

**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 November 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. Alan Driscoll and Rick Noll with Forsgren Associates were also in attendance. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Director Elmore led the Pledge of Allegiance.

President Allen announced the District was informed that Del Paso Manor Water District earned the top ACWA Outreach Recognition Award for Region 4.

PUBLIC COMMENT:

Resident Trish Harrington stated the Ethics Policy online appears to be incomplete and suggested it also be dated.

Aaron Burt commented that he is very upset with the flyer that was distributed by Bob Matteoli and Rich Allen. He felt it was wrong to have Jeb Elmore and Ryan Saunders on the flyer when they had nothing to do with it. He is frustrated since they had a security issue at their home while they were on vacation.

Another resident who did not give a name commented on the flyer and was not happy about it. He felt it was not appropriate.

Resident Roger Nelson pointed out that the flyer in question has a very generic map with an arrow pointing to the non-steel pipe area. He also referenced a door hanger he received by the other campaign giving Marissa's actual address with an invite to come over for a meet and greet. He also stated that the same information with her address was posted on the social media sites Nextdoor and Facebook. He felt blaming the flyer with a generic map is not appropriate.

Resident Gary Dabb inquired about Well #3 being taken off line and if the District has a backup plan with a neighboring agency for a water source.

Resident Marissa Burt stated she is upset about the flyer as her husband works in law enforcement and her children are scared. She felt that President Allen was not showing concern.

Resident Ken Albonico attended a candidate meeting last month where it was mentioned that it cost the District three thousand dollars for the bi-monthly flyer; he questioned why not prepare one in-house for a cost of three hundred dollars.

Resident Greg Schneider said he was going through old minutes from years past where the directors pay was listed on the checks drawn list and asked why that was stopped. He would like to see the compensation paid to each Director every month for transparency.

CONSENT CALENDAR:

Director Elmore requested to have the minutes from October 1, 2018 pulled.

Director Matteoli requested to have the minutes from September 4, 2018 pulled.

Vice President Saunders made a motion for the approval of payment of October invoices which was seconded by Director Wilson. With no public or Board comment, the motion carried to pay the October invoices by the following roll call vote:

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

<u>CHECKS DRAWN</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
AT&T Mobility 10/2	8884	218.61
AT&T 10/3	8885	80.63
ACWA/JPIA Workers Comp 10/4	8886	1730.40
Primetax Service Charge 10/5	EFT	197.34
Primetax - Payroll 10/15	EFT	8920.15
Primetax - Payroll Taxes 10/15	EFT	4943.19
AT&T 10/17	8887	175.81
Sam's Club 10/17	8888	111.93
AT&T 10/17	8889	55.00
Primetax - Payroll 10/31	EFT	10824.23
Primetax - Payroll taxes 10/31	EFT	5419.35
PERS/Health 10/30	EFT	7260.77
PERS/Retirement 10/31	EFT	4788.78
ACWA (Dues) 10/31	8890	6305.00
ACWA/JPIA 10/31	8891	620.60
Voya Financial	8892	1800.00
One Print Source & Graphics	8893	392.75
Aqua Sierra Controls, Inc.	8894	736.63
AWWA (Dues)	8895	433.00
Hill Rivkins Brown & Associates	8896	1325.00
Chevron	8897	370.86
AT&T Wireless	8898	219.05
County of Sacramento	8899	58.98
Crocker & Crocker	8900	2849.65
CSDA (Dues)	8901	5896.00
Emigh Hardware	8902	115.10
Forsgren Associates Inc.	8903	4437.50
GM Construction & Developers, Inc.	8904	920.00
Ken Ingle (Education Reimbursement)	8905	250.00
Inland Business Systems	8906	177.12
P.G. & E.	8907	8.60
Petty Cash	8908	69.86
SMUD	8909	10107.31
Sierra Chemical Company	8910	673.32
Streamline	8911	200.00

San Juan Unified School District (EC High Refund)	8912	264.00
Uinta Holdings, LLC	8913	1985.00
Stericycle Communication Solutions	8914	220.71
YP	8915	15.50
		<hr/> 85177.73

