

ITEM #5.A

Approval of Minutes of the March 28, 2024 Special Meeting



**SPECIAL MEETING OF THE BOARD OF DIRECTORS
DEL PASO MANOR WATER DISTRICT**

DRAFT MINUTES

**March 28, 2024 6:00 PM
1817 Maryal Drive, Suite 300, Sacramento 95864**

1. CALL TO ORDER:

Vice President Dolk called the meeting to order at 6:00 p.m.

2. ROLL CALL:

Directors Present: Vice President Carl Dolk, Bob Matteoli, Gwynne Pratt, and David Ross

Vacant Position: One Vacant Position

Staff Present: General Manager Adam Coyan
Office Manager Victoria Hoppe
Assistant Legal Counsel Lauren Bernadette

A quorum of the Board was present.

3. ADOPTION OF AGENDA: Members may pull an item from the agenda.

Director Matteoli made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 4 Yes/0 No/1 Vacancy vote.

4. CONSENT CALENDAR:

There were no Consent Calendar items to consider.

5. PUBLIC HEARING:

There were no Public Hearing items to consider.

6. OLD BUSINESS:

There were no Old Business items to consider.

7. NEW BUSINESS:

Item 7.A: Review Applications Submitted for Vacancy on the Board of Directors

General Manager Coyan provided the staff report and fielded inquiries from the Board.

General deliberation commenced amongst the Board.

Vice President Dolk called for public comment.

Carol Rose provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

Assistant Legal Counsel Bernadett spoke to the process and fielded inquiries from the Board.

Director Pratt made a motion to not accept the late application. The motion was seconded by Director Ross. The motion was approved on a 3 Yes/1 No (Matteoli)/1 Vacancy vote.

8. FIELD REPORT: Verbal report

There were no Field Report items to report.

9. DIRECTOR REPORT ON COMMITTEE MEETINGS: Verbal report
Each Board Member will have 5 minutes to report out on all associated committees

There were no Director Report on Committee Meetings items to report.

10. GENERAL MANAGERS COMMENTS: Verbal report

There were no General Manager's Comments.

11. CLOSED SESSION:

There were no Closed Session items to consider.

12. DIRECTORS COMMENTS: Verbal information, non-action comments.

There were no Directors Comments.

13. FUTURE AGENDA REQUESTS: Directors can suggest topics they would like on future agendas

There were no Future Agenda Requests to consider.

15. ADJOURNMENT: Next Regular Board of Directors meeting is scheduled for March 05, 2024

Director Ross made a motion to adjourn. Director Pratt seconded the motion. There being no further business, the Board of Directors meeting adjourned at 6:19 p.m.

APPROVAL:

ATTEST:

Carl Dolk, Vice President of the Board

Norma I. Alley, MMC, Clerk of the Board

ITEM #5.B

Approval of Minutes of the April 02, 2024 Regular Meeting



**REGULAR MEETING OF THE BOARD OF DIRECTORS
DEL PASO MANOR WATER DISTRICT**

DRAFT MINUTES

**April 02, 2024 6:00 PM
1817 Maryal Drive, Suite 300, Sacramento 95864**

1. CALL TO ORDER:

Vice President Dolk called the meeting to order at 6:00 p.m.

2. ROLL CALL:

Directors Present: Vice President Carl Dolk, Bob Matteoli, Gwynne Pratt, and David Ross

Vacant Position: One Vacant Position

Staff Present: General Manager Adam Coyan
Office Manager Victoria Hoppe
Certified Public Accountant Robert Merritt
Assistant Legal Counsel Lauren Bernadette

A quorum of the Board was present.

3. ADOPTION OF AGENDA: Members may pull an item from the agenda.

Director Ross made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 4 Yes/0 No/1 Vacancy vote.

4. PUBLIC COMMENTS - ITEMS NOT ON THE AGENDA The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD Chair. Comments will be accepted via teleconference and in writing.

(6:02 pm)

Vice President Dolk called for public comment.

Roy Wilson spoke to the Prop 218 schedule of projects.

Seeing no further comments, Vice President Dolk closed public comment.

5. CONSENT CALENDAR: All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

(6:08 pm)

Item 5.A: Approval of Minutes of the March 05, 2024 Regular Meeting
Item 5.B: Approval of Minutes of the February 22, 2024 Special Meeting
Item 5.C: Approval of Warrants and Payroll

Vice President Dolk called for public comment. Seeing no one come forward, he closed public comment.

Director Matteoli made a motion to approve the Consent Calendar. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Vacancy vote.

6. PUBLIC HEARING:

There were no Public Hearing items to consider.

7. OLD BUSINESS:

There were no Old Business items to consider.

8. NEW BUSINESS:

Item 8.A: Budget to Actuals

(6:11 pm)

Certified Public Accountant Merritt presented the staff report and fielded inquiries from the Board.

Vice President Dolk called for public comment.

Trish Harrington provided general comments regarding the presentation.

Roy Wilson provided general comments regarding the presentation.

Marcy provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

Director Matteoli made a motion to approve the Budget to Actuals. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Vacancy vote.

Item 8.B: Additional Website Information

(6:31 pm)

General Manager Coyan presented the staff report.

Vice President Dolk called for public comment.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

Direction was provided to staff to proceed with staff's recommendation of setting the January meeting as an annual review for the Board to consider new legislation to add to the website.

Item 8.C: California Business Roundtable's Initiative 1935

(6:38 pm)

Assistant Legal Counsel Bernadett presented the staff report and fielded inquiries from the Board.

Vice President Dolk called for public comment.

Trish Harrington provided general comments regarding the presentation.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

General discussion commenced amongst the Board regarding edits to the resolution.

Vice President Dolk called for public comment.

Trish Harrington provided general comments regarding the presentation.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

Director Matteoli made a motion to approve Resolution No. 24-0402-01. The motion was seconded by Director Pratt.

Director Matteoli made a motion to amend the resolution to remove the word "deceptive" and replace "California wealthiest corporations" with "California's business roundtable". The motion was seconded by Director Pratt. The motion to amend was approved on a 4 Yes/0 No/1 Vacancy vote.

Vote on the Main Motion to approve Resolution No. 24-0402-01, as amended, was approved on a 4 Yes/0 No/1 Vacancy vote.

Item 8.D: Calling an Election to Fill the Vacant Board Seat and Requesting Sacramento County Elections to Provide Election Services

(7:33 pm)

Assistant Legal Counsel Bernadette introduced the item and fielded inquiries from the Board.

Vice President Dolk called for public comment.

Trish Harrington provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

Director Ross made a motion to approve Resolution No. 24-0402-02 calling an election to fill the vacant Board seat and requesting Sacramento County Elections to provide election services. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Vacancy vote.

9. FIELD REPORT: Verbal report

Item 9.A: Field Report on Current and Upcoming Projects

(7:36 pm)

General Manager Coyan summarized the staff report and fielded inquiries from the Board.

Vice President Dolk called for public comment.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, Vice President Dolk closed public comment.

10. DIRECTOR REPORT ON COMMITTEE MEETINGS: Verbal report
Each Board Member will have 5 minutes to report out on all associated committees

Item 10.A: Director Dolk
American Water Works Association (AWWA)
Association of California Water Agencies (ACWA)

Item 10.B: Director Matteoli
Association of California Water Agencies (ACWA) Agriculture
Association of California Water Agencies (ACWA) Groundwater
Sacramento Groundwater Authority (SGA)

Item 10.C: Director Ross
California Rural Water Authority (CRWA)
California Special Districts Association (CSDA)

Item 10.D: Director Saunders
Joint Powers Insurance (JPIA)

Item 10.E: Director Pratt
Regional Water Authority (RWA)
Water Forum

(7:38 pm)

Directors provided brief reports on committee meetings they attended or would attend at future meetings.

11. GENERAL MANAGERS COMMENTS: Verbal report

(7:49 pm)

General Manager Coyan provided an update on general District matters.

12. CLOSED SESSION:

There were no Closed Session items to consider.

13. DIRECTORS COMMENTS: Verbal information, non-action comments.

(7:51 pm)

Director Matteoli provided highlights regarding AB252 and requested his analogy on AB2527 be entered into the record with the minutes.

Vice President Dolk requested an update on the Chase Bank accounts. Office Manager Hoppe provided a brief update.

14. FUTURE AGENDA REQUESTS: Directors can suggest topics they would like on future agendas

(7:54 pm)

Director Matteoli requested discussion on several items. General Manager Coyan noted discussions would appear on future agendas or be handled by staff.

