

**MINUTES OF REGULAR 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 its regular meeting at the District office located at 1817 Maryal Drive, Suite 300, Sacramento, California on May 7, 2018 at 7:30PM.

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 Office Administrator Lori Hensley. Sergio Guillen from Forsgren Associates and Nicki Tallman and Jeff Land with Brandis Tallman LLC were also in attendance. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

President Allen led the Pledge of Allegiance.

PUBLIC COMMENT:

Resident Greg Schneider suggested the Crocker & Crocker invoices provide the billing period not just the end date and he would also like to see public relations/outreach added as a budget line item since it is an ongoing expense. He also announced that the Howard Jarvis Taxpayers Association honored Marissa Burt as the 2017 tax fighter of the year defeating the proposed rate increase with the Proposition 218 protest procedure. His last comment was inquiring about the total cost for the four “WaterSpots” newsletters.

PRESENTATION “PRELIMINARY BOND REFUNDING DISCUSSION”:

Nicki Tallman and Jeff Land with Brandis Tallman LLC gave a presentation on refunding the 2010 revenue certificates of participation. Nicki gave an introduction and brief history of Brandis Tallman. Jeff explained the current finance structure and the anticipated financing structure by refunding, with a projected savings of over \$480,000 and shortening the term by one year. Nicki reviewed current trends and rising interest rates. Director Wilson inquired as to how fees were paid. Both Nicki and Jeff were very clear that consultants are not paid unless the loan closes and the fees are tied into the amount of the loan. Attorney Brown also explained how fees are paid to Director Wilson. Director Matteoli asked for clarification on a few slides and inquired what the difference in rates are now compared to August 2017. Both Nicki and Jeff stated the rates have risen about .5 to .75% since last August. Director Elmore commented that he feels this is pretty straight forward, by restructuring the loans and getting a lower rate for the remaining years, the District can save nearly \$500,000. Vice President Saunders thanked Manager Sedwick and the committee for keeping their eye on the ball for the District. There

were six residents who also had questions. Directors and staff thanked Nicki and Jeff for their presentation.

President Allen then moved to New Business and began with item 12.d

NEW BUSINESS:

1. The Board discussed the bond refinancing that was presented. The Board consensus was that this looked like a good idea and to move forward. Manager Sedwick discussed a new law effective January 1, 2017 requiring the Board to adopt a Debt Management Policy in order to refinance or create new debt. She recommended that the Board move forward with adopting a Debt Management Policy now. After discussion, Director Matteoli made a motion to approve the Debt Management Policy. The motion was seconded by Vice President Saunders and carried by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

2. There were no upcoming meetings to announce.

3. The Board reviewed consideration of Ordinance No. 20180604-1 amending Ordinance No. 2 (Establishing time and place of Board meetings); Public Hearing and first reading of Ordinance. Director Matteoli requested to have the reading of Ordinance No. 2 waived. Upon motion by Director Matteoli, seconded by Vice President Saunders as amended, the Board voted to amend Ordinance No. 2 scheduled for adoption on June 4, 2018 by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

4. The Board reviewed consideration of Ordinance No. 20180604-2, amending and restating Ordinance No. 3, as amended (Water Rates, Rules and Regulations); Public Hearing and first reading of Ordinance. Director Matteoli made a motion to waive the reading of Ordinance No. 20180604-2. The motion was seconded by Vice President Saunders and carried by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

Director Matteoli asked if only the rates were changed. Manager Sedwick said other areas were cleaned up by correcting some minor errors but nothing major; Attorney Brown confirmed the changes were very minor. Director Elmore inquired if a multi-family residence was just duplexes or apartments also. Manager Sedwick stated all apartment buildings are metered so the flat rate is for duplexes. The Board suggested that a footnote be added that the rates do not include the System Maintenance Charge to make it very clear. Director Matteoli inquired if the District charges the property owner for tree root

damage or other damage incurred to District facilities. Manager Sedwick stated the District does not charge for tree root damage but does charge for other damages if the District was not properly notified. Director Wilson inquired as to landscape irrigation cross connections and backflow. Field Manager Bolton stated there is built in backflow in the irrigation valves.

