



Public service is at the heart of everything we do.

Board Of Directors:

Paul Seger – *President*

Joe Kovalick – *Vice President*

Marilyn M. Tiernan | Jason Shaw | Conan Moats

General Manager: Dan Muelrath

General Counsel: Wes Miliband

Board Secretary: Kait Knight

AGENDA

The Special Meeting of the Board of Directors of Diablo Water District will be held on June 10, 2026 at 2:30 pm at the District’s Corporation Yard, 3990 Main Street, 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: 645 640 658#

Or

Web Option: <https://www.diablowater.gov/web-meeting-portal>

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.gov, or by calling Kait Knight at (925) 625-6587. A fee may be charged for copies.

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.

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 Regular Meeting of May 27, 2026.

Staff Recommendation: Approve.

B. Facilities Installation Agreement Meritage Homes of California, INC. for Subdivision 9614 Sellers.

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

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

Staff Recommendation: Adopt Resolution 2026-06.

5. Adoption of the District's 2025 Urban Water Management Plan and Water Shortage Contingency Plan.

Staff Recommendation: Approve Resolution No. 2026-07 adopting the District's 2025 Urban Water Management Plan; and

Approve Resolution No. 2026-08 adopting the District's 2025 Water Shortage Contingency Plan.

6. Financial Reports.

Staff Recommendation: Approve warrant register 2026-5, ACH and wire transactions for May 2026 and monthly financial report for April 2026.

7. Fiscal Year 2026/27 Budget Approval.

Staff Recommendation: Adopt the Fiscal Year 2026/27 Budget.

8. Creation of Credit Card Processing Fees Ad Hoc Subcommittee.

Staff Recommendation: Establish a credit card processing fees ad hoc subcommittee and select two directors to serve on the subcommittee.

9. District Counsel's Report.

Staff Recommendation: Authorize the General Manager to execute letters of support or opposition for identified legislation on behalf of the District, if desired.

10. Tax Credit Consultant Contract Award.

Staff Recommendation: Authorize the General Manager to execute a contract with The Weist Law Firm for Investment Tax Credit processing support in an amount not to exceed \$30,000, plus a 10% contingency.

Closed Session Items

**11. 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 Jean-Marc Petit, Ironhouse/Reclamation District 830 Representative.

Under Negotiation: Terms and Price.

Action Items

12. Adjournment.

Posted this 4th day of June 2026.



Dan Muelrath, General Manager

DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 3



TO: Each Director
FROM: Dan Muelrath
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 a vote.

A. Minutes of the Regular Meeting of May 27, 2026.

Staff Recommendation: Approve.

B. Facilities Installation Agreement Meritage Homes of California, INC. for Subdivision 9614 Sellers.

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

RECOMMENDATION:

Approve.

Dan Muelrath

Dan Muelrath
General Manager





Public service is at the heart of everything we do.

Board Of Directors:

Paul Seger – *President*

Joe Kovalick – *Vice President*

Marilyn M. Tiernan | Jason Shaw | Conan Moats

General Manager: Dan Muelrath

General Counsel: Wes Miliband

Board Secretary: Kait Knight

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT
HELD ON MAY 27, 2026

The Regular Meeting of the Board of Directors of Diablo Water District was held on May 27, 2026, at 6:30 pm at the District’s Corporation Yard, 3990 Main Street, Oakley, California, 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 President Seger at 6:32 pm on May 27, 2026.

Directors Present: Seger, Kovalick, Tiernan, Shaw, Moats

Staff Present: Dan Muelrath, Kait Knight

General Counsel: Wes Miliband (Miliband Water Law)

Others Present: Diego Verduzco (Ironhouse Sanitary District), Bill Brick (CDM Smith), Andria Loutsch (CDM Smith), Faithe Lovelace (Luhdorff & Scalmanini Consulting Engineers), District Staff, and 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.

None.

Public Hearing

3. Public Hearing – Urban Water Management Plan Public Hearing.

- Open Hearing
- Presentation, Discussion, and Public Comments
- Close Hearing

President Seger opened the hearing, the presentation was received, and the hearing was closed.

Director comments were received to be incorporated into the plan.

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 22, 2026.

Staff Recommendation: Approve.

It was moved by Vice President Kovalick, seconded by President Seger, and approved by the following vote to approve the Consent Calendar.

AYES: Tiernan, Shaw, Moats, Kovalick, Seger
NOES: None
ABSENT: None

5. Financial Reports.

Staff Recommendation: Approve warrant register 2026-4, ACH and wire transactions for April 2026 and monthly financial report for March 2026.

It was moved by Director Shaw, seconded by Vice President Kovalick, and approved by the following vote to approve warrant register 2026-4, ACH and wire transactions for April 2026 and monthly financial report for March 2026.

AYES: Tiernan, Shaw, Moats, Kovalick, Seger
NOES: None
ABSENT: None

Discussion Items

6. **Fiscal Year 2026/27 Budget Workshop.**

The Board received revenue and expense assumptions for the FY 2026/27 Budget, to be adopted at the June 10, 2026 Special Board Meeting.

The Board requested a Credit Card Ad Hoc item be agendaized to review credit card processing fees.

Directors Kovalick and Moats requested additional funding for recycled water.

7. **Spring Groundwater Update and Annual GSP Update.**

Faithé Lovelace, Luhdorff & Scalmanini Consulting Engineers, provided a Spring Groundwater and Annual GSP Update.

8. **General Manager's Report.**

- Water Supply Charts.

General Manager Muelrath reported on current water supply conditions, provided an intertie agreement update, and highlighted recent customer feedback.

9. **District Engineer's Report.**

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

10. **District Counsel's Report.**

General Counsel Miliband provided legislative updates and provided a table of current legislative interests of the Board. This table is attached as an addendum to the minutes.

The Board requested additional information on legislative updates at the next meeting.

11. **Directors' Reports.**

- Representative verbal reports.
- Other items as needed.

Compensated Director Reports:

- Vice President Kovalick – ACWA JPIA (5/4/2026, 4+ hours); Jersey Island Ad Hoc (April 27, 2026, 5/5/2026, 5/11/2026, 5/18/2026, 5/26/2026)
- Director Shaw – CCSDA (5/18/2026)
- President Seger – Ironhouse Sanitary District (5/5/2026, 5/19/2026); ECWMA (5/14/2026); Jersey Island Ad Hoc (5/5/2026, 5/11/2026)

12. Future Board Meetings and Agenda Items.

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

Received.

Closed Session Items

**13. 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.

**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 Jean-Marc Petit, Ironhouse/Reclamation District 830 Representative.

Under Negotiation: Terms and Price.

No reportable actions.

14. Adjournment.

President Seger adjourned the meeting at 10:39 pm.

DIABLO WATER DISTRICT

GENERAL COUNSEL'S REPORT ON LEGISLATIVE TRACKING

(Updated May 27, 2026)

Water Supply Planning

Bill	Sponsor	What it would change	Status
SB 1085	Sen. Steve Glazer	Addresses water supply planning and CEQA-related determinations for water supply planning by requiring the Water Supply Assessment for large projects even if a CEQA exemption exists	Passed the Senate and to the Assembly May 19, 2026

Water Rights

Bill	Sponsor	What it would change	Status
SB 697	Sen. Ben Allen Laird	Concerns determination of water rights for stream systems, likely affecting how the State Water Resources Control Board conducts adjudication proceedings over water rights.	Passed
AB 2215	Assemblymember Lisa Calderon	Would extend to December 31, 2046 the time periods for application of water to beneficial use and completion of construction work for specified Department of Water Resources permits for operation of the State Water Project.	Read second time and ordered to third reading in the Assembly on April 30, 2026

PFAS And Drinking Water Quality

Bill	Sponsor	What it would change	Status
SB 454	Sen. Jerry McNerney	Would create the PFAS Mitigation Fund and authorize the State Water Board to make grants, loans, contracts, and technical assistance available to water suppliers and wastewater operators for PFAS treatment, disposal, and related costs. It would also require a showing of public benefit and allow implementation guidelines.	Vetoed by the Governor on Oct. 1, 2025; still part of the 2025-2026 session history but not enacted
AB 794	Assemblymember Jesse Gabriel	Would require the State Water Board to adopt and enforce PFAS drinking water emergency regulations at least as stringent as federal standards, with authority to adopt more protective state measures.	Failed to pass
SB 1313	Sen. Jerry McNerney	Concerns grants and loans for public water systems dealing with PFAS.	Introduced and referred to Senate Environmental Quality on May 14, 2026

Reliable Water Access And Accessibility

Bill	Sponsor	What it would change	Status
SB 454	Sen. Jerry McNerney	Would have created funding to help systems treat PFAS and thereby support access to safe, reliable drinking water and affordability, but it was vetoed.	Vetoed

Air Quality

Bill	Sponsor	What it would change	Status
AB 1777	Assemblymember Lisa Calderon	Would authorize the State Air Resources Board, if necessary to attain ambient air quality standards required by federal law, to adopt regulations reducing or mitigating emissions from indirect sources of pollution; because violations would be crimes, it would impose a state-mandated local program.	May 14, 2026 passed Assembly Appropriations May 18, 2026 ordered to third reading on Assembly Floor

Oil And Gas Bonding

Bill	Sponsor	What it would change	Status
AB 2461	Assemblymember Gregg Hart	Would apply existing indemnity bond requirements not only to persons acquiring the right to operate a well or production facility, but also to persons acquiring the right to control one, and would delete an exemption for certain higher-producing wells and natural gas storage wells.	Referred to the Assembly Natural Resources Committee on March 9, 2026
AB 2716	Assemblymember Ávila Farías	Concerns oil and gas bonding requirements and was amended in the Assembly in April 2026, with committee consideration in Natural Resources and later Appropriations.	Re-referred to Assembly Appropriations on April 28, 2026, after passing out of Natural Resources as amended

DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 3B



TO: Each Director
FROM: Dan Muelrath
SUBJECT: Authorization to Execute Facilities Installation Agreement with Meritage Homes of California, INC. for Subdivision 9614 Sellers.

Attached is the Facilities Installation Agreement with Meritage Homes of California, INC. for Subdivision 9614 Sellers. The Facilities include an oversized waterline installed along Sellars Avenue; therefore, the Developer is entitled to reimbursement for the incremental costs associated with such oversizing.

The project consists of 77 single services, two 1-inch services for irrigation, and 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



**DIABLO WATER DISTRICT
FACILITIES INSTALLATION AGREEMENT
SELLERS IMPROVEMENT PLANS
SUBDIVISION NO. 9614**

This Agreement (“Agreement”) is made and entered into this ____ day of _____, 2026 (“**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 **MERITAGE HOMES OF CALIFORNIA, 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 9614 - Sellers”, consisting of 77 lots, numbered 1 to 77 within approximately 18 acres of land and is hereinafter referred to as the “**Developer's Land**,” described as Contra Costa County Assessor Parcel No. 033-150-013 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. 9614 Sellers Improvement Plans, prepared by Carlson, Barbee, and Gibson and approved by the District on June 17, 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"). As of the effective date of this agreement, the Developer has heretofore paid **\$200,000 (Two Hundred Thousand Dollars)** on account thereof ("Developer's Deposit") as a portion of the Project Costs.

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 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 77 residential lots and two 1-inch irrigation services, 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 \$109,000 (One Hundred Nine Thousand Dollars) ("**Performance Bond**") and a corporate surety labor and materials bond satisfactory to the District in the amount of \$54,500 (Fifty-Four Thousand Five Hundred 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. Notwithstanding the foregoing, the Parties acknowledge and agree that, as of the Effective Date, the Project has progressed beyond the stage at which the Performance Bond and Payment Bond (or other security described in this Section 9) are required, and therefore the requirements of this Section 9 are not applicable to the Project

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 drains 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 "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 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 \$272,500 (Two Hundred Seventy-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. **Entitlement to Reimbursement** The Facilities include an oversized waterline installed along Sellars Avenue; accordingly, the Developer is entitled to reimbursement for the incremental cost attributable to oversizing that waterline, in accordance with District Regulation 3. The total reimbursement amount is determined to be \$570,161. The reimbursement calculation shall include the 77 services in subdivision 9614, and 2 irrigation services which shall all be granted a 50-percent Main Extension Reimbursement Assessment (MERA) fee credit equal to \$48,920 as shown on the attached Exhibit "D".

18. **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.

19. **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.

20. **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.

21. **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.

22. **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 agreements, 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.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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.

20. **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:

Meritage Homes
Attention: Cameron Hutsell
2850 Gateway Oaks Drive, Suite 200
Sacramento, CA 95833

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.

21. **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.

22. **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.

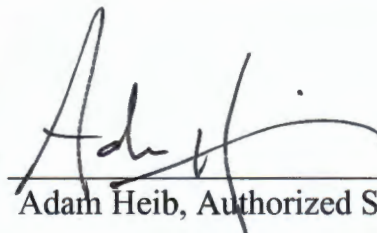
23. **Entire Agreement** This Agreement contains the entire agreement and understanding concerning the subject matter hereof and supersedes and replaces all prior negotiations and proposed agreements, whether written or oral. Each of the parties hereto acknowledges that no other party, nor the agents 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.

24. **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

**MERITAGE HOMES OF CALIFORNIA,
INC.**

By: _____
Dan Muelrath, General Manager

By:  _____
Adam Heib, Authorized Signer

Attest:

Sandra Leyba, Senior Forward Planning Analyst

(Attach Notary Statement)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Sacramento }
On May 28, 2026 before me, J. Edward Gorton, CA Public Notary
Date Here Insert Name and Title of the Officer
personally appeared Adam Heib
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

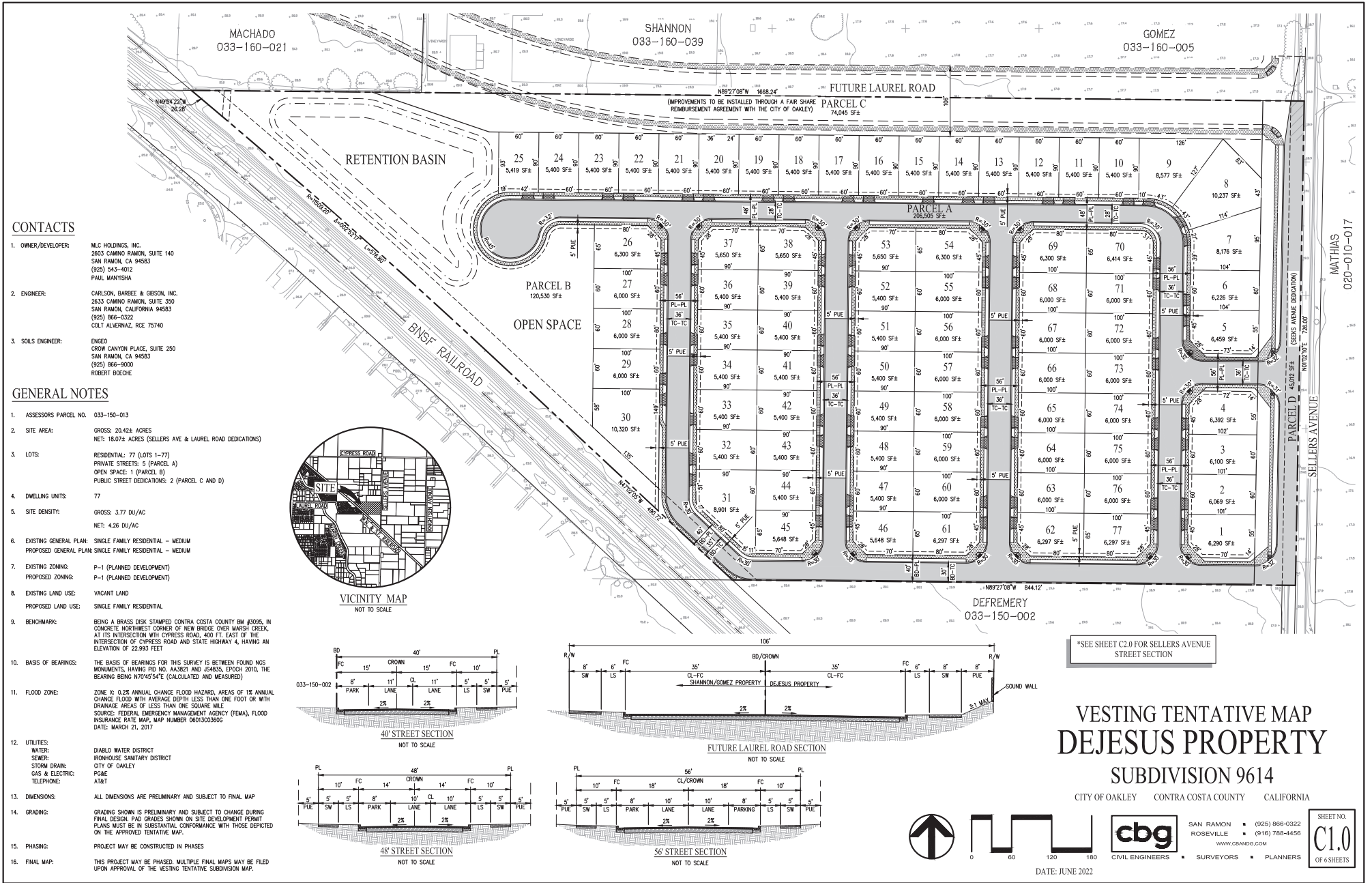
Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

EXHIBIT A

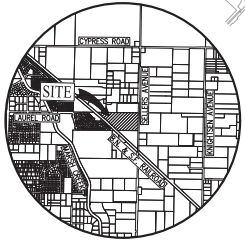


CONTACTS

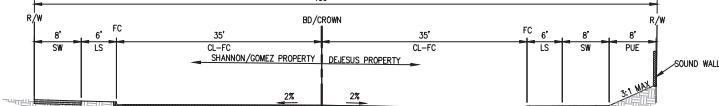
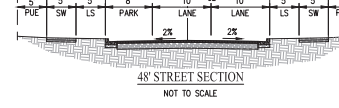
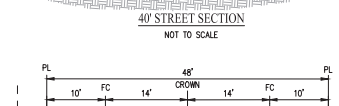
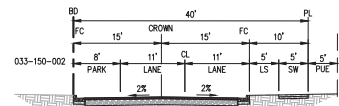
- OWNER/DEVELOPER:** MLC HOLDINGS, INC.
2603 CAMINO RAMON, SUITE 140
SAN RAMON, CA 94583
(925) 543-4072
PAUL MANIVSKA
- ENGINEER:** CARLSON, BARBE & GIBSON, INC.
2533 CAMINO RAMON, SUITE 350
SAN RAMON, CALIFORNIA 94583
(925) 866-0322
COLT ALVERNAZ, ROSE 75740
- SOILS ENGINEER:** ENSCO
CROW CANYON PLACE, SUITE 250
SAN RAMON, CA 94583
(925) 866-0000
ROBERT BOEDHE

GENERAL NOTES

- ASSESSORS PARCEL NO. 033-150-013
- SITE AREA: GROSS: 20.42± ACRES
NET: 18.07± ACRES (SELLERS AVE & LAUREL ROAD DEDICATIONS)
- LOTS: RESIDENTIAL: 77 (LOTS 1-77)
PRIVATE STREETS: 9 (PARCEL A)
OPEN SPACE: 1 (PARCEL B)
PUBLIC STREET DEDICATIONS: 2 (PARCEL C AND D)
- DWELLING UNITS: 77
- SITE DENSITY: GROSS: 3.77 DU/AC
NET: 4.26 DU/AC
- EXISTING GENERAL PLAN: SINGLE FAMILY RESIDENTIAL - MEDIUM
PROPOSED GENERAL PLAN: SINGLE FAMILY RESIDENTIAL - MEDIUM
- EXISTING ZONING: P-1 (PLANNED DEVELOPMENT)
PROPOSED ZONING: P-1 (PLANNED DEVELOPMENT)
- EXISTING LAND USE: VACANT LAND
PROPOSED LAND USE: SINGLE FAMILY RESIDENTIAL
- BENCHMARK: BEING A BRASS DISK STAMPED CONTRA COSTA COUNTY 6M #3095, IN CONCRETE NORTHWEST CORNER OF NEW BRIDGE OVER MARSH CREEK, AT ITS INTERSECTION WITH CYPRESS ROAD, 400 FT. EAST OF THE INTERSECTION OF CYPRESS ROAD AND STATE HIGHWAY 4, HAVING AN ELEVATION OF 22.983 FEET
- BASIS OF BEARINGS: THE BASIS OF BEARINGS FOR THIS SURVEY IS BETWEEN FOUND MGS MONUMENTS, HAVING PID NO. A43821 AND J84835, EPOCH 2010, THE BEARING BEING N70°45'54"E (CALCULATED AND MEASURED)
- FLOOD ZONE: ZONE X: 0.2% ANNUAL CHANCE FLOOD HAZARD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREAS OF LESS THAN ONE SQUARE MILE.
SOURCE: FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FLOOD INSURANCE RATE MAP, MAP NUMBER 060130C03600
DATE: MARCH 21, 2017
- UTILITIES: DIABLO WATER DISTRICT
WATER: IRONHOUSE SANITARY DISTRICT
CITY OF OAKLEY
GAS & ELECTRIC: PG&E
TELEPHONE: AT&T
- DIMENSIONS: ALL DIMENSIONS ARE PRELIMINARY AND SUBJECT TO FINAL MAP
- GRADING: GRADING SHOWN IS PRELIMINARY AND SUBJECT TO CHANGE DURING FINAL DESIGN. PAD GRADES SHOWN ON SITE DEVELOPMENT PERMIT PLANS MUST BE IN SUBSTANTIAL CONFORMANCE WITH THOSE DEPICTED ON THE APPROVED TENTATIVE MAP.
- PHASING: PROJECT MAY BE CONSTRUCTED IN PHASES
- FINAL MAP: THIS PROJECT MAY BE PHASED. MULTIPLE FINAL MAPS MAY BE FILED UPON APPROVAL OF THE VESTING TENTATIVE SUBDIVISION MAP.



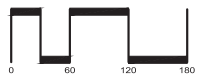
VICINITY MAP
NOT TO SCALE



*SEE SHEET C2.0 FOR SELLERS AVENUE STREET SECTION

VESTING TENTATIVE MAP DEJESUS PROPERTY SUBDIVISION 9614

CITY OF OAKLEY CONTRA COSTA COUNTY CALIFORNIA



SAN RAMON : (925) 866-0322
ROSEVILLE : (916) 788-4456
WWW.CSBANDS.COM

CIVIL ENGINEERS SURVEYORS PLANNERS

SHEET NO.
C1.0
OF 6 SHEETS

DATE: JUNE 2022

Recording Requested by:
DIABLO WATER DISTRICT
Without fee – California 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 9614 SELLERS

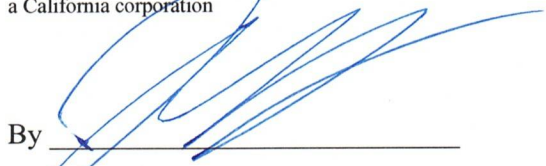
Owner, its heirs, successors, assigns, transferees; and subsequent owners of the real property described in Exhibit "A" attached hereto and incorporated herein, subject hereto, acknowledges, consents and agrees to forever release the Diablo Water District, its successors and assigns from any and all 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: April 21, 2020

Notary: A notary acknowledgment is attached hereto.