Vice President Dolk requested the CIP be a discussion item during the budget and future discussion on cyber-attack/malware and risk associated with this matter. Support was provided by all Directors.

15. ADJOURNMENT: Next Regular Board of Directors meeting is scheduled for May 07, 2024

Director Ross made a motion to adjourn. Director Matteoli seconded the motion. There being no further business, the Board of Directors meeting adjourned at 8:08 p.m.

APPROVAL:

ATTEST:

Carl Dolk, Vice President of the Board

Norma I. Alley, MMC, Clerk of the Board

ITEM #5.C

Approval of Minutes of the April 16, 2024 Special Meeting



**SPECIAL MEETING OF THE BOARD OF DIRECTORS
DEL PASO MANOR WATER DISTRICT**

DRAFT MINUTES

**April 16, 2024 6:00 PM
1817 Maryal Drive, Suite 300, Sacramento 95864**

1. CALL TO ORDER:

Vice President Dolk called the meeting to order at 6:00 p.m.

2. ROLL CALL:

Directors Present: Vice President Carl Dolk, Bob Matteoli, Gwynne Pratt, and David Ross

Vacant Position: One Vacant Position

Staff Present: General Manager Adam Coyan
Office Manager Victoria Hoppe
Assistant Legal Counsel Lauren Bernadette

A quorum of the Board was present.

3. ADOPTION OF AGENDA: Members may pull an item from the agenda.

Director Ross made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 4 Yes/0 No/1 Vacancy vote.

4. PUBLIC COMMENTS - ITEMS NOT ON THE AGENDA The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD Chair. Comments will be accepted via teleconference and in writing.

Vice President Dolk called for public comment. Seeing no one come forward, he closed public comment.

5. CONSENT CALENDAR: All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

There were no Consent Calendar items to consider.

6. PUBLIC HEARING:

There were no Public Hearing items to consider.

7. OLD BUSINESS:

There were no Old Business items to consider.

8. NEW BUSINESS:

Item 8.A: Sacramento Local Agency Formation Commission (LAFCo) Formal Public Hearing Notice

(6:03 pm)

District Manager Coyan introduced the item and presented the staff report.

LAFCo Representative José Henríquez spoke to the process of this agenda item, the matters relating to the matter, and the notice sent to the District.

A lengthy discussion amongst the Board, staff, and LAFCo ensued.

Vice President Dolk called for public comment.

Trish Harrington provided general comments regarding the presentation.

Carol Rose provided general comments regarding the presentation.

Carol Allen provided general comments regarding the presentation.

Diane Graves provided general comments regarding the presentation.

Peggy provided general comments regarding the presentation.

Debra Smithee provided general comments regarding the presentation.

Marci provided general comments regarding the presentation.

Written testimony received from Ryan Saunders was read into the record.

Seeing no further comments, Vice President Dolk closed public comment.

Director Ross made a motion directing staff to initiate discussion with Sacramento Suburban Water District. The motion was seconded by Director Pratt. The motion was approved on a 3 Yes/1 No (Matteoli)/1 Vacancy vote.

Director Pratt made a motion directing staff to resume the mutual aid agreement with Sacramento Suburban Water District. The motion was seconded by Director Ross. The motion was approved on a 4 Yes/0 No/1 Vacancy vote.

9. FIELD REPORT: Verbal report

There were no Field Report items to report.

10. DIRECTOR REPORT ON COMMITTEE MEETINGS: Verbal report
Each Board Member will have 5 minutes to report out on all associated committees

There were no Director Report on Committee Meetings items to report.

11. GENERAL MANAGERS COMMENTS: Verbal report

There were no General Manager's Comments.

12. CLOSED SESSION:

There were no Closed Session items to consider.

13. DIRECTORS COMMENTS: Verbal information, non-action comments.

There were no Director's Comments reported.

14. FUTURE AGENDA REQUESTS: Directors can suggest topics they would like on future agendas

There were no Future Agenda Requests to consider.

15. ADJOURNMENT: Next Regular Board of Directors meeting is scheduled for March 05, 2024

Director Pratt made a motion to adjourn. Director Ross seconded the motion. There being no further business, the Board of Directors meeting adjourned at 7:27 p.m.

APPROVAL:

ATTEST:

Carl Dolk, Vice President of the Board

Norma I. Alley, MMC, Clerk of the Board

ITEM #5.D

Approval of Warrants and Payroll

Del Paso Manor Water District
VENDORS PAID / APPROVED - APRIL 2024

VENDORS NAME	DESCRIPTION	AMOUNT	CHECK #
ACWA JPIA	Health	\$573.24	10923
ADP	Payroll	\$26,489.68	EFT
ADP Taxes	Payroll Taxes	\$14,542.97	EFT
Appletree Answers	Answering service	\$504.46	CC
AT&T	Internet; Phone/Fax	\$107.00	CC
AT&T	Phone	\$346.97	CC
AT&T	Phone	\$214.82	CC
AT&T Mobility	Cell Phones; iPads	\$527.47	CC
BSK	Labs	\$374.00	10924
CalPers	Employee Contribution - Classic	\$3,001.50	EFT
CalPers	Employee Contribution - Pepra	\$3,052.09	EFT
CalPers	Health	\$14,050.40	EFT
CalPers	Unfunded Liability - Classic	\$5,958.92	EFT
DEX.YP	Yellow Pages	\$15.50	CC
Emigh Hardware	Material/Supplies	\$1,696.84	10941
Forsgren Associates, Inc.	Services Rendered Thru 02/25/2024 (Well 9 Engineerin	\$6,082.50	10925
Forsgren Associates, Inc.	Services Rendered Thru 02/25/2024 (Hydrolic Model)	\$9,682.50	10925
Forsgren Associates, Inc.	Services Rendered Thru 02/25/2024 (On-Call Services)	\$5,346.25	10925
Iconix Waterworks	4268 Stock	\$316.79	10926
Iconix Waterworks	4268 Stock	\$181.02	10926
Kronick, Moskovitz, Tiedemann & Girard	Services Rendered Through February 2024	\$4,742.44	10929
Leaf	Photocopy Machine Lease	\$172.92	EFT
Legacy Cleaning Services	Maryl Office	\$160.00	CC
MailRite	Billing Mailhouse (January 2024)	\$2,639.42	10930
MailRite	Billing Mailhouse (February 2024)	\$2,639.42	10930
McClatchy Company LLC	Board Vacancy Posting	\$1,276.00	10931
Munibilling	Q2 Software & Merchant Return Fee	\$2,506.00	10932
Regional Government Services (RGS)	February 2024 Clerk Services	\$948.45	10927
Robert Merritt	CPA - Services Rendered Through February 2024	\$997.50	10928
Sacramento County Utilities	Utilities	\$242.68	EFT
Sacramento Air Quality Management District (SMAQMD)	Annual Permit Renewal (FY 2023-2024)	\$2,568.00	10933
Sierra Chemical Company	Chemicals	\$462.00	10934

**Del Paso Manor Water District
VENDORS PAID / APPROVED - APRIL 2024**

Smud	Account# 7000000179	\$5,805.73	10935
Streamline	Website	\$249.00	CC
TAK Communications, Inc.	Louisiana Street	\$4,038.96	10936
TAK Communications, Inc.	2404 Andrade Way	\$4,323.92	10936
Terrapin Technology Group	Computers/Programs	\$1,027.20	10937
Uinta Holdings, LLC	May 2024 Rent	\$2,700.00	10938
Umpqua Bank	District Credit Card	\$2,759.25	10939
VOYA	March 2024 Emp. Contribution	\$500.00	10940
Wex Bank	Gas	\$489.69	EFT
Wizix Technology Group, Inc.	Photocopy Machine	\$97.45	CC
MONTHLY TOTAL----->		\$134,410.95	

