

**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 AT&T Auditorium located at 2700 Watt Avenue, Sacramento, California on March 20, 2018 at 6:30PM.

President Allen called the meeting to order. Directors Allen, Matteoli, Saunders, and Wilson were present. Also present was Attorney Adam Brown, Manager Debra Sedwick, Field Manager Rich Bolton, Office Assistant Lori Hensley and O&M Tech/Construction Coordinator Ken Ingle. There were approximately 30 members of the public and/or residents present as well.

PUBLIC COMMENT ON NON-AGENDA ITEMS:

None.

PRESENTATION ON NEED FOR RATE INCREASE AND REVIEW OF INITIAL RATE ALTERNATIVES:

Doug Dove with Bartle Wells Associates gave a presentation with new rate alternatives from the direction the Board gave on March 5th based on public comments and their discussion. The direction included removing office modernization at this time as it will be further investigated and possibly implemented with the Master Plan update, to add to engineering over the next few years in order to investigate the 1,2,3,-TCP at Well #3, increasing the office expense to reflect website cost, continued outreach, and increased expenses for required OPEB and pension GASB reports. Also, the 18/19 fiscal year should include costs to issue a request for proposal for a new auditor. Again the alternatives were for either a one-time increase or over a two year period. Each showed alternatives of a six month (50%), nine month (75%) and a twelve month (100%) of Operations & Maintenance Expense reserve level.

PUBLIC INPUT:

Several residents and members of the public asked questions which were answered by Doug Dove or Manager Sedwick. Overall, the majority of the public agreed that a rate increase is needed and supported the increase alternatives.

BOARD DISCUSSION:

Each Board member commented on the presentation. Director Wilson sees three items of importance. First, we need to get out of the red and into the black in O&M. Second, we need a reserve

and the Board needs to make the decision of what level of reserve is needed. Third, the Board decided to make sure the pensions are funded to at least 85%. He requested that Bartle Wells provide clarification on how the pension costs were calculated at the April 2nd Board meeting. Vice President Saunders stated he sees this as a three step process over the next 3-5 years. First step is to stabilize the rates and keep the District running. Second step is to begin the process of updating the Master Plan with community engagement. The third step will be to determine how to fund the Planned System Maintenance (Master Plan projects). He also stated that the five year outlook in the Bartle Wells presentation is conservative. Director Matteoli stated Directors Wilson and Saunders summed it up very well. He commented that having a reserve is very important and he wants to remain as an independent water district. President Allen stated there were very good comments received and the rates must increase for the District to move forward. The direction given was for the Manager to put the discussion of the rates with a possible action on the April 2nd regular Board meeting and for Doug with Bartle Wells to provide clarification on the pension calculation.

There being no further business to come before the Board, the Board President adjourned the meeting at 7:58PM.

Richard K. Allen, President

ATTEST:

Debra Sedwick, Secretary