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

By 

Justin Derby
(Print name)

Vice President
(Title)

A notary public or other officer completing this certificate verifies only the identity of the individuals who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

On April 21, 2026, - , before me, Renee C. Kelty, notary public (insert name and title of the officers), personally appeared Justin Derby, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

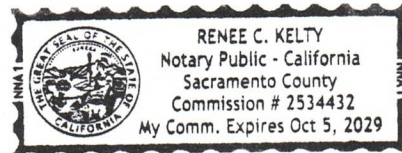
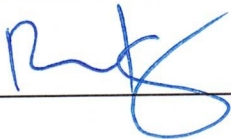


EXHIBIT "A" of the Restrictive Covenant

**SUBDIVISION 9614 SELLERS
OAKLEY, CALIFORNIA**

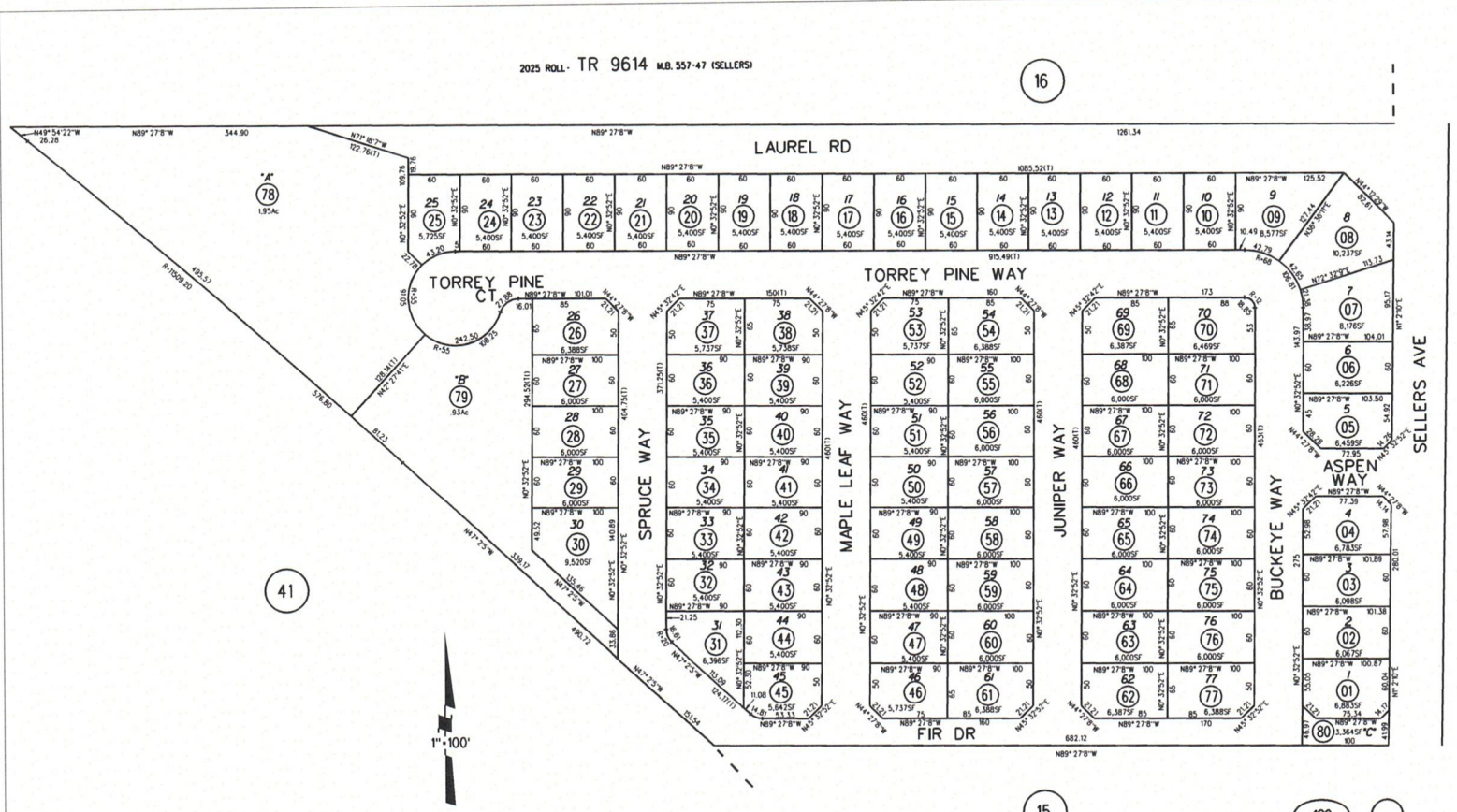
REAL PROPERTY, SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF OAKLEY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WHICH IS CONTAINED WITHIN SUBDIVISION 9614, SELLERS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 1 TO 77, INCLUSIVE, AND PARCELS A, B AND C, AS SHOWN ON THE FINAL MAP OF "SUBDIVISION 9614, SELLERS," FILED FOR RECORD ON SEPTEMBER 18, 2024, IN BOOK 557 OF MAPS, AT PAGES 47 TO 57, INCLUSIVE, IN THE OFFICIAL RECORDS OF THE CONTRA COSTA COUNTY RECORDER'S OFFICE, STATE OF CALIFORNIA.

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)



41

15

490

NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.

EXHIBIT "C" of the Restrictive Covenant

List of APNs

033-490-001	033-490-043
033-490-002	033-490-044
033-490-003	033-490-045
033-490-004	033-490-046
033-490-005	033-490-047
033-490-006	033-490-048
033-490-007	033-490-049
033-490-008	033-490-050
033-490-009	033-490-051
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033-490-017	033-490-059
033-490-018	033-490-060
033-490-019	033-490-061
033-490-020	033-490-062
033-490-021	033-490-063
033-490-022	033-490-064
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033-490-025	033-490-067
033-490-026	033-490-068
033-490-027	033-490-069
033-490-028	033-490-070
033-490-029	033-490-071
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033-490-031	033-490-073
033-490-032	033-490-074
033-490-033	033-490-075
033-490-034	033-490-076
033-490-035	033-490-077
033-490-036	
033-490-037	
033-490-038	
033-490-039	
033-490-040	
033-490-041	
033-490-042	



Construction Contracts Insurance Requirements

Indemnification Language – To the extent permitted by law, Contractor shall defend, indemnify and hold harmless Diablo Water District, its directors, officers, employees, and authorized volunteers from and against all claims, damages, losses and expenses, including reasonable attorneys’ fees and costs to defend arising out of the performance of the work described herein, and caused in whole or in part by any negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Diablo Water District, its directors, officers, employees, and authorized volunteers.

Minimum Scope and Limits of Insurance: Contractor shall procure and maintain for the duration of the contract, *and for 5 years thereafter*, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors.

Coverage - Coverage shall be at least as broad as the following:

1. **General Liability - Commercial General Liability (CGL) - Insurance Services Office (ISO)** Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to Diablo Water District) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability** - Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.
3. **Workers' Compensation Insurance** -. The Contractor shall provide workers’ compensation coverage as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
Waiver of Subrogation (also known as Transfer of Rights of Recovery Against Others to Us): The Contractor hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the Diablo Water District, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from work performed by the Named Insured for the Diablo Water District; this provision applies regardless of whether or not the Diablo Water District has received a waiver of subrogation from the insurer.
4. **Builder’s Risk** – (Course of Construction) if necessary- insurance utilizing an “All Risk” (Special Perils) coverage form with limits equal to the completed value of the project and no coinsurance penalty provision. See **Responsibility of Work**

5. **Contractor's Pollution Liability** – (optional: if project involves environmental hazards) with limits no less than \$2,000,000 per occurrence or claim, and \$5,000,000 policy aggregate.

If the Contractor maintains broader coverage and or/higher limits than the minimums shown above, the Diablo Water District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum of insurance and coverage shall be available to the Diablo Water District)

Other Required Provisions – The Commercial General Liability policy and Contractors Pollution (if necessary) are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** Diablo Water District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10 10 01 and CG 20 37 10 01, with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance.
2. **Primary Coverage:** For any claims related to this project, the Contractor's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the Diablo Water District, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the Diablo Water District, its directors, officers, employees, and authorized volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Diablo Water District.

Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or equivalent or as otherwise approved by Diablo Water District.

The Contractor agrees and he/she will comply with such provisions before commencing work. All of the insurance shall be provided on policy forms and through companies satisfactory to Diablo Water District. The Diablo Water District reserves the right to obtain complete, certified copies of all required insurance policies, including the policy declarations page with endorsement number. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Responsibility for Work - Until the completion and final acceptance by Diablo Water District of all the work under and implied by this agreement, the work shall be under the Contractor's responsible care and charge. The Contractor shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

The Contractor shall provide and maintain **builder's risk** (course of construction) or an installation floater (for materials and equipment) covering all risks of direct physical loss, damage, or destruction to the work in the amount specified in the General Conditions, to insure against such losses until final acceptance of the work by

Diablo Water District. Such insurance shall insure at least against the perils of fire and extended coverage, theft, vandalism and malicious mischief, and collapse. The Policy shall be endorsed with Diablo Water District, its directors, officers, employees, and authorized volunteers named as loss payee, as their interest may appear. The making of progress payments to the Contractor shall not be construed as creating an insurable interest by or for Diablo Water District or be construed as relieving the Contractor or his/her subcontractors of responsibility for loss from any direct physical loss, damage or destruction occurring prior to final acceptance of the work by Diablo Water District.

Deductibles and Self-Insured Retentions - Insurance deductibles or self-insured retentions must be declared by the Contractor and approved by the Diablo Water District. At the election of Diablo Water District, the Contractor shall either cause the insurer to reduce or eliminate such self-insured retentions as respects the Diablo Water District, its directors, officers, employees, and authorized volunteers or the Contractor shall provide a financial guarantee satisfactory to the Diablo Water District guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the Diablo Water District.

Verification of Coverage - Evidences of Insurance - Contractor shall furnish the Diablo Water District with copies of certificates and amendatory endorsements affecting coverage required by this contract. All certificates and endorsements are to be received and approved by the Diablo Water District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Diablo Water District reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages, required by these specifications, at any time. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Continuation of Coverage - The Contractor shall, upon demand of Diablo Water District deliver evidence of coverage showing continuation of coverage for at least (5) years after completion of the project. Contractor further waives all rights of subrogation under this agreement. When any of the required coverages expire during the term of this agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against Diablo Water District (if builder's risk insurance is applicable) to Diablo Water District at least ten (10) days prior to the expiration date.

Sub-Contractors - In the event that the Contractor employs other Contractors (sub-contractors) as part of the work covered by this agreement, it shall be the Contractor's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above (via as broad as ISO CG 20 38 04 13). The Contractor shall, upon demand of Diablo Water District, deliver to Diablo Water District copies of such policy or policies of insurance and the receipts for payment of premiums thereon.

GENERAL CONDITIONS

Safety - In the performance of this contract the Contractor shall comply with all applicable federal, state and local statutory and regulatory requirements including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus

Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict in regulations, the most stringent shall apply. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. Safety precautions shall include but shall not be limited to: adequate life protection and life saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses (including but not limited to exposure to the Coccidioides fungus and Valley Fever); and adequate facilities for the proper inspection and maintenance of all safety measures

Contractor must obtain all applicable Division of Occupational Safety and Health (CAL-OSHA) permit(s) and others required by California Labor Code and California Government Code, prior to the initiation of any practices, work, method, operation, or process related to the work covered in the contract. Permits required by governmental authorities will be obtained at Contractor's expense.

It is a condition of this contract and shall be made a condition of each subcontract which the Contractor enters into pursuant to this contract, that the Contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under Cal/OSHA safety and health standards.

The Contractor shall be responsible for the safeguarding of all utilities. At least two working days before beginning work, the Contractor shall call the Underground Service Alert (USA) in order to determine the location of sub-structures. The Contractor shall immediately notify Diablo Water District and the utility owner if he/she disturbs, disconnects, or damages any utility.

In accordance with Section 6705 of the California Labor Code, the Contractor shall submit to Diablo Water District specific plans to show details of provisions for worker protection from caving ground during excavations of trenches of five feet or more in depth. The excavation/trench safety plan shall be submitted to and accepted by Diablo Water District prior to starting excavation. The trench safety plan shall have details showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground. If such a plan varies from the shoring system standards established by the Construction Safety Orders of the California Department of Industrial Relations (Cal/OSHA), the plan shall be prepared by a California registered civil or structural engineer. As part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with the Cal/OSHA Construction Safety Orders, or that the registered civil or structural engineer certifies that the plan is not less effective than the shoring, bracing, sloping or other provisions of the Safety Orders. In no event shall the Contractor use a shoring, sloping, or protective system less effective than that required by said Construction Safety Orders. Submission of this plan in no way relieves the Contractor of the requirement to maintain safety in all areas. If excavations or trench work requiring a Cal/OSHA permit are to be undertaken, the Contractor shall submit his/her permit with the excavation/trench work safety plan to Diablo Water District before work begins.

EXHIBIT "D"

Development: Sellers Improvement Plans - Subdivision 9614

Engineer's Estimate of Reimbursable Costs

Date: 4/23/2026

Bond unit costs from 2018

Description	Estimated Quantity	Unit	Size (inches)	Unit Cost	Development Responsibility	Required for Facilities Plan	Reimbursable Amount
Sellers Improvement Plans for Subdivision 9614							
24" DIP Pipe (paved conditions) - installed as part of Sellers Improvement Plans	2,603	LF	24	\$341	\$296,742	\$887,623	\$590,881
8" PVC Pipe (paved conditions)	2,603	LF	8	\$114			
24" Butterfly Valve (valve body, megalug, MJ x FL connection piece, gaskets, bolt kits, labor) - installed as part of Sellers Improvement Plans	6	EA	24	\$6,400.00	\$10,200	\$38,400	\$28,200
8" Gate Valve (valve body, gaskets, bolt kits, labor)	6	EA	8	\$1,700.00			

MERA Fee Schedule		TOTALS				
Due Date	Fees	5,218			\$306,942	\$926,023
Sellers (Subdiv 9614)						
Lots 1 - 77 at \$1,212 per meter*	\$93,324					
2 Irrigation Services at \$2,258 per meter**	\$4,516					
Total MERA Fees	\$97,840					
		NOTE: Unpaved unit costs are used for new roads and for existing roads where the existing pavement is removed and the streets improved as part of the subdivision improvements.		Total Reimbursable Entitlement		\$619,081
		Note 1 re Credit for MERA Fees: DWD provides CDM with the info on total MERA fees. Credit will be for up to 50% of the total MERA fees, but not to exceed 50% of the total reimbursable amount.		Credit for MERA Fees (see Note 1 below)		(\$48,920)
		Total MERA Fees for Sellers (Subdiv 9614) = \$97,840		50% of Total Reimbursable Entitlement = \$309,541		
		50% of Total MERA Fees = \$48,920		Remaining Reimbursable Amount Due Developer		\$570,161

* = Rates prior to 2025 update apply
 ** = 2025 updated rates apply

SCHEDULE OF PAYMENTS FOR REMAINING REIMBURSABLE AMOUNT DUE DEVELOPER

First payment is due in July of each year following acceptance of the facilities by the District.

Annual payment is not to exceed 10% of the remaining reimbursement amount, except that the minimum annual payment shall not be less than \$5,000 if sufficient funds are available.

10% of remaining reimbursement amount = \$57,016 or min of \$5,000

Payments are made over a 10-year period, unless eligible amounts are not fully reimbursed at the end of the 10-year period due to shortfalls in the fund balance. In that case, the applicant is entitled to an additional 2 years or a total 12-year period.

Date Facilities Accepted: _____

Note: DWD will assign the due dates when facilities are accepted by District.

Payments for Remaining Reimbursable	Amount	Amount Due	Date Due
Year 1	\$57,016		
Year 2	\$57,016		
Year 3	\$57,016		
Year 4	\$57,016		
Year 5	\$57,016		
Year 6	\$57,016		
Year 7	\$57,016		
Year 8	\$57,016		
Year 9	\$57,016		
Year 10	\$57,016		
Total for Remaining Reimbursable Amount	\$570,160		

Year 11 (if applicable)
 Year 12 (if applicable)

DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 4



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 3, 2026 election. The official filing period begins July 13, 2026 and ends August 7, 2026.

The seats that will be up for election are as follows:

- Ward 2 (Director Moats)
- Ward 3 (President Seger)
- Ward 4 (Director Shaw)

Holding all other variables constant, Directors Tiernan and Kovalick reside in Divisions that are not up for election until November 2028.

RECOMMENDATION:

Adopt Resolution 2026-06.

Dan Muelrath

Dan Muelrath
General Manager

Attachment: Resolution 2026-06
Final Division Map



Resolution No. 2026 – 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 3, 2026 general election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Diablo Water District that an election be held within the territory included in this district on the third day of November 2026, 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 third day of November 2026. The purpose of the election is to choose members of the Board of Directors for the following seats:

Division/Ward 2	Four (4)-year term
Division/Ward 3	Four (4)-year term
Division/Ward 4	Four (4)-year term

2. The District has determined that the candidate will pay for the Candidate's Statement. 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 that 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 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 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 special meeting thereof, held on June 10, 2026, by the following vote:

AYES:

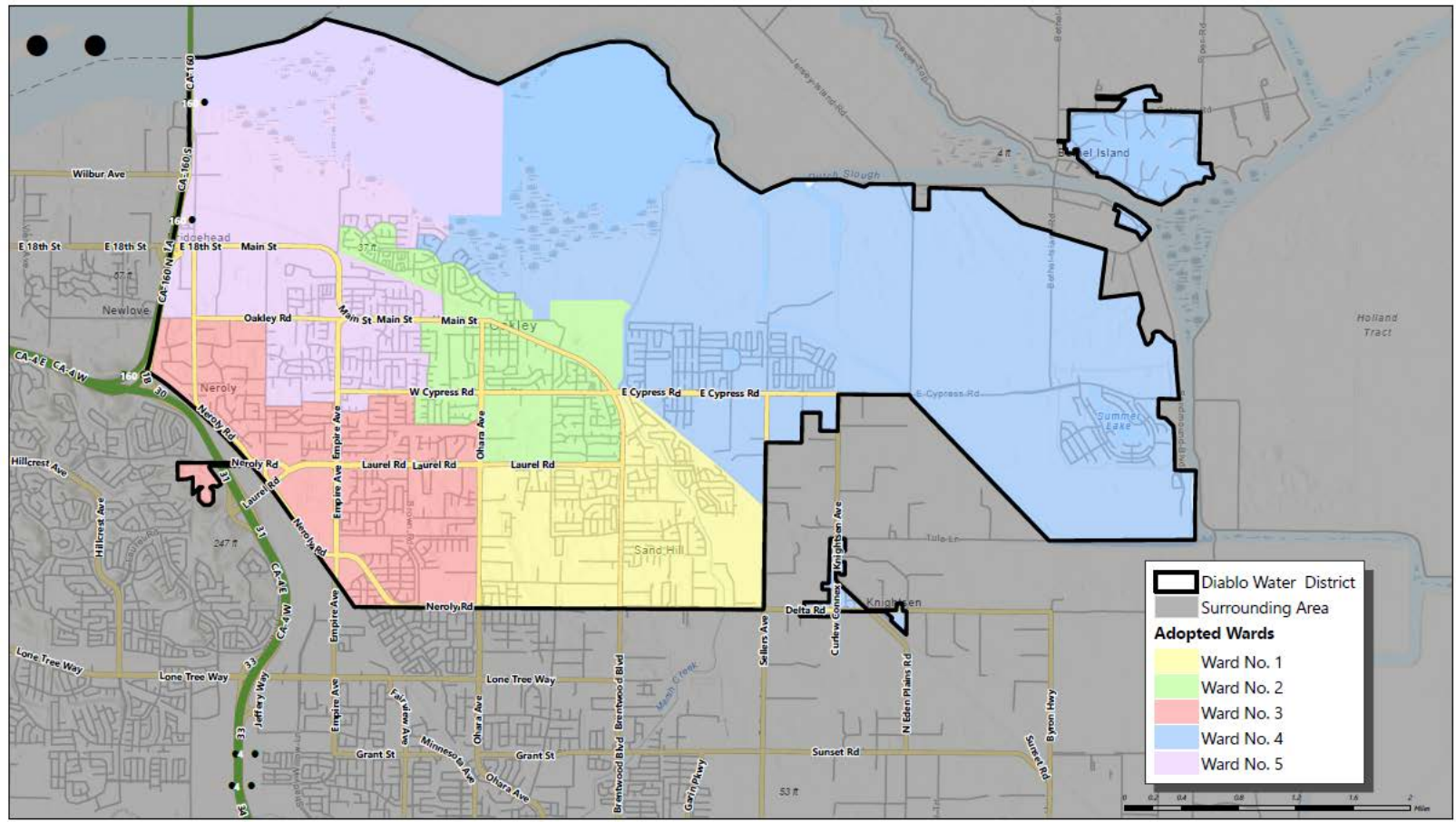
NOES:

DATED: June 10, 2026

Kait Knight, Secretary

DIABLO WATER DISTRICT

ADOPTED WARDS 2022



DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 5



TO: Each Director

FROM: Dan Muelrath

SUBJECT: Adoption of the District's 2025 Urban Water Management Plan and Water Shortage Contingency Plan.

Diablo Water District (District) is required to adopt an Urban Water Management Plan (UWMP) every five years to comply with California's Urban Water Management Planning Act. The State-required long-term plan details the District's water demand forecast, local water supplies, water supplies reliability assessment, and shortage contingency analysis. New to the 2025 UWMP is a larger focus on drought resiliency, closer alignment with water conservation and shortage planning requirements, and more detailed reporting.

Included with the UWMP is the required Water Shortage Contingency Plan (WSCP) that contains a drought risk assessment methodology and process. The drought risk assessment evaluates demands and supplies over an assumed five-dry-year period to help agencies plan for any shortage actions or responses that may need to be considered to close their water supplies gap.

Progress updates were provided, and input sought at the Board's March and April meetings. The draft report was issued May 8th with a public hearing on May 27, 2026. The District received no public comments and has updated the plans to reflect feedback from Staff and Directors at the public hearing and subsequent to the hearing.

These final updates and changes will be presented by CDM Smith.

The last step to ensure timely delivery to the State before the July 1, 2026 deadline is to adopt the UWMP and WSCP via separate resolutions.

RECOMMENDATION:

1. Approve Resolution No. 2026-07 adopting the District's 2025 Urban Water Management Plan; and
2. Approve Resolution No. 2026-08 adopting the District's 2025 Water Shortage Contingency Plan.

Dan Muelrath _____

Dan Muelrath
General Manager

Attachments: Resolution 2026-07
Resolution 2026-08



Resolution No. 2026 – 07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT ADOPTING THE
DISTRICT’S 2025 URBAN WATER MANAGEMENT PLAN**

WHEREAS, California Water Code Section 10610 et seq., known as the Urban Water Management Planning Act (Planning Act), requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) every five years on or before July 1, in years ending in six and one; and

WHEREAS, California Water Code Section 10652 exempts the preparation and adoption of UWMPs and amendments to UWMPs from the California Environmental Quality Act; and

WHEREAS, the deadline for adoption and submittal of the 2025 UWMP and WSCP is July 1, 2026; and

WHEREAS, the Planning Act specifies the requirements and procedures for adopting such UWMPs and WSCPs.

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

1. Adopt the District’s 2025 Urban Water Management Plan.
2. Directs the General Manager to submit the UWMP as required by law.

* * * * *

I 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 special meeting thereof, held on June 10, 2026, by the following vote:

AYES:

NOES:

DATED: June 10, 2026

Kait Knight, Secretary

Resolution No. 2026 – 08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DIABLO WATER DISTRICT ADOPTING THE
DISTRICT’S 2025 WATER SHORTAGE CONTINGENCY PLAN**

WHEREAS, California Water Code Section 10610 et seq., known as the Urban Water Management Planning Act (Planning Act), requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) every five years on or before July 1, in years ending in six and one; and

WHEREAS, California Water Code Section 10652 exempts the preparation and adoption of WSCPs and amendments to WSCPs from the California Environmental Quality Act; and

WHEREAS, the deadline for adoption and submittal of the 2025 UWMP and WSCP is July 1, 2026; and

WHEREAS, the Planning Act specifies the requirements and procedures for adopting such UWMPs and WSCPs.

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

1. Adopt the District’s 2025 Water Shortage Contingency Plan.
2. Directs the General Manager to submit the UWMP as required by law.