Approved at 04/02/2024 Regular Meeting

TOTAL CHECKS ISSUED: 19

PAID VIA CREDIT CARD (CC): 21

PAID VIA ELECTRONIC FUNDS TRANSFER (EFT): 9

*** DISTRICT FILES INCLUDES INVOICES BEHIND CREDIT CARD BILL WHICH ARE AVAILABLE FOR REVIEW AT THE DISTRICT OFFICE**

Del Paso Manor Water District
VENDORS PAID / APPROVED - APRIL 2024

UMPQUA DISTRICT CREDIT CARD - PAID APRIL 2024			
VENDORS NAME	DESCRIPTION	AMOUNT	PAID DATE
Streamline	Website	\$249.00	4/3/2024
Appletree Answers	Answering service	\$504.46	4/3/2024
AT&T	Phone	\$346.97	4/3/2024
DEX.YP	Yellow Pages	\$15.50	4/3/2024
Wizix Technology Group, Inc.	Photocopy Machine	\$97.45	4/3/2024
Zoom	Cloud Recording	\$40.00	4/5/2024
Amazon	Office Supplies	499.36	4/6/2024
Amazon	Office Supplies	87.85	4/7/2024
Dugout Deli	Staff Meeting	76.59	4/3/2024
AT&T	Phone	\$214.82	4/5/2024
BurgerIM	Staff Meeting	70.14	4/12/2024
AT&T	Internet; Phone/Fax	\$107.00	4/18/2024
AT&T Mobility	Cell Phones; iPads	\$527.47	4/18/2024
Legacy Cleaning Services	Maryal Office	\$160.00	4/18/2024
1Password	Software	35.88	4/21/2024
International Transaction Fee (1Password)	Software	0.72	4/21/2024
RealVNC	Software	93.36	4/22/2024
International Transaction Fee (RealVNC)	Software	1.87	4/22/2024
Amazon	Office Supplies	135.30	4/23/2024
Amazon	Office Supplies	265.23	4/24/2024
Amazon	Office Supplies	52.22	4/25/2024

**Del Paso Manor Water District
MAY 2024 VENDORS FOR APPROVAL**

VENDORS NAME	DESCRIPTION	AMOUNT	CHECK #
ACWA JPIA	Health		
ACWA JPIA	Worker's Comp, Q3 (01/01/2024 - 03/31/2024)	\$4,509.00	
ADP	Payroll		
ADP Taxes	Payroll Taxes		
Appletree Answers	Answering service		
AT&T	Internet; Phone/Fax		
AT&T	Phone	\$410.72	
AT&T	Phone		
AT&T Mobility	Cell Phones; iPads		
BSK	Labs	\$303.00	
California Department of Food & Agriculture	Refund for Hydrant Use Permit	\$857.70	
CalPers	Employee Contribution - Classic	\$3,212.05	
CalPers	Employee Contribution - Pepra	\$3,254.47	
CalPers	Health	\$14,050.40	
CalPers	Unfunded Liability - Classic	\$5,958.92	
DEX.YP	Yellow Pages	\$15.50	
Emigh Hardware	Material/Supplies		
Forsgren Associates, Inc.	Services Rendered Thru 03/25/2024 (On-Call Services)	\$4,226.25	
Forsgren Associates, Inc.	Services Rendered Thru 03/25/2024 (Starbucks Dev't Support)	\$1,100.19	
Forsgren Associates, Inc.	Services Rendered Thru 03/25/2024 (Pipeline Planning)	\$4,047.50	
Forsgren Associates, Inc.	Services Rendered Thru 03/25/2024 (Hydrolic Model)	\$6,051.25	
Iconix Waterworks	4228 Lusk	\$883.07	
Iconix Waterworks	4268 Stock	\$880.91	
Kronick, Moskovitz, Tiedemann & Girard	Services Rendered Through March 2024	\$4,588.00	
Leaf	Photocopy Machine Lease	\$172.92	
Legacy Cleaning Services	Maryal office	\$160.00	
Mailrite Print & Mail, Inc.	Mailing Envelopes	\$442.86	
Mailrite Print & Mail, Inc.	March 2024 Water Statements	\$2,605.94	
Munibilling	Merchant Return Fee	\$20.00	
Munibilling	Annual Reporting Fee	\$159.00	
PG&E	Gas		
Regional Government Services (RGS)	March 2024 Clerk Services	\$367.14	

**Del Paso Manor Water District
MAY 2024 VENDORS FOR APPROVAL**

Robert Merritt	CPA - Services Rendered Through March 2024	\$1,187.50
Sacramento Suburban Water District (SSWD)	January-March 2024 Intertie Water Delivery	\$44.08
Sierra Chemical Company	Chemicals	\$294.00
Sierra Chemical Company	Chemicals	\$241.12
Smud	Account# 7000000179	\$5,558.43
Streamline	Website	\$249.00
TAK Communications, Inc.	Leak Repair (Annette Street)	\$4,185.20
TAK Communications, Inc.	Leak Repair (Kings Way)	\$5,821.21
TAK Communications, Inc.	Leak Repair (2002 Fox Hollow Lane)	\$7,170.00
Terrapin Technology Group	Software / Computers	\$181.54
Uinta Holdings, LLC	June 2024 Rent	\$2,700.00
Umpqua Bank	District Credit Card	\$3,581.19
USA BlueBook	Well Parts (4268 Stock)	\$351.70
USA BlueBook	Well Parts (4268 Stock)	\$224.01
VOYA	April 2024 Emp. Contribution	\$500.00
Wex Bank	Gas	\$378.42
Wizix Technology Group, Inc.	Photocopy Machine	\$97.45
Wizix Technology Group, Inc.	Photocopy Machine (Supplies)	\$14.50
MONTHLY TOTAL----->		\$91,056.14

Del Paso Manor Water District
BOD Compensation Expense Summary
APRIL 2024

APRIL 2024 MEETINGS		DOLK	MATTEOLI	PRATT	ROSS
	Board Meetings				
4/2/2024	DPMWD - Regular Board Meeting	1	1	1	1
4/16/2024	DPMWD - Special Board Meeting	1	1	1	1
	DPMWD - Emergency Board Meeting				
	ADHOC Committee Meetings				
	LAFCo 2x2 Meeting				
	Budget Planning Committee				
	SSWD / DPMWD 2X2 Committee				
	General Manager Recruitment Committee (Matteoli / Ross)				
	Financial Institution Research Committee (Dolk / Ross)				
	Other Meetings				
	American Water Works Association (AWWA) (Dolk)				
	Association of California Water Agencies (ACWA) (Dolk)				
	Association of California Water Agencies (ACWA) Agriculture (Matteoli)				
	Association of California Water Agencies (ACWA) Groundwater (Matteoli)				
	California Rural Water Authority (CRWA) (Ross)				
	California Special Districts Association (CSDA) (Ross)				
4/19/2024	Ethics Training (AB1234)				1
	Joint Powers Insurance (JPIA)				
	Legal Council Meeting				
4/11/2024	Regional Water Authority (RWA) (Pratt)			1	
4/11/2024	Sacramento Groundwater Authority (SGA) (Matteoli / Pratt)			1	
	Sacramento Suburban Water District (SSWD)				
	Sexual Harassment Prevention Training (AB1825)				
4/3/2024	Water Forum (Pratt)			1	
	April Monthly Meeting Totals				
	TOTAL MEETINGS	2	2	5	3
	TOTAL COMPENSATED MEETINGS	2	2	4	3
	TOTAL COMPENSATION	\$200	\$200	\$400	\$300

ITEM #8.A

Budget to Actuals

Del Paso Manor Water District
 Budget To Actual Comparison
 July 1, 2023 to April 30, 2024

Notes

	Year to Date July 1, 2023 to April 30, 2024	Budget	Percent of Budget
Revenues			
Water Sales	1,446,448	1,358,847	106.45%
C.I.P. Revenue	504,466	598,811	84.24%
Other water sales	1,235	-	Not budgeted
Other customer charges	7,220	-	Not budgeted
Interest income	54,346	30,000	181.15%
Misc. income	441	-	Not budgeted
Total Revenues	2,014,156	1,987,658	101.33%
Employee Related			
Management Salaries	124,370	160,000	77.73%
Staff Salaries	229,522	328,051	69.97%
Director Fees	10,400	22,000	47.27%
Payroll Taxes	35,480	41,000	86.54%
PERS Retirement	90,542	100,500	90.09%
Health	82,061	90,000	91.18%
Retiree Health Benefits & OPEB	54,761	80,000	68.45%
Total Employee Related	627,136	821,551	76.34%
Administration			
Insurance	59,491	59,500	99.98%
Office Expense	83,616	91,500	91.38%
Audit Fees	10,700	12,000	89.17%
Legal Fees	78,669	200,000	39.33%
Election Related	-	3,000	0.00%
Miscellaneous	12,226	5,000	244.52%
Professional Administration Fees	69,532	131,700	52.80%
Bank Charges	1,689	2,000	84.45%
Professional Dues	51,389	58,500	87.84%
Professional Meetings	-	10,000	0.00%
Cert/Continuing Education	-	5,000	0.00%
Total Administration	367,312	578,200	63.53%
Operations			
Conservation	-	3,400	0.00%
Power	71,497	112,000	63.84%
Repairs & Maintenance	106,587	216,000	49.35%
Lab Fees	22,568	7,000	322.40%
Backflow Program	847	2,000	42.35%
Engineering	94,060	250,000	37.62%
City Water	3,939	7,000	56.27%
Capital/Equipment Expenditures	-	60,000	0.00%
Total Operating	299,498	657,400	45.56%
Total Employee Related, Administration and Operating Expenses	1,293,946	2,057,151	62.90%
C.I.P.			
New Pipeline	-	50,000	0.00%
Well #2	-	950,000	0.00%
Well # 6B	-	50,000	0.00%
Well #9	12,962	360,000	3.60%
Interest Expense & Principal Debt Payment	67,665	325,000	20.82%
Total C.I.P.	80,627	1,735,000	4.65%

