

**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 February 5, 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. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Director Elmore led the Pledge of Allegiance.

CONSENT CALENDAR:

Upon motion by Director Matteoli, seconded by Vice President Saunders and carried, the Board approved the consent calendar which included the minutes of the special meeting of January 2, 2018, minutes of the regular meeting January 2, 2018, minutes of the special meeting January 3, 2018, minutes of the special meeting of January 8, 2018 and approval of payment for January invoices 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>
ACWA/JPIA Workers' Compensation 1/2	8592	1689.95
AT&T 1/4	8593	200.31
Primetax Service Charge 1/5	EFT	189.87
AT&T 1/11	8594	205.66
US Postal Service 1/11	8595	710.24
Primetax - Payroll 1/12	EFT	8943.28
Primetax - Payroll Taxes 1/12	EFT	5423.52
AT&T 1/23	8596	55.00
PERS/Health 1/30	EFT	7268.01
PERS/Retirement 1/31	EFT	4535.56
Primetax - Payroll 1/31	EFT	11108.33
Primetax - Payroll Taxes 1/31	EFT	5458.38
ACWA/JPIA 1/31	8597	620.60
Voya Financial	8598	1800.00
One Print Source & Graphics	8599	293.23
AT&T	8600	241.71
Bartle Wells Associates	8601	5177.47
Hill Rivkins Brown & Associates	8602	2950.00
BSK Associates	8603	279.00
Burketts	8604	218.98
Chevron	8605	294.66
AT&T Wireless	8606	219.96
City of Sacramento (July-December 2017)	8607	2711.02
Crocker & Crocker	8608	5817.50
Emigh Hardware	8609	93.37
Ferguson Enterprises, Inc.	8610	190.95
Inland Business Systems	8611	169.74

P.G.& E.	8612	33.20
Petty Cash	8613	51.78
US Postal Service	8614	703.12
Regional Water Authority	8615	5000.00
Sacramento County Utilities	8616	173.22
SMUD	8617	5912.11
Sacramento Area Water Works Association	8718	1200.00
Sam's Club	8719	45.00
Sierra Chemical Company	8620	246.00
State Water Resource Control Board (Water System Fees)	8621	8789.50
Streamline	8622	200.00
USA BlueBook	8623	1421.61
Uinta Holdings, LLC	8624	1930.00
Stericycle Communication Solutions	8625	300.95
YP	8626	15.50
		<u>92888.29</u>

REPORT FROM FIELD MANAGER CONCERNING:

January field matters:

1. The District field staff responded to seven leak service calls this month. Two leaks were the responsibility of the homeowner; five were the District's responsibility. Three of the District's leaks were caused by broken galvanized nipples at the curb stop or welded on collar at the main, and the other two were caused by tree root displacement. Because of the nature, amount of water leaking and of scheduled vacations, GM Construction was called to assist repairing on three of the main line leaks. All broken components were repaired and service restored.
2. Field staff performed twelve Underground Service Alerts and two customer service line location request.
3. The District's SCADA malfunction issues have been addressed by AT&T and Effective Phone Solutions.
4. The District received the results from the lead samples collected at El Camino High School and Del Paso Manor Elementary School. Of the thirteen samples collected, only one tested present for lead at 5ppm which is below the action level. The schools have been advised of the results.
5. Demolition is continuing at County Club Plaza theaters.
6. Demolition at 2222 Watt Avenue is completed. There are no plans for construction at this time.
7. The District received confirmation from Sacramento County Sanitation that the District can discharge into the sewer at Well #3 with water containing 1,2,3,-TCP.
8. Aqua Sierra installed a new depth sensor at Well #8 and swapped out the loaner radio unit also.
9. Field staff installed a new curb stop in the steel area per our policy.
10. Field staff received several SCADA alarms last Thursday for low pressure. Upon investigation, field staff found a subcontractor testing fire hydrants at AT&T.
11. Field staff located two main line valves on the AT&T property.

12. O'Dell's Pump & Motor Service is scheduled to be at Well #7 tomorrow morning to reassemble the pump and motor. Upon completion, District staff will flush and sample for full Title 22 as per Department of Drinking Water specifications.