* * * * *

I 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 special meeting thereof, held on June 10, 2026, by the following vote:

AYES:

NOES:

DATED: June 10, 2026

Kait Knight, Secretary

DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 6

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

Items included for discussion:

- Warrant Register Number:
 - 2026-5
 - ACH and Wire Transactions – May 2026

- Payable items of \$125,000 or more explained in detail:
 - Global Power Supply, Inc. - \$165,687.38 – Stonecreek Generator (50%)
 - Capital One Public Funding, LLC - \$157,227.70 – 2022 Loan Interest Payment
 - CCWD - \$227,496.58 – Randall-Bold Operating Costs
 - CCWD - \$472,597.95 – Water Purchases for March 2026

- Monthly Financial Statements
 - April 2026

RECOMMENDATION:

Approve warrant register 2026-5, ACH and wire transactions for May 2026 and monthly financial report for April 2026.

Jennifer McCoy

Jennifer McCoy
Finance & Accounting Manager

Attachments: Warrant Register 2026-5
ACH and Wire Transactions for May 2026
Monthly Financial Report for April 2026



DIABLO WATER DISTRICT
Warrant Register 2026 - 5
June 10, 2026



<u>Check Numbers</u>	<u>Detail</u>	<u>Amount</u>
May Utility Billing Refund Checks 59885 - 59921	See Detail Check Register	7,476.62
May AP Checks 59922 - 59956	See Detail Check Register	372,331.27
May AP Checks 59957 - 59964	See Detail Check Register	129,553.20
Payroll Direct Deposit Employees	May Payroll Direct Deposit	222,039.70
Payroll Checks 59965 - 59966	See Detail Check Register	7,228.36
May AP Checks 59967 - 60001	See Detail Check Register	1,054,364.66
 TOTAL WARRANTS		 1,792,993.81

The foregoing Accounts Payable Warrants 59885 through 60001, payroll for May 2026, 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



Diablo Water District, CA

Refund Check Register

Refund Check Detail

UBPKT07882 - MAY 2026 REFUNDS

Account	Name	Date	Check #	Amount	Code	Receipt	Amount	Type
	VOID CHECK		59885	0.00				
	VOID CHECK		59886	0.00				
004-02526-05	GILLASPY, DAWN	5/15/2026	59887	192.16			192.16	Refund
	VOID CHECK		59887	0.00				
099-09353-16	MERITAGE HOMES OF CALIFORNIA INC	5/15/2026	59888	1,188.10			1188.10	Refund
	VOID CHECK		59888	0.00				
099-10051-06	MARQUES GENERAL ENGINEERING	5/15/2026	59889	475.70			475.70	Refund
	VOID CHECK		59889	0.00				
099-10951-09	GHILOTTI CONSTRUCTION COMPANY	5/15/2026	59890	1,265.38			1265.38	Refund
	VOID CHECK		59890	0.00				
099-13273-02	MARQUES GENERAL ENGINEERING	5/15/2026	59891	167.64			167.64	Refund
	VOID CHECK		59891	0.00				
099-13278-00	INC, SAVIDGE CONSTRUCTION	5/15/2026	59892	121.99			121.99	Refund
	VOID CHECK		59892	0.00				
104-05953-07	DELGADO, MYRNA	5/15/2026	59893	88.57			88.57	Refund
	VOID CHECK		59893	0.00				
	VOID CHECK		59894	0.00				
105-05553-02	CLYMENS, JEANNIE	5/15/2026	59894	10.41			10.41	Refund
	VOID CHECK		59895	0.00				
105-06459-04	ROMARCO PROPERTIES	5/15/2026	59895	81.96			81.96	Refund
	VOID CHECK		59896	0.00				
107-05685-01	WH1 LLC	5/15/2026	59896	92.94			92.94	Refund
	VOID CHECK		59897	0.00				
108-00208-05	DEMUS, THOMAS	5/15/2026	59897	97.65			97.65	Refund
	VOID CHECK		59898	0.00				
109-00666-05	MEDINA, MIGUEL ACEVES	5/15/2026	59898	188.57			188.57	Refund
109-02635-04	DIAZ, DANIELA	5/15/2026	59899	191.37			191.37	Refund
	VOID CHECK		59899	0.00				
	VOID CHECK		59900	0.00				
110-04161-07	PASSMORE, WILLIAM B	5/15/2026	59900	49.70			49.70	Refund
	VOID CHECK		59901	0.00				
110-04363-05	DELGADO, GABRIELA	5/15/2026	59901	159.90			159.90	Refund
	VOID CHECK		59902	0.00				
112-02222-05	AGUILAR, JAVIER	5/15/2026	59902	196.86			196.86	Refund
	VOID CHECK		59903	0.00				
114-07037-03	RADDA, VIRGINIA	5/15/2026	59903	76.03			76.03	Refund
	VOID CHECK		59904	0.00				
115-06322-04	LI, WEIQI	5/15/2026	59904	62.47			62.47	Refund

UBPKT07882 - MAY 2026 REFUNDS

Account	Name	Date	Check #	Amount	Code	Receipt	Amount	Type
	VOID CHECK		59905	0.00				
117-12767-04	SILVA, KATRINA	5/15/2026	59905	83.25			83.25	Refund
117-12971-00	LEGACY BUILDERS, INC.	5/15/2026	59906	988.77			988.77	Refund
	VOID CHECK		59906	0.00				
	VOID CHECK		59907	0.00				
118-04999-04	EMMANUEL, SHANI	5/15/2026	59907	152.06			152.06	Refund
119-01478-10	NELSON, JOHN AND NELLIE	5/15/2026	59908	39.43			39.43	Refund
	VOID CHECK		59908	0.00				
120-01693-10	A MEADOWS PROPERTY MANAGEMENT	5/15/2026	59909	54.18			54.18	Refund
	VOID CHECK		59909	0.00				
121-04137-06	RODRIGUEZ, STEVE	5/15/2026	59910	97.65			97.65	Refund
	VOID CHECK		59910	0.00				
	VOID CHECK		59911	0.00				
124-09432-11	DAVENPORT, JONTA LA'RON	5/15/2026	59911	35.44			35.44	Refund
	VOID CHECK		59912	0.00				
124-09830-09	SUNSHINE INVESTMENTS	5/15/2026	59912	91.37			91.37	Refund
125-03966-06	ROMARCO PROPERTIES	5/15/2026	59913	69.19			69.19	Refund
	VOID CHECK		59913	0.00				
128-12751-02	PLEADWELL, JENNA AND ANDREW	5/15/2026	59914	54.01			54.01	Refund
	VOID CHECK		59914	0.00				
128-12966-03	JOHNSON, BRUCE	5/15/2026	59915	71.88			71.88	Refund
	VOID CHECK		59915	0.00				
	VOID CHECK		59916	0.00				
129-11775-06	HUAI, JIE JESSICA	5/15/2026	59916	62.27			62.27	Refund
	VOID CHECK		59917	0.00				
131-08381-02	SOEWARDIE, BERNADETTE	5/15/2026	59917	346.75			346.75	
134-11653-08	TAMAYO, ELVIS	5/15/2026	59918	368.76			368.76	Refund
	VOID CHECK		59918	0.00				
	VOID CHECK		59919	0.00				
134-11655-04	WILLIAMS, MARCUS	5/15/2026	59919	62.29			62.29	Refund
137-11972-06	SU, RUI FANG	5/15/2026	59920	73.00			73.00	Refund
138-13553-03	CASTRO, RUBY	5/15/2026	59921	118.92			118.92	Refund
Total Refunds: 70			Total Refunded Amount:	7,476.62				

Revenue Code Summary

Revenue Code	Amount
996 - Unapplied Credits	7476.62
Revenue Total:	7476.62

General Ledger Distribution

Posting Date: 05/15/2026

	Account Number	Account Name	Posting Amount	IFT
Fund:	01 - General Operating			
	01-00-109-000	Claim on Pooled Cash	-7,476.62	Yes
	01-00-110-000	Accounts Receivable - Water Bills	7,476.62	
		01 Total:	0.00	
Fund:	99 - Pooled Cash			
	99-00-100-000	Pooled Cash	-7,476.62	
	99-00-209-000	Due To Other Funds	7,476.62	Yes
		99 Total:	0.00	
		Distribution Total:	0.00	



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: BMO AP Bank -BMO AP Bank						
ALTAMONT	ALTAMONT LANDSCAPE INC	05/15/2026	Regular	0.00	2,269.00	59922
AQUA	AQUA METRIC	05/15/2026	Regular	0.00	1,172.53	59923
AT&TUVRS	AT&T	05/15/2026	Regular	0.00	163.13	59924
BIGBLUMB	BIG "B" LUMBERTERIA INC	05/15/2026	Regular	0.00	270.91	59925
BRENNTAG	BRENNTAG PACIFIC, INC	05/15/2026	Regular	0.00	1,908.60	59926
BWAUTO01	BRENTWOOD AUTO PARTS INC	05/15/2026	Regular	0.00	357.87	59927
CALSTAR	CAL STAR SYSTEMS SUPPLY	05/15/2026	Regular	0.00	694.89	59928
CITYOFBW	CITY OF BRENTWOOD	05/15/2026	Regular	0.00	1,383.40	59929
COUNTY ASPHALT	COUNTY ASPHALT LLC	05/15/2026	Regular	0.00	536.36	59930
BOWERS01	DANNY BOWERS	05/15/2026	Regular	0.00	255.18	59931
EBERT	EBERT ENTERPRISES, INC	05/15/2026	Regular	0.00	8,964.54	59932
EKIENVIR	EKI ENVIRONMENT & WATER	05/15/2026	Regular	0.00	93,542.97	59933
DEBTBOOK	FIFTH ASSET, INC	05/15/2026	Regular	0.00	11,000.00	59934
GLOBAL	GLOBAL POWER SUPPLY, LLC	05/15/2026	Regular	0.00	165,687.38	59935
HILLCHEM	HILL BROTHERS CHEMICAL CO	05/15/2026	Regular	0.00	1,224.80	59936
HOMEDEPOT	HOME DEPOT CREDIT SERVICES	05/15/2026	Regular	0.00	803.66	59937
INSIGHT	INSIGHT PUBLIC SECTOR, INC	05/15/2026	Regular	0.00	1,139.14	59938
JARED	JARED REED TRUCKING	05/15/2026	Regular	0.00	3,302.88	59939
LOEWKE	LOEWKE PLANNING ASSOCIATES, INI	05/15/2026	Regular	0.00	3,175.00	59940
MCCAMP01	MCCAMPBELL ANALYTICAL INC	05/15/2026	Regular	0.00	905.00	59941
MCCAULEY	MCCAULEY AGRICULTURAL & PEST S	05/15/2026	Regular	0.00	300.00	59942
OAKDISPO	MT DIABLO	05/15/2026	Regular	0.00	548.60	59943
NATIONALTRENCH	NATIONAL TRENCH SAFETY	05/15/2026	Regular	0.00	4,510.40	59944
PACG&E01	PACIFIC GAS & ELECTRIC CO	05/15/2026	Regular	0.00	3,340.96	59945
PANPACIFIC	PAN-PACIFIC SUPPLY CO,, INC	05/15/2026	Regular	0.00	1,897.95	59946
PRODIGY	PRODIGY WORKS	05/15/2026	Regular	0.00	15,250.00	59947
PURPOSE BUILT	PURPOSE BUILT TRADE CO	05/15/2026	Regular	0.00	6,968.95	59948
QUADIEN LEASING	QUADIEN LEASING USA, INC	05/15/2026	Regular	0.00	570.36	59949
ULINE	ULINE	05/15/2026	Regular	0.00	368.07	59950
UNDERGROUND	UNDERGROUND REPUBLIC WATER V	05/15/2026	Regular	0.00	25,072.01	59951
UNIONPRC	UNION PACIFIC RAILROAD CO	05/15/2026	Regular	0.00	100.00	59952
PVS01	UNIVAR USA INC	05/15/2026	Regular	0.00	5,070.00	59953
VANDER	VAN DERMYDEN MAKUS LAW CORP	05/15/2026	Regular	0.00	7,917.06	59954
VIP CLEANING	VIP CLEANING SERVICE	05/15/2026	Regular	0.00	1,560.00	59955
WATERSAV	WATERSAVERS IRRIGATION	05/15/2026	Regular	0.00	99.67	59956

Bank Code BMO AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	55	35	0.00	372,331.27
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
	55	35	0.00	372,331.27

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2026	372,331.27
			<hr/>
			372,331.27



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: BMO AP Bank -BMO AP Bank						
CDM01	CDM SMITH	05/21/2026	Regular	0.00	99,803.29	59957
	Void	05/21/2026	Regular	0.00	0.00	59958
CITYOFBW	CITY OF BRENTWOOD	05/21/2026	Regular	0.00	2,111.88	59959
KOVALICK, J	JOE KOVALICK	05/21/2026	Regular	0.00	135.80	59960
KNIGHTK	KATHLEEN KNIGHT	05/21/2026	Regular	0.00	314.60	59961
LUHDORFF	LUHDORFF & SCALMANINI,	05/21/2026	Regular	0.00	6,821.93	59962
LIRA, M	MICHAEL LIRA	05/21/2026	Regular	0.00	365.70	59963
EARTH PARTNERS	THE EARTH PARTNERS, LLC	05/21/2026	Regular	0.00	20,000.00	59964

Bank Code BMO AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	12	7	0.00	129,553.20
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	12	8	0.00	129,553.20

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2026	129,553.20
			<hr/>
			129,553.20



Diablo Water District, CA

Payroll Check Register Checks

Pay Period: 4/27/2026-5/26/2026

Packet: PYPKT00642 - MAY 2026 PAYROLL 5-27-26 LP
Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Check Type	Date	Amount	Number
VOID		Void	05/29/2026	0.00	59965
PADILLA, GINO L	P02	Regular	05/29/2026	7,228.36	59966



Diablo Water District, CA

Payroll Check Register

Direct Deposits

Pay Period: 4/27/2026-5/26/2026

Packet: PYPKT00642 - MAY 2026 PAYROLL 5-27-26 LP

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Date	Amount	Number
ALVARADO, HECTOR A	A85	05/29/2026	150.00	1546
ALVARADO, HECTOR A	A85	05/29/2026	6,122.78	1546
ALVARADO, HECTOR A	A85	05/29/2026	696.98	1546
BIEGLER, DAMIEN	B00	05/29/2026	5,790.91	1547
CRAWFORD, CHAD D	C09	05/29/2026	7,770.69	1548
COZART, LORI	C74	05/29/2026	4,809.29	1549
CARRANZA GUTIERREZ, EDUARDO	C93	05/29/2026	6,856.22	1550
DEJESUS, HUNTER J	D10	05/29/2026	7,642.63	1551
FORD, WILLOW	F01	05/29/2026	5,911.17	1552
FORD, WILLOW	F01	05/29/2026	500.00	1552
GONZALEZ, JORGE R	G17	05/29/2026	13,115.40	1553
GROOVER, MATTHEW J	G21	05/29/2026	6,884.84	1554
GONZALES, SOPHIA M	G91	05/29/2026	10,216.57	1555
HERRERA, JOHN P	H02	05/29/2026	7,308.11	1556
KNIGHT, KATHLEEN M	K24	05/29/2026	11,053.38	1557
McCOY, JENNIFER	L21	05/29/2026	14,887.31	1558
LIRA, MICHAEL	L28	05/29/2026	8,931.48	1559
LEYBA, SANDRA	L85	05/29/2026	9,385.32	1560
MENDOZA, ATANACIO	M20	05/29/2026	10,565.87	1561
MILINA, CHERI	M21	05/29/2026	8,755.08	1562
MUELRAETH, DANIEL B	M22	05/29/2026	16,512.20	1563
PLOWMAN, SHELBY	P24	05/29/2026	5,643.42	1564
POSADA, LAUREN A	P89	05/29/2026	9,003.14	1565
BALESTERI, REBECCA	R20	05/29/2026	7,548.44	1566
ROMERO, LUIS J	R22	05/29/2026	9,608.73	1567
ROSALES, PAOLA	R94	05/29/2026	5,843.49	1568
VELAZQUEZ, CAMILO R	V01	05/29/2026	8,549.32	1569
WEAVER, WAYNE A	W27	05/29/2026	11,976.93	1570



Diablo Water District, CA

Payroll Check Register Report Summary

Pay Period: 4/27/2026-5/26/2026

Packet: PYPKT00642 - MAY 2026 PAYROLL 5-27-26 LP
Payroll Set: Payroll Set 01 - 01

Type	Count	Amount
Regular Checks	1	7,228.36
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	1	0.00
Direct Deposits	28	222,039.70
Total	30	229,268.06



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: BMO AP Bank -BMO AP Bank						
CCCEFCU0	1st NORTHERN CA	05/29/2026	Regular	0.00	3,000.00	59967
ACCBUSINESS	ACC BUSINESS	05/29/2026	Regular	0.00	606.78	59968
ACWAHPIT	ACWA/JPIA	05/29/2026	Regular	0.00	72,786.37	59969
ALLSTAR1	ALL STAR RENTS	05/29/2026	Regular	0.00	598.22	59970
AMAZON	AMAZON CAPITAL SERVICES	05/29/2026	Regular	0.00	2,317.07	59971
AT&T	AT&T	05/29/2026	Regular	0.00	567.45	59972
AT&TUVRS	AT&T	05/29/2026	Regular	0.00	214.93	59973
AALR&R	ATKINSON, ANDELSON, LOYA, RUUD	05/29/2026	Regular	0.00	800.63	59974
BIGBLUMB	BIG "B" LUMBERTERIA INC	05/29/2026	Regular	0.00	321.07	59975
CAPITALONE	CAPITAL ONE PUBLIC FUNDING, LLC	05/29/2026	Regular	0.00	157,224.70	59976
COMCAST2	COMCAST	05/29/2026	Regular	0.00	366.57	59977
CCWD-RB	CONTRA COSTA WATER DIST	05/29/2026	Regular	0.00	227,496.58	59978
CCWD-RB	CONTRA COSTA WATER DIST	05/29/2026	Regular	0.00	12,011.34	59979
CCWD01	CONTRA COSTA WATER DIST	05/29/2026	Regular	0.00	472,597.95	59980
COMCOL01	CREDIT CONSULTING SER INC	05/29/2026	Regular	0.00	197.92	59981
FERGUSON ENT	FERGUSON ENTERPRISES LLC #3325	05/29/2026	Regular	0.00	249.88	59982
FREEDOM	FREEDOM HIGH SCHOOL	05/29/2026	Regular	0.00	1,000.00	59983
GALLAGHER	GALLAGHER	05/29/2026	Regular	0.00	7,260.00	59984
MCCAULEY	MCCAULEY AGRICULTURAL & PEST S	05/29/2026	Regular	0.00	300.00	59985
MILIBAND	MILIBAND WATER LAW	05/29/2026	Regular	0.00	10,705.50	59986
OAKDISPO	MT DIABLO	05/29/2026	Regular	0.00	102.85	59987
NEXTGEN	NEXT GENERATION PLUMBING LLC	05/29/2026	Regular	0.00	125.00	59988
PACG&E01	PACIFIC GAS & ELECTRIC CO	05/29/2026	Regular	0.00	33,751.40	59989
PURPOSE BUILT	PURPOSE BUILT TRADE CO	05/29/2026	Regular	0.00	459.95	59990
STALLS	STALLS & STRIPES	05/29/2026	Regular	0.00	26,400.00	59991
STANDINS	STANDARD INSURANCE CO	05/29/2026	Regular	0.00	3,688.15	59992
STAPLES	STAPLES CREDIT PLAN	05/29/2026	Regular	0.00	1,070.42	59993
TYLERTEC	TYLER TECHNOLOGIES INC	05/29/2026	Regular	0.00	320.00	59994
UFI	UFI FINANCIAL SOLUTIONS	05/29/2026	Regular	0.00	3,000.00	59995
VERIZON	VERIZON WIRELESS	05/29/2026	Regular	0.00	4,659.93	59996
VIKINGSHRED	VIKING SHRED	05/29/2026	Regular	0.00	277.98	59997
VISIONSR	VISION SERVICE PLAN	05/29/2026	Regular	0.00	756.61	59998
WATERSAV	WATERSAVERS IRRIGATION	05/29/2026	Regular	0.00	2,591.86	59999
WEX BANK - CHEVRON	WEX BANK	05/29/2026	Regular	0.00	5,614.65	60000
WHITEWOLF	WHITE WOLF LAND SERVICE	05/29/2026	Regular	0.00	922.90	60001

Bank Code BMO AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	52	35	0.00	1,054,364.66
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
	52	35	0.00	1,054,364.66

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	5/2026	1,054,364.66
			<hr/>
			1,054,364.66

DIABLO WATER DISTRICT
Banking Activity for May 2026
 June 10, 2026



TRANSACTION TYPE	DATE	PAYABLE TO	DESCRIPTION	AMOUNT
Electronic Debit	05/01/26	State of Idaho	State of Idaho Withholding - April 2026 Payroll Deduction	534.00
Electronic Debit	05/01/26	State EDD	State Withholding - April 2026 Payroll	16,564.84
Electronic Debit	05/04/26	Lincoln Financial	SIP 457 Deferred Comp - April 2026 Payroll Deductions	4,229.45
Electronic Debit	05/04/26	Global Payments	Credit Card Processing Fees - Open Edge (April 2026)	14,308.65
Electronic Debit	05/04/26	CalPERS	Replacement Benefit Contribution	17,257.68
Electronic Debit	05/04/26	CalPERS	CalPERS Retirement Contributions - April 2026 Payroll	62,445.15
Electronic Debit	05/04/26	CalPERS	SIP 457 Deferred Comp - April 2026 Payroll Deductions	7,768.58
Electronic Debit	05/20/26	US Bank	May 2026 Credit Card Payment	13,762.09
Electronic Debit	05/29/26	IRS	May 2026 Payroll Taxes (Fed/Medi/SS)	97,867.17
Electronic Debit	05/29/26	DWD Direct Deposit	Payroll May 2026 - Direct Deposit (See Warrant Reg)	222,039.70
TOTAL ACTIVITY				456,777.31

The above Banking Transactions for May 2026 were given to the Board of Directors for their review as part of the June 10, 2026 Board Meeting.