Amounts above are not audited

Notes

- Misc. expenses include employee relocation and operating interest expenses

	April 2024	Budget	Percentage of Budget
Employee Related			
5102.10 · Management salaries	124,370.00	160,000.00	77.73%
5102.15 · Field salaries	161,727.00	250,000.00	64.69%
5102.20 · Office manager salary	67,795.00	78,051.00	86.86%
5102.05 · Director fees	10,400.00	22,000.00	47.27%
5102.30 · Payroll taxes	35,480.00	41,000.00	86.54%
6451.00 · PERS/retirement	90,542.00	100,500.00	90.09%
6501.00 · Employee healthcare (CalPers)	82,061.00	90,000.00	91.18%
6502.00 · Retiree health benefits	54,761.00	80,000.00	68.45%
Administration			
5251.00 · Insurance			
5251.05 · Liability	46,392.00	40,000.00	115.98%
5251.10 · Property	4,585.00	4,500.00	101.89%
5251.15 · Workers Compensation	8,514.00	15,000.00	56.76%
6151.00 · Office expense			
6151.05 · District office lease	28,920.00	32,000.00	90.38%
6151.10 · Phone service	4,387.00	4,500.00	97.49%
6151.15 · Internet provider	4,494.00	5,000.00	89.88%
6151.20 · Sewer & garbage (Lusk)	1,208.00	2,000.00	60.40%
6151.21 · Miscellaneous (office other)	0.00	0.00	N/A
6151.25 · Postage	25,944.00	20,000.00	129.72%
6151.30 · Printing	0.00	1,000.00	0.00%
6151.35 · Computers & supplies	265.00	3,500.00	7.57%
6151.40 · Office supplies	4,824.00	7,500.00	64.32%
6151.45 · Answering service	5,145.00	5,500.00	93.55%
6151.50 · Office furniture	0.00	2,000.00	0.00%
6151.55 · Payroll preparation	1,495.00	2,000.00	74.75%
6151.60 · GASB 75 valuation	2,160.00	2,000.00	108.00%
6151.70 · Janitorial	1,600.00	2,500.00	64.00%
Office expense - other	3,175.00	0.00	N/A
6152.00 · Building maintenance	2,408.00	2,000.00	120.40%
6251.00 · Audit	10,700.00	12,000.00	89.17%
6255.00 · Election related	0.00	3,000.00	N/A
6301.00 · Legal	78,670.00	200,000.00	39.34%
6401.00 · Misc	12,226.00	5,000.00	244.52%
6601.00 · Professional Admin fees			
6601.05 · SWRCB annual fees	15,598.00	16,000.00	97.49%
6601.10 · NDPEs permit	0.00	1,500.00	0.00%
6601.15 · Cal Pers actuarial reports	700.00	700.00	100.00%
6601.25 · Air Quality permits	2,568.00	5,000.00	51.36%
6601.30 · Encroachment permits	0.00	500.00	0.00%
6601.35 · CPA fees	10,425.00	18,000.00	57.92%
6601.00 · Professional admin fees - other	40,241.00	60,000.00	67.07%
6601.50 · Public relations	0.00	30,000.00	0.00%
6171.00 · Bank fees	1,689.00	2,000.00	84.45%

6561.00 · Professional dues			
6561.05 · ACWA	9,783.00	11,000.00	88.94%
6561.10 · AWWA	494.00	700.00	70.57%
6561.15 · CSDA	8,186.00	8,300.00	98.63%
6561.20 · CRWA	750.00	1,000.00	75.00%
6561.25 · RWA	7,864.00	9,500.00	82.78%
6561.30 · SGA	21,243.00	25,000.00	84.97%
6561.35 · SAWWA	0.00	1,000.00	0.00%
6561.00 · Professional dues - other	3,069.00	2,000.00	153.45%
6551.00 · Professional meetings	0.00	10,000.00	0.00%
6610.00 Certification/continuing education	0.00	5,000.00	0.00%

Operations

5121.00 Conservation	0.00	3,400.00	0.00%
5151.00 · Power			
5151.05 · PG&E	60.00	2,000.00	3.00%
5151.10 · SMUD	71,437.00	110,000.00	64.94%
5201.00 · R & M			
5201.05 · Leak repairs	50,447.00	104,000.00	48.51%
5201.10 · Field Equipment	947.00	2,000.00	47.35%
5201.15 · Field supplies	10,198.00	35,000.00	29.14%
5201.20 · Fuel for vehicles	4,466.00	9,000.00	49.62%
5201.25 · Vehicle repair and maintenance	718.00	3,000.00	23.93%
5201.35 · Chlorine	6,308.00	11,000.00	57.35%
5201.45 · Well repair & maintenance	25,250.00	6,000.00	420.83%
5201.55 · Field staff cellular service	4,362.00	6,000.00	72.70%
5201.00 R & M other	1,000.00	0.00	N/A
5201.70 SSWD Mutual Aide Field Staff	483.00	40,000.00	1.21%
5301.00 · Lab fees (H2O testing)	22,568.00	7,000.00	322.40%
5451.00 City water	3,939.00	7,000.00	56.27%
5452.00 Backflow program	847.00	2,000.00	42.35%
5351.00 Engineering	94,060.00	250,000.00	37.62%

Accounts Receivable Aging

Summary

Account Type	Account Category	Credits	0 - 29 Days	30 - 59 Days	60 - 89 Days	90 + Days	Total
CO (Commercial)	MAIN (MAIN)	0.00	1,354.55	0.00	0.00	727.20	2,081.75
	METER (METER)	(833.18)	54,345.81	8,392.68	869.20	2,595.92	65,370.43
RE (Residential)	MAIN (MAIN)	(12,142.79)	133,618.45	31,557.22	25,336.18	53,753.62	232,122.68
	METER (METER)	0.00	588.59	0.00	0.00	0.00	588.59
Total		(12,975.97)	189,907.40	39,949.90	26,205.38	57,076.74	300,163.45

ITEM #8.B

Draft 2024/2025 Annual Budget

DEL PASO MANOR WATER DISTRICT
REGULAR BOARD MEETING

DATE: May 7, 2024

Item: 8.B

SUBJECT: Draft 2024/2025 Annual Budget

CONTACT:

Adam Coyan General Manager

DISCUSSION:

In accordance with policy number 2110, the FY 24/25 budget has been drafted and must be approved/adopted at the June regular meeting.

A few noteworthy changes you will see are:

1. Payroll and Payroll Taxes:
 - a. The proposed director fees have been adjusted from the previous year as we are no longer holding 2 meetings per month.
 - b. Management salaries have been adjusted to reflect the new wage which was approved by the board at the 02/06/2024 regular meeting.
 - c. Field Salaries have been adjusted to reflect 2 operators on staff
2. Repairs and Maintenance:
 - a. Well Repair and Maintenance has been increased compared to the prior year
 - b. SSWD Mutual Aide Field Staff remains the same as the previous year in anticipation of needing support in the coming year
3. Office Expense:
 - a. Office lease has increased to reflect the new payment amount per the lease agreement
4. Legal remains the same as the previous year in anticipation of services needed for the upcoming FY.
5. Professional Admin/Regulatory Fees:
 - a. Public Relations has increase in anticipation of services needed for the upcoming FY

RECOMMENDATION:

Staff recommends the Board review and discuss the proposed 2024/2025 draft budget.

ATTACHMENTS:

2024/2025 Draft Budget

ENVIRONMENTAL IMPACT:

This item is not a project under Section 21065 of the California Public Resources Code, as it could not have any direct or indirect impact on the environment.