Director Wilson inquired about the fence around Well #2 being down, possibly by a recent wind storm. Field Manager Bolton responded the wood fence has been down; however, the well is secured by chain link fence and locked gate surrounding well.

REPORT FROM MANAGER CONCERNING:

January operational matters:

1. Manager Sedwick stated she has been able to catch up on the books and has provided a summary of expenses versus the 2017/18 budget as of December 31, 2017 to the Board. Copies were also on the front counter for the public.

2. Manager Sedwick released the accepted audit to all the various organizations requiring copies. The County requested a response from the District regarding the finding of "segregation of duties". Manager Sedwick responded as requested.

3. Every year after the release of the audit, Manager Sedwick receives a call from one of the bond holders, Franklin Funds, requesting a conference call. This year was no exception. Overall, the call was good; however, he did make the statement that it appears we are not meeting our bond covenants looking at the incoming revenue. Manager Sedwick stated she disagrees as he is not calculating in the unrestricted reserves/investments. He wanted to get a legal opinion on that. Manager Sedwick also explained that we are in the process of a new rate increase proposal. The call ended with him stating that they will be following the rate increase proposal closely and may want another follow up call.

4. The District received the written inspection report from the State Water Resource Control Board, Division of Drinking Water. The report showed we were behind in our monitoring so Manager Sedwick forwarded copies of all the sample test results to them with a letter requesting an updated report showing we completed all required testing within the required time frame. She also read the report summary to the Board; the summary included a statement that it will be important for the District to replace the aging infrastructure in the near future.

5. Manager Sedwick gave an update of the RWA Lobby Program meeting. The group met and reviewed a few of the current issues. The Governor added a budget trailer bill that included language consistent with SB623 (the public goods charge). If passed, it appears that water purveyors will become collection agents for the State to collect a "water tax". All agencies continue to fight this bill.

6. At the Water Caucus meeting, the majority of the discussion was on the Delta and Water Fix. Updates were given on the Water Efficiency Program and the Regional Water Reliability Plan.

7. Manager Sedwick attended the RWA Executive Committee meeting. The development of the 2018-2019 budget and timeline was discussed. They also discussed allocating liabilities for withdrawing members and a policy was approved to go to the full Board. A contract was authorized to have landscape imagery done for the Water Efficiency Program.

8. Directly after the RWA Executive Committee meeting, there was a meeting in which Eastern Municipal Water presented key components of legislation they are planning to introduce to assist small agencies as an alternative to SB623. They would like the support of the RWA.

9. Manager Sedwick and Field Manager Bolton attended a very informative webinar on 1,2,3,-TCP that the State Water Resource Control Board presented. They discussed compliance issues and what actions water purveyors must take.

10. The District reduced our water production for January by 10.4%, compared to 2013; compared to 2017, January usage reduced by nearly 1%.

11. All bacteriological quality samples tested absent for January.

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

Director Wilson stated he feels frustrated that the District's account receivables billing system can not be separated from the system maintenance funds being received; he is also concerned with the bond holder's call and them questioning the financial well being of the District. Manager Sedwick stated this is a yearly call she receives and reports on. She feels the take away is that getting a rate increase is very important as the bondholders are getting a little nervous.

REPORT FROM ATTORNEY CONCERNING:

No report.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Manager Sedwick attended the Regional Water Authority meeting. The 2018 meeting scheduled was approved. The pay scales to comply with CalPERS requirements were also approved. The audit was presented and approved. The 2018 Executive Committee was elected and is Marcus Yasutake as Chair, Paul Schubert as Vice Chair, and Ron Greenwood, Pam Tobin, Jim Peifer, Kerry Schmidt, Dan York, Robert Dugan, and Debra Sedwick as the remaining committee members.

Vice President Saunders attended the LAFCo Special District Advisory Committee. Catherine Lemaire with CSDA handed out various informational pamphlets, discussed CSDA's involvement with ACWA on the opposition of the "Public Goods Charge" on water, and emphasized access to the Special

District Leadership Academy. Approval of the bylaws were passed unanimously. Key issues in several districts were also communicated.