Jennifer McCoy

 Jennifer McCoy
 Finance & Accounting Manager

6/1/2026

 Date

DIABLO WATER DISTRICT
MONTHLY FINANCIAL REPORT
FOR PERIOD APRIL 1, 2026 TO APRIL 30, 2026



Balance as of March 31, 2026	<u><u>\$24,778,326.91</u></u>
Receipts, April 2026	
Operating	1,313,546.33
Non-Operating (MERA, Admin, Inspection & Eng Fees & Contract Services)	215,155.14
Facilities Reserve	373,402.21
Interest	
General	17,247.14
MERA	1,252.96
Facilities Reserve	9,894.36
Investment activity (+ or -)	25,869.54
Disbursements, April 2026	
Operating	(1,601,355.95)
Facilities Reserve	(391,087.93)
Quarterly Bank Analysis Charges	(2,693.49)
Balance as of April 30, 2026	<u><u>\$24,739,557.22</u></u>

	FUNDS	
(as of close of business on April 30, 2026)	AMOUNT	
District General Fund		8,426,139.90
Restricted funds		
2019 Series Held in Trust by US Bank		0.00
2022 Loan Project Funds - LAIF Account		0.00
2026 Series Held in Trust by US Bank		5,537,715.52
Facilities Reserve (AB-1600 Requirements)		6,305,458.07
Designated Funds		
Rate Stabilization Fund (Target \$1M)		1,000,000.00
Reserve Fund - Capital Reserve (Target \$2M by 2027)		1,500,000.00
Reserve Fund - Emergency Reserve (Target \$3M by 2033)		0.00
Main Extension Reimbursement (MERA)		821,392.06
Knightsen Well System (M25)		43,089.36
Willow Park Marnia Well System (M27)		77,446.47
Customer Deposits		380,470.00
Developer Admin, Inspection & Eng Deposit Totals		50,388.09
Current Active Projects	\$ 76,988.43	
Archived Projects	\$ -	
Projects on Hold	\$ (15,880.28)	
Project for Tracking Purposes Only	\$ (10,720.06)	
Accidents Pending Collection	\$ -	
Closing out Projects	\$ -	
Subdivision #4990 Phase 3 Bond Deposit		300,000.00
51 Carol Lane Performance Bond		105,000.00
Substandard Street Deposit		
Future Relocation of Bethel Island Road Offsite Waterline		192,000.00
District's Portion of Investment		457.75
TOTAL		<u><u>\$24,739,557.22</u></u>

DIABLO WATER DISTRICT
MONTHLY FINANCIAL REPORT
FOR PERIOD APRIL 1, 2026 TO APRIL 30, 2026
PAGE 2

INVESTMENTS/BANK ACCOUNTS
(as of close of business on April 30, 2026)

INSTITUTION	PAR VALUE	RATE OF INTEREST	MARKET VALUE
California Local Agency Investment Fund *		3.8110	8,872,020.07
BMO, General Checking Account *			1,926,472.63
Five Star Bank - General Operating Account			1,500,000.00
US Bank - 298466000 <i>Held US Bank</i> - Value with Interest Earnings/COP 2026			5,537,715.52
US Bank 298466001 (Green Bonds) Project Fund - Series 2026	5,529,367.87	Varies	
US Bank 298466002 (Green Bonds) Cost of Issuance Fund - Series 2026	8,347.65	Varies	
MBS RMB-028036 <i>Held Bank of New York</i> - Value with Interest Earnings			6,903,349.00
MD 05/14/26 06048W-L9-9 Bank Amer Corp Medium Term Rated AA- Callable 5/14/22**	200,000.00	1.40	
MD 09/14/26 146102BC1 Carter Bank & Trust Martinsville VA/CD	240,000.00	3.95	
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/CD	220,000.00	4.40	
MD 02/26/27 560390-DB-9 Maine Community Bk Biddeford ME/CD	249,000.00	3.85	
MD 05/18/27 14042RRF0 Capital One Natl Assn Mclean VA/CD	230,000.00	3.20	
MD 07/12/27 898812-AP-7 Tucson Fed Cr Un Ariz SH CTF - Callable Monthly	151,000.00	4.00	
MD 09/27/27 02007G3R2 Ally BK Sandy Utah/CD	245,000.00	3.75	
MD 10/01/27 Goldman Sachs BK USA New York/CD	245,000.00	3.40	
MD 11/22/27 Workers Federal Credit Union Littleton/MA SH/CD	249,000.00	4.10	
MD 04/10/28 549104-H6-7 Luana Svgs Bk Iowa/CD	240,000.00	3.95	
MD 06/05/28 02589A-HK-1 American Express Natl BK Brokered Intl/CD	244,000.00	4.20	
MD 11/30/28 91282CJN2 United States Treasury NTS	880,000.00	4.38	
MD 05/07/29 05584C-X3-5 BNY Mellon N A Instl/CD	245,000.00	3.85	
MD 11/30/29 91282CMA6 United States Treasury NTS	880,000.00	4.13	
MD 09/25/30 856288CZ6 State BK India New York N Y/CD	245,000.00	3.75	
MD 09/30/30 00435JBJ1 Access BaK Omaha NEB/CD	249,000.00	3.50	
MD 10/22/30 61778EHA2 Morgan Stanley BK N A Salt Lake City Utah/CD	245,000.00	3.75	
MD 12/24/30 61776NK93 Morgan Stanley Private BK Natk Assn Pur N.Y./CD	245,000.00	3.85	
MD 01/31/31 91282CJX0 United States Treasury NTS	880,000.00	4.00	
MD 07/28/31 795451EN9 Sallie Mae BK Salt Lake City Utah/CD / Callable 7/28/26	245,000.00	3.90	
Multibank Interest, Money Management Fund	78,463.23		

TOTAL **\$24,739,557.22**

* Demand Account

** Long-term ratings from Fitch

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, 2026 TO APRIL 30, 2026
PAGE 3

HELD IN TRUST BY DIABLO WATER DISTRICT
For Board of Directors Information Only
 (as of close of business on April 30, 2026)

<u>INSTITUTION</u>	<u>RATE OF INTEREST</u>	<u>MARKET VALUE</u>
Lincoln National, Deferred Compensation (Quarterly)	Varies	1,521,951.69
CERBT Funds (Quarterly)	9.476% year/year	1,296,939.13
TOTAL		<u><u>\$2,818,890.82</u></u>

Deferred Compensation (Lincoln National) 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 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	(16,602.60)	23,212.60	44,706.45
FY 24/25	(39,069.38)	23,078.60	28,715.67
FY 25/26 (as of Apr)	(9,688.82)	24,062.51	43,089.36

<u>Willow Park (M27)</u>	<u>Expenses</u>	<u>Income</u>	<u>Total Fund Balance</u>
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	(50,687.06)	70,934.41	12,691.89
FY 24/25	(51,218.06)	81,817.89	43,291.72
FY 25/26 (as of Apr)	(16,593.23)	50,747.98	77,446.47



DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 7

TO: Each Director

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

SUBJECT: Fiscal Year 2026/27 Budget Approval.

The attached Fiscal Year 2026/27 final budget represents Staff's efforts to incorporate the Board's input and policy direction given through previous Board meetings and the costs of service adopted in the 2025 rate-setting process, as well as the operational needs of the District.

RECOMMENDATION:

Adopt the Fiscal Year 2026/27 Budget.

Dan Muelrath

Dan Muelrath
General Manager

Attachment: Fiscal Year 2026/27 Final Budget



DIABLO WATER DISTRICT

FISCAL YEAR 2026/27 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 2025/26
DISTRICT UPDATES
DISTRICT VISION
FY 2026/27 BUDGET
STRATEGIC PLAN

Acronyms Used

AMI	Advanced Metering Infrastructure	KPI	Key Performance Indicator
CCWD	Contra Costa Water District	LAFCO	Local Agency Formation Commission
CIP	Capital Improvement Project	LAIF	Local Agency Investment Fund
COLA	Cost-of-Living Adjustment	LTD	Long-Term Disability
COP	Certificate of Participation	M	Million
CSDA	California Special Districts Association	M-24	South Park Well
ESG	Environmental, Social and Governance	M-25	Knightsen Community Water System
EV	Electric Vehicle	M-27	Willow Park Marina
FEMA	Federal Emergency Management Agency	MEDI	Medicare
FICA	Federal Insurance Contributions Act	MERA	Main Extension Reimbursement Assessment
FR	Facilities Reserve	MMS	Maintenance Management Solutions
FTE	Full-Time Equivalent	O&M	Operations and Maintenance
FY	Fiscal Year	OPEB	Other Post-Employment Benefits
GF	General Fund	OUESD	Oakley Union Elementary School District
GFOA	Government Finance Officers Association	PAYGo	Pay-As-You-Go
GIS	Geographic Information System	PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
GM	General Manager	R1	Reservoir 1 - 2.5-Million-Gallon Reservoir
GSA	Groundwater Sustainability Agency	R2	Reservoir 2 - 5-Million-Gallon Reservoir
GSP	Groundwater Sustainability Plan	R3	Reservoir 3 - 5-Million-Gallon Reservoir
HR	Human Resources	RBWTP	Randall-Bold Water Treatment Plant
HVAC	Heating, Ventilation and Air Conditioning	RO	Reverse Osmosis
IDS	Intrusion Detection System	SCADA	Supervisory Control and Data Acquisition
IPS	Intrusion Prevention System	SMS	Short Message Service
IT	Information Technology	STD	Short-Term Disability
IVR	Interactive Voice Response	T&D	Transmission and Distribution
JPIA	Joint Powers Insurance Authority	WTP	Water Treatment Plant

Cover Photos

Aerial View of Solar Installed at District Reservoirs 2 and 3
Maintenance & Construction Staff (bottom left)
Community Event and Blending Facility (bottom right)

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General Manager's Message



As we present the Fiscal Year 2026/27 Budget, Diablo Water District continues its commitment to providing safe, reliable and high-quality drinking water to our community. For more than 73 years, the District has remained focused on maintaining public trust through responsible planning, operational excellence, and sound financial stewardship.

Under the leadership of our elected Board of Directors, the District continues to strengthen the resiliency of our water system while preparing for future challenges facing California water agencies. This past year, we advanced critical infrastructure improvements, enhanced cybersecurity protections, and continued planning efforts for future groundwater treatment and recycled water opportunities. We also made meaningful progress toward our goal of achieving carbon neutrality by 2027 through additional solar installations, fleet electrification, and greenhouse gas reduction initiatives.

Looking ahead, the Fiscal Year 2026/27 Budget prioritizes long-term investments that support reliability, sustainability, and emergency preparedness. Key projects include seismic upgrades to critical infrastructure, installation of additional backup generators to achieve full emergency power resiliency at District facilities, and investments in advanced water quality monitoring and treatment systems.

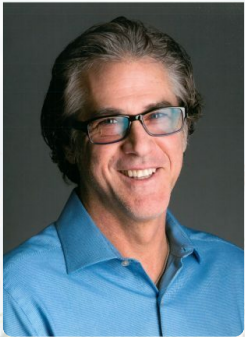
It is with great pride that I present the Diablo Water District Fiscal Year 2026/27 Budget. This budget reflects our ongoing commitment to responsible fiscal management, environmental stewardship, operational excellence, and delivering exceptional service to the community we proudly serve.

Dan Muelrath, General Manager
Diablo Water District



GM: Dan Muelrath

Board of Directors



Paul Seger
President



Joe Kovalick
Vice President



Marilyn Tiernan
Director



Jason Shaw
Director



Conan Moats
Director

Diablo Water District is an independent, self-governing local public agency established 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.

With a staff of 32 budgeted employees, the District obtains, treats, and supplies water for approximately 47,000 people, as well as the parks, schools, and businesses throughout a 21-square-mile service area consisting of Oakley, Cypress Corridor, Hotchkiss Tract, 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 our operations. Our Mission drives us to lead in delivering high-quality water, exceptional customer service, public engagement, advancing 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 2025/26, the District continued to prioritize 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 advanced planning efforts for regional strategies to improve water supply reliability aimed at ensuring a resilient water future. Additionally, the District invested in maintaining and enhancing our current water system and mainlines on an industry-leading 100-year replacement cycle and also performed the initial field investigations for our Wellhead Treatment Project to enhance drought resiliency, water quality, and control of costs.

Our Vision: We are a valued community resource.



Ensuring reliable access to water 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. 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 our Mission and Vision. Serving as a beacon, these principles navigate challenges and changes in the water industry and guide 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 ratepayers' 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 toward this goal through local, job-producing solar installations and the conversion of its fleet to electric vehicles and/or renewable diesel. In FY 2025/26, the District also put solar arrays at the Corporation Yard/Emergency Operations Center into operation and installed its next solar array at its reservoir location.

Located at the confluence of the Sacramento and San Joaquin Rivers, in the heart of the Delta and an earthquake region, requires advanced planning and investments in resilient infrastructure. The District is currently earthquake-retrofitting its water reservoirs and designing future infrastructure to withstand floods and other natural disasters. The overall goal is to maintain water service during emergencies.



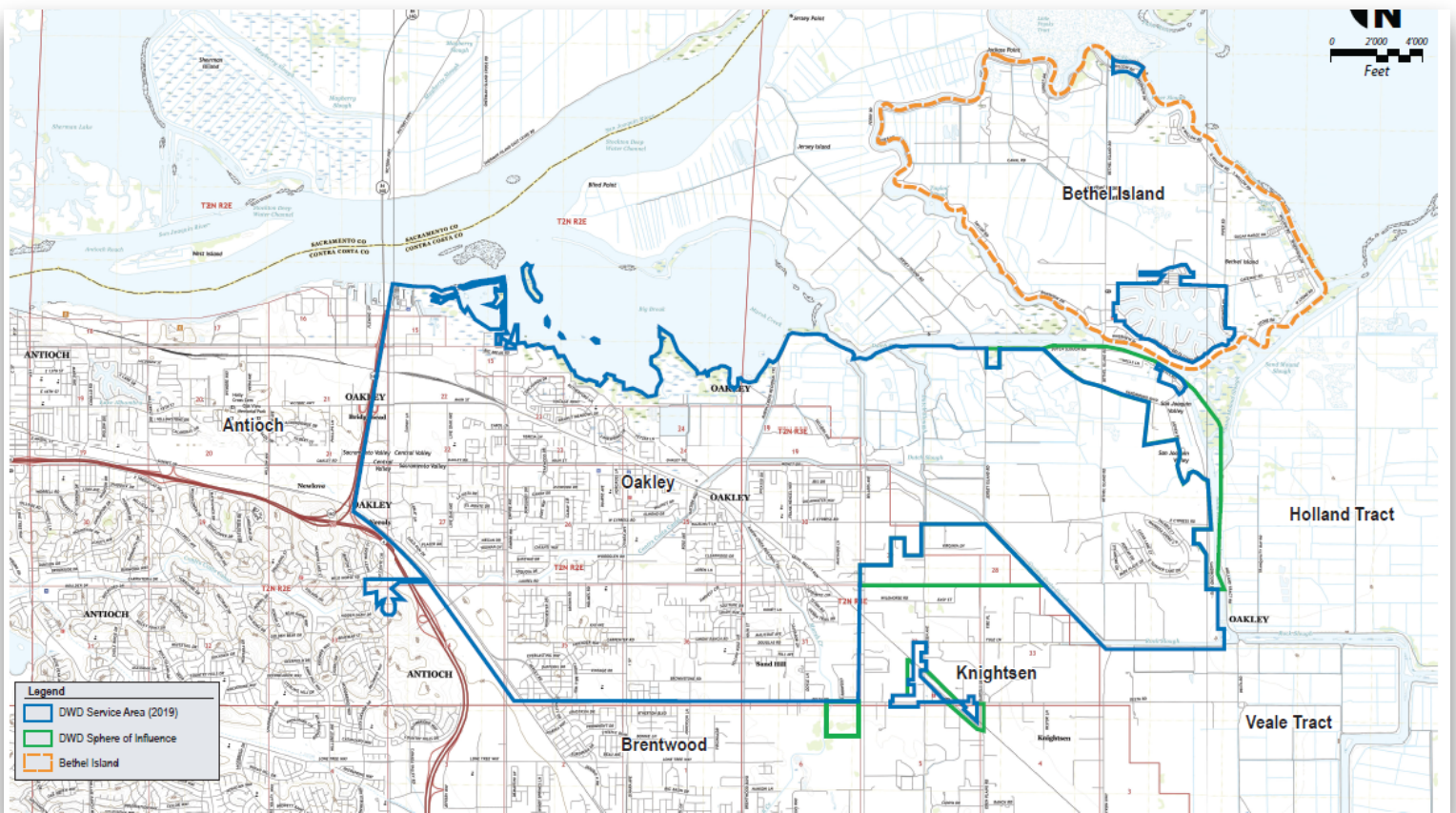
One of the best ways to extend the District's current potable water supply is through the use of recycled water. Diablo Water District has partnered with Ironhouse Sanitary District to develop conceptual plans to add recycled water to our service area. A study is being commissioned in FY 2026/27 to determine landscape and industrial reuse options, including pipeline network paths and future reuse opportunities.

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



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

District Service Area Map



Diablo Water District currently provides water to Oakley, Cypress Corridor, Hotchkiss Tract, 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 growth and expansion within our service area. We are actively pursuing two separate grants to facilitate consolidation opportunities for surrounding communities designated as disadvantaged and experiencing primary and secondary water quality exceedances. Our goal is to secure 100% grant funding for these multi-year expansion projects.

- Water mutuals on Sandmound have experienced primary arsenic exceedances in their water supply and have agreed to consolidate with the District. The project is now 100% engineered and designed, with the goal of securing construction funding in FY 2027/28.
- Water mutuals on Bethel Island, facing secondary exceedances, have engaged in discussions with the District regarding voluntary consolidation facilitated by District outreach efforts. Currently, the state is assessing the feasibility of extending consolidation to 13 water systems on Bethel Island.

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

Year in Review - Fiscal Year 2025/26

Highlights of our goals and accomplishments this year.

Resiliency - *we are focused on long-term water solutions.*

- Maintained the 100-year replacement cycle by upgrading critical infrastructure to ensure long-term system reliability.
- Mitigated water loss through correlation leak detection, improving efficiency and system reliability.
- Installed an emergency generator at Stonecreek Well for critical operations during power outages.
- Drilled a monitoring well to advance wellhead treatment and strengthen a resilient water supply.



Quality - *we are driven by excellence.*

- Maintained system integrity through meter accuracy testing, hydrant maintenance, and operational audits.
- Conducted water testing beyond state requirements, including PFAS testing, confirming no PFAS detected.
- Deployed remote-access meters to enable emergency shut-offs and real-time system monitoring.
- Transitioned the District website from .org to .gov ahead of state requirements to strengthen cybersecurity and public trust.



Innovation - *we are leaders in environmental and sustainable projects.*

- Earned Green Certification, becoming the first business in Oakley to do so and reinforcing our leadership in sustainable water and environmental practices.
- Added three electric vehicles and installed two public-facing EV chargers to reduce emissions.
- Installed solar panels at one of our reservoir sites to lower our carbon footprint and reduce costs.
- Mitigated 161 metric tons of greenhouse gas emissions to further decrease environmental impact.



Integrity - *we are transparent with financial and policy decisions.*

- Engaged customers through a PFAS education campaign, encouraging proactive protection of their water.
- Increased capital reserves to \$2M and partnered with a new bank to save fees and boost interest revenue.
- Earned the GFOA Distinguished Budget Award and received a clean audit for Fiscal Year 2024.
- Enhanced customer understanding and transparency through clearer, more accessible communications and processes.



We Care - *we are committed to diversity, equity, and inclusion.*

- Conducted a customer service survey to enhance service quality and gather community feedback.
- Participated in many community events, including food drives and local and federal engagement.
- Supported staff development with 15 Leadership Academy participants, advancing leadership skills.
- Awarded two scholarships to Freedom High School students, supporting continued education and opportunity in our community.



Looking Forward - Fiscal Year 2026/27

Top goals for the year ahead.

The District tracks Key Performance Indicators (KPIs) - [[Click here to view them.](#)]



Goals for the Year

1. Conduct Phase 2 preliminary field research for the Wellhead Treatment Project to ensure an adequate and reliable future water supply.
2. Complete Phase 2 of the Recycled Water Feasibility Study to identify potential purple pipe projects and expand alternative water supply opportunities.
3. Purchase and install two generators to achieve 100% backup power for District-owned critical facilities during power outages.
4. Acquire and outfit one community education trailer to deliver high-quality community education through innovative outreach and engagement tools.
5. Achieve 100% modernization of the District's IT network infrastructure to strengthen cybersecurity, reliability, and system performance.
6. Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.
7. Complete a customer resources and education workshop to develop clear, accessible tools that help customers understand water use and improve water efficiency.
8. Purchase vehicles to achieve a 100% carbon-neutral fleet and support the District's carbon neutrality goal and emissions reduction efforts.
9. Mitigate water loss through correlation leak detection to improve system reliability and reduce non-revenue water loss.
10. Maintain Leadership Academy completion to support employee development and strengthen organizational leadership capacity.



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facebook.com/diablowsaterdistrict

Administration Team

- Strategic Initiatives
- Carbon Neutrality
- Finance/Accounting
- State and Federal Reporting
- Utility Billing
- Customer Service
- Water Conservation
- Education and Outreach
- Public Information
- Legal Compliance
- Legislative Affairs
- Human Resources
- Resilience/Risk

Oversees District leadership and Management, including the annual operating budget and bond issuances. Acts as internal auditor and supports external audits to protect the District's financial health.

Manages billing, customer accounts and delivering excellent customer service. Leads water efficiency education through conservation kit delivery and rebate programs.

Advances carbon neutrality and oversees strategic initiatives related to the District's carbon neutrality goal.

Engages the community through targeted outreach to improve communication and service delivery. Manages employee relations, including recruitment, benefits, retirement planning, training, and safety. Collaborates with a risk-sharing pool under a JPIA to proactively mitigate potential risks and exposures.



Key Initiatives & Objectives

E-Bill Enrollment

Increase e-bill enrollment to reduce printed mail bills and lower operational costs.

Emergency Reserve Funds

Increase emergency reserves by \$500,000 to ensure long-term financial sustainability.

Employee Retention

Increase the amount of employees with five or more years of service to strengthen knowledge and continuity.

Education Trailer

Acquire and outfit one community education trailer to deliver high-quality community education.

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

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 rehabilitating or replacing existing infrastructure as outlined in the District's Capital Improvement Projects (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.



Key Initiatives & Objectives

Wellhead Treatment

Conduct Phase 2 preliminary field research for the Wellhead Treatment Project to ensure an adequate future water supply.

Vertical Asset Replacement

Proactively replace aging infrastructure in accordance with a proactive 100-year replacement cycle to protect District infrastructure.

PFAS Monitoring

Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.

Generator Upgrades

Purchase and install two generators for 100% backup power for District-owned critical facilities during power outages.

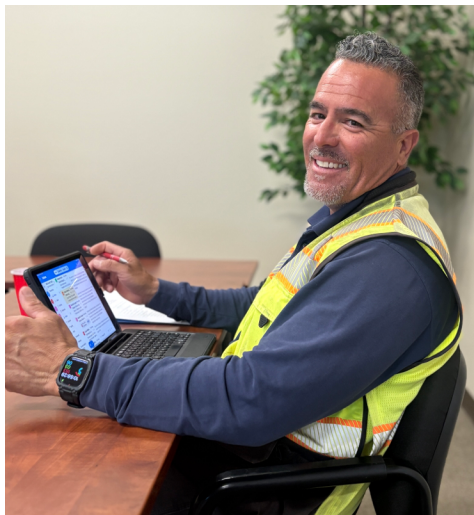
Advanced Planning and Construction Team

- Long-Term Planning
- Engineering
- New Development
- Capital Improvement Projects
- Backflow Testing
- Valve and Hydrant Maintenance
- IT
- Cybersecurity
- Grants

Shapes the District's future through comprehensive long-range planning documents spanning 25+ years, focusing on water supply sources, water demand projections, future developments, annexations, and enhancements to water system facilities. Strengthens the resilience and risk management of current and future District facilities.

Coordinates updates to District planning documents and works with developers, engineers, and contractors to facilitate new or modified water services and main extensions, as well as large CIP construction projects.

Performs in-house repairs and the maintenance, replacement, installation, and repair of the District's facilities to uphold the quality and reliability of the distribution system.



Key Initiatives & Objectives

Leak Detection

Mitigate water loss through correlation leak detection to improve system reliability and reduce non-revenue water loss.

Valve Replacement

Replace identified aging valves to minimize service interruptions to our customers during water emergencies.

