

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

The Board of Directors of the Del Paso Manor Water District held a special meeting at the District office located at 1817 Maryal Drive, Suite 300, Sacramento, California on March 16, 2018 at 5:00PM.

President Allen called the meeting to order. Vice President Saunders, Director Elmore, Director Matteoli and Director Wilson were present. Also present were Attorney Adam Brown, Manager Debra Sedwick, Field Manager Rich Bolton, and O&M Tech Ken Ingle. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

President Allen led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

REPORT FROM FIELD MANAGER CONCERNING:

February field matters:

1. The District field staff responded to six leak service calls this month. Five leaks were the responsibility of the homeowner and one was the District's responsibility. The District leak has been repaired and water restored.
2. Field staff performed 21 Underground Service Alerts and two customer service line location request.
3. Tesco Controls replaced the cooling fan on the Variable Frequency Drive at Well #9.
4. A fire flow test was performed at the Del Paso Manor Elementary School in preparation for their remodel.
5. GM Construction completed the asphalt restoration at 2322 Butano Drive which was damaged when locating, exposing and replacing the curb stop valve for 2222 Watt Avenue Building A.
6. Paramount School is closed due to a bankruptcy; therefore, lead testing will not be required.
7. A lightning strike caused Well #8 and Well #6B to go offline. Tesco and Aqua Sierra were called to make changes to the Program Logic Controller at both wells. Both are back on line.
8. Collected samples for 1st quarter bacteriological quality, 1,2,3,-TCP, Iron and Asbestos testing at all wells. Well #8 did come back present, all follow-up samples tested absent which leads us to believe the first sample was in error.
9. Reassembly of Well #7 is continuing.

REPORT FROM MANAGER CONCERNING:

February operational matters:

1. The State Water Resources Control Board (SWRCB) is considering adopting permanent regulations prohibiting “Wasteful Water Uses”. At the SWRCB hearing, concerns of water rights were brought up. The SWRCB staff were requested by the SWRCB Board to bring back more information.
2. Manager Sedwick reported that the RWA Advocacy group is tracking 70 bills. She briefly discussed SB623 and SB998. She also gave an update of AB401; she will be attending a meeting in April on AB401.
3. Manager Sedwick reported that she wrote many letters to legislators this month opposing SB623 and the Governor’s budget trailer bill with similar language of SB623. She also provided the Board with a copy of the ACWA coalition letter and survey results.
4. The Unimpaired Inflow to Folsom Reservoir for February was 1078 acre feet, which is between a Wedge and Hodge year.
5. The RWA Water Reliability Plan is moving forward.
6. At the RWA Executive meeting, the committee approved the budget to be presented to the full RWA Board along with revisions to the reserve policy.
7. The JPIA inspection went very well. Several hours were spent on reviewing our risk policies. There were a few site visits; we discussed risk transfer strategies to implement when we do work to Well #3 because of the lot size and close proximity to houses and power lines.
8. The District reduced our water production for February by 24.5%, with a year to date reduction of 10.4% compared to 2013. Compared to 2017, February water production reduced by 6% with a year to date reduction of 3.3%.
9. All bacteriological quality samples tested absent for February.
10. There were no water quality complaints for the month of February.

REPORT FROM ATTORNEY CONCERNING:

Attorney Brown reported that he reviewed Director Matteoli’s memorandum and attachments circulated to the Directors at the March 5, 2018 Board meeting, in which Director Matteoli raised concerns about his perceptions of potential conflicts of interest on the part of Director Wilson and his vote on the District website provider. Attorney Brown also met with Director Wilson regarding the points raised in the memorandum and to obtain Director Wilson’s response. Attorney Brown prepared a written statement which he read to the Board. Attorney Brown concluded that he found no evidence that Director Wilson had a financial conflict of interest in the matter before the Board raised in Director Matteoli’s memorandum. However, Attorney Brown stated that Director Wilson should have disclosed

