DIABLO WATER DISTRICT

BOARD OF DIRECTORS:
MARILYN M. TIERNAN
PRESIDENT

SCOTT R. PASTOR
VICE PRESIDENT

PAUL SEGER
JOE KOVALICK
JASON SHAW

GENERAL MANAGER:
DANIEL MUELRATH

GENERAL COUNSEL:
WESLEY A. MILIBAND

BOARD SECRETARY:
KAIT KNIGHT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF DIABLO WATER DISTRICT HELD ON JULY 24, 2024

The Regular Meeting of the Board of Directors of Diablo Water District was held on July 24, 2024 at 6:30 pm at the District's office, 87 Carol Lane, Oakley, California and via conference call / web as noticed in the posted agenda.

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

The regular meeting of the Board of Directors of Diablo Water District (District) was called to order by Vice President Pastor at 6:30 p.m. on July 24, 2024.

Directors Present:	Pastor, Seger, Kovalick, Shaw
Staff Present:	Dan Muelrath, Kait Knight, Nacho Mendoza, Jennifer McCoy, Jim Smith, Wayne Weaver
General Counsel:	Wes Miliband (Miliband Water Law)
Others Present:	Bill Brick (CDM Smith), Dan Rodrigo (CDM Smith), Angela Lowrey (Ironhouse), Members of the Public

2. Public Input.

Anyone present may address the Board of Directors on any subject within the jurisdiction of Diablo Water District. If the subject item is on this Agenda, please hold public comment until the appropriate item.

Angela Lowrey (Ironhouse) provided an introduction and background information on Jean-Marc Petit, the new General Manager of Ironhouse.

Public Hearing

3. Public Hearing Regarding Proposed Increase in Water Charges for County Well Systems M-24 Southpark and M-27 Willow Park Marina.

Staff Recommendation: Conduct public hearing by opening the hearing and receiving Staff presentation and comments from Directors and the public, and then close the hearing.

Vice President Pastor held and then closed the public hearing.

Action Items

4. Proposed Water Rate Adoption for County Well Systems M-24 Southpark and M-27 Willow Park Marina.

Staff Recommendation: Adopt Resolution Number 2024-07, determining compliance with procedural requirements, making findings and determinations, revising rates for M-24 and M-27 potable and non-potable water services, and amending the corresponding rate and charge schedules of Diablo Water District, and taking related actions.

It was moved by Director Kovalick, seconded by Director Shaw and approved by the following vote to adopt Resolution Number 2024-07, determining compliance with procedural requirements, making findings and determinations, revising rates for M-24 and M-27 potable and non-potable water services, and amending the corresponding rate and charge schedules of Diablo Water District, and taking related actions.

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

Action Items

5. Consent Calendar.

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. *The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.*

A. Minutes of the Special Meeting of June 12, 2024.
Staff Recommendation: Approve.

B. Acceptance of Facilities – Oakley Logistics Center – Subdivision 9513.
Staff Recommendation: Adopt Resolution Number 2024 – 08.

C. Acceptance of Facilities – Contra Costa Logistics Center – Temporary Shutdown of 24-Inch Waterline Relocation.
Staff Recommendation: Adopt Resolution Number 2024 – 09.

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

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

6. Financial Reports.

Staff Recommendation: Approve warrant register 2024-6, ACH wire transactions for June 2024, and receive the monthly financial statement for May 2024.

It was moved by Director Seger, seconded by Vice President Pastor and approved by the following vote to approve warrant register 2024-6, ACH wire transactions for June 2024, and receive the monthly financial statement for May 2024.

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

7. Authorization to Write Off Uncollectible Accounts for FY 2023-2024.

Staff Recommendation: Authorize Staff to write off $24,925.00 in bad debt from the financial system.

Director Shaw inquired if the District is doing everything possible to collect bad debts. Finance & Accounting Manager McCoy assured that staff works diligently to collect these accounts and hold customers accountable if they return to the District.

Director Kovalick requested that Staff determine if the collection agency sells the debts to a third-party.

It was moved by Director Seger, seconded by Director Shaw and approved by the following vote to authorize Staff to write off $24,925.00 in bad debt from the financial system.

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

Discussion Items

8. Carbon Neutrality Update.

Jim Smith, Strategic Initiatives Project Manager, presented an overview of the District's greenhouse gas inventory and potential options for achieving the District's goal for carbon neutrality by December 31, 2027.

The board engaged in discussions about available options and expressed support for the District's direction. They requested more information on energy audits by Contra Costa Water District (CCWD) for the Randall-Bold Water Treatment Plant (RBWTP).

General Manager Muelrath summarized the next steps: considering a move to deep green energy under Board approval, purchasing the two electric vehicles budgeted for this fiscal year, and considering including renewable diesel in next fiscal year's budget.

9. Water Supply Alternatives - Blue Sky Planning Update.

The Board received the draft results of the Blue Sky Planning project from District engineers Bill Brick and Dan Rodrigo.

The Board expressed interest in running the results through alternate sensitivities to further review their options. General Manager Muelrath asked the Board to provide specific sensitivity weight suggestions to him directly, with more direction to be given at the next regular meeting.

10. General Manager's Report.

- Water Supply Charts
- Climate Bond
- Bethel Island Consolidation Update

General Manager Muelrath highlighted the progress in the consolidation efforts of Bethel Island, noting that the grant process is moving forward to feasibility studies.

11. District Engineer's Report.

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

12. District Counsel's Report.

General Counsel Miliband updated the Board that legislation for AB 1287 is moving forward with strong support and should soon be sent to the Governor for approval.

General Manager Muelrath advised the Board that the District can be listed as a supporting agency if desired.

13. Directors' Reports.

- Representative verbal reports.
- Other items as needed.

Vice President Pastor asked Angela Lowrey for clarification on whether the sewer lateral inspection required at the time of a home sale was new. Angela Lowrey explained that it is not new and is an industry-wide requirement, with inspections conducted by Ironhouse staff. He also reported on the LAFCO meeting, sharing that a 97-acre parcel outside of El Cerrito needs water and sewer services, but it is on the other side of the urban limit line. If the District received a request to connect to water, it would require approval from the county and LAFCO.

Director Seger reported on a CCWD agenda item for the 2025 Strategic Grant Program and shared upcoming meeting dates for the Marsh Creek Watershed Council and Knightsen Wetlands

14. Future Agenda Items.

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

Director Seger requested a presentation on the Marsh Creek Watershed and suggested discussing potential projects for the CCWD 2025 Grant Program.

15. Next Meetings of the Board of Directors.

- August 1, 2024 Special Meeting – 2:30 pm
- August 28, 2024 Regular Meeting – 6:30 pm
- September 25, 2024 Regular Meeting – 6:30 pm
- October 23, 2024 Regular Meeting – 6:30 pm

Closed Session

16. Closed Session – Conference with Real Property Negotiations (Government Code § 54956.8)
Property Description: Jersey Island located in Contra Costa County
Negotiation: Diablo Water District General Manager Dan Muelrath and Ironhouse/Reclamation District 830 Representative TBD
Under Negotiation: Terms and Price

Conference with Legal Counsel – Anticipated Litigation (Paragraph (4) of subdivision (d) of Gov. Code § 54956.9)
(One Potential Case)

No reportable action.

Open Session

17. Adjournment.

Vice President Pastor adjourned the meeting at 9:50 p.m.

Kait Knight, Board Secretary