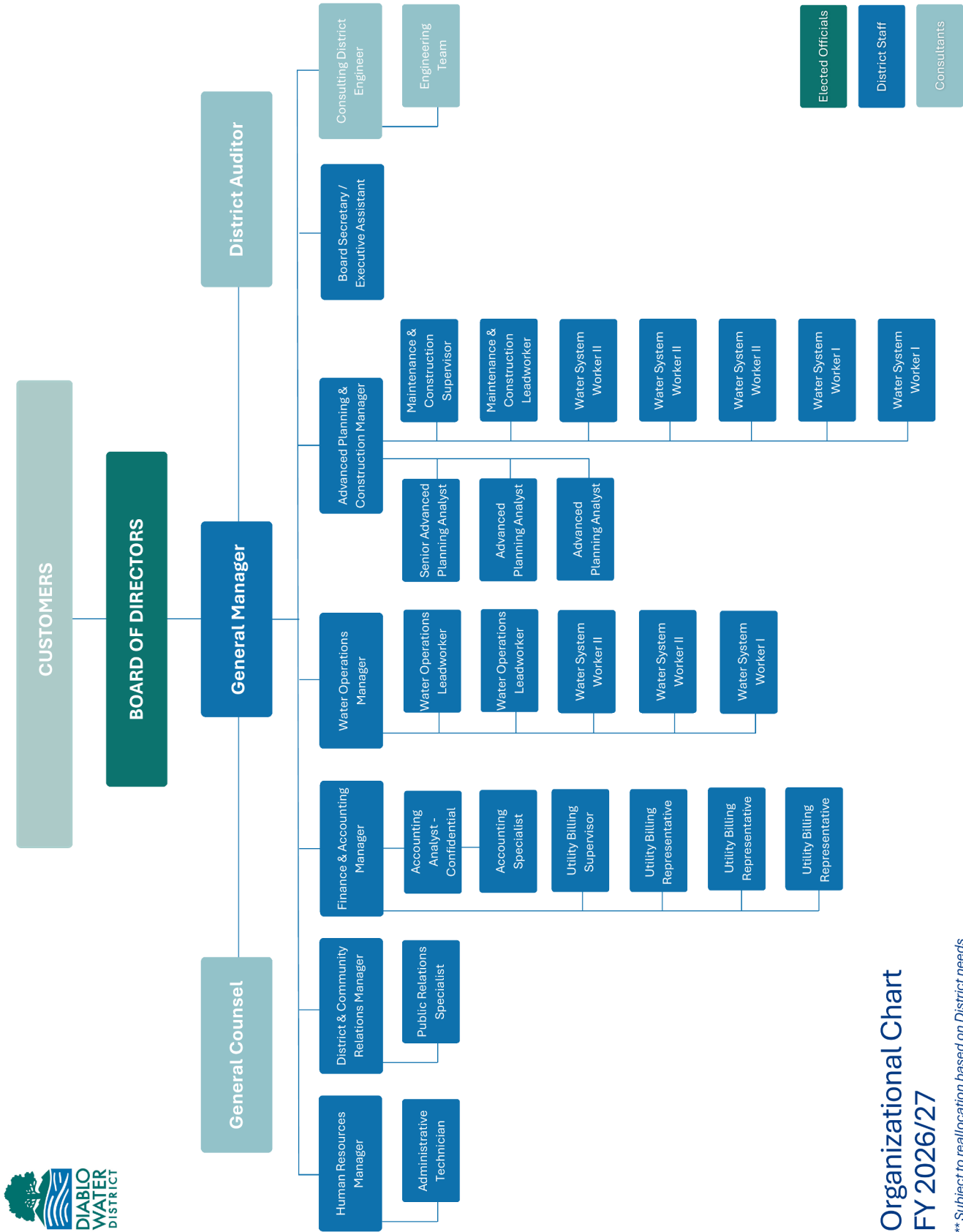
GIS Data Enhancement

Verify locations of system infrastructure (valves, mains, etc.) to improve GIS data accuracy.

Cybersecurity

Achieve 100% modernization of the District's IT network to strengthen cybersecurity, reliability, and system performance.

District Organizational Chart



Organizational Chart
FY 2026/27

** Subject to reallocation based on District needs



Budget Process



Our Budget Process

Diablo Water District is committed to sustainable practices and operates 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 through infrastructure improvements, investments in alternative water sources, and continued training of District staff.

The District adopts the budget on an annual basis. The process begins in January with strategic planning, including anticipated future CIP projects, followed by policy direction from the Board of Directors in February. In March, the Management team begins 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 receives ongoing updated reports through public Board meetings, where the public and Board members are encouraged to participate.

Staff from all areas of the organization are essential to the budget process. Management regularly meets with their teams to gather requested resources and needed improvements, then collectively brings this information forward in weekly Management meetings for review and approval. Staff incorporate Board input and direction and refine 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, provided the budget remains balanced at the end of the fiscal year. This may require reallocating other items.

The District prides itself on transparency and involving 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 accessible 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 opportunities to provide input in person or virtually during monthly Board meetings.

The Board of Directors is presented with a draft budget for 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 2026/27 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, District Management collaborates with their teams to identify the needs and resources required to achieve policy goals. Although the current economic environment of high inflation, coupled with weather extremes impacting water demand, is presenting a challenging time for budget forecasting, the balanced budget presented safeguards 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 enhance the resiliency of the water distribution system and future water supply by investing more than \$32 million. The identified risks and budgeted projects focus on these main areas:

- Earthquake / seismic retrofits.
- Security upgrades, including cybersecurity.
- Generators for backup power (public safety power shut-offs or natural disasters).
- 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:

- Legislation that reduces the District's allowable water sales.
- Weather extremes that cause reductions in water demands.
- Rising wholesale water costs.
- Economic slowdown.

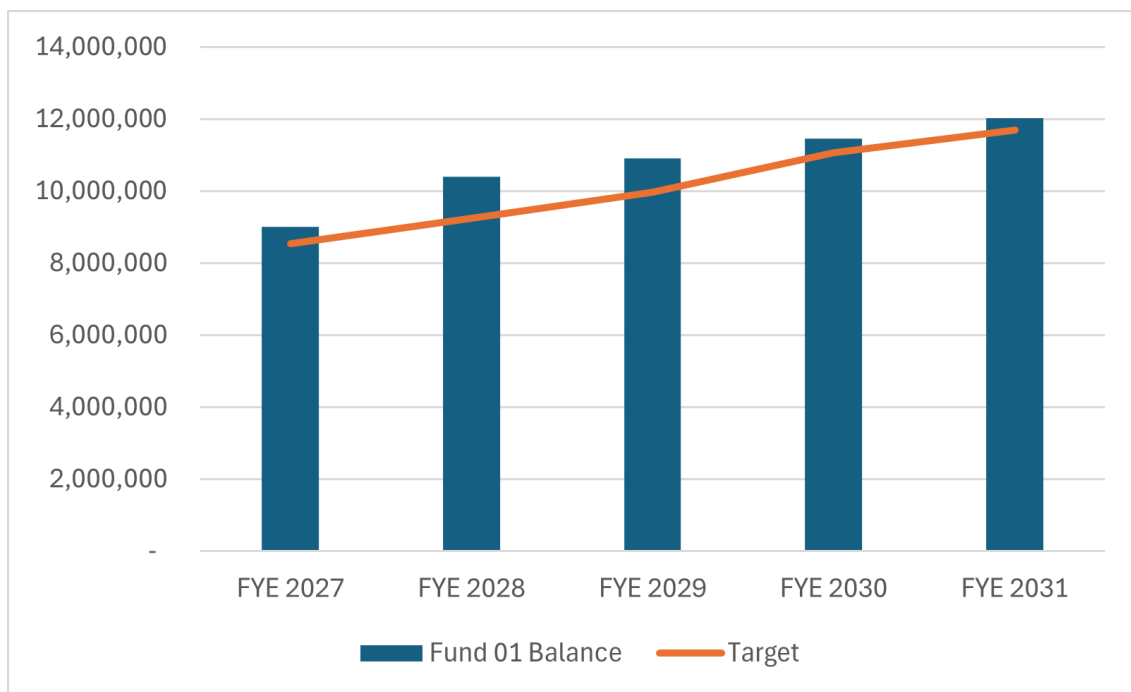


Figure 1.1

Projected Future Expenses

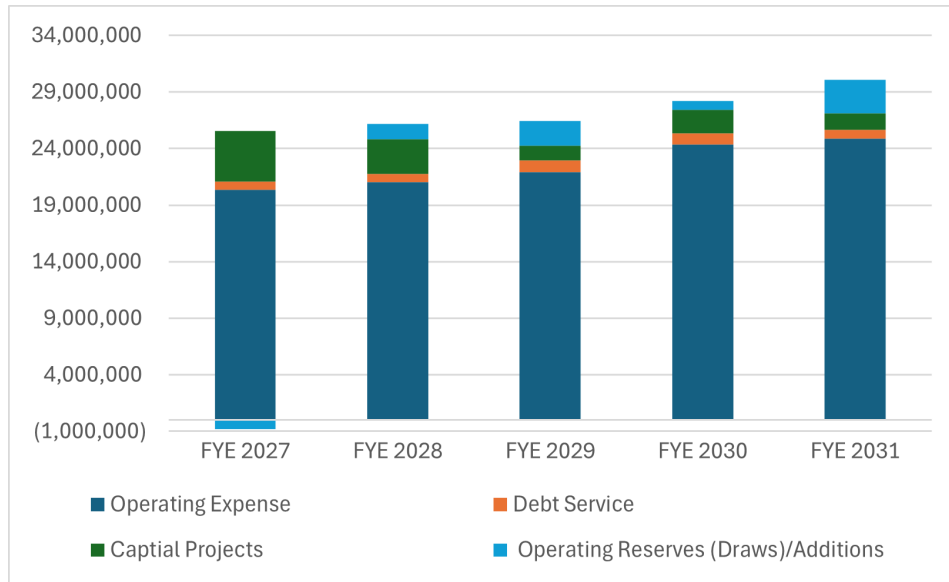


Figure 1.2

The District manages a 10-year long-range financial and rate forecasting model. This tool allows the District to anticipate and analyze future revenue requirements and corresponding 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.
- Increase operating reserves.
- Increase capital reserves.
- Establish an emergency reserve.
- Additional capital improvement repair and replacement projects.
- Inflationary pressure on chemicals, fuel, and materials.
- Large capital expenses at Randall-Bold Water Treatment Plant.
- Climate variability and resiliency project expenses.
- Advanced treatment for groundwater wells.



Integrity is one of our Guiding Principles. The District remains transparent in all financial and policy decisions. In 2025, we conducted a full rate study to support future revenue requirements and update our rate model. Please visit our website to learn more about our best-value water rates.

We recognize the financial impact of rate adjustments on our customers and reaffirm that 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, 2026, the District's income from water sales is estimated to be \$18.8 million, which is 5% below budget. Fiscal Year 2026/27 income from water sales is estimated to be \$20.17 million.

Fiscal Year 2026/27 Budgeted Total Revenue = \$24.78 million. This includes revenue from all sources, excluding Facilities Reserve Fund revenue:

- Water sales.
- Backflow and Private Fire Line charges.
- Miscellaneous income.
- Interest / rental income.
- Reimbursements (well systems and developers).
- Late fees and charges.

Expenses:

As of June 30, 2026, the District's estimated operating expenses are \$1.5 million lower than budgeted, primarily due to one-time savings from the delayed hiring of budgeted staff positions, along with delayed expenses for RBWTP that will occur in FY 2026/27.

Fiscal Year 2026/27 expenses reflect the following priorities, purchases, and project expenses:

- Study reviewing long-term water shortages and water supply options.
- AI-empowered leak detection sensor for a portion of District system.
- Seismic upgrade of a 5-million-gallon steel storage reservoir.
- Increased costs of wholesale water purchases.
- Emergency messaging platform for Staff and customers.
- Public and school education trailer.
- Increased water treatment input costs.
- Renewable diesel onsite fueling station.
- Inflation of raw materials.
- Randall-Bold Water Treatment Plant O&M and CIP projects.
- Vertical Asset Replacements (wells, pump stations, blending facility, etc.).
- Three new electric trucks.
- Three new renewable-diesel trucks.
- Two new positions.
- Continued field research for the Wellhead Treatment Project.
- 2.5%* cost-of-living adjustment.

* Based on the San Francisco Bay Area Consumer Price Index of 2.5% (February 2025 to February 2026).

Facilities Reserve Fund 02

Revenue:

In Fiscal Year ending June 30, 2026, the District's estimated income from developer connection fees is \$4.8 million, which is \$1.4 million more than budgeted.

Fiscal Year 2026/27 Budgeted Total Revenue = \$4.5 million and reflects a strong housing market with numerous subdivisions moving from the underground infrastructure phase to the vertical building and home completion phase. The District expects long-term new connections to stabilize around 200 connections per year.

Expenses:

As of June 30, 2026, the District's estimated expenses are 3% below budget.

Fiscal Year 2026/27 expenses reflect the following priorities, purchases, and project expenses:

- R2 seismic retrofit.
- Installation of two new groundwater monitoring wells.
- Completion of water main and hydrant extension on Bethel Island.
- Continued field research for the Wellhead Treatment Project.
- Randall-Bold Water Treatment Plant Capacity Preservation Projects.
- Solar installation.
- Onsite fueling station.
- Emergency backup generators.

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 sized beyond what is required to serve the development. Funds in this account are contributed by developers and disbursed back to them.

Well Funds

Well Systems M-25 and M-27 have been reviewed:

- M-25 - Routine maintenance.
- M-27 - Over time, the cost to operate this system will 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 M-27 via consolidation with the District's larger system. This consolidation is expected to take place in Fiscal Year 2029/30.

Other Assumptions in the Fiscal Year 2026/27 Annual Budget:

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

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Beginning Fiscal Year Fund Balance - Includes Rate Stabilization	7,312,865	7,312,865	9,791,856
Operating Revenues				
	Water Usage & Service Charges	19,866,624	18,805,625	20,169,033
01-00-500-000	<i>Residential/Multi-Family/Non-Residential/Irrigation Customers</i>	19,866,624	18,805,625	20,169,033
	Water Usage & Service Charges	455,812	827,586	800,000
01-00-500-001	<i>Construction/Hydrant Customers</i>	405,812	767,085	750,000
01-24-500-000	<i>South Park Well M-24 Customers</i>	50,000	60,501	50,000
	Backflow & Private Fire Line Charges	364,594	857,810	909,372
01-00-515-000	<i>Backflow & Private Fire Line</i>	362,082	554,947	595,181
01-00-515-001	<i>Backflow Installation</i>	2,080	12,005	2,250
01-00-515-005	<i>Private Fire Line Charge</i>	-	290,183	311,221
01-24-515-000	<i>Backflow - South Park Well M-24</i>	432	675	720
	Miscellaneous Income	432,500	446,415	472,714
01-00-520-004	<i>Late Charges</i>	110,000	115,025	115,000
01-00-520-000	<i>Trip Charges</i>	42,000	14,700	15,000
01-00-520-001	<i>Call Out Charges</i>	2,400	1,200	1,500
01-00-520-007	<i>Tampering Charges</i>	50,000	50,000	50,000
01-00-520-003	<i>Returned Item Charges</i>	5,000	5,544	5,000
01-00-520-005	<i>Meter Repairs</i>	1,000	9,928	1,000
Multiple	<i>Application/Delinquent/Disconnect Fees</i>	101,100	111,763	113,000
01-00-530-000	<i>Hydrant Meter Replacement</i>	2,000	-	2,000
01-00-530-001	<i>Hydrant Meter Repairs</i>	500	1,148	1,000
01-00-530-002	<i>Field Service Charges</i>	1,000	1,225	1,000
01-00-540-000	<i>Bad Debt Recovery</i>	2,500	3,000	2,500
01-10-580-004	<i>Delta Coves Property Tax Income</i>	75,000	71,609	72,500
01-13-725-000	<i>Reimbursement for Retirees Health Benefits - OPEB</i>	40,000	61,257	93,214
Non-Operating Revenues				
	Interest/Rental Income/Other	502,578	601,394	2,024,700
01-00-510-001	<i>Interest Income Investments</i>	120,138	125,000	120,000
01-00-510-002	<i>Interest Income LAIF</i>	75,000	215,000	175,000
01-00-580-000	<i>Other Income</i>	155,000	94,394	101,800
01-00-580-010	<i>Grant Revenue</i>	-	-	1,482,900
01-00-581-000	<i>Rental Income</i>	152,440	167,000	145,000
	Reimbursements from Well Systems/Developers	400,000	458,694	400,000
25-00-109-000	<i>Knightsen Well M-25</i>	4,000	5,900	5,000
Multiple	<i>Developers</i>	392,000	446,094	390,000
27-00-109-000	<i>Willow Park Marina Well M-27</i>	4,000	6,700	5,000
	Total General Fund Revenues	22,022,108	21,997,524	24,775,819

*Basis of accounting: accrual.

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

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
Operating Expenses				
	Administrative and General	243,080	225,233	267,788
Multiple	District Regulatory Permits and Dues	111,000	104,120	114,000
Multiple	District Associations and Subscriptions	40,455	36,077	51,388
01-00-733-000	Audit	58,000	52,013	67,400
01-00-733-001	LAFCO (50% GF & 50% FR)	3,000	3,755	4,000
Multiple	Taxes and Licenses	2,625	6,480	3,000
01-04-800-028	Office Record Imaging	28,000	22,788	28,000
	Board of Directors	47,830	21,634	82,930
01-00-751-000	Payroll & Taxes	13,750	10,274	13,350
01-00-750-000	Mailings/Workers' Comp/Elections/Training/Miscellaneous	34,080	11,360	69,580
	Engineering / Consulting	392,500	414,500	498,200
Multiple	Engineering	165,000	182,500	135,000
Multiple	Consulting	227,500	232,000	363,200
	Finance	426,000	446,512	469,000
01-05-735-000	Bank Charges	3,000	12,000	3,000
01-05-735-001	Collections Expense	3,000	2,200	3,000
01-05-735-002	Bills/Envelopes/Mailing Service	25,000	25,000	25,000
01-05-735-004	Postage Account	77,000	79,812	85,000
01-05-735-005	Postage Meter	3,000	2,500	3,000
01-05-735-003	Upgrades for Software	5,000	-	-
01-05-735-008	Credit Card Processing	310,000	325,000	350,000
	Customer Service	169,650	80,944	230,150
01-03-734-000	Answering Service	2,150	1,944	2,150
01-03-734-002	Conservation	30,000	25,000	50,000
01-00-734-001	Website	15,000	15,000	11,000
01-03-734-003	Tyler Software - SMS Customer Notifications & IVR	5,000	4,000	5,000
01-03-734-005	Customer Service Survey	10,000	2,000	-
01-03-734-004	Scholarship	1,000	1,000	1,000
Multiple	Public Information	106,500	32,000	161,000
	Office	282,790	245,661	266,810
Multiple	Maintenance Agreements	56,520	48,868	57,060
01-04-737-000	Janitorial Service	12,500	10,000	12,500
01-04-742-001	Office Supplies/Logo Uniforms	25,000	22,500	25,000
01-04-742-000	Miscellaneous	5,000	3,384	5,000
01-04-739-000	New Equipment	35,000	25,000	10,000
Multiple	Manager Expenses	7,000	4,500	7,250
01-04-738-000	Landscaping Services	9,570	10,000	11,000
01-04-738-001	Office Building Maintenance	10,000	2,500	13,500
01-04-736-007	Software - Annual Fees	100,000	100,000	103,000
01-04-741-000	Office - Utilities	9,000	6,000	7,500
Multiple	Office - Phone Line Services	13,200	12,909	15,000

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Insurance	225,000	254,752	231,750
01-00-732-000	<i>Business, Auto, Liability, Commercial, etc.</i>	225,000	254,752	231,750
	Legal Expenses	56,650	56,650	60,000
01-00-730-000	<i>Legal Expenses (50% GF & 50% FR)</i>	56,650	56,650	60,000
	Operations and Maintenance	1,461,892	1,281,230	1,612,470
Multiple	<i>Maintenance Corporation Yard</i>	40,560	30,130	77,210
Multiple	<i>Maintenance T&D</i>	439,000	398,487	465,650
Multiple	<i>Maintenance Backflow</i>	114,600	105,613	165,000
Multiple	<i>Maintenance Reservoirs</i>	47,000	44,025	52,500
Multiple	<i>Maintenance Blending</i>	19,650	12,580	19,650
Multiple	<i>Maintenance Glen Park Well</i>	13,160	11,866	13,160
Multiple	<i>Maintenance Stonecreek Well</i>	13,160	9,294	13,160
Multiple	<i>Maintenance Delta Coves</i>	13,830	10,189	13,830
Multiple	<i>Maintenance South Park Well M-24</i>	12,860	6,769	12,860
01-00-766-000	<i>Water Samples</i>	84,872	84,050	85,000
Multiple	<i>General Operating Corporation Yard</i>	115,350	104,325	153,550
Multiple	<i>Telephone Services for Field</i>	18,500	22,253	25,200
Multiple	<i>Utilities for Field</i>	529,350	441,649	515,700
	Payroll - Salaries/Benefits/Taxes	5,811,317	5,288,548	6,553,519
Multiple	<i>Salaries</i>	3,501,991	3,170,076	3,924,052
Multiple	<i>Overtime</i>	200,132	201,388	210,000
Multiple	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	1,490,948	1,386,269	1,677,688
Multiple	<i>Taxes - Workers' Compensation/FICA/Medi</i>	338,714	291,338	378,722
01-13-725-000	<i>Retired Employees Benefits</i>	74,519	96,214	101,234
01-13-726-000	<i>Contra Costa County Employee Retirement Association</i>	100,013	96,763	152,323
Multiple	<i>Human Resources - Tuition Reimbursement/HR Needs/Recruitments</i>	105,000	46,500	109,500
	Transmission and Distribution	507,800	403,148	453,500
Multiple	<i>Automotive Fuel, Maintenance, Miscellaneous</i>	166,800	83,500	85,500
01-09-767-000	<i>Chemicals Glen Park Well</i>	10,000	7,699	10,000
01-16-767-000	<i>Chemicals Blending Facility</i>	49,500	36,771	49,500
01-08-767-000	<i>Chemicals Stonecreek Well</i>	7,500	-	7,500
01-10-767-000	<i>Chemicals Delta Coves</i>	10,500	7,958	10,500
01-24-767-000	<i>Chemicals South Park Well M-24</i>	3,000	2,253	3,000
Multiple	<i>General Operating - T&D</i>	207,500	227,312	235,000
Multiple	<i>General Operating Blending</i>	39,000	25,837	39,000
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>	3,500	3,000	3,500
Multiple	<i>General Operating South Park Well M-24</i>	5,500	5,193	5,500
Multiple	<i>General Operating Delta Coves</i>	2,000	625	1,500
	Training	154,600	94,049	167,750
Multiple	<i>Training & Professional Development</i>	106,900	72,049	122,550
Multiple	<i>Safety</i>	47,700	22,000	45,200

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Water Purchases - Source of Supply CCWD	6,037,343	5,831,089	6,397,915
01-00-610-000	Water Purchases from CCWD	6,037,343	5,831,089	6,397,915
	Water Treatment and Maintenance - RBWTP O&M	3,029,959	2,695,622	2,863,296
01-14-700-000	Randall-Bold Water Treatment Plant O&M	3,029,959	2,695,622	2,863,296
	Total Operating Expenses	18,846,411	17,339,571	20,155,078
Operating Debt Service Expenses				
01-09-801-001	Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)	105,142	105,142	105,181
01-00-801-001	Capital Projects Financing - 2022 Loan (50% GF & 50% FR)	240,622	240,622	240,488
01-00-801-002	Office Building 2019 COP (57.5% GF & 42.5% FR)	147,718	147,718	145,590
01-00-801-004	Capital Projects Financing - 2026 COP (53% GF & 47% FR)	210,095	56,224	262,350
NEW	Proposed Future Debt Service - Capital Projects	-	-	-
	Total Operating - Debt Service Expenses	703,577	549,706	753,609
Operating Capital Expenses				
01-00-800-001	Public Right of Way Relocations	130,000	25,000	130,000
Multiple	RBWTP - Projects & Improvements WTP (51% GF & 49% FR)	1,235,355	774,712	1,159,426
01-02-800-071	Field Equipment Purchases	175,000	139,861	142,000
01-02-800-038	Valve Replacement	40,000	20,000	40,000
01-02-800-001	Add/Replace Vehicles	447,400	397,384	490,000
Multiple	Vertical Asset Replacement CIP	199,170	48,797	589,500
01-12-800-002	Seismic Upgrades - R2 (50% GF & 50% FR and R1 - 100% GF)	100,000	45,000	1,482,900
01-00-800-014	SCADA Upgrade (50% GF & 50% FR)	12,000	11,529	12,000
01-04-800-001	New Office Equipment	15,000	-	16,000
01-04-800-061	Office - Building Upgrades	15,000	-	30,000
Multiple	Wellhead Treatment & Parallel Pipeline (50% GF & 50% FR)	125,000	125,000	375,000
	Total Operating - Capital Expenses	2,493,925	1,587,283	4,466,826
Operating Non-Capital Expenses				
Multiple	Corporation Yard Improvements	172,000	27,998	159,500
01-02-800-032	Pipeline Corrosion Testing/Repairs	15,000	13,975	18,000
	Total Operating - Non-Capital Expenses	187,000	41,973	177,500
	Total General Fund Operating Expenses	22,230,913	19,518,533	25,553,013
	Ending Fiscal Year Fund Balances - Includes Rate Stabilization	7,104,060	9,791,856	9,014,662

District scholarships, sponsorships, and income-based assistance programs are funded through alternative revenue sources, not ratepayer funds.