the relationship he and his wife had with Appletree Advertising as it created the appearance of a conflict of interest. Attorney Brown went on to explain that the law governing conflicts of interest extends to business and personal relationships of a Director and his or her spouse. When a Director has a business or personal relationship with an individual or company with business before the Board, or which may benefit from Board action, it is required that the Director disclose the relationship, recuse himself from discussing and voting on the item, and leave the room until deliberation and voting are concluded. Director Matteoli brought up the concern because he believed there was a relationship with a consultant that Director Wilson suggested the District use as part of the office modernization discussion. Attorney Brown reminded all Board members that conflicts do arise, but they can be managed through full disclosure and recusal, if necessary. He also suggested that in the future, if any Director has a concern or doubt about whether they are facing a conflict of interest issue (or the appearance of a conflict) to feel free to contact him directly to discuss. Director Wilson stated that his wife sold her interest in the company that had the relationship with Appletree in 2008, and did not believe it created a conflict of interest. The other Directors generally discussed the situation, and each voiced the opinion that Director Wilson should have disclosed his wife's business relationship with Appletree before the vote took place. Attorney Brown said he would provide his written statement to be included in the District's records.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Manager Sedwick attended the Sacramento Groundwater Authority meeting. A budget subcommittee was appointed. A resolution to amend the PERS contract to include social security was adopted. There was a Sustainable Groundwater Management Act (SGMA) update as well as a Groundwater Management update.

Director Matteoli attended the ACWA Groundwater Committee meeting. He reported that 99% of the SGMA basins are in compliance and have their GSA's formed. The Department of Water Resources will be refining the basin boundary modifications. They are also finalizing the grant awards. There was a brief discussion on subsidence. ACWA is supporting groundwater recharge be considered as a beneficial use. Also, ACWA approved establishing an Agricultural Committee which will be announced at the spring conference.

OLD BUSINESS:

1. None.

NEW BUSINESS:

1. The Board reviewed and discussed changing the Board meeting start time for regular meetings. Manager Sedwick reported the start time is in Ordinance #2 and an Ordinance change will require a public hearing. This can be done at a regular meeting; it just needs to be publicized correctly. She suggested, if the Board does want to move forward and once approved, the effective date be later in the year to give time for notification to the ratepayers via a bill insert. President Allen stated he was not for the change; he feels the 7:30PM time has worked since the District was established and it gives everyone time to get home from work and to get to the meeting. Director Matteoli concurred. He also stated his concern with providing staff time to have a meal and the field staff to clean up if they had repaired a leak during the day. Director Elmore asked several questions, including how many people have requested a time change, does the Manager think there would be an increased public participation and lastly, what additional costs we would have if the meeting did not end earlier. After hearing the responses and stating that his belief is the meetings would not end earlier, he concurred the meeting time should remain at 7:30PM. Vice President Saunders stated he was neutral but also believed the meeting would not end earlier. Director Wilson stated he was for the change. He also commented that the Ordinance needs to be updated anyway because it states the meeting place was at the Del Paso Manor School. Manager Sedwick explained that the Ordinance was created at the time the District was established and the District office at 4268 Lusk Drive had not been built. She was not sure if there was some action to change the location that she was not aware of. Attorney Brown stated that under state law, with a few exceptions, the meeting needs to be held within the District boundaries. Manager Sedwick suggested that the District amend Ordinance #2 to clean up the meeting location when we publicize to amend Ordinance #3 for the proposed rate increase. With a majority of the Board not wanting to change the start time, the Manager was directed not to proceed.

BOARD GENERAL DISCUSSION:

Director Elmore apologized for being a few minutes late; he got held up in traffic. He also apologized for not being able to attend the community meeting next week; he has had a vacation scheduled for two years. Director Wilson stated he would not be seeking re-election in November. He also requested that Manager Sedwick present the written succession plan at the next Board meeting. Manager Sedwick indicated that there was no written succession plan, and suggested that Director Wilson was referring to the level of effort analysis. Manager Sedwick explained that the level of effort

analysis was not a succession plan, but could be used as a tool by the Board when developing a succession plan. Director Wilson felt that a succession plan needs to be done as a priority; the majority of the Board agreed that it can be discussed after the rate increase is implemented.

There being no further business to come before the Board, the Board President adjourned the meeting at 6:15PM.

Richard K. Allen, President

ATTEST:

Debra Sedwick, Secretary