5. The Board reviewed and discussed engaging Larry Bain, CPA for the 2017/2018 audit. Manager Sedwick recommends engaging Larry Bain again. This will be his final year by law, an RFP for a new auditor is an expense that we did not budget for this year, and his price is reasonable given the additional work he does to meet the GASB requirements for pension liability. Director Wilson stated he is ready for a fresh face. The general consensus of the other Directors was that he has done a good job, understands the supplemental reports the Board would like, and it did not make financial sense to go out for an RFP with this being his last year.

A motion was made by Vice President Saunders and seconded by Director Elmore to engage Larry Bain for the 2017/2018 audit. Public comments were made by Carl Dolk and Greg Schneider. Carl Dolk stated it made good sense to stay with Larry Bain. Greg Schneider stated he thinks the District needs a fresh face and feels the District is being over charged at \$9,250.

President Allen called for the vote on the motion made by Vice President Saunders. The motion carried to engage Larry Bain, CPA for the 2017/2018 financial audit for the District by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, and Saunders
Noes: Wilson
Abstain/Absent: None

6. The Board reviewed the candidates for the Independent Special District Representative for the Consolidated Redevelopment Agency Oversight Board. Upon motion by President Allen, seconded by Vice President Saunders, the Board cast their vote for Amanda Thomas for RDAOB Representative by the following roll call vote:

Ayes: Allen, Elmore, Saunders, and Wilson
Noes: Matteoli
Abstain/Absent: None

After a brief discussion, upon motion by Vice President Saunders, seconded by Director Matteoli the Board cast their vote for Jeff Frye as the RDAOB Alternate Representative by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

CONSENT CALENDAR:

Vice President Saunders asked for April 2, 2018 minutes to be pulled from the consent calendar.

Upon motion by Vice President Saunders, seconded by Director Matteoli, the remaining consent calendar items were approved by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

<u>CHECKS DRAWN</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
AT&T 4/4	8693	242.59
AT&T 4/4	8694	206.57
Primetax Service Charge 4/5	EFT	193.13
ACWA/JPIA Workers Comp 4/10	8695	1735.51
U.S. Postal Service 4/10	8696	868.09
Primetax - Payroll 4/13	EFT	8620.29
Primetax - Payroll Taxes 4/13	EFT	4761.62
AT&T 4/16	8697	55.00
PERS/Health 4/27	EFT	7268.01
PERS/Retirement 4/30	EFT	4416.10
AT&T (Community Meeting Rental) 4/30	8698	75.81
Primetax - Payroll 4/30	EFT	10691.06
Primetax - Payroll Taxes 4/30	EFT	5284.74
ACWA/JPIA 4/30	8699	620.60
Voya Financial	8700	1800.00
One Print Source & Graphics	8701	650.09
AT&T	8702	242.43
Bartle Wells Associates	8703	5855.96
VOID	8704	0.00
Hill Rivkins Brown & Associates	8705	5475.00
BSK Associates	8706	876.00
Chevron	8707	440.68
AT&T Wireless	8708	223.13
Crocker & Crocker	8709	6057.35
Emigh Hardware	8710	170.96
Inland Business Systems	8711	277.06
Les Schwab	8712	144.90
P.G. & E.	8713	6.50
Petty Cash	8714	101.14
CalPERS (OPEB)	8715	25000.00
Sacramento Bee	8716	670.32
SMUD	8717	5177.14
Streamline	8718	200.00
Tesco Controls, Inc.	8719	3650.00
Uinta Holdings, LLC	8720	1985.00
Stericycle Communication Solutions	8721	234.87
YP	8722	15.50
		<u>104293.15</u>