FISCAL IMPACT:

This update has no direct fiscal impact on the District

**Proposed FY 24/25 Draft Budget
Operations & Maintenance**

			Proposed	Actual	% of Budget	Proposed	Actual	% of Budget
Del Paso Manor Water District Operations & Maintenance (O&M) Budget Worksheet			23/24	23/24	23/24	24/25	24/25	24/25
Summary	Sub-Code		23/24	23/24	23/24	24/25	24/25	24/25
Code		Worksheet						
		Income						
4101.00		Water Revenue	\$ 1,077,040.30		0.00%			
4151.00		Usage	\$ 281,807.32		0.00%			
4501.00		Interest Income	\$ 30,000.00		0.00%			
		Total O & M	\$ 1,388,847.62		0.00%			
Summary	Sub-Code	Expenses	23/24	23/24	23/24	24/25	24/25	24/25
Code								
			Proposed	Actual	% of Budget	Proposed	Actual	% of Budget
5102.00		Payroll and Payroll Taxes	\$ 551,051.00	\$ 334,551.00	60.71%	\$ 493,322.00		
	5102.05	Directors Fees	\$ 22,000.00	\$8,400.00	38.18%	\$ 8,000.00		
	5102.10	Management Salaries	\$ 160,000.00	\$101,246.00	63.28%	\$ 185,000.00		
	5102.15	Field Wages	\$ 250,000.00	\$136,800.00	54.72%	\$ 170,000.00		
	5102.20	Office Manager Wages	\$ 78,051.00	\$57,261.00	73.36%	\$ 85,322.00		
	5102.30	Payroll Tax Expense	\$ 41,000.00	\$30,844.00	75.23%	\$ 45,000.00		
5121.00		Conservation	\$ 3,400.00		0.00%			
5151.00		Power	\$ 112,000.00	\$ 65,691.00	58.65%	\$ 102,000.00		
	5151.05	PG & E	\$ 2,000.00	\$60.00	3.00%	\$ 2,000.00		
	5151.10	SMUD	\$ 110,000.00	\$65,631.00	59.66%	\$ 100,000.00		
5201.00		Repairs & Maintenance	\$ 216,000.00	\$ 92,063.00	42.62%	\$ 215,000.00		
	5201.05	Leak Repairs	\$ 104,000.00	\$42,084.00	40.47%	\$ 100,000.00		
	5201.10	Field Equipment	\$ 2,000.00		0.00%	\$ 2,000.00		
	5201.15	Field Supplies	\$ 35,000.00	\$8,917.00	25.48%	\$ 30,000.00		
	5201.20	Fuel For Vehicles	\$ 9,000.00	\$3,976.00	44.18%	\$ 9,000.00		
	5201.25	Vehicles Repair and Maintenance	\$ 3,000.00	\$718.00	23.93%	\$ 3,000.00		
	5201.35	Chlorine	\$ 11,000.00	\$5,846.00	53.15%	\$ 10,000.00		
	5201.45	Well Repair and Maintenance	\$ 6,000.00	\$25,250.00	420.83%	\$ 15,000.00		
	5201.55	Field Staff Cellular	\$ 6,000.00	\$3,834.00	63.90%	\$ 6,000.00		
	5201.00	Repairs & Maintenance - Other		\$1,000.00				
	5201.70	SSWD Mutual Aide Field Staff	\$ 40,000.00	\$438.00	1.10%	\$ 40,000.00		
		Tree Removal						
5211.00		Cross Connection						
5251.00		Insurance	\$ 59,500.00	\$ 59,491.00	99.98%	\$ 61,000.00		
	5251.05	Liability	\$ 40,000.00	\$46,392.00	115.98%	\$ 40,000.00		
	5251.10	Property	\$ 4,500.00	\$4,585.00	101.89%	\$ 6,000.00		
	5251.15	Workers Compensation	\$ 15,000.00	\$8,514.00	56.76%	\$ 15,000.00		
5301.00		Lab Testing	\$ 7,000.00	\$22,194.00	317.06%	\$ 7,000.00		
5351.00		Engineering	\$ 250,000.00	\$ 72,949.00	29.18%			
5451.00		City Water (Diversions Billing)	\$ 7,000.00	\$ 3,939.00	56.27%	\$ 7,000.00		
5452.00		Backflow Program	\$ 2,000.00	\$847.00	42.35%	\$ 2,000.00		
6151.00		Office Expense	\$ 91,500.00	\$ 72,498.00	79.23%	\$ 96,210.00		
	6151.05	District Office Lease	\$ 32,000.00	\$26,220.00	81.94%	\$ 33,210.00		
	6151.10	Phone Service	\$ 4,500.00	\$3,911.00	86.91%	\$ 4,500.00		
	6151.15	Internet Provider	\$ 5,000.00	\$3,936.00	78.72%	\$ 5,000.00		
	6151.20	Sewer & Garbage (lusk)	\$ 2,000.00	\$965.00	48.25%	\$ 2,000.00		
	6151.21	Miscellaneous (Office Other)						
	6151.25	Postage	\$ 20,000.00	\$20,525.00	102.63%	\$ 20,000.00		
	6151.30	Printing	\$ 1,000.00		0.00%	\$ 1,000.00		
	6151.35	Computers and Supplies	\$ 3,500.00	\$265.00	7.57%	\$ 3,000.00		
	6151.40	Office Supplies	\$ 7,500.00	\$4,687.00	62.49%	\$ 7,500.00		
	6151.45	Answering Service	\$ 5,500.00	\$4,641.00	84.38%	\$ 6,000.00		
	6151.50	Office Furniture	\$ 2,000.00		0.00%	\$ 2,000.00		
	6151.55	Payroll Preparation	\$ 2,000.00	\$1,340.00	67.00%	\$ 2,500.00		
	6151.60	GASB 75 Valuations	\$ 2,000.00	\$2,160.00	108.00%	\$ 3,000.00		
	6151.70	Janitorial	\$ 2,500.00	\$1,440.00	57.60%	\$ 2,500.00		
	6152.00	Building Maintenance	\$ 2,000.00	\$2,408.00	120.40%	\$ 4,000.00		
6171.00		Bank Fees	\$ 2,000.00	\$1,466.00	73.30%	\$ 2,500.00		
6251.00		Audit	\$ 12,000.00	\$10,700.00	89.17%	\$ 12,000.00		
6255.00		Election Related	\$ 3,000.00		0.00%	\$ 3,000.00		
6301.00		Legal	\$ 200,000.00	\$73,927.00	36.96%	\$ 200,000.00		
6401.00		Misc.	\$ 5,000.00	\$10,920.00	218.40%	\$ 10,000.00		
6451.00		Pers Retirement	\$ 100,500.00	\$77,599.00	77.21%	\$ 100,500.00		
6501.00		Employee Healthcare (JPIA & CalPERS)	\$ 90,000.00	\$73,085.00	81.21%	\$ 90,000.00		
6502.00		Retiree Health Benefits (CalPERS)	\$ 80,000.00	\$49,113.00	61.39%	\$ 80,000.00		
6551.00		Conference & Travel	\$ 10,000.00		0.00%	\$ 10,000.00		
6561.00		Association Dues	\$ 58,500.00	\$ 51,239.00	87.59%	\$ 60,500.00		
	6561.05	ACWA	\$ 11,000.00	\$9,783.00	88.94%	\$ 11,000.00		
	6561.10	AWWA	\$ 700.00	\$494.00	70.57%	\$ 700.00		
	6561.15	CSDA	\$ 8,300.00	\$8,186.00	98.63%	\$ 8,300.00		
	6561.20	CRWA	\$ 1,000.00	\$750.00	75.00%	\$ 1,000.00		

**Proposed FY 24/25 Draft Budget
Operations & Maintenance**

			Proposed	Actual	% of Budget	Proposed	Actual	% of Budget
	6561.25	RWA	\$ 9,500.00	\$7,864.00	82.78%	\$ 9,500.00		
	6561.30	SGA	\$ 25,000.00	\$21,243.00	84.97%	\$ 25,000.00		
	6561.35	SAWWA	\$ 1,000.00		0.00%	\$ 1,000.00		
	6561.00	Professional Dues - other	\$ 2,000.00	\$2,919.00	145.95%	\$ 4,000.00		
6601.00		Professional Admin/ Regulatory Fees	\$ 131,700.00	\$ 61,485.00	46.69%	\$ 148,700.00		
	6601.05	SWRCB Annual Fees	\$ 16,000.00	\$15,598.00	97.49%	\$ 18,000.00		
	6601.10	NDPES Permit	\$ 1,500.00		0.00%	\$ 1,500.00		
	6601.15	Cal Pers Actuarial Reports	\$ 700.00	\$700.00	100.00%	\$ 700.00		
	6601.25	Air Quality Permits	\$ 5,000.00		0.00%	\$ 5,000.00		
	6601.30	Encroachment Permits	\$ 500.00		0.00%	\$ 500.00		
	6601.35	CPA Fees	\$ 18,000.00	\$9,428.00	52.38%	\$ 18,000.00		
	6601.00	Professional Admin Fees - Other	\$ 60,000.00	\$35,759.00	59.60%	\$ 60,000.00		
	6601.50	Public Relations	\$ 30,000.00		0.00%	\$ 45,000.00		
	6601.55	Salary & Staffing Level Study						
6610.00		Certification/ Continue Education	\$ 5,000.00		0.00%	\$ 5,000.00		
		Equipment (Capital Expenditures)	\$ 60,000.00		0.00%	\$ -		
		Total not included payment of bond	\$ 2,057,151.00	\$ 1,133,757.00	55.11%	\$ 1,705,732.00		

