director Kovalick had nothing to report as he was unable to attend the meetings for City of Oakley.

Vice President Pastor had nothing to report for Ironhouse as the meeting is next week. He mentioned that action will be taken at the next meeting of LAFCO on a cemetery in Alamo, dissolving its board and who will be taking it on.

Director Seger reported that CCWD was meeting at the same time, and he will look into the 2024 water rate cost of service study, as noted on their agenda. CCWD is suggesting a rate increase of 7% for untreated water.

President Tiernan was unable to attend the meeting and had nothing to report for SGMA. Director Seger attended the meeting and said he would provide notes from the meeting to President Tiernan.

9. Future Agenda Items.

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

President Tiernan requested information on the legislation signed for PFAs in artificial lawns. General Manager Muelrath said he would provide an informational memo to the Board.

10. Next Meetings of the Board of Directors.

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

Closed Session

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

Name of Case: In re Aqueous Film-Forming Foams Product Liability Litigation, MDL No. 2:18-mn-02873 relating to City of Camden, et al., v. E.I. DuPont de Nemours and Company, et al.,
No. 2:23-cv-03230-RMG (United States District Court, District of South Carolina, Charleston Division) for litigation involving PFAS

Closed Session - Conference with Real Property Negotiations (Government Code sec. 54956.8)

Property Description: Jersey Island located in Contra Costa County
Negotiation: Diablo Water District General Manager Dan Muelrath and Ironhouse/Reclamation District 830 Representative TBD
Under Negotiation: Terms and Price

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

Agency Designated Representative: General Manager
Titles: All positions except General Manager

No reportable action.

Open Session

12. Adjournment.

Director Tiernan adjourned the meeting at 9:55 p.m.

Kait Knight, Board Secretary