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

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Beginning Fiscal Year Balance	5,384,757	5,384,757	6,280,713
Operating Revenues				Operating Revenues
02-00-588-000	<i>Developer Fees Income</i>	3,385,881	4,811,319	4,500,000
02-00-581-000	<i>Rental Income</i>	31,738	24,425	14,400
02-00-510-000	<i>Interest Income</i>	203,000	208,599	210,000
02-00-580-010	<i>Grant Revenue</i>	-	282	415,386
02-00-580-000	<i>Other Income</i>	-	6,411	400,000
	Total Facilities Reserve Fund Operating Revenues	3,620,619	5,051,036	5,539,786
Operating Expenses				
	Administrative	31,500	13,552	32,500
02-00-733-001	<i>LAFCO (50% GF & 50% FR)</i>	3,000	3,755	4,000
Multiple	<i>Travel & Training for Employees & Directors</i>	28,500	9,797	28,500
02-00-733-000	<i>Accounting - Single Audit for Grants</i>	-	-	-
	Payroll - Salaries/Benefits/Taxes*	1,358,027	1,205,807	1,180,221
02-00-722-000	<i>Salaries</i>	955,280	850,250	814,268
02-00-722-000	<i>Overtime</i>	50,300	44,750	42,856
02-00-723-000	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	276,359	252,348	258,479
02-00-723-000	<i>Taxes - Workers' Compensation/FICA/Medi</i>	76,088	58,459	64,618
	Total Operating Expenses	1,389,527	1,219,359	1,212,721
Operating Debt Service Expenses				
02-09-801-000	<i>Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)</i>	332,948	332,948	333,075
02-00-801-000	<i>Stonecreek Well 2019 COP (100% FR)</i>	227,900	227,900	231,500
02-00-801-001	<i>Capital Projects Financing - 2022 Loan (50% GF & 50% FR)</i>	240,622	240,622	240,488
02-00-801-000	<i>New Office Building 2019 COP (57.5% GF & 42.5% FR)</i>	109,183	109,183	107,610
02-00-801-000	<i>New Corporation Yard 2019 COP (100% FR)</i>	212,000	212,000	213,700
02-00-801-004	<i>Capital Projects Financing - 2026 COP (53% GF & 47% FR)</i>	173,238	49,859	232,650
NEW	<i>Proposed Debt Service - Capital Projects</i>	-	-	-
	Total Operating - Debt Service Expenses	1,295,891	1,172,512	1,359,022

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
Operating Capital Expenses				
02-00-800-028	SCADA Upgrade (50% GF & 50% FR)	12,000	11,529	12,000
New	Monitoring Wells - Developer In Lieu	-	-	110,000
Multiple	Asset Management System / GIS / Mapping Update	90,000	75,413	180,000
02-00-800-030	Grant Project - Bethel Island Water Main Extension & Fire Flow	-	100,000	332,189
02-00-800-015	Grant Project - Sandmound Consolidation	-	4,500	10,000
02-14-800-044	RBWTP Improvements and Projects (51% GF & 49% FR)	656,298	495,600	903,082
02-08-800-045	Wellhead Treatment (50% GF & 50% FR)	125,000	125,000	250,000
02-12-800-001	Parallel R2/R3 Transmission Main	-	90,000	125,000
02-12-800-002	R2 Seismic Upgrades (50% GF & 50% FR)	100,000	45,000	500,000
	Total Operating - Capital Expenses	983,298	947,042	2,422,271
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)	50,000	90,000	75,000
02-00-800-027	Groundwater Sustainability Plan	10,000	10,000	135,000
Multiple	Engineering/Consulting/Water Rights/Miscellaneous/Rate Study	288,200	507,501	626,000
02-00-800-039	Facilities Plan Update	200,000	145,000	55,000
02-00-800-040	Recycled Water Feasibility Study	25,000	25,000	40,000
02-04-736-007	Financial and Project Tracking Software	42,600	38,666	41,218
	Total Operating - Non-Capital Expenses	617,300	816,167	973,718
	Total Facilities Reserve Fund Operating Expenses	4,286,016	4,155,080	5,967,732
	Ending Fiscal Year Balance	4,719,360	6,280,713	5,852,767

DIABLO WATER DISTRICT
Knightsen Community Water System Fund M-25
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		28,716	42,172
Operating Revenues				
25-25-500-000	Knightsen Water Sales	25,739	26,941	27,156
25-25-520-004	Knightsen Late Charges/Miscellaneous Charges	500	700	550
25-25-510-000	Interest Income	500	1,249	1,000
	Total Knightsen Well Fund M-25 Operating Revenues	26,739	28,890	28,706
Operating Expenses				
25-25-770-000	General Operating Expenses	22,000	8,387	22,000
25-25-779-000	Utilities	2,500	1,500	2,500
	Total Knightsen Well Fund M-25 Operating Expenses	24,500	9,887	24,500
25-25-705-000	Auto	1,750	1,446	1,400
Multiple	Reimburse Fund 01 for Benefits	800	702	800
25-25-720-000	Overhead Charges to Fund 01	1,000	1,011	1,000
25-25-722-000	Reimburse Fund 01 for Wages	2,300	2,388	2,300
	Total Knightsen Well Fund M-25 Reimbursement to Fund 01	5,850	5,547	5,500
	Ending Fiscal Year Balance		42,172	40,878

DIABLO WATER DISTRICT
Willow Park Marina Fund M-27
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		43,292	107,403
Operating Revenues				
27-27-500-000	Willow Park Marina Water Sales	82,296	82,296	82,296
27-27-510-000	Interest Income	150	1,970	1,500
	Total Willow Park Marina Well Fund M-27 Operating Revenues	82,446	84,266	83,796
Operating Expenses				
27-27-770-000	Contra Costa County Administrative Fees	500	388	500
27-27-770-002	General Operating Expenses	47,000	8,000	47,000
27-27-779-000	Utilities	8,000	6,000	8,000
27-27-730-000	Legal Expenses	-	-	-
	Total Willow Park Marina Well Fund M-27 Operating Expenses	55,500	14,388	55,500
27-27-705-000	Auto	1,750	1,821	1,750
Multiple	Reimburse Fund 01 for Benefits	1,250	709	1,000
27-27-720-000	Overhead Charges from Fund 01	1,000	1,051	1,000
27-27-722-000	Reimburse Fund 01 for Wages	3,000	2,186	2,500
	Total Willow Park Marina Well Fund M-27 Reimbursement to Fund 01	7,000	5,767	6,250
	Ending Fiscal Year Balance		107,403	129,449

DIABLO WATER DISTRICT
MERA Fund
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		591,044	783,091
Operating Revenues				
01-07-215-000	<i>MERA Income</i>	296,696	343,331	460,000
01-07-510-003	<i>Interest Income</i>	10,000	25,000	15,000
	Total MERA Fund Operating Revenues	306,696	368,331	475,000
Operating Expenses				
01-07-215-000	<i>MERA Reimbursements to Developers</i>	91,745	91,745	86,495
01-07-215-000	<i>Salaries and Benefits Charged to MERA</i>	75,877	84,539	74,294
	Total MERA Fund Operating Expenses	167,622	176,284	160,789
	Ending Fiscal Year Balance		783,091	1,097,302

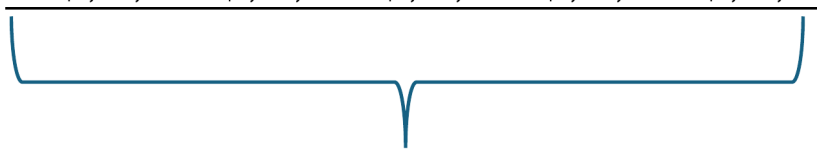
5-Year Capital Improvement Plan

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

Diablo Water District 5-Year Capital Improvement Plan					
Projects:	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
R1 Seismic Upgrades (Fund 01) <i>Needs grant/FEMA or other funds to move forward</i>		\$2,597,729			
R1 Exterior Repaint (Fund 01) combination of cash (\$300k) and debt finance (\$500k)		\$800,000			
R2 Seismic Upgrades (Fund 01 & 02) combination of cash funding, debt financing and grant/FEMA funds	\$3,482,000				
R1 Diversion Wall (Fund 01)	\$100,000				
Office HVAC (gas-to-electric conversion) (Debt Financed)	\$150,000				
Carbon-Neutral Fleet - Vehicle Replacement (Fund 01)	\$490,000	\$85,000	\$85,000	\$85,000	
Construction Equipment (Fund 01)	\$142,000	\$50,000	\$50,000	\$50,000	\$50,000
Motor Control Center Building Re-roofing (Fund 01)		\$30,000			
Backhoe Replacement (Fund 01)				\$150,000	
Valve Replacements (Fund 01)	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Dump Truck Replacement (Fund 01)				\$150,000	
Parallel R2/R3 Pipeline (Fund 01 & 02) <i>Needs grant/FEMA or other funds to move forward</i>					\$4,250,000
Water Main Line and Service Line Capital Repair & Rehabilitation Program (Fund 01)				\$1,000,000	\$1,000,000
Corporation Yard - Bulk Materials (Debt Financed)	\$80,000				
RBWTP Capital Improvements (Fund 01 & 02)	\$1,826,252	\$829,500	\$381,300	\$739,800	\$902,700
Blending Facility Vertical Assets (Fund 01)	\$197,000	\$95,107	\$28,073	\$62,195	\$131,269
Corporation Yard Vertical Assets (Fund 01)					\$179,131
Delta Coves Chemical Feed Facility Vertical Assets (Fund 01)			\$144,217		
Glen Park Well Vertical Assets (Fund 01)	\$31,500	\$0	\$37,823		
RBWTP Pump Station Vertical Assets (Fund 01)			\$291,476		
R2 & R3 Site Vertical Assets (Fund 01)			\$111,021		
Stonecreek Well Vertical Assets (Fund 01)					\$48,269
South Park Well M-24 Vertical Assets (Fund 01)	\$361,000				
Carol Lane Admin Building HVAC (Fund 01)					
Wellhead Treatment (Fund 01 & 02)	\$500,000	\$1,000,000			
Proposed New Well (Fund 01 & 02) - required new debt financing			\$8,000,000		
Generators at Facilities (Fund 01 & 02) - debt financed	\$1,279,725				
Fuel Station & Pumps (Fund 01 & 02) - debt financed	\$525,000				

Fiscal Year 27/28 and beyond are best estimates that will be refined as part of CIP Plans and Future Budgets

\$9,204,477 \$5,528,536 \$9,171,346 \$2,280,704 \$6,606,389



\$32,791,452

Figure 1.3

Debt Service Coverage

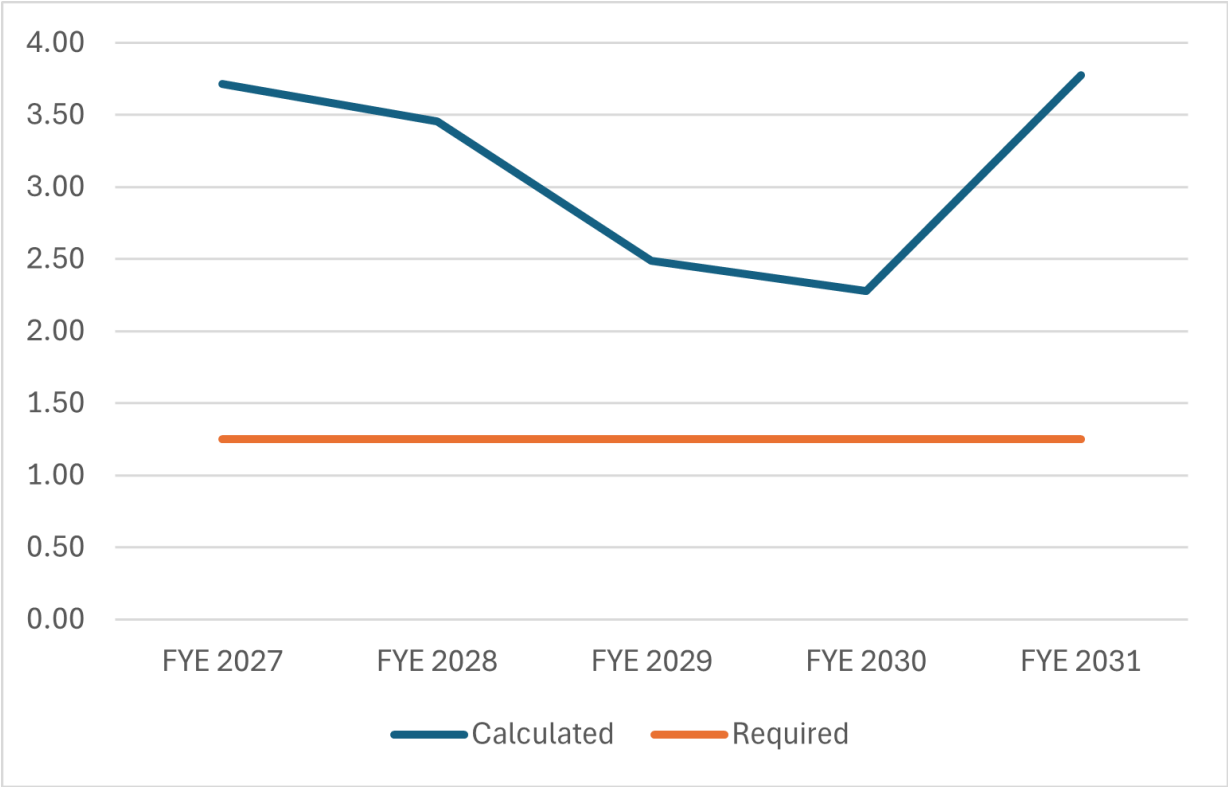


Figure 1.4

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

Debt Schedule - Operating Fund 01

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Existing	\$ 753,609	\$ 745,368	\$ 744,041	\$ 744,551	\$ 491,099
New	\$ -	\$ -	\$ 283,810	\$ 283,810	\$ 283,810
Total	\$ 753,609	\$ 745,368	\$ 1,027,851	\$ 1,028,361	\$ 774,909

Figure 1.5

New debt listed in Figure 1.5 will be for the furtherance of the District's Wellhead Treatment Project, specifically the installation of a new production well. The District issued debt in early 2026 (now included in existing debt in Figure 1.5) for the funding of the following projects that occur in FY 26/27:

- Generators.
- Office HVAC Replacement.
- Onsite Fueling Station.
- R2 (5-Million-Gallon) Seismic Retrofit.
- Bulk Materials Cover.



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

District Key Performance Indicators

The District’s Guiding Principles continue to serve as the foundation of our operational framework. Our Key Performance Indicators (KPIs) help track progress, measure outcomes, and guide strategic decision-making. These milestones reinforce our commitment to transparency, responsible fiscal management, and maintaining the trust of our community and partners.

RESILIENCY – We are focused on long-term water solutions.

Ensuring a reliable future water supply to meet customer demands remains a top priority for the District. In FY 25/26, the District continued to develop sustainable and cost-effective water sources, carefully considering both life-cycle costs and environmental impacts. FY 25/26 included evaluating the potential of treating groundwater through Wellhead Treatment to reduce reliance on more costly water purchases and increase use of local groundwater.

FY 25/26 KPI	Actual
Conduct preliminary field research for Wellhead Treatment to ensure adequate future water supply.	
Install two generators at Stonecreek Well and Corporation Yard to improve backup power reliability.	

FY 26/27 KPI
Conduct Phase 2 preliminary field research for reverse osmosis (RO) brine for the Wellhead Treatment Project to ensure an adequate future water supply.
Complete Phase 2 of the Recycled Water Feasibility Study to identify potential purple pipe projects and expand alternative water supply opportunities.
Purchase and install two generators to achieve 100% backup power for District-owned critical facilities during power outages.

 Completed  Delayed / In Progress  Target Not Met  Discontinued (Policy Change)

Figure 1.6

District Key Performance Indicators

QUALITY – We are driven by excellence.

Maintaining a reliable and resilient water system remains a key priority for the District. The District continues to plan for long-term infrastructure sustainability, including maintaining a 100-year replacement cycle and prioritizing projects that strengthen the transmission system. These efforts support the delivery of high-quality water and reflect the District’s commitment to public service at the heart of everything we do.

FY 25/26 KPI	Actual
Deploy 40 remote-access water meters to enhance emergency water shut-off response.	✓
Strengthening system and network security (IDS/IPS) to protect critical infrastructure.	✓
Replace five vertical assets at Blending Facility, R1, and South Park Well.	⚠
Acquire one crane truck for hydrant and backflow repairs to maintain District assets efficiently.	✓
Replace six aging valves in priority neighborhoods to improve system reliability.	✓
Maintain 20% of fire hydrants (~350 hydrants) to ensure public safety and infrastructure reliability.	⚠
Increase leak alert sign-ups by 5% (~700 new customers) to improve customer awareness.*	✗

* The District achieved a 2.5% increase through targeted outreach efforts, including emails, E-News articles, social media campaigns, contests, and other customer engagement initiatives.

FY 26/27 KPI
Acquire and outfit one community education trailer to deliver high-quality community education through innovative outreach tools.
Increase leak alert sign-ups by 2.5% (~350 new customers) to improve customer management of water waste.
Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.
Replace vertical assets in accordance with a proactive 100-year replacement cycle to invest in and protect District infrastructure.
Replace six aging valves in priority neighborhoods to improve system reliability.
Complete maintenance of 100 fire hydrants to ensure public safety and infrastructure reliability.
Purchase one renewable diesel-powered light tower to support safe operations during emergency night work.

 Completed
  Delayed / In Progress
  Target Not Met
  Discontinued (Policy Change)

Figure 1.6 continued

District Key Performance Indicators

INNOVATION – We are leaders in environmental and sustainable projects.

Advancing cost-effective greenhouse gas reduction strategies remains a key focus for the District. In FY 25/26, the District implemented projects and initiatives that support progress toward its goal of achieving carbon neutrality by 2027, 18 years ahead of California’s requirements. These efforts include transitioning to 100% renewable energy sources within California, such as solar and wind. As a Groundwater Sustainability Agency (GSA), the District remains focused on protecting surface and groundwater quality while planning for long-term sustainability.

FY 25/26 KPI	Actual
Purchase two electric vehicles to replace 13% of the fleet and reduce greenhouse gas emissions.	✓
Reduce greenhouse gases by 17% (0.7% from vehicles).	✓
Replace the natural gas HVAC system at Carol Lane with heat pumps to reduce greenhouse gas emissions (~99% reduction in natural gas usage, ~7 metric tons).	⚠
Install a public EV charging station at Corporation Yard to provide renewable energy access.	✓
Increase capital reserves by \$1M to ensure long-term financial sustainability.	✓
Complete staff training and implementation of Procore (75% of relevant staff) to improve project management efficiency.	✓
Enhance GIS data accuracy by verifying 25% of valves (~340 valves within 10 cm) to better track system assets.	⚠

FY 26/27 KPI
Pilot permanent leak detection sensors on District transmission and main lines to improve system monitoring.
Complete Green Business certification for the Corporation Yard / EOC to support sustainable operations.
Increase emergency reserves by \$500,000 to ensure long-term financial sustainability.
Enhance GIS data accuracy by verifying 100 valves within 10 cm to better track system assets.
Purchase three light-duty electric vehicles to reduce greenhouse gas emissions and support implementation of cost-effective sustainability projects.
Replace the remaining three gas-powered medium-duty trucks with renewable-diesel vehicles to further work towards District’s goal of carbon neutrality.
Transition of Mobile MMS to new platforms to improve operational efficiencies.

 Completed
  Delayed / In Progress
  Target Not Met
  Discontinued (Policy Change)

Figure 1.6 continued

District Key Performance Indicators

INTEGRITY – We are transparent with financial and policy decisions.

With commitment to our community, the District treats ratepayer funds as its own by prioritizing best-value purchasing and fostering ideas that support excellent service and reasonable costs. The District remains open and transparent in all operational decisions and promotes water efficiency and the elimination of waste by empowering customers with the tools to better manage and reduce their individual water use.

FY 25/26 KPI	Actual
Maintain a strong debt coverage ratio (>1.25).	✓
Manage Operations & Maintenance (O&M) within budget to control costs.	✓
Reduce service disconnections for non-payment by 5% (~20 fewer) to improve customer service.	✓
Promote and support the Lose Your Lawn, Gain a Garden Program (5% increase in completed projects) to encourage water conservation.	✓
Mitigate water loss through correlation leak detection on 20% of the system (~36 miles of pipeline) to improve operational efficiency.	⚠

FY 26/27 KPI
Complete one customer resources and education workshop to develop clear, accessible tools that help customers understand water use and improve water efficiency.
Transfer banking services to Five Star Bank to reduce transaction fees and increase interest earnings.
Increase e-bill enrollment by 10% overall to reduce printed mail bills and lower operational costs associated with printing and mailing.
Mitigate water loss through correlation leak detection on 20% of the system (~36 miles of pipeline) to improve system reliability and reduce non-revenue water loss.







 Completed
  Delayed / In Progress
  Target Not Met
  Discontinued (Policy Change)

Figure 1.6 continued

District Key Performance Indicators

WE CARE – We are committed to diversity, equity and inclusion.

The District is proud to partner with the community through engagement and proactive support for our customers. In FY 25/26, the District actively gathered feedback through a Customer Service Survey to identify opportunities to better serve our customers. We recognize that our staff are our most valuable assets and encourage professional development to ensure they are skilled enough to grow while being supported and valued enough to stay.

FY 25/26 KPI	Actual
Expand educational resources for OUESD students (4th-grade assembly).	
Conduct a customer service survey to assess and improve District services.	
Continue the Leadership Academy to support employee development (60% participation).	
Pilot Tuition Reimbursement Program (10% participation) to encourage professional growth.*	
Maintain employee retention at 95% or higher (<1 employee turnover).**	
Track and maintain average employee tenure (8 years).	

*The District achieved a participation rate of ~ 4%.

**The District maintained a 93% retention rate.

FY 26/27 KPI
Conduct one 4th-grade assembly for OUESD students to promote water awareness and support early education on water efficiency and water as a precious resource.
Conduct a Backpack Giveback to support community engagement and promote awareness of the District’s role in serving the community.
Maintain 60% Leadership Academy completion to support employee development and strengthen organizational leadership capacity.
Continue investment in the Tuition Reimbursement Program to encourage professional development and build sustainable program utilization.
Maintain strong retention by limiting annual employee turnover to fewer than two separations.
Increase the percentage of employees with five or more years of service by 10% over the next five years to strengthen knowledge and continuity.

 Completed  Delayed / In Progress  Target Not Met  Discontinued (Policy Change)

Figure 1.6 continued

Appendix A

District's 5-Year Rolling Strategic Plan Fiscal Year 2026/27 through Fiscal Year 2030/31

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 is developed 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.



2026

STRATEGIC PLAN




PROUDLY SERVING
THE GREATER OAKLEY
AREA SINCE 1953

(925) 625-3798 

customers@diablowater.gov 

87 Carol Lane, PO Box 127, Oakley, CA 94561 



Diablo Water District is an independent, self-governing local public agency established 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 obtains, treats, and supplies water for approximately 47,000 people, as well as the parks, schools, and businesses throughout a 21-square-mile service area consisting of Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.



YOUR DISTRICT



As a community-focused water provider, we are committed to enhancing the quality of life for those we serve.



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.



Community Outreach

Connecting with our community to protect and use water efficiently.



Reliable Water Service

Committed to 24/7 service, protecting water and keeping it flowing.



Trusted Water

Innovative technology and rigorous testing for safe, reliable drinking water every day.



GUIDING PRINCIPLES



Resiliency

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.



Quality

We are driven by excellence.

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



Innovation

We are leaders in environmental and sustainable projects.

Through focusing on carbon neutrality, groundwater sustainability, and a One Water approach.



Integrity

We are transparent with financial and policy decisions.

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



We Care

We are committed to diversity, equity, and inclusion.

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

Public service is at the heart of everything we do.



