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Directors:
Marilyn M. Tiernan
President

Scott R. Pastor
Vice President

Paul Seger
Joe Kovalick
Jason Shaw

General Manager:
Daniel Muelrath

General Counsel:
Wesley A. Miliband

Secretary:
Kait Knight

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF DIABLO WATER DISTRICT HELD ON DECEMBER 13, 2023

The Special Meeting of the Board of Directors of Diablo Water District was held on December 13, 2023 at 2 :30 pm at the District's office, 87 Carol Lane, Oakley, California and via conference call / web as noticed in the posted agenda.

1. Call to Order and Roll Call

The special meeting of the Board of Directors of Diablo Water District (District) was called to order by President Tiernan at 2:35 p.m. on December 13, 2023.

Directors Present:	Tiernan, Pastor, Seger, Kovalick, Shaw
Staff Present:	Dan Muelrath, Kait Knight, Jennifer McCoy
General Counsel:	Wes Miliband (AARLL)
Others Present:	Justin Williams (MUN CPAs), Angela Lowrey (Ironhouse), Members of General Public

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

3. 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 October 25, 2023.
Staff Recommendation: Approve.

B. Minutes of the Special Meeting of November 15, 2023.
Staff Recommendation: Approve.

C. Minutes of the Special Meeting of November 27, 2023.
Staff Recommendation: Approve.

It was moved by Director Shaw, seconded by Director Kovalick, and approved by the following vote to approve the Consent Calendar.

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

4. Acceptance of Annual Audit for Fiscal Year Ending June 30, 2023.

Staff Recommendation: Accept the audit report.

Justin Williams (MUN CPAs) presented the annual audit report to the Board.

It was moved by Director Seger, seconded by Director Shaw, and approved by the following vote to accept the audit report.

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

5. Distinguished Budget Presentation Award – GFOA.

Staff Recommendation: Receive.

The board received the GFOA Award.

6. Financial Reports.

Staff Recommendation: Approve warrant register 2023-10 and 2023-11, ACH wire transactions for October and November 2023, and receive the monthly financial statement for October 2023.

Director Kovalick reiterated the desire for more controls on true-ups from Contra Costa Water District resulting from large expenses at Randall-Bold.

It was moved by Director Kovalick, seconded by Director Seger, and approved by the following vote to approve warrant register 2023-10 and 2023-11, ACH wire transactions for October and November 2023, and receive the monthly financial statement for October 2023.

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

7. Adoption of Updated Compensation Schedule and Associated Regulation Changes.

Staff Recommendation: Adopt Resolution No. 2023-12, updating the District's current compensation schedule and amending Regulations Nos. 106 and 129.

It was moved by President Tiernan, seconded by Vice President Pastor, and approved by the following vote to adopt Resolution No. 2023-12, updating the District's current compensation schedule and amending Regulations Nos. 106 and 129.

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

8. Resolution of Support for the General Manager to be Placed on CCSDA's Ballot for the Position of President.

Staff Recommendation: Adopt Resolution No. 2023-13, supporting the nomination of Dan Muelrath for the position of President of the Contra Costa Special District Association.

The Board shared support for General Manager Muelrath's nomination and increasing regional collaboration with other agencies. Director Kovalick requested a presentation from CCSDA be added to the future agenda items.

It was moved by Director Kovalick, seconded by President Tiernan, and approved by the following vote to adopt Resolution No. 2023-13, supporting the nomination

of Dan Muelrath for the position of President of the Contra Costa Special District Association.

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

9. Amend R2/R3 Parallel Transmission Main Task Order.

Staff Recommendation: Authorize the General Manager to execute Amendment 1 to Task Order No. 2022-02 with the District's Engineer, CDM Smith, in an amount not to exceed $347,900 plus a 10% contingency.

Director Kovalick stressed this project is an important part of the seismic improvement plans.