OLD BUSINESS:

1. Manager Sedwick gave an update on outreach. The District has received several calls resulting from the January newsletter inquiring when the community meeting will be. The newsletter has been prepared for the January-February billing insert. More information has been added to the website including: Director bios, training certificates for Directors and staff, District policies, staff certifications, accepted audit, and facts and questions on the rate proposal. More items will be added and updated as the rate proposal continues.

2. The Board reviewed and discussed the draft Reserve Policy. Manager Sedwick stated that she has spoken with Doug Dove with Bartle Well Associates and he suggested that the Reserve Policy be delayed and done through the rate proposal based on what is approved. Director Wilson agreed with Manager Sedwick to postpone setting a reserve policy. Director Matteoli would like to finalize the Cost of Service Analysis with prudent reserves. The Board concurred with this approach.

3. Manager Sedwick stated it has been a very busy month and she did not have time to work on the Board policy manual this month.

4. Reviewed and discussed the Carmichael Water District Intertie Project. Manager Sedwick gave an overview of the Carmichael Water District Intertie Project developed in the 2009 Master Plan including why it was included in the Master Plan, what we have done to date, including the amount of money spent to date, and the next steps. The Board concurred to continue in this direction.

5. Manager Sedwick stated the discussion of the addition of an Office Manager position was on the agenda per the request of Vice President Saunders. Vice President Saunders stated he asked for this item but at this time, the District is not in any position to hire and this item should be discussed after the rates have been stabilized and we are having a discussion on succession planning. Director Wilson stated he would like to look at restructuring and transition in several areas not just in personnel. Director Elmore agreed that additional bodies may not be the answer and that training is a big element of the equation. No action was taken.

NEW BUSINESS:

1. Upcoming meeting(s):

a. American Water Works Association Annual Conference & Expo, June 11-14, 2018 in Las Vegas, Nevada.

b. California Rural Water Association 2018 Expo, April 23-26, 2018 in South Lake Tahoe, California.

2. Reviewed and discussed the use of a temp agency in lieu of an intern. Manager Sedwick found the cost would be approximately \$22.50 to \$26.00 per hour for data entry and about \$26.00-\$27.00 per hour for website assistance. The concerns of using a temp agency are that they can not be left alone, given access to keys, nor be around cash or checks. Since we only have received 73 email addresses to date, Manager Sedwick suggested that the original job specs may not apply and we should try to handle the data entry in-house. Director Wilson stated that Manager Sedwick should be allowed to hire a temp if help is needed.

3. Reviewed and discussed having coffee klatches with Board members and the Manager with the public. This will be an opportunity for the residents to come in and get familiar with the District. Director Matteoli is not interested in participating nor is President Allen. President Allen stated he is concern with taking valuable time away from the Manager since she has a lot on her plate. Vice President Saunders is in favor along with Director Wilson. They discussed if this should be a paid meeting for the participating Directors. They all agreed that it should be a casual unpaid meeting. No vote was required. Director Wilson and Vice President Saunders agreed to participate in March with date to be determined.

PUBLIC COMMENT:

There were a total of six members of the public that spoke. Greg Schneider commented on his and Marissa's ideas and his concern with the bondholder's comment on not meeting bond covenants. Diane Graves likes the idea of coffee klatches. Deake Marshall welcomed new Board member Jeb, loves the coffee klatch idea but suggested it be on the weekend, and requested the Board consider changing the meeting start time. He handed out a reference sheet showing when neighboring water district's meet. Carl Dolk agrees with Deake, he would like the meeting to start earlier and would like to build on the community by having an ice cream social instead of coffee. Marissa introduced Melissa as a new resident. Trish Harrington suggested the accounting system be updated, informed the Board of a home that is for sale that could be a potential well site, and agrees with Deake on the earlier start time of the meeting.

BOARD GENERAL DISCUSSION:

Director Matteoli likes an earlier start time and also likes ice cream, preferably next to a pizza parlor. Director Elmore enjoyed his first official meeting. Director Wilson has no problem with the Board meetings starting earlier; he also likes ice cream. Manager Sedwick clarified that the meeting start time is in an Ordinance so in order to change we would need to schedule a public hearing and have