DISTRICT STRATEGIES



Resiliency - we are focused on long-term water solutions.

- Ensure adequate future water supply to meet customer demands.
- Develop sustainable and cost-effective water supplies.
- Consider life-cycle costs and environmental impacts.



Quality - we are driven by excellence.

- Proactively invest in and protect District assets.
- Prioritize projects that lead to resiliency of the transmission and distribution system.
- Recognize employees as the District's most valuable assets.
- Empower customers through information.



Innovation - we are leaders in environmental and sustainable projects.

- Implement cost-effective greenhouse gas reduction projects.
- Protect surface and groundwater quality.
- Plan with the future in mind.



Integrity - we are transparent with financial and policy decisions.

- Open and transparent.
- Foster ideas that support great service and reasonable costs.
- Support water-use efficiency and eliminating waste.



We Care - we are committed to diversity, equity, and inclusion.

- Participate in community events and outreach.
- Actively seek community engagement.
- Encourage professional development.
- Train staff well enough that they can leave, but treat them well enough that they stay.



DISTRICT GOALS 2026-2031

Annually	<ul style="list-style-type: none">• Evaluate capital asset purchases 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 26/27	<ul style="list-style-type: none">• Complete Reservoir 2 seismic upgrade.• Reduce non-revenue water (water loss).• Implement carbon mitigation project(s) to achieve 90% reduction.• All pumping and treatment systems to be 100% generator backed up.
FY 27/28	<ul style="list-style-type: none">• Continue contributions to the District's Emergency Reserve Fund.• Replace 100% of eligible fleet with electric vehicles.• 100% carbon neutral.• Earn CSDA District of Distinction Certification.
FY 28/29	<ul style="list-style-type: none">• Achieve an AA or higher bond rating (currently AA-).• Install production well No. 3.• Begin construction phase for Sandmound voluntary consolidation project.• Perform customer feedback survey.
FY 29/30	<ul style="list-style-type: none">• Implement a service and mainline replacement program.• Perform next cost-of-service and rate study.• Achieve state-mandated indoor and outdoor conservation levels.• Complete Sandmound consolidation project.
FY 30/31	<ul style="list-style-type: none">• R2/R3 parallel pipeline resiliency project.• Reduce non-revenue water to industry-leading low levels through the use of advanced technologies.• Continue service and mainline replacement program.

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



DISTRICT FACTS



Budget

- Total: \$31.5 million.
- Reserves: \$12.1 million.
- Rates set to cover long-term expenses - no profit.



Water System






- Over \$1.13 billion in infrastructure to operate and maintain.
- 175 miles of water main.
- 12.5 million gallons of storage.



Water Supply

- 85% Delta, 15% Local Groundwater.
- 1.8 billion gallons pumped to customers annually.

Stay Connected

-  diablowater.gov
-  PO Box 127, Oakley, CA 94561
-  87 Carol Lane, Oakley, CA 94561
-  (925) 625-3798
-  facebook.com/diablowaterdistrict



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Appendix B

District Statistics & Supplemental Information

District's 2026 Bond Issuance Document
APPENDIX C

**ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE
CITY OF OAKLEY AND THE COUNTY OF CONTRA COSTA**

The economic and demographic information below is provided as general background. Although it has been collected from sources that the District considers to be reliable, the District has made no independent verification of the information provided by non-District sources and the District takes no responsibility for the completeness or accuracy thereof. The current state of the economy of the City, the County, the State and the United States of America may not be reflected in the data discussed below, because more up-to-date information is not publicly available.

General

The Diablo Water District (the “**District**”) is located in the northeastern corner of the County of Contra Costa (the “**County**”) in the State of California (the “**State**”), about 50 miles northeast of San Francisco. The District provides potable water service to the City of Oakley, California (the “**City**”), and unincorporated areas in the northwestern corner of the County consisting of Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and the Town of Knightsen. The population within the District’s 21-square-mile service area is approximately 45,000 as of January 1, 2025.

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.

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 presents estimated population statistics for the City, the County and the State for the five most recent calendar years available.

**CITY OF PARATMOUNT, COUNTY OF CONTRA COSTA AND
 STATE OF CALIFORNIA
 POPULATION STATISTICS**

<i>Year (January 1)</i>	<i>City of Oakley</i>	<i>County of Contra Costa</i>	<i>State of California</i>
2016	40,255	1,136,478	39,036,749
2017	41,080	1,147,957	39,273,915
2018	41,932	1,155,105	39,429,439
2019	42,735	1,161,077	39,503,656
2020	43,285	1,164,844	39,535,623
2021	43,688	1,164,050	39,369,530
2022	44,386	1,154,254	39,179,680
2023	45,140	1,150,306	39,228,444
2024	46,218	1,158,249	39,420,663
2025	46,826	1,158,225	39,529,101

Source: California State Department of Finance, Demographic Research Unit, *E-4 Population Estimates for Cities, Counties, and the State, 2021-2025, with 2020 Benchmark.*

Employment

The following table summarizes the labor force, employment and unemployment figures for the five most recent calendar years available for the City, the County, the State and the nation as a whole.

**CITY OF OAKLEY, COUNTY OF CONTRA COSTA,
STATE OF CALIFORNIA AND UNITED STATES
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF RESIDENT LABOR FORCE⁽¹⁾**

	<i>Labor Force</i>	<i>Employment⁽²⁾</i>	<i>Unemployment</i>	<i>Unemployment Rate⁽³⁾</i>
2020				
City of Oakley	21,800	19,800	2,000	9.0%
County of Contra Costa	565,100	516,000	49,100	8.7%
State of California	18,956,600	17,039,800	1,916,800	10.1%
United States	160,742,000	147,795,000	12,947,000	8.1%
2021				
City of Oakley	22,300	20,900	1,500	6.6%
County of Contra Costa	567,500	532,600	34,900	8.1%
State of California	18,954,600	17,564,900	1,389,700	7.3%
United States	161,204,000	152,581,000	8,623,000	5.3%
2022				
City of Oakley	23,100	22,300	900	3.8%
County of Contra Costa	575,400	555,700	19,700	3.4%
State of California	19,218,300	18,393,900	824,400	4.3%
United States	164,287,000	158,291,000	5,996,000	3.6%
2023				
City of Oakley	23,800	22,900	900	3.9%
County of Contra Costa	582,200	559,600	22,600	3.9%
State of California	19,471,000	18,551,800	919,200	4.7%
United States	167,116,000	161,037,000	6,080,000	3.6%
2024				
City of Oakley ⁽⁴⁾	--	--	--	--
County of Contra Costa	582,300	556,000	26,300	4.5%
State of California	19,644,100	18,600,900	1,043,100	5.3%
United States	168,106,000	161,346,000	6,761,000	4.0%

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not yet available.

Source: California Employment Development Department, Labor Market Information Division for City, State and County; United States Department of Labor, Bureau of Labor Statistics for the U.S.

Principal Employers in the City

The following table provides a listing of the ten largest employers based on number of employees in the City as of June 30, 2024.

**CITY OF OAKLEY
 TEN LARGEST EMPLOYERS
 AS OF JUNE 30, 2024**

<i>Rank</i>	<i>Employer</i>	<i>Number of Employees</i>	<i>Percent of Total Employment</i>
1.	Amazon.com Services LLC	984	22.9%
2.	Oakley Union Elementary School District	592	13.8%
3.	Pet Food Express	72	1.7%
4.	Skipolini's	64	1.5%
5.	McDonalds #12565	55	1.3%
6.	Lucky's	51	1.2%
7.	Raley's	38	0.9%
8.	Bear Buddies, Inc.	37	0.9%
9.	Dutch Bros Coffee	35	0.8%
10.	Dependable Roofing	35	0.8%
10.	Taco Bell #30767	35	0.8%
10.	Foundation Contractors Inc.	30	0.7%
		2,028	47.2%

Source: City of Oakley Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Principal Employers in the County

The following table provides a listing of the ten largest employers based on number of employees in the County as of June 30, 2024.

**COUNTY OF CONTRA COSTA
TEN LARGEST EMPLOYERS
AS OF JUNE 30, 2024**

<i>Rank</i>	<i>Employer</i>	<i>Number of Employees</i>	<i>Percent of Total Employment</i>
1.	Chevron Corporation	10,000+	1.89 %
2.	Kaiser Permanente	10,000+	1.89
3.	Bio-Rad Laboratories, Inc.	1,000-4,999	0.57
4.	John Muir Medical Center	1,000-4,999	0.57
5.	La Raza Market	1,000-4,999	0.57
6.	USS-POSCO Industries	1,000-4,999	0.57
7.	Bayer Healthcare	--	--
8.	C&H Sugar Co, Inc.	--	--
9.	Conoco Phillips Rodeo Refinery	--	--
10.	Macy's	--	--
		--	6.06%

Source: County of Contra Costa Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors’ income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients. The following table summarizes per capita personal income for the City, the County, the State of California and the United States for the ten most recent years available. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**COUNTY OF CONTRA COSTA,
STATE OF CALIFORNIA, AND UNITED STATES
PER CAPITA PERSONAL INCOME⁽¹⁾**

<i>Year</i>	<i>County of Contra Costa</i>	<i>California</i>	<i>United States</i>
2014	\$62,371	\$50,617	\$46,289
2015	67,047	53,816	48,062
2016	70,257	55,862	48,974
2017	74,770	58,214	51,006
2018	78,509	60,984	53,311
2019	80,354	64,219	55,567
2020	87,839	70,100	59,151
2021	94,437	77,134	64,692
2022	97,061	77,196	66,298
2023	103,218	81,196	70,002

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Retail Sales

A summary of historic taxable sales within the City and the County during the past five years for which data is available is shown in the following tables.

**CITY OF OAKLEY
 TAXABLE TRANSACTIONS
 (DOLLARS IN THOUSANDS)**

	<i>Retail Stores</i>		<i>Total All Outlets</i>	
	<i>Number of Permits</i>	<i>Taxable Transactions</i>	<i>Number of Permits</i>	<i>Taxable Transactions</i>
2020	363	\$108,019	583	\$154,340
2021	355	145,212	555	212,368
2022	375	162,811	581	263,620
2023	361	171,072	590	242,650
2024	364	174,149	612	240,295

Source: State Department of Tax and Fee Administration.

**COUNTY OF CONTRA COSTA
 TAXABLE TRANSACTIONS
 (DOLLARS IN MILLIONS)**

	<i>Retail Stores</i>		<i>Total All Outlets</i>	
	<i>Number of Permits</i>	<i>Taxable Transactions</i>	<i>Number of Permits</i>	<i>Taxable Transactions</i>
2020	15,185	\$13,144	26,776	\$22,092
2021	15,036	15,640	26,351	22,373
2022	15,240	15,790	26,633	22,521
2023	15,000	14,957	26,049	21,057
2024	15,832	13,144	27,445	18,044

Source: State Department of Tax and Fee Administration.

The following table shows taxable sales within the City for the five most recent calendar years available.

**CITY OF OAKLEY
 TAXABLE TRANSACTIONS BY TYPE OF BUSINESS ⁽¹⁾
 (IN THOUSANDS)**

<i>Business Type</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Retail and Food Services	\$2,074	\$13,049	\$12,624	\$13,773	\$12,018
Motor Vehicle and Parts Dealers	279	562	509	856	793
Home Furnishings and Appliance Stores	1,031	--	--	--	--
Building Material and Garden Equipment and Supplies Dealers	4,928	20,085	20,859	21,052	21,389
Food and Beverage Stores	6,028	49,754	61,614	61,541	61,009
Gasoline Stations	264	2,191	2,777	3,189	3,473
Clothing and Clothing Accessories Stores	5	--	--	--	1,737
General Merchandise Stores	7,851	41,603	43,891	47,033	53,032
Food Services and Drinking Places	2,547	17,968	20,536	23,629	20,697
Other Retail Group	25,007	145,212	162,811	171,072	174,149
Total Retail and Food Services	13,099	67,156	100,809	71,577	66,147
All Other Outlets	38,106	212,368	263,620	242,650	240,295

(1) Presented in thousands of dollars.
 Note: Numbers may not sum due to rounding.
 Source: California Department of Tax and Fee Administration.

53 | Diablo Water District
FY 2026/27 Budget

The following table shows taxable sales within the County for the five most recent calendar years available.

COUNTY OF CONTRA COSTA
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS ⁽¹⁾
(IN MILLIONS)

<i>Business Type</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Motor Vehicle and Parts Dealers	\$2,371	\$2,710	\$2,621	\$2,527	\$2,450
Home Furnishings and Appliance Stores	638	813	784	731	692
Building Material and Garden Equipment and Supplies Dealers	1,394	1,520	1,538	1,453	1,404
Food and Beverage Stores	1,008	1,003	1,025	1,020	1,032
Gasoline Stations	1,060	1,431	1,906	1,670	1,648
Clothing and Clothing Accessories Stores	776	1,126	1,171	1,169	1,214
General Merchandise Stores	1,635	1,807	1,923	1,838	1,826
Food Services and Drinking Places	1,480	1,981	2,275	2,430	2,489
Other Retail Group	2,782	2,565	2,546	2,800	2,922
Total Retail and Food Services	13,144	14,957	15,790	15,640	15,185
All Other Outlets	4,899	6,100	6,731	6,733	6,414
Total All Outlets	18,044	21,057	22,521	22,373	22,092

(1) Presented in thousands of dollars.

Note: Numbers may not sum due to rounding.

Source: California Department of Tax and Fee Administration.

Appendix C

Financial Policies



Diablo Water District Regulation No. 14 Reserve Fund Management

Section 1. 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 2. General Provisions

- a. Reserve balances are considered the minimum necessary to maintain the District's creditworthiness and adequately provide for:
 - Compliance with applicable statutory requirements.
 - Financing of future capital facilities and replacement of existing assets.
 - Cash flow requirements.
 - Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - 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 (PAYGo) 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:
 - Restricted Cash and Investments – comprised of unspent bond proceeds, bond reserve funds (held by trustee), facilities reserve charges, and catastrophic emergency.



Diablo Water District Regulation No. 14 Reserve Fund Management

- i. 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.
- 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 factors, and other prudent expenses authorized by the Board.
 - i. These reserves can be encumbered through annual budgets, board approval, or by staff adhering to this Regulation.

Section 3. Reserve Funds and Target Levels

a. Rate Stabilization Fund

- 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.
- 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.
- 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

- 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).
- Authorization Required: Staff will provide a recommendation to the Board when operating reserves are expected to be needed. Board authorization required.



Diablo Water District Regulation No. 14 Reserve Fund Management

- Target Level: 3 months of current fiscal year operating and maintenance expenses.
 - i. Example: FY O&M expense = \$10,000,000 x .25 = \$2,500,000 in budgeted reserves.
- c. Capital Reserve
 - 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.
 - 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.
 - Target Level: \$2,000,000 has been established by the District's 2025 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, 2027.
- d. Emergency Reserve
 - 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.
 - 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.
 - Target Level: \$3,000,000 has been established by the District's 2025 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



Diablo Water District Regulation No. 14 Reserve Fund Management

rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2033.

- e. Bond Proceeds (held by Trustee)
 - Events or Conditions Prompting the Use of the Fund: Can solely be spent on the projects approved in the bond legal documents.
 - Authorization Required: Surplus/excess bond proceeds can be spent on other eligible projects, subject to bond counsel and Board approval via a resolution.
 - Target Level: Zero
 - 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)
 - Events or Conditions Prompting the Use of the Fund: Can solely be used towards the payment of the associated bond.
 - Authorization Required: No Board or Staff discretion.
 - Target Level: As established in the bond legal documents and must be maintained at this level.
- g. Facilities Reserve
 - Events or Conditions Prompting the Use of the Fund: Projects, assets, staffing, etc., identified in the District's Facilities Master Plan that are for the capacity (or preservation thereof), expansion and/or improvement of the District's systems due to new development.
 - Target Level: Three years' worth of facilities funds debt payment expenditures.
 - i. Example: FY Facilities Fund debt expenditure = \$900,000 x 3 = \$2,700,000.

Section 4. Reserve Funds and Target Levels

- a. The General Manager or their designee is responsible for adherence to this Regulation.
Further management guidance is provided below:



Diablo Water District Regulation No. 14 Reserve Fund Management

- The Board shall approve any reallocation of funds or any transfers among funds.
- Any reserve that is accessed for eligible use shall have an adopted restoration/repayment plan adopted at the time of access of the reserve fund.
- 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.
- Eligible reserve funds may be used to perform interfund loans.
- The interest rate shall be adjusted annually to equal the December 31st Local Agency Investment Fund rate.
- Length of loan and repayment schedule are to be determined on a case-by-case basis and in consultation with General Counsel.
- Reserve funds that are invested shall be credited interest income.
- 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.
- Reserve balances will be reviewed, at minimum on an annual basis during annual budget preparation, to ensure compliance with this Regulation.
- To preserve its strong credit ratings, in every fiscal year, the District shall endeavor to maintain 150 to 270 days of operating cash.
- 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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FY 2026/27 Budget

- 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 1. 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 will 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:

Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-

Section 2. Investment Objectives

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

Section 3. Control

- a. All funds of the District, and the deposit and investment thereof, will be under the continuous control of the Board of Directors. The General Manager has the authority to make investment decisions on behalf of the District. As trustee of said funds, the Board and the General



Diablo Water District Regulation No. 111 Investment Policy

Manager are subject to the prudent investor standard as defined by Government Code, section 53600.3.

Section 4. Financial Reporting

- a. The District's staff auditor will render annually to the Board for its consideration at a public meeting a statement of investment policy as required by Government Code, Section 53646(a)(2).
- b. The District's staff auditor will submit not less than quarterly to the Board and the General Manager a financial report as required by Government Code, section 53646 (b).
 1. The report will be submitted within 45 days following the end of the quarter covered by the report. The report will also include a current market value for all securities held as of the date of the report and the source of this same valuation.
 2. The report will state compliance of the portfolio to the statement of investment policy, or the manner in which the portfolio is not in compliance.
 3. The report will include a statement denoting the ability to meet its pool's expenditure requirements for the next six months or provide an explanation as to why sufficient money will, or may, not be available.
 4. The report will also include any additional information or data that may be required by the Board or General Manager.

Section 5. 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 will be 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 will affect such transfers by journal entry upon the request of the General Manager.

**Diablo Water District
Regulation No. 111
Investment Policy**



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- c. The borrowing fund will pay the lending fund interest on the monies loaned at the current average monthly effective yield rate per LAIF (Local Agency Investment Fund).

Section 6. Environmental, Social and Governance Investment

- a. Philosophy: to invest in funds that contribute to a sustainable future for the environment and 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 will not be listed in top 25 carbon dioxide-emitting banks.
 - 3. Banking on Climate Chaos: Bank will not be listed in the 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 D

Personnel and Pay Summary

Employee Compensation Schedule

Pay rates across all classifications remain competitive with industry standards.

The last salary survey was performed in 2026.



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 organization's most valuable asset and investment. Every day, we diligently and proudly deliver safe, reliable, high-quality drinking water 24/7. Our unwavering commitment to being a valuable community resource drives the District and is at the heart of everything we do.





Diablo Water District - Employee Compensation Schedule Effective 6/27/2026

Job Title / Classification	Hourly						Total Employees
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
General Manager*	\$27,898.71 / month						1
Administrative Assistant	\$ 39.76	\$ 41.75	\$ 43.84	\$ 46.03	\$ 48.33	\$ 50.75	0
Administrative Technician	\$ 46.03	\$ 48.33	\$ 50.75	\$ 53.30	\$ 55.97	\$ 58.77	1
Board Secretary / Executive Assistant	\$ 53.30	\$ 55.97	\$ 58.77	\$ 61.71	\$ 64.80	\$ 68.04	1
Utility Billing Clerk	\$ 34.35	\$ 36.07	\$ 37.87	\$ 39.76	\$ 41.75	\$ 43.84	0
Utility Billing Representative	\$ 39.76	\$ 41.75	\$ 43.84	\$ 46.03	\$ 48.33	\$ 50.75	3
Senior Utility Billing Representative	\$ 46.03	\$ 48.33	\$ 50.75	\$ 53.30	\$ 55.97	\$ 58.77	0
Utility Billing Supervisor	\$ 53.30	\$ 55.97	\$ 58.77	\$ 61.71	\$ 64.80	\$ 68.04	1
Accounting Specialist	\$ 56.20	\$ 59.01	\$ 61.96	\$ 65.06	\$ 68.31	\$ 71.73	1
Accounting Analyst - Confidential	\$ 59.06	\$ 62.01	\$ 65.11	\$ 68.37	\$ 71.79	\$ 75.38	1
Finance & Accounting Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Advanced Planning Analyst	\$ 57.62	\$ 60.50	\$ 63.53	\$ 66.71	\$ 70.05	\$ 73.55	2
Senior Advanced Planning Analyst	\$ 66.71	\$ 70.05	\$ 73.55	\$ 77.23	\$ 81.09	\$ 85.14	1
Human Resources Analyst - Confidential	\$ 59.06	\$ 62.01	\$ 65.11	\$ 68.37	\$ 71.79	\$ 75.38	0
Human Resources Manager (E)	\$ 81.14	\$ 85.20	\$ 89.46	\$ 93.93	\$ 98.63	\$ 103.56	1
Water Efficiency Specialist	\$ 52.39	\$ 55.01	\$ 57.76	\$ 60.65	\$ 63.68	\$ 66.86	0
Senior Water Efficiency Specialist	\$ 60.65	\$ 63.68	\$ 66.86	\$ 70.20	\$ 73.71	\$ 77.40	0
Public Relations Specialist	\$ 52.39	\$ 55.01	\$ 57.76	\$ 60.65	\$ 63.68	\$ 66.86	1
Senior Public Relations Specialist	\$ 60.65	\$ 63.68	\$ 66.86	\$ 70.20	\$ 73.71	\$ 77.40	0
District & Community Relations Manager (E)	\$ 80.09	\$ 84.09	\$ 88.29	\$ 92.70	\$ 97.34	\$ 102.21	1
Water System Trainee	\$ 38.62	\$ 40.55	\$ 42.58	\$ 44.71	\$ 46.95	\$ 49.30	0
Water System Worker I	\$ 44.71	\$ 46.95	\$ 49.30	\$ 51.77	\$ 54.36	\$ 57.08	3
Water System Worker II	\$ 51.77	\$ 54.36	\$ 57.08	\$ 59.93	\$ 62.93	\$ 66.08	5
Maintenance & Construction Leadworker	\$ 59.93	\$ 62.93	\$ 66.08	\$ 69.38	\$ 72.85	\$ 76.49	1
Water Operations Leadworker	\$ 59.93	\$ 62.93	\$ 66.08	\$ 69.38	\$ 72.85	\$ 76.49	2
Maintenance & Construction Supervisor	\$ 69.38	\$ 72.85	\$ 76.49	\$ 80.31	\$ 84.33	\$ 88.55	1
Water Operations Supervisor	\$ 69.38	\$ 72.85	\$ 76.49	\$ 80.31	\$ 84.33	\$ 88.55	0
Advanced Planning & Construction Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Water Operations Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Intern (Part-Time)	\$ 20.00	\$-	\$-	\$-	\$-	\$-	2
Total Budgeted Employees**							32

*General Manager is contracted at a monthly rate

**Number of 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.

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 employees hold certifications that exceed industry standards and the requirements necessary to operate our water system. This dedication to advanced training and continuous improvement reflects our commitment to excellence and operational efficiency. The following table provides a summary of the District's personnel and reflects changes for Fiscal Year 2026/27.