Vice President Saunders requested a few minor corrections to the April 2, 2018 minutes. Upon motion by Director Matteoli, seconded by Director Elmore, the minutes of April 2, 2018 were approved as corrected by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson
Noes: None
Abstain/Absent: None

REPORT FROM FIELD MANAGER CONCERNING:

April field matters:

1. The District field staff responded to eight leak service calls this month. Seven 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 17 Underground Service Alerts and two customer service line location requests.
3. The District experienced a power outage on April 16th; all systems ran as designed.
4. Construction of the new bounce house and the movie theater is continuing at Country Club Plaza.
5. The District received notification of a paving project on Marconi Avenue at Watt Avenue.
6. The re-assembly of Well #7 is complete. District staff will address some wiring issues and then begin flushing the well.

Director Elmore inquired as to how leaks are determined to be customer or District's responsibility. Field Manager Bolton explained the process to determine responsibility.

REPORT FROM MANAGER CONCERNING:

April operational matters:

1. Manager Sedwick reported that Neil Schild, a Director with Sacramento Suburban Water District passed away. Neil's funeral service will be held on May 21st. Manager Sedwick also reported the District received notice that Scott Wood, our JPIA risk consultant, passed away suddenly on April 23rd.
2. The Unimpaired Inflow to Folsom Reservoir for April was 1635 acre feet which is considered a "no restrictions" year per the Water Forum Agreement. The final report for the year should be received by next month.
3. Manager Sedwick attended the Water Affordability Symposium on April 5th via webinar. The staff of the State Water Resource Control Board reported their goal is to have the report completed by the end of the year.
4. The District received a reimbursement check for \$8,871.10 from the JPIA from the Retrospective Stabilization Fund.
5. The new Consumer Confidence Report has been prepared and is at the printers. Due to additional language needing to be included, it had to be completely reformatted.
6. The District completed the SWRCB Annual Report this month which included a total of eleven new areas to report on. The additional items and lack of prior notification, the report took significantly longer to complete.
7. The District is still investigating options for the 1,2,3,-TCP issue at Well #3.
8. Manager Sedwick has begun preparing the budget for the 2018/2019 fiscal year.

9. The coffee klatch was attended by two customers. Vice President Saunders felt although there was low attendance, it was very well received by those in attendance. Director Wilson also felt it went well but wished more were in attendance.

10. The District reduced our water production for April by 47.3% with a year to date reduction of 31.2% compared to 2013. Compared to 2017, April water production was reduced by 6.3% with a year to date reduction of 4.6%.

11. All bacteriological quality samples tested absent for April.

12. There were no water quality complaints for the month of April.

REPORT FROM ATTORNEY CONCERNING:

No report.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Director Matteoli attended the Sacramento Groundwater Authority meeting. The defined benefit pension plan funding policy was reviewed and approved. Also approved was the Sustainable Groundwater Management cost share to fund the administrative and program budgets for 2018/2019 fiscal year. Rob Swartz gave a Groundwater Management Program update.

Manager Sedwick attended the Water Forum Successor Effort meeting. The 2018/2019 fiscal year budget passed. Tom Gohring reported on his presentation of the Modified Flow Management Standard at the Water Fix hearings at the State Board. Status of water conservation in the Sacramento region was presented by Amy Talbot of the RWA. Ron Stork with the Environmental Caucus stated he feels the conservation element of the agreement is due to be updated.

Director Matteoli attended the Regional Contamination Issues Committee meeting. The new Aerojet GET facility seems to be working; the plume is not getting past the facility. It was reported that Sacramento Suburban Water District tested above the maximum contaminant level for 1,2,3,-TCP at two wells.

OLD BUSINESS:

None.

BOARD GENERAL DISCUSSION:

Director Wilson requested the perceived conflict of interest issue be added to the June Board meeting agenda for discussion.

There being no further business to come before the Board, the Board President adjourned the meeting at 10:07PM.

ATTEST:

Richard K. Allen, President

Debra Sedwick, Secretary