**Proposed FY 24/25 Draft Budget
Capital Improvement Projects**

			Proposed	Actual	% of Budget	Proposed	Actual	% of Budget	Proposed	Actual	% of Budget
Del Paso Manor Water District Capital Improvement Projects (CIP) Budget Worksheet			2022/2023	2022/2023	2022/2023	2023/2024	2023/2024	2023/2024	2024/2025	2024/2025	2024/2025
Summary Code	Sub-Code	2022/2023 Capital Improvement Projects (CIP) Budget Worksheet									
Income			2022/2023	2022/2023	2022/2023	2023/2024	2023/2024	2023/2024	2024/2025	2024/2025	2024/2025
4111.00		CIP	\$ 595,035.04			\$ 598,811.20	\$ 99,485.00	16.61%			
		Total CIP	\$ 595,035.04			\$ 598,811.20	\$ 99,485.00	16.61%	\$ -	\$ -	
Summary Code	Sub-Code	Expenses									
			Proposed	Actual	% of Budget	Proposed	Actual	% of Budget	Proposed	Actual	% of Budget
6760.00		Pipes	2022/2023	2022/2023	2022/2023	2023/2024	2023/2024	2023/2024	2024/2025	2024/2025	2024/2025
	6760.05	Miscellaneous	\$ 50,000.00	\$65,345.00	130.69%	\$50,000.00		0.00%	\$50,000.00		0.00%
	6760.30	Interties	\$ 300,000.00	\$238,428.00	79.48%						
6770.00		Wells									
		#2									
	6770.05	New Well/ Well Additions/ Generators	\$ 1,000,000.00	\$18,947.00	1.89%	\$950,000.00		0.00%	\$950,000.00		0.00%
		#3									
	6770.05	New Well/ Well Additions/ Generators									
		#4									
	6770.05	New Well/ Well Additions/ Generators									
		#5									
	6770.05	New Well/ Well Additions/ Generators	\$ -								
		#6B									
	6770.05	New Well/ Well Additions/ Generators				\$50,000.00		0.00%	\$50,000.00		0.00%
		Fencing		\$14,835.00							
		#7									
	6770.05	New Well/ Well Additions/ Generators		\$1,704.00							
		#8									
	6770.05	New Well/ Well Additions/ Generators	\$ -								
		#9									
	6770.05	New Well/ Well Additions/ Generators	\$ 300,000.00	\$0.00	0.00%	\$360,000.00		0.00%	\$360,000.00		0.00%
		Buildings									
		Fire Hydrant Assembly, Watt/Maryal Drive	\$ -	\$17,800.00							
		Debt Service									
		Interest Expense + Principal	\$ 325,000.00	\$324,751.00	99.92%	\$325,000.00		0.00%	\$325,000.00		0.00%
		Total	\$ 1,975,000.00	\$681,810.00	34.52%	\$1,735,000.00		0.00%	\$1,735,000.00		0.00%

ITEM #8.C

LAFCo Resolution of Dissolution

DEL PASO MANOR WATER DISTRICT

BOARD MEETING

DATE: MAY 07, 2024

AGENDA ITEM NO. 8.C

SUBJECT: LAFCo RESOLUTION OF DISSOLUTION

STAFF CONTACT:

Adam Coyan, General Manager

BACKGROUND:

The number one principle of the district is to provide safe and reliable water for our rate payers for consumption and fire protection. Currently, without Sacramento Suburban Water District (SSWD) we cannot meet that goal. Further, to meet that goal, we would be placing a financial burden on our ratepayers that they could not bear.

In 2009 Kennedy/ Jenks Consultants produced and delivered a master plan for Del Paso Manor Water District. In the master plan it highlights the deficiencies that exist in the system concerning water supply versus water demands. Since that time, Del Paso Manor Water District had two wells put in standby status due to contamination, one well taken offline for onsite safety concerns, and one well pulled because of deferred maintenance concerns it's not currently functional.

On September 23, 2021 the Governor approved Senate Bill No. 552

On November 3, 2021 the grand jury issued the findings of an investigation that had been conducted on Del Paso Manor Water District. Finding 1 on page 17 highlighted the deficiencies in providing flows for fire protection and consumption.

December 7, 2022, Sacramento LAFCo adopted a MSR report for DPMWD (LAFCo Project #2022-01)

On April 10, 2024 LAFCO issued a formal public hearing notice of intent for dissolution of DPMWD.

On May 1, 2024, Sacramento LAFCo passed a resolution of dissolution with a twelve-month remediation period.

RECOMMENDATION:

Review attachments and direct staff.

ATTACHMENTS:

LAFCo Resolution of Dissolution

Considerations

Options

ENVIRONMENTAL IMPACT:

This item is not a project under Section 21065 of the California Public Resources Code, as it could not have any direct or indirect impact on the environment.

FINANCIAL IMPACT:

This decision will have long-term financial implications.



RESOLUTION NO. LAFC 2024-06

THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION RESOLUTION OF INTENT TO INITIATE THE DISSOLUTION OF THE DEL PASO MANOR WATER DISTRICT (LAFC PROJECT #2024-01)

WHEREAS, the Sacramento Local Agency Formation Commission (the "Commission") is responsible for regulating boundary changes affecting cities and special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Act"); and

WHEREAS, Del Paso Manor Water District ("Del Paso Manor WD," "DPMWD" or "District") is a single-purpose special district, formed in 1956 pursuant to the County Water District Law (Wat. Code §§ 30,000 et seq.) to provide municipal water services to the community located in the greater Arden/Arcade area, generally bounded by Marconi Avenue, Cottage Way, Eastern Avenue, and Watt Avenue; and

WHEREAS, Del Paso Manor WD's service area is largely residential, but it also includes the commercial areas of Country Club Plaza and other shopping centers. DPMWD encompasses 672 acres or 1,790 parcels; and,

WHEREAS, in January 2021, the Sacramento County Grand Jury conducted an investigation of Del Paso Manor Water District that culminated in a report released on November 5, 2021; and

WHEREAS, the report concluded that there were "serious concerns with the DPMWD's operational safety and management practices" that were supported by a series of findings. The report indicated that a Municipal Service Review should be conducted for the District; and

WHEREAS, the Sacramento Grand Jury encouraged the Commission to review DPMWD's governance, finances and its ability to provide services; and

WHEREAS, on December 7, 2022, Sacramento LAFCo adopted a municipal service review (MSR) report for the DPMWD which included identifying certain public infrastructure and facility needs and deficiencies; and

WHEREAS, the adopted 2022 MSR states that "an abbreviated MSR will be conducted in three years that focuses on system repairs and upgrades, financial status, and governance standing;" and

WHEREAS, that abbreviated MSR would take place on or around December 2025; and

WHEREAS, on June 30, 2022, the Directors of DPMWD authorized the initiation of a merger discussion with the adjacent Sacramento Suburban Water District. ("SSWD"). On July 1, 2022, SSWD received a letter from DPMWD recommending that the SSWD Board of Directors approve and assemble a 2x2 Committee to discuss a potential merger between the two agencies; and

WHEREAS, the 2022 MSR encouraged the District to continue its discussions with SSWD and keep LAFCO informed; and

WHEREAS, the LAFCo staff has worked with DPMWD to discuss a strategy to remedy the chronic deficiencies of the District; and

WHEREAS, at a District Board meeting held on October 2, 2023, DPMWD pulled out of their discussions with SSWD, and instead chose to fund infrastructure improvements through an increase in water rates through Proposition 218; and

WHEREAS, on September 18, 2023 DPMWD adopted a resolution to increase water rates consistent with Proposition 218 to raise funds for \$9 million in capital infrastructure repairs and replacements over a five-year period; and