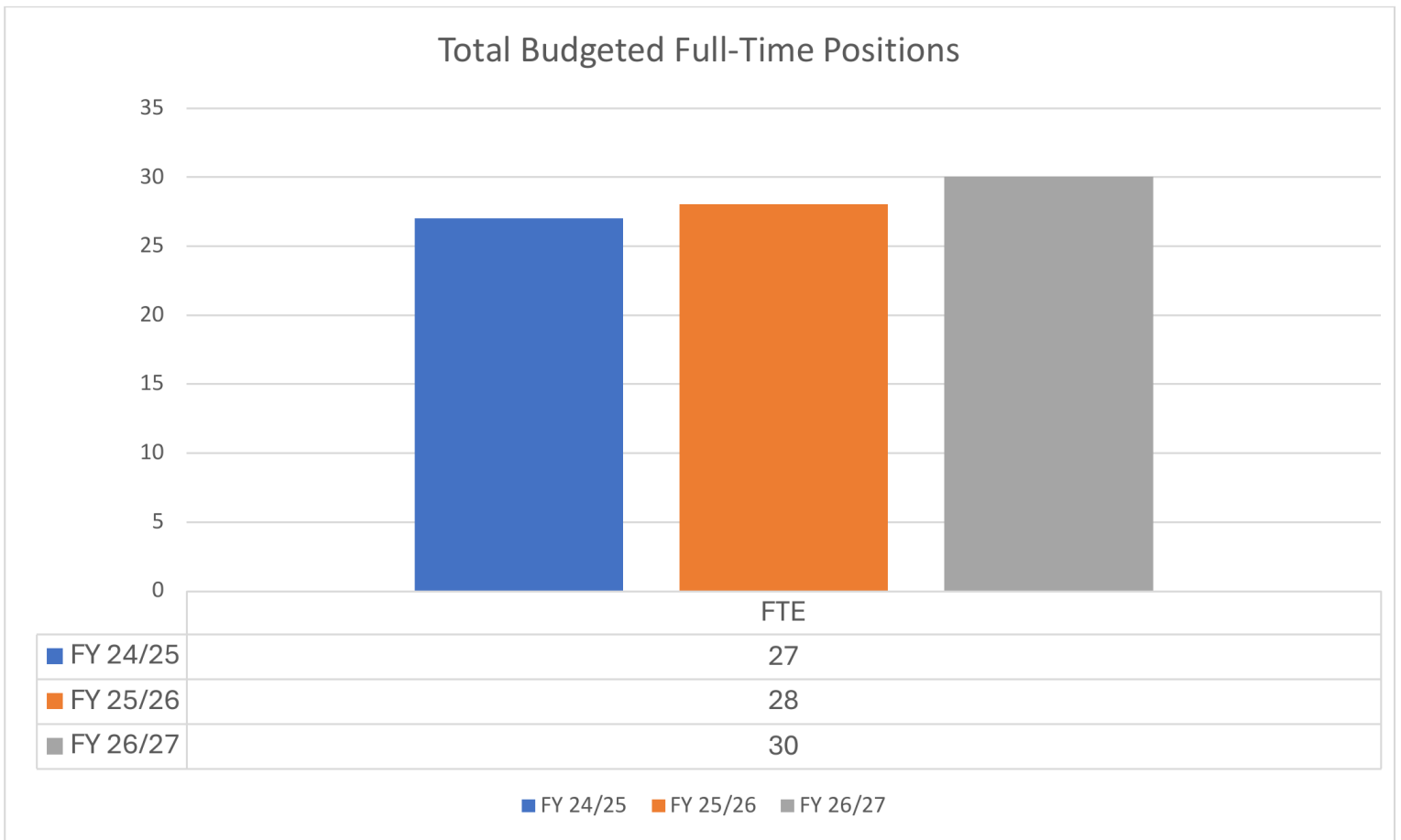


Figure 1.7

The District approved the addition of two additional FTEs for Fiscal Year 2026/27.

This change includes the following:

- Addition of one new Accounting Specialist (FTE).
- Addition of one new Water System Worker I/II (FTE).

Appendix E

Audited Basic Financial Statements

DIABLO WATER DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 13,041,946	\$ 12,482,976	\$ 558,970	\$ 14,957,235	\$ (2,474,259)
Non-current assets	6,706,874	7,616,693	(909,819)	10,196,826	(2,580,133)
Capital assets, net	<u>79,436,443</u>	<u>76,324,251</u>	<u>3,112,192</u>	<u>72,766,924</u>	<u>3,557,327</u>
Total assets	<u>99,185,263</u>	<u>96,423,920</u>	<u>2,761,343</u>	<u>97,920,985</u>	<u>(1,497,065)</u>
Deferred outflows of resources	<u>2,603,867</u>	<u>2,994,560</u>	<u>(390,693)</u>	<u>2,859,789</u>	<u>134,771</u>
Total assets and deferred outflows of resources	<u>\$ 101,789,130</u>	<u>\$ 99,418,480</u>	<u>\$ 2,370,650</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</u>
Liabilities:					
Current liabilities	\$ 3,680,321	\$ 3,879,949	\$ (199,628)	\$ 3,695,446	\$ 184,503
Non-current liabilities	<u>21,339,678</u>	<u>22,265,766</u>	<u>(926,088)</u>	<u>22,751,522</u>	<u>(485,756)</u>
Total liabilities	<u>25,019,999</u>	<u>26,145,715</u>	<u>(1,125,716)</u>	<u>26,446,968</u>	<u>(301,253)</u>
Deferred inflows of resources	<u>1,746,885</u>	<u>1,782,837</u>	<u>(35,952)</u>	<u>2,025,550</u>	<u>(242,713)</u>
Net position:					
Net investment in capital assets	64,483,478	62,652,133	1,831,345	61,657,923	994,210
Restricted	5,384,757	6,285,325	(900,568)	8,740,823	(2,455,498)
Unrestricted	<u>5,154,011</u>	<u>2,552,470</u>	<u>2,601,541</u>	<u>1,909,510</u>	<u>642,960</u>
Total net position	<u>75,022,246</u>	<u>71,489,928</u>	<u>3,532,318</u>	<u>72,308,256</u>	<u>(818,328)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 101,789,130</u>	<u>\$ 99,418,480</u>	<u>\$ 2,370,650</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</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 \$75,022,246 and \$71,489,928 as of June 30, 2025 and 2024, respectively.

By far the largest portion of the District's net position (86% as of June 30, 2025 and 88% as of June 30, 2024) 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 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$5,154,011 and \$2,552,470, respectively, which may be utilized in future years.

DIABLO WATER DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 19,973,048	\$ 15,236,114	\$ 4,736,934	\$ 14,390,909	\$ 845,205
Operating expenses	<u>(18,519,361)</u>	<u>(16,125,908)</u>	<u>(2,393,453)</u>	<u>(14,875,541)</u>	<u>(1,250,367)</u>
Operating income (loss) before depreciation	1,453,687	(889,794)	2,343,481	(484,632)	(405,162)
Depreciation expense	<u>(2,526,456)</u>	<u>(2,472,175)</u>	<u>(54,281)</u>	<u>(2,442,468)</u>	<u>(29,707)</u>
Operating income (loss)	(1,072,769)	(3,361,969)	2,289,200	(2,927,100)	(434,869)
Non-operating revenues (expenses)	<u>379,581</u>	<u>1,027,607</u>	<u>(648,026)</u>	<u>1,159,885</u>	<u>(132,278)</u>
Net loss before capital contributions	(693,188)	(2,334,362)	1,641,174	(1,767,215)	(567,147)
Capital contributions	<u>4,225,506</u>	<u>1,516,034</u>	<u>2,709,472</u>	<u>3,803,748</u>	<u>(2,287,714)</u>
Change in net position	3,532,318	(818,328)	4,350,646	2,036,533	(2,854,861)
Net position:					
Beginning of year (includes adjustment)	<u>71,489,928</u>	<u>72,308,256</u>	<u>(818,328)</u>	<u>70,271,723</u>	<u>2,036,533</u>
End of year	<u>\$ 75,022,246</u>	<u>\$ 71,489,928</u>	<u>\$ 3,532,318</u>	<u>\$ 72,308,256</u>	<u>\$ (818,328)</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 \$3,532,318 and decreased by \$818,328 for the fiscal years ended June 30, 2025 and 2024, respectively.

Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues:					
Water sales - residential and business	\$ 18,754,238	\$ 14,272,953	\$ 4,481,285	\$ 13,376,006	\$ 896,947
Water sales - other	504,630	307,559	197,071	368,622	(61,063)
Other charges for services	<u>714,180</u>	<u>655,602</u>	<u>58,578</u>	<u>646,281</u>	<u>9,321</u>
Total operating revenues	<u>\$ 19,973,048</u>	<u>\$ 15,236,114</u>	<u>\$ 4,736,934</u>	<u>\$ 14,390,909</u>	<u>\$ 845,205</u>
Non-operating:					
Investment (loss) gain	707,781	1,043,114	(335,333)	389,038	654,076
Lease revenue	175,034	169,435	5,599	169,435	-
Other non-operating revenues	<u>241,615</u>	<u>322,701</u>	<u>(81,086)</u>	<u>1,298,880</u>	<u>(976,179)</u>
Total non-operating revenues	<u>1,124,430</u>	<u>1,535,250</u>	<u>(410,820)</u>	<u>1,857,353</u>	<u>(322,103)</u>
Total revenues	<u>\$ 21,097,478</u>	<u>\$ 16,771,364</u>	<u>\$ 4,326,114</u>	<u>\$ 16,248,262</u>	<u>\$ 523,102</u>

In 2025, operating revenues increased by 31.09% or \$4,736,934 from \$15,236,114 to \$19,973,048, from the prior year, primarily due to a increase in water sales of \$4,678,356. Water sales increased from the prior year due to the annual rate increase that went into effect in July 2024. This rate increase is primarily due to the accumulated cost of inflation and passing through the increased cost of purchasing water from CCWD.

In 2024, operating revenues increased by 5.87% or \$845,205 from \$14,390,909 to \$15,236,114, from the prior year, primarily due to a increase in water sales of \$835,884. Water sales increased from the prior year due to the annual rate increase that went into effect in March 2024. This rate increase is primarily due to the cost of inflation and passing through the increased cost of purchasing water from CCWD.

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FY 2026/27 Budget

DIABLO WATER DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Total Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating expenses:					
Source of supply - water purchases	\$ 5,904,542	\$ 5,357,836	\$ 546,706	\$ 5,469,681	\$ (111,845)
Water treatment - Randall-Bold water treatment	2,821,682	2,739,841	81,841	2,105,829	634,012
Well expenses	87,295	41,432	45,863	413,275	(371,843)
Maintenance	870,716	604,685	266,031	491,879	112,806
Transmission and distribution	2,729,103	2,627,234	101,869	2,465,026	162,208
Customer service	2,078,113	1,874,312	203,801	1,467,139	407,173
Administrative and general	<u>4,027,910</u>	<u>2,880,568</u>	<u>1,147,342</u>	<u>2,462,712</u>	<u>417,856</u>
Operating expenses before depreciation	18,519,361	16,125,908	2,393,453	14,875,541	1,250,367
Depreciation expense	<u>2,526,456</u>	<u>2,472,175</u>	<u>54,281</u>	<u>2,442,468</u>	<u>29,707</u>
Total operating expenses	<u>21,045,817</u>	<u>18,598,083</u>	<u>2,447,734</u>	<u>17,318,009</u>	<u>1,280,074</u>
Non-operating expenses:					
Interest and amortization expense	<u>744,849</u>	<u>507,643</u>	<u>237,206</u>	<u>697,468</u>	<u>(189,825)</u>
Total non-operating	<u>744,849</u>	<u>507,643</u>	<u>237,206</u>	<u>697,468</u>	<u>(189,825)</u>
Total expenses	<u>\$ 21,790,666</u>	<u>\$ 19,105,726</u>	<u>\$ 2,684,940</u>	<u>\$ 18,015,477</u>	<u>\$ 1,090,249</u>

In 2025, operating expenses before depreciation expense increased by 14.84% or \$2,393,453 from \$16,125,908 to \$18,519,361, from the prior year, primarily due to increases in water treatment plant expenses of \$81,841, customer service expenses of \$203,801, administrative expenses of \$1,147,342 and transmission/distribution expenses of \$101,869. These increases are primarily due to the cost of inflation related items such as energy costs, insurance premiums, permits, water purchases and operation costs at CCWD, labor and material costs.

In 2024, operating expenses before depreciation expense increased by 8.41% or \$1,250,367 from \$14,875,541 to \$16,125,908, from the prior year, primarily due to increases in water treatment plant expenses of \$634,012, customer service expenses of \$407,173, administrative expenses of \$417,856 and transmission/distribution expenses of \$162,208. Expenses increased due to adding full-time employees to the District, Randall Bold Treatment Plant operation costs, as well as the cost of inflation on items such as energy costs and processing fees.

Capital Asset Administration

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Capital assets:			
Non-depreciable assets	\$ 14,015,934	\$ 12,024,312	\$ 7,470,219
Depreciable assets	109,804,128	106,216,079	104,730,280
Accumulated depreciation	<u>(44,383,619)</u>	<u>(41,916,140)</u>	<u>(39,595,039)</u>
Total capital assets, net	<u>\$ 79,436,443</u>	<u>\$ 76,324,251</u>	<u>\$ 72,605,460</u>

At the end of fiscal year 2025 and 2024, the District's investment in capital assets amounted to \$79,436,443 and \$76,324,251 (net of accumulated depreciation), respectively. Major capital asset additions during the year amounted to \$5,638,932 and \$6,029,502 for various projects and equipment. See Note 3 for further information.

Debt Administration

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Long-term debt:			
Certificates-of-participation	\$ 7,272,308	\$ 7,737,560	\$ 8,193,855
Loans payable	<u>9,177,000</u>	<u>9,751,000</u>	<u>10,309,000</u>
Total long-term debt	<u>\$ 16,449,308</u>	<u>\$ 17,488,560</u>	<u>\$ 18,502,855</u>

Structured long-term debt items decreased by \$1,039,252 for the fiscal year ended June 30, 2025, due to regular principal payments on the District's structured long-term debt items. See Note 7 for further information.

Diablo Water District

FY 2026/27 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 10, 2026 Board Meeting
Item Number 8



TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: Creation of Credit Card Processing Fees Ad Hoc Subcommittee.

Over the past six months, the credit card processing fee that is currently absorbed by the District has been discussed during Board meetings or individually with the General Manager. To facilitate a deeper conversation and research into this item, the General Manager suggested the creation of an ad hoc subcommittee that would be comprised of two Directors, the General Manager, and the Finance & Accounting Manager.

Credit Card Processing Fees Ad Hoc Subcommittee:

- Duration: 6 months
- Scope:
 - Review current credit card fee structure.
 - Explore methods or means to reduce or transfer this fee.
 - Other relevant items.

Final policy direction will be provided by the full Board of Directors.

RECOMMENDATION:

Establish a credit card processing fees ad hoc subcommittee and select two directors to serve on the subcommittee.

Dan Muelrath

Dan Muelrath
General Manager



DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 9



TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: District Counsel's Report.

The Board has expressed interest in taking positions on AB 2215 and AB 2716, as well as receiving updates on other identified legislative items. Because these measures fall outside the scope of the Board-adopted Legislative Framework, Staff is seeking policy direction regarding whether the District should support or oppose the identified legislation.

RECOMMENDATION:

Authorize the General Manager to execute letters of support or opposition for identified legislation on behalf of the District, if desired.

Dan Muelrath

Dan Muelrath
General Manager

Diablo Water District: General Counsel’s Legislative Tracker

Updated June 3, 2026

Overview

This update supplements the May 27, 2026 legislative tracker with current status information for AB 2215, AB 2216, SB 1085, AB 2716, PFAS passive-receiver liability developments in Congress, and current California golden mussel legislation and related measures.

Bill Chart

Bill	Sponsor	Known support	Known oppose	Status	Existing law change	Diablo Water District potential interests
AB 2215	Assembly member Lisa Calderon; bipartisan coauthors are listed on public trackers	Public trackers show broad bipartisan coauthoring and strong Assembly committee voting support; publicly available reporting snippets suggest some tribal and enviro opposition.	At least some tribes and enviro groups urged to reject.	Now in the Senate as of May 28, 2026.	Would amend Water Code section 1398 to extend the time for application to beneficial use and completion of construction for specified DWR State Water Project permits to December 31, 2046.	Targeted toward the Delta Conveyance Project for the State Water Project, which matters to Delta-located interests like the District.
AB 2216	Assembly -member Cecilia Aguiar-Curry.	Delta Conserv. March 2026 executive report confirms	Prior tracker notes Contra Costa County was	To the Senate May 27, 2026.	Would expand the conservancy area to include the Valley, rename the agency and fund, add two liaison advisers, authorize grants and	Potentially significant for Diablo Water District given its in Delta-

Bill	Sponsor	Known support	Known oppose	Status	Existing law change	Diablo Water District potential interests
		the bill was introduced to expand the boundary, and the bill analysis reflects a policy design aimed at broader Valley/Delta restoration and partnership work, including with tribes.	seeking to clarify impacts to boundaries.		loans to tribal organizations, establish a Valley Program, and limit jurisdiction and activities to the Valley, Delta, and Suisun Marsh except for certain related projects.	adjacent Contra Costa County. The bill could alter regional grant geography, restoration priorities, and agency relations affecting Delta projects and regional efforts.
SB 1085	Senator Steve Glazer.	Public agencies and enviro groups.	Some build. groups.	June 16, 2026 hearing set.	Would fills gaps from CEQA streamline and require earlier identification of water suppliers for certain housing projects, require a 45-day rather than 90-day water supply assessment timeline for certain developments and remove public-meeting approval for those assessments.	Highly significant. For a water supplier serving growth in East Contra Costa County, SB 1085 could compress internal review timelines.

Bill	Sponsor	Known support	Known oppose	Status	Existing law change	Diablo Water District potential interests
AB 2716	Assembly -member Anamarie Ávila Farías.	California Intendent Petroleum Ass'n.	Enviro groups.	To the Senate May 28, 2026.	Would revise CalGEM's additional-security framework by capping additional security at the lesser of estimated plugging/decommissioning costs or a statutory maximum schedule, repeal the prior exclusion of self-insurance or corporate guarantees, authorize specified alternative financial assurance with written approval, and exempt certain acquiring parties from separate indemnity bond requirements when approved additional security is already in place.	Relevant as a broader liability and infras. risk measure because inadequate bonding can shift remediation burdens to public agencies and customers.
AB 1772	Assembly -member Diane Papan with bipartisan coauthors.	Boating industry and water agencies and CA Tahoe Alliance.	None on file.	Sent to Senate May 28, 2026.	Would develop statewide aquatic invasive species decontamination standards, reciprocity concepts, a voluntary database, and funding concepts directed at preventing spread of invasive mussels,	Relevant because standardized vessel decontamination and tracking measures could reduce spread risk into Delta-connected

Bill	Sponsor	Known support	Known oppose	Status	Existing law change	Diablo Water District potential interests
					especially golden mussels.	facilities and recreational pathways affecting the District's area infrastructure and source waters.
AB/SB 149	Comttee. on Budget.	ACWA circulated a support coalition floor alert; public materials describe the measure as a response to the rapid golden mussel spread.	No verified oppose.	Budget trailer bill activity in 2025-2026; public bill text states the legisl. expands existing dreissenid mussel provisions to invasive mussels more broadly.	Would expand statutory treatment from dreissenid mussels to invasive mussels and increase or adjust prevention-fee mechanisms for 2026 and beyond.	Significant because broader invasive-mussel authority and fee structures can directly affect prevention programs, inspections, funding, and possible pass-through costs for agencies using Delta-connected facilities or water bodies.

Specific Legislation of Interest

AB 2215

AB 2215 is a targeted State Water Project bill. Existing law allows deadline extensions for beneficial use and construction upon a showing of good cause, while this

bill would hard-code a later deadline for specified DWR permits, now described in publicly available bill materials as December 31, 2046.

These are the same DWR water rights utilized in the pending Delta Conveyance Project approval process at the State Water Board, in which the District is a protestant and party submitting evidence and planning to brief issues once that stage of the process starts.

AB 2216

AB 2216 would restructure the Delta Conservancy into a broader Valley and Delta Conservancy and expand eligible program geography and partnerships, including tribal organizations. That change could affect which areas receive ecosystem, economic-well-being, restoration, and grant attention, and the prior tracker correctly flagged potential implications for Contra Costa County boundaries.

For the District, the issue appears to be less about direct water-rights regulation and more about regional governance and funding alignment. Changes in the conservancy footprint can influence restoration priorities, habitat and recreation grant eligibility, and the institutional map for Delta-adjacent project collaboration.

SB 1085

SB 1085 is operationally important for many water suppliers because it changes when and how water supply assessments are triggered and prepared for certain housing developments. By requiring supplier identification earlier, shortening the response deadline to 45 days for certain projects, removing the current public-meeting approval step, and authorizing mandamus, the bill would substantially accelerate the assessment process.

For Diablo Water District, that means tighter internal coordination among planning, engineering, legal, and board staff. The district may need revised intake protocols, template findings tied to its urban water management plan, and a clear delegation framework if assessments no longer require full board approval for covered projects.

AB 2716

AB 2716 is a 2026 oil-and-gas financial assurance bill. The bill would revise CalGEM's authority to require additional security by placing a ceiling on the amount of additional security, allowing specified forms of alternative financial assurance, repealing the exclusion of self-insurance or corporate guarantees, and exempting certain acquirers from separate bond filings when approved security is already in place.

For Diablo Water District, this legislation is relevant as part of the State's broader effort to ensure that plugging, abandonment, decommissioning, and restoration liabilities remain backed by adequate private financial assurance rather than shifting to the public. From a District perspective, that reduces the long-tail risk of orphaned industrial liabilities affecting groundwater, land use, or public-agency cost exposure.

Golden mussel legislation

California and federal responses to the golden mussel issue are developing on multiple tracks. At the federal level, Senators Padilla and Schiff introduced the Golden Mussel Eradication and Control Act of 2026, supported by several California water agencies, to fund monitoring, rapid response, research, and grants.

At the California level, AB 1772 was introduced as an intent bill focused on vessel decontamination standards, reciprocity, a voluntary database, and funding pathways, while budget trailer legislation such as AB/SB 149 expands existing dreissenid mussel provisions to invasive mussels more broadly. For Diablo Water District, these measures matter because golden mussels threaten Delta conveyance, pumps, raw-water infrastructure, inspection programs, and potentially long-term O&M costs.

PFAS passive-receiver update

The linked PFAS item fits a broader 2025-2026 national push for congressional relief from CERCLA liability for passive receivers such as public water systems, wastewater agencies, airports, and landfills. Public reporting indicates water-sector organizations are arguing that utilities should not bear cleanup liability for contaminants they neither manufactured nor introduced into commerce, especially where costs would otherwise be shifted to ratepayers.

For Diablo Water District, this is not California legislation, but it is strategically relevant. Any federal liability protection would materially affect future PFAS cost allocation, disposal decisions, and litigation risk management for public drinking-water entities.

DIABLO WATER DISTRICT
June 10, 2026 Board Meeting
Item Number 10



TO: Each Director
FROM: Dan Muelrath, General Manager
SUBJECT: Tax Credit Consultant Contract Award.

Historically, public agencies that do not pay taxes (except payroll taxes) were not eligible for solar federal tax credits like individuals or businesses. However, in 2022 the Inflation Reduction Act provided a mechanism for public agencies to receive incentives for solar installations. This program is referred to as the Investment Tax Credit (ITC).

The District has two projects that should qualify under the ITC:

- 3990 Main Street – Solar and battery
- R2/3 – Solar

A solar project must have its Permit to Operate in hand prior to submitting an application. The District currently has the permit for the 3990 Main Street solar and battery project and is currently awaiting final tie-in and approval for the R2/3 solar project. If we receive the permit for the second system this fiscal year (June 30th) then both projects will be submitted for the tax credits (direct payment to District) in late summer. However, if the second project does not get its permit until after June 30th then one project will be submitted this summer and the second project will be submitted next summer.

After soliciting proposals and interviewing tax consultants familiar with the ITC program, Staff recommends proceeding with The Weist Law Firm for an amount not to exceed \$30,000. Based on a preliminary look at the District's eligible projects, the consultants estimated the District's potential tax credit at \$250,000 to \$450,000.

RECOMMENDATION:

Authorize the General Manager to execute a contract with The Weist Law Firm for Investment Tax Credit processing support in an amount not to exceed \$30,000, plus a 10% contingency.

Dan Muelrath

Dan Muelrath
General Manager