Director Seger requested that the fault that runs along Empire be addressed in the preliminary study. General Manager Muelrath said the hydraulic model showed the connection would be near Neroly. Bill Brick, CDM Smith, advised that he would review the plans with geotechnical experts.

It was moved by Director Kovalick, seconded by Director Shaw, and approved by the following vote to authorize the General Manager to execute Amendment 1 to Task Order No. 2022-02 with the District's Engineer, CDM Smith, in an amount not to exceed $347,900 plus a 10% contingency.

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

10. General Manager's Reports.

- Water Supply Charts.
- CCC General Plan Update.

General Manager Muelrath noted that total water demand is down 10% from last year and significantly below the 3-year average, which results in decreased revenue and an increased cost per unit.

He also shared that the General Plan mentions DWD should consider consolidation of water mutuals on Bethel Island, and that he will put in a request for adjusted wording since this is already happening. He asked the Board to bring any

comments back by mid-January that are within our authority as a District or GSA back and he will relay those as well. Any comments outside our authority will come back to the full Board for review.

Director Kovalick asked why there was no mention of consolidation with Knightsen as there are water issues there. President Tiernan commented that their water tables are so high. General Manager Muelrath said it depends on how far it extends to, as they would be outside our jurisdiction and would be in the county's GSA.

President Tiernan discussed the breakdown of land use element in the plan and was curious how they are calculating the residential density in Bethel Island. General Manager Muelrath pointed out that Knightsen has a few land use options but nothing high density, and Bethel Island is not showing any appreciable new development with how current zoning is set up.

Director Seger requested that we share our documents for consolidation with the State.

11. Engineer's Reports.

- Construction project updates.

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

12. General Counsel's Reports.

No report.

13. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

Director Kovalick did not make the meeting for the City of Oakley; however, he did review the November meeting minutes and shared the City is selling a 27-acre parcel to a developer on East Cypress, stipulating that there would be a reduction of fees between the developer and the City and that he forwarded it to Dan for review. He also noted that the development timeframe for East Cypress was extended to 2045. General Manager Muelrath added that the East Cypress Road widening was being taken over by the City, and the District will be meeting with them next month to review the inherited plans and ensure the 20" parallel water main the District is owed is accounted for.

Director Shaw added that Councilmember Williams is the new mayor, Councilmember Shaw is the vice mayor, and Councilmember Fuller is our new representative.

Director Seger reported that CCWD approved their audit, and that operating revenue for untreated water is down $1.8m from last year, and that a third of their revenue comes from raw water sales. He also mentioned that the Old River pump went down in late October, so they were unable to pump into Los Vaqueros for a couple of weeks, but it is up and running now.

General Manager Muelrath reported that ECC Groundwater Sustainability group emailed the State to express disappointment that grant funds were not awarded to the GSA.

14. Future Agenda Items.

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

President Tiernan requested that Director assignments be added to future agenda items. General Manager Muelrath advised that the regulations state these happen every two years, but the Board can always do it ahead of that. Director Kovalick thought it would be helpful as well.

General Manager Muelrath added that we would be scheduling the planning session for January 2024.

15. Next Meetings of the Board of Directors.

- January 24, 2024 Regular Meeting – 6:30 pm
- February 28, 2024 Regular Meeting – 6:30 pm
- March 27, 2024 Regular Meeting – 6:30 pm

Closed Session

16. Closed Session - Conference with Legal Counsel – Anticipated Litigation (Government Code § 54956.9(d)(4))
One Potential Case

Closed Session - Conference with Real Property Negotiations (Government Code §. 54956.8)
Property Description: Jersey Island located in Contra Costa County

Negotiation: Diablo Water District General Manager Dan Muelrath and Ironhouse/Reclamation District 830 Representative TBD
Under Negotiation: Terms and Price

No reportable action.

Open Session

17. Adjournment.

Director Tiernan adjourned the meeting at 5:02 p.m.

Kait Knight, Board Secretary