

**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 March 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 O&M Tech Ken Ingle. Sergio Guillen from Forsgren Associates and Doug Dove with Bartle Wells were also present. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Director Saunders led the Pledge of Allegiance.

ITEM TO BE ADDED TO THE CONSENT CALENDAR:

Manager Sedwick requested that payment of February invoices be added to the consent calendar as this item was accidentally forgotten and needs action prior to the next Board meeting. Upon motion by Director Matteoli and seconded by Director Wilson, the Board voted to add “payment of February invoices” to the Consent Calendar by the following roll call vote

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

CONSENT CALENDAR:

The minutes of February 5, 2018 were requested to be pulled by Director Elmore.

The minutes of February 22, 2018 were requested to be pulled by Director Wilson.

The payment of February invoices was requested to be pulled by resident Trish Harrington.

Director Elmore made a correction to the minutes of February 5, 2018. Upon motion by Vice President Saunders, seconded by Director Elmore, the minutes of February 5, 2018 were approved as amended by the following roll call vote:

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

Director Wilson made a correction to the minutes of February 22, 2018. Resident Greg Schneider suggested an additional change to Director Wilson’s change. Upon motion by Director Wilson, seconded by Vice President Saunders, the minutes of February 22, 2018 were approved as amended by the following roll call vote:

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

Resident Trish Harrington asked questions on what various invoices were for. After all questions were answered, Director Matteoli made a motion to pay the February invoices, Director Elmore seconded and the motion carried 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>
Primetax Service Charge 2/5	EFT	317.37
AT&T 2/6	8627	215.24
Primetax - Payroll 2/15	EFT	8695.76
Primetax - Payroll Taxes 2/15	EFT	4789.99
AT&T 2/15	8628	64.00
Crocker & Crocker 2/15	8629	9035.00
PERS/Health 2/27	EFT	7268.01
PERS/Retirement 2/27	EFT	4358.99
Primetax - Payroll 2/28	EFT	10682.97
Primetax - Payroll Taxes 2/28	EFT	5207.35
ACWA/JPIA 2/28	8630	620.60
Voya Financial	8631	1800.00
One Print Source & Graphics	8632	809.83
AT&T	8633	241.80
Bartle Wells Associates	8634	2009.00
Hill Rivkins Brown & Associates	8635	2300.00
BSK Associates	8636	96.00
Burketts	8637	75.07
California Rural Water Association	8638	425.00
Chevron	8639	423.14
Crocker & Crocker	8640	5243.75
Emigh Hardware	8641	188.89
Grainger	8642	119.56
GM Construction & Developers, Inc.	8643	14433.79
Inland Business Systems	8644	191.17
Effective Phone Solutions, Inc./Chuck Moore	8645	700.00
Petty Cash	8646	135.05
SMUD	8647	7027.40
SWRCB-DWOCP	8648	90.00
Streamline	8649	200.00
Uinta Holdings, LLC	8650	1985.00
Stericycle Communication Solutions	8651	354.05
YP	8652	15.50
AT&T (Auditorium-Community Meeting)	8653	162.45
		<u>90281.73</u>

President Allen moved to New Business as Vice President Saunders needs to leave early in order to return to work.

NEW BUSINESS:

1. Upcoming meeting(s):

a. Association of California Water Agencies Spring Conference on May 8-11, 2018 in Sacramento, CA.

2. Reviewed Resolution 20180305 "Calling for General Election". Manager Sedwick explained the areas in which the Board needs to decide are: (1) if they want to allow a 200 or 400 word candidate statement and (2) who pays for the statement. The Board agreed that it should remain as we have done

in the past with a 200 word limit and the candidate paying at the elections office. Manager Sedwick stated she also kept the wording that “a tie shall be resolved by lot.” Upon motion by Vice President Saunders, seconded by Director Wilson, the Board voted to adopt Resolution 20180305 “Calling for General Election” and approved a combined publication by the elections office by the following roll call vote:

Ayes: Allen, Elmore, Matteoli, Saunders, and Wilson

Noes: None

Absent/Abstain: None

3. A new bank signature card was completed.

4. The Board reviewed California Special Districts Association’s request for nominations for Seat A on the Board of Directors. No action was taken.

5. Manager Sedwick reminded the Board and public present that this part of the rate process is normally done at a committee level and the committee works out all the details to find alternatives to bring to the full Board for a decision to be made. Rather than doing this work at a committee level, it is being done at a full Board level to have full transparency and full involvement from all Board members and the public. She explained to the Board that after her review, she found a few errors which she will point out during her explanation. By the end of tonight’s meeting, she would like the Board to give her and Doug with Bartle Wells direction on several key areas that have a significant impact on the projected budget which will ultimately affect the rate calculations. The Board proceeded to review Table 3 in the Bartle Wells presentation which is the Water Operating Expenses. Manager Sedwick explained the items included in the calculations for amounts arrived in management salaries, PERS retirement, repairs & maintenance including repairs for wells, election, miscellaneous, office expense and, lastly, office modernization expenses.

President Allen opened up the discussion to the Board. Director Matteoli expressed a concern with a discussion of modernization as he has perceived a potential conflict of interest. He read a statement he had prepared and gave a copy to each Board member, the manager and the attorney; he requested the attorney review and determine if a conflict exists. Attorney Brown stated he would need to review and get back to the Board. President Allen asked the Board to continue with the discussion on the table. The Board members went around the table and asked questions to both Doug and Manager Sedwick. President Allen then opened the floor to questions from the public. There were several questions and comments made by the public. Manager Sedwick reviewed and answered the questions submitted by three customers via the website. After, the Board discussed the items further and directed Manager Sedwick to correct the errors she saw on the table and to add to office expense the amount of known items that will be needed over the next few years. They also directed her to change engineering to

\$30,000 for the next two years due to the 1,2,3,-TCP issue at well #3 and to remove modernization from the budget. The majority of the Board agreed that further investigation of modernization needs to be done and it would be more appropriate for this “upgrade” to be included when discussing and updating the Master Plan. They gave further direction to Doug with Bartle Wells to show what the “new truck” cost budgeted for in 2019/20 fiscal year breaks out to on a per customer basis and to provide alternatives showing the reserve at 50%, 75%, and 100% of O&M expenses.

President Allen stated due to the time, he is requesting all other items on the agenda be move to the April meeting agenda. The meeting will continue with public comment and Board general discussion before adjourning.

PUBLIC COMMENT:

There were a total of four members of the public that spoke. Trish Harrington made a statement that she was disappointed in Director Matteoli’s comments. Greg Schneider commented on issues he has with the tables presented by Bartle Wells and his concern with the 80% amount being proposed on O&M; he feels 45% will do it by his and Marissa’s calculations. Marissa Burt commented that she and Greg are rescinding their recommendation for modernization; they feel it is more appropriate to do it at a later time. She also stated that they contacted two different consultants who informed them that a two week transition for the Manager is sufficient. Lastly, Kyle Packham stated that two weeks for a Manager transition is not enough in his opinion and he also is concerned with only a six month reserve for a District of our size; he feels it should be more.

BOARD GENERAL DISCUSSION:

Director Wilson very strongly commented on his disappointment that a conflict of interest issue was brought up. He feels an apology is in order.

There being no further business to come before the Board, the Board President adjourned the meeting at 10:28PM.

ATTEST:

Richard K. Allen, President

Debra Sedwick, Secretary