WHEREAS, the DPMWD Board of Directors thereafter received financial consultation for two options available to the District to immediately finance a portion of the necessary infrastructure and facility needs which include a bond for \$9 million that will cost \$18 million to pay back with interest; or a loan for \$4 million that will cost \$9 million to pay back with interest; and

WHEREAS, it is estimated that the District's infrastructure needs in order to address existing service and infrastructure deficiencies and to meet California regulatory requirements is estimated to be at least between \$40-52 million, far exceed the amount of money that the District can currently finance independently; and

WHEREAS, DPMWD and its ratepayers are in an untenable financial position if Del Paso Manor WD were to finance all of its infrastructure needs and deficiencies on its own; and

WHEREAS, according to the State Water Resources Control Board indicated that the District is eligible for approximately \$111 million in State grants and Principal Forgiveness funding should DPMWD consolidate with another water agency; and

WHEREAS, pursuant to Government Code 56375.1, a Commission may initiate a proposal for the dissolution of a district if at a public hearing the

Commission approves, adopts, or accepts a study prepared pursuant to Government Code 56430; and

WHEREAS, study must demonstrate that there is a preponderance of evidence, that the district has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies; and

WHEREAS, the Commission evaluated updated and new information from the District and prepared an update to the District's 2022 MSR to reflect changed circumstances and increasing and ongoing deficiencies with service provided by the District;

WHEREAS, as set forth in the updated MSR the existing chronic service issues include the following:

- There is estimated to be approximately 3,000 linear feet of pipeline that is less than three-inch diameter which does not meet current regulations for water distribution mains (Title 22 of the California Code of Regulations) which specifies that water mains must be at least four inches in diameter;
- DPMWD has documented numerous system leaks both in water mains and on the customer side of connections. The District stated a dramatic decrease in total leaks by lowering operating pressure and coordinating well operation to prevent pressure spikes. Since the District neglected to invest in regular repair and maintenance of these facilities, several wells are currently offline;
- Since December 2022, additional wells have gone offline or are no longer useable due to contamination or OSHA regulations. There are known and unknown groundwater contamination sites surrounding the District. This contamination is currently affecting two of the District's wells. The District is looking into potential carbon filtration in order to bring these wells back online;
- In January 2024, the motor for Well #4 failed completely and now requires replacement. According to the District's 2009 Master Plan prepared by Kennedy Jenks, the pump for Well #4 was running above its service capacity since 1999;
- DPMWD does meet regulations pertaining to source capacity including California Code of Regulations Title 22, Section 64554(c) which requires that groundwater systems be able to meet their Maximum Daily Demand (MDD) with their highest-capacity source offline, and Section 64554(a) which requires that systems with 1,000 or more service connections be able to meet four hours of peak hourly demand with source capacity,

storage capacity, and/or emergency source connections. Currently, with Well #9 offline, DPMWD can only produce 2,060 gpm, which is less than their MDD of 3,130 gpm;

- DPMWD is responsible for providing fire flows of 3,500 gal/min for the AT&T commercial building in addition to the District's regular MDD. Based on the District's current infrastructure, prior to the failure of Well #4, and legal production rate of 3,560 gpm, there is a shortage of 3,070 gal/min. Even if the District were to utilize all of its currently connected wells, there would not be enough water to meet Sacramento County fire flow standards. Additionally, the District would have to utilize contaminated water which may result in additional customer noticing;
- Currently, the District was able to meet fire flow requirements by relying on the interties with SSWD. California Water Code Section 10609.62 now requires a small water supplier to have source system capacity, treatment system capacity if necessary, and distribution system capacity to meet fire flow requirements by January 1, 2032;
- In order to increase water capacity for the District, existing wells would have to be refurbished or new wells would have to be drilled. As of October 2023, it was estimated that refurbishment of Well #2 would cost approximately \$837,000;
- As of March 2022, it was estimated that the District needs approximately \$52 million for well rehabilitation and water main replacements not including the cost of meter installation and self-reliance for fire flows, as required by regulations;
- Meter replacement for the District is estimated at \$5 - \$6 million. The cost for increasing source capacity to meet fire flows is currently unknown but likely to cost several million dollars;
- DPMWD has been unsuccessful at obtaining grant funding to support infrastructure improvements. Based on the District's lack of consistent governance and management, and the level of neglect that has been exhibited over the last two decades, it is unlikely that they will be successful in obtaining grant funding in the future;
- While the District was able to successfully complete a Proposition 218 process in 2023, the rate increases only cover the cost of four capital improvement projects totaling \$9.23 million. A \$9 million bond measure could be utilized that would eventually cost \$18 million to pay back with interest, or a \$9 million loan that would cost \$12 million to pay back with interest;
- The resulting rate increases from the Proposition 218 process will increase residential rates by approximately 22% from November 2023 to July 2027; and

- Due to the small size of the District and limited customer base, rates would have to be increased substantially above those of surrounding water providers in order to cover the costs of repair and maintenance for District infrastructure. This would place an unnecessary and avoidable burden on rate payers within DPMWD;

WHEREAS, the Commission pursuant to Government Code Section 56375.1 may initiate the dissolution of Del Paso Manor Water District; and

WHEREAS, if dissolution is recommended by the Commission, Government Code 56375.1 provides that the Commission adopt a resolution to initiate dissolution with a remediation period of at least 12 months to afford time for the District to address the specified deficiencies; and

WHEREAS, the Executive Officer reviewed the MSR Addendum or the Resolution of Intent to Initiate Dissolution pursuant to the California Environmental Quality Act (CEQA), and recommended that the project is exempt from CEQA under §15061(b)(3) because it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA, and, based thereon, the Executive Officer prepared a Notice of Exemption; and

WHEREAS, the Executive Officer set a public hearing for May 1, 2024 for consideration of the approval of an updated MSR and a resolution of intent to initiate dissolution of the Del Paso Manor Water District and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, on May 1, 2024 the municipal services review update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, at said hearing, LAFCo reviewed and considered the DPMWD MSR, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56375.1 and 56430 et seq.; LAFCo's Policies, Standards and Procedures, starting with Policy V; and all other matters presented as prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendation, the environmental document and determinations and the service review; and

WHEREAS, if the Commission finds the District has adequately remedied the deficiencies, by May 1, 2025 the Commission shall rescind the notice of intent to initiate dissolution and no further action is required.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Sacramento Local Agency Formation Commission does hereby find and resolve as follows:

1. The foregoing recitals are true and correct.
2. The Commission considered the Del Paso Manor Water District 2022 Municipal Service Review, the Del Paso Manor Water District Municipal Service Review Addendum April 2024 ("MSR Addendum"), the Executive Officer's Report and all referenced findings and determinations and hereby adopts such finding and determinations included in the Del Paso Manor Water District Municipal Service Review Addendum April 2024, the Executive Officer's Report and referenced attachments.
3. The Commission finds that the written determinations within the Del Paso Manor Water District Municipal Service Review Addendum April 2024 ("MSR Addendum") are complete and satisfactory and supported by substantial evidence, and hereby makes the determinations as set forth in the MSR Addendum and adopts and approves the MSR Addendum.
4. The Commission is in compliance with Government Code Section 56375.1, which allows the Commission to initiate dissolution.
5. The Commission considered all factors required by law under Government Code sections 56375.1, and all written and oral evidence presented to the Commission, and hereby adopts a Resolution of Intent to Initiate Dissolution of the District based on the following findings, which are consistent with Government Code 56375.1(a)(1)(A), that there is a preponderance of the evidence, that the District has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies including the following:

- There is estimated to be approximately 3,000 linear feet of pipeline that is less than three-inch diameter which does not meet current regulations for water distribution mains (Title 22 of the California Code of Regulations) which specifies that water mains must be at least four inches in diameter.
- DPMWD has documented numerous system leaks both in water mains and on the customer side of connections. The District stated a dramatic decrease in total leaks by lowering operating pressure and coordinating well operation to prevent pressure spikes. Since the District neglected to invest in regular repair and maintenance of these facilities, several wells are currently offline.
- Since December 2022, additional wells have gone offline or are no longer useable due to contamination or OSHA regulations. There are known and unknown groundwater contamination sites surrounding the District. This contamination is currently affecting two of the District's wells. The District is looking into potential carbon filtration in order to bring these wells back online.
- In January 2024, the motor for Well #4 failed completely and now requires replacement. According to the District's 2009 Master Plan prepared by Kennedy Jenks, the pump for Well #4 was running above its service capacity since 1999.
- DPMWD does meet regulations pertaining to source capacity including California Code of Regulations Title 22, Section 64554(c) which requires that groundwater systems be able to meet their Maximum Daily Demand (MDD) with their highest-capacity source offline, and Section 64554(a) which requires that systems with 1,000 or more service connections be able to meet four hours of peak hourly demand with source capacity, storage capacity, and/or emergency source connections. Currently, with Well #9 offline, DPMWD can only produce 2,060 gpm, which is less than their MDD of 3,130 gpm.
- DPMWD is responsible for providing fire flows of 3,500 gal/min for the AT&T commercial building in addition to the District's regular MDD. Based on the District's current infrastructure, prior to the failure of Well #4, and legal production rate of 3,560 gpm, there is a shortage of 3,070 gal/min. Even if the District were to utilize all of its currently connected wells, there would not be enough water to meet Sacramento County fire flow standards. Additionally, the District would have to utilize contaminated water which may result in additional customer noticing.
- Currently, the District was able to meet fire flow requirements by relying on the interties with SSWD. California Water Code Section 10609.62 now requires a small water supplier to have source system capacity,

treatment system capacity if necessary, and distribution system capacity to meet fire flow requirements by January 1, 2032.

- In order to increase water capacity for the District, existing wells would have to be refurbished or new wells would have to be drilled. As of October 2023, it was estimated that refurbishment of Well #2 would cost approximately \$837,000
- As of March 2022, it was estimated that the District needs approximately \$52 million for well rehabilitation and water main replacements not including the cost of meter installation and self-reliance for fire flows, as required by regulations.
- Meter replacement for the District is estimated at \$5 - \$6 million. The cost for increasing source capacity to meet fire flows is currently unknown but likely to cost several million dollars.
- DPMWD has been unsuccessful at obtaining grant funding to support infrastructure improvements. Based on the District's lack of consistent governance and management, and the level of neglect that has been exhibited over the last two decades, it is unlikely that they will be successful in obtaining grant funding in the future.
- While the District was able to successfully complete a Proposition 218 process in 2023, the rate increases only cover the cost of four capital improvement projects totaling \$9.23 million. A \$9 million bond measure could be utilized that would eventually cost \$18 million to pay back with interest, or a \$9 million loan that would cost \$12 million to pay back with interest.
- The resulting rate increases from the Proposition 218 process will increase residential rates by approximately 22% from November 2023 to July 2027.
- Due to the small size of the District and limited customer base, rates would have to be increased substantially above those of surrounding water providers in order to cover the costs of repair and maintenance for District infrastructure. This would place an unnecessary and avoidable burden on rate payers within DPMWD. There is estimated to be approximately 3,000 linear feet of pipeline that is less than three-inch diameter which does not meet current regulations for water distribution mains (Title 22 of the California Code of Regulations) which specifies that water mains must be at least four inches in diameter.
- DPMWD has documented numerous system leaks both in water mains and on the customer side of connections. The District stated a dramatic decrease in total leaks by lowering operating pressure and coordinating well operation to prevent pressure spikes. Since the District neglected

to invest in regular repair and maintenance of these facilities, several wells are currently offline.

- Since December 2022, additional wells have gone offline or are no longer useable due to contamination or OSHA regulations. There are known and unknown groundwater contamination sites surrounding the District. This contamination is currently affecting two of the District's wells. The District is looking into potential carbon filtration in order to bring these wells back online.
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 - The resulting rate increases from the Proposition 218 process will increase residential rates by approximately 22% from November 2023 to July 2027.
 - Due to the small size of the District and limited customer base, rates would have to be increased substantially above those of surrounding water providers in order to cover the costs of repair and maintenance for District infrastructure. This would place an unnecessary and avoidable burden on rate payers within DPMWD. The Commission provides a remediation period of not less than 12 months during which Del Paso Manor WD may take steps to remedy the specified deficiencies.
6. The Executive Officer is directed to file a Notice of Exemption under §15061(b)(3) in compliance with the California Environmental Quality Act and local ordinances implementing the same.
 7. Del Paso Manor WD shall provide the Commission a mid-point report by November 1, 2024 on such remediation efforts by the District which report may thereafter be considered at a regularly scheduled Commission meeting.
 8. At the conclusion of the 12-month remediation period, the Commission will consider at a noticed public hearing whether the District has remedied the identified deficiencies and whether the District shall be dissolved in accordance with Government Code Section 56375.1. If the Commission finds the District has adequately remedied the deficiencies, the

Commission shall rescind the notice of intent to initiate dissolution and no further action is required.

- 9. The Executive Officer is hereby directed to take all further actions required by law and necessary to implement the intent of this resolution including filing a Notice of Exemption consistent with the California Environmental Quality Act.

BE IT FURTHER RESOLVED that Resolution No. **LAFC 2024-06** was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**, on the 1st Day of May, by the following vote, to wit:

	Motion	2nd	Aye	No	Absent	Abstain
Lindsey			_____	_____	_____	_____
Sue Frost			_____	_____	_____	_____
Gay Jones			_____	_____	_____	_____
Lisa Kaplan			_____	_____	_____	_____
Chris Little			_____	_____	_____	_____
Iva Walton			_____	_____	_____	_____
Rich			_____	_____	_____	_____

Commission Vote Tally Aye _____ No _____ Absent _____ Abstain _____
 Passed Yes _____ No _____

By: _____
Rich Desmond, Chair
SACRAMENTO LOCAL AGENCY FORMATION
COMMISSION

ATTEST: _____
Lorice Washington, Clerk of the Commission
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Considerations

Some of the considerations were passed by resolution and will need to be rescinded if the board doesn't want to pursue them at this time.

1. Does the board still want to pursue the prop 218 loan that might not get paid off by the grant funding available from consolidation or dissolution?
 - a. If the District takes a loan for \$9,000,000 the grant funding that becomes available with consolidation or dissolution might not pay this back. I would strongly urge the board not to pursue a loan at this time.
 - b. Does the board want to freeze the future rate increases?

2. Does the board want to allow Forsgren to finish current open task orders and then stop any progress for pipeline replacement?
 - a. Forsgren is currently finishing the hydrological model, pipeline planning for prop 218 and working on Well #9 generator installation.
 - b. If the board does not take a loan, we do not have the money to start the prop 218 projects.
 - c. If the board is considering consolidation, we should coordinate with the District that we are considering consolidating with to see what they would find beneficial and what they could use.

3. Does the board want to remain as members of the different committees?
 - a. Some of these organizations could support a consolidation or dissolution.
 - b. Currently the District has membership with the following organizations:
 - AWWA
 - ACWA
 - SGA
 - CRWA
 - CSDA
 - RWA
 - Water Forum

4. There is staff direction to join California CLASS and open a new bank account, does the board still want us to pursue these?

Options

1. Try to bring our system up to date to meet the goal of being independent and meet the LAFCO requirements before the remediation date of May 1, 2025.
 - a. This would not be financially possible with how far the system has progressed.
2. Allow the LAFCo dissolution.
 - a. I would not advise this, although SSWD is the obvious choice for consolidation if this action is driven by LAFCo there are no guarantees that we wouldn't end up merging into another district or private company.
 - b. There would be no guarantees that staff could transition to the new agency and although LAFCo has our best interest at heart the process if forced would be dramatic.
3. Consolidate with SSWD, if they are open to it prior to LAFCo's dissolution date and have control to protect ratepayers and staff by negotiating the best situation possible.
 - a. The board would need to vote to approve a consolidation/reorganization/voluntary dissolution annexation as soon as possible. With government bureaucracy moving slow and with a clock set by LAFCo for forced dissolution the board would need to act quickly.
 - b. By consolidating the District becomes eligible for \$60,000 per service connection for grant funding to bring our system up to date after an evaluation of our system.

ITEM #9.A

Field Report on Current and Upcoming Projects



DEL PASO MANOR WATER DISTRICT REGULAR BOARD MEETING FIELD REPORT

MEETING DATE: May 07, 2024

AGENDA ITEM 9.A:

Leaks: We had 2 mainline leaks, 0 service line leak on our side, and 3 service line leak on the customers side

Complaints: We had no water quality concern

Water Waste: We had no water waste report

Field Work:

1. 28 USA's marked in April
2. TCR samples for March were all absent
3. Completed 1 hot tap for new services line for customer
4. 3 new curb stops were installed where there were no shutoffs
5. 6 additional curb stops located for a total to date of 531

Current and Upcoming Projects:

1. Curb stop locates
2. Mainline valve measurements ongoing project
3. Cleaning up well sites
4. Fire Hydrant painting

**FIELD STAFF RESPONSIBLE FOR REPORT: Mike Jenner, Field Supervisor
05/07/2024**