Director Matteoli requested the minutes of September 4, 2018 be pulled. He wanted clarification on Directors Wilson’s requested addition of verbiage last month under the Manager’s report on page 73. First, he understands that this is what Director Wilson said and that he requested to have it added to the minutes, but confusion can occur with all the different acronyms and he feels it is important to correct and add clarification. In the minutes it states “Director Wilson stated he feels until SGMA (Sustainable Groundwater Management Agency) has established a policy on water banking, we should put a hold on this issue for future updates to the Master Plan.” Director Matteoli wanted to clarify that SGMA stands for Sustainable Groundwater Management Act and the Act has not and will not be establishing a policy on water banking. The Act accommodates water banking which can be established at the local level by the Groundwater Sustainability Agency (GSA). In our region, the GSA is the Sacramento Groundwater Authority (SGA). The Sacramento Groundwater Authority and the Regional Water Authority are managed by basically the same group and the Regional Water Authority (RWA) is in the planning phase of developing a groundwater bank as we heard from Rob Swartz with the SGA/RWA in October. Director Matteoli is not asking for the September 4, 2018 minutes to be amended, he just wants this added to the November 5, 2018 minutes to add clarification. Upon motion by Vice President Saunders, seconded by Director Elmore, and no further comments, the minutes of September 4, 2018 were approved by the following roll call vote:

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

Director Elmore requested the minutes of October 1, 2018 be pulled. He requested corrections to item number 3 on page 77. Upon motion by Vice President Saunders, seconded by Director Matteoli and no further comments, the Board approved the minutes as amended by the following roll call vote:

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

REPORT FROM FIELD MANAGER CONCERNING:
 September and October field matters:

1. The District field staff responded to four leak service calls during the month. Three were the responsibility of the homeowners, and the other one was the District’s responsibility. During the month of October there were seven leak service calls. Five were the responsibility of the homeowners to repair, and two were main line leaks. GM Construction assisted field staff due to the size of one of the

main line repairs that was caused by a plumber. This resulted in a water outage for fifty-nine residences and eight businesses. All repairs have been made and service restored.

2. Field staff performed 17 Underground Service Alerts and three customer service line location requests in the month of September and 40 Underground Service Alerts and four customer service line location requests in the month of October.

3. District staff performed the final inspection at the Performing Art Center for El Camino High School. The grand opening is scheduled for November 28, 2018.

4. The staging has begun at Del Paso Manor Elementary School by McCarthy Construction. The project is expected to take two years. The District received the deposit and the formal plan review has begun as well as engineering.

5. Aqua Sierra performed additional programming on the VFD and replaced some electrical components in the panel at Well #7.

6. The fence was replaced at Well #2.

7. Field staff replaced a broken two inch irrigation meter at Kensington Apartments.

8. Field staff spent several days locating the curb stop to shut off due to a leak. The service line was replaced using PVC with no tracer wire which is why so much time was required to locate the shut off.

9. Field staff repaired a broken meter at 2210 Watt Avenue.

10. Field staff replaced the battery on the generator at Well #2.

11. The District received "A" plans for multiple kiosk pads at Country Club Plaza.

12. A developer is researching El Camino Avenue and Eastern Avenue for development.

Director Wilson inquired about the new required demand for the Del Paso Manor Elementary. Rick with Forsgren and Manager Sedwick responded that the specifications and requirements are being worked on.

REPORT FROM MANAGER CONCERNING:
September and October operational matters:

1. Manager Sedwick reported the first part of September was spent on preparing for the annual fiscal audit. The audit field work was completed and went fine. The audit is expected to be presented at the December meeting.

2. A brief legislative update was given. A letter was sent to the Governor requesting a veto on SB998 per the request of the Board and ACWA last month. This bill was signed by the Governor on September 28, 2018 and will require the District to revise our Ordinance to change our water termination policy and fees associated with termination and reconnection. AB2050 which would consolidate small districts was also vetoed. Other bills that were signed were AB2370, AB2501 and SB1422.

3. Manager Sedwick reported she attended the National Rural Water Conference. This was at no cost to the District. The training was very good and she was able to make a few good contacts for billing/financial software designed for small systems. She also was able to discuss with NRWA's lobbyists in regards to S3021 and the required changes to the Consumer Confidence Report language.

4. The ACWA Region 4 event was very good. The morning was spent discussing regional water supplies and Folsom Reservoir's connection to the statewide issues. At the end, the group toured Folsom Dam and discussed the improvements made.

5. The District reduced our water production for September by 13.0% and 14.9% for October with a year to date reduction at the end of October of 21.9% compared to 2013. Compared to 2017, September water production decreased by 5.4% and October decreased by 2.8% resulting in a year to date reduction of 2.3% at the end of October.

6. All bacteriological quality samples tested absent for both September and October.

7. There was one water quality complaint for the month of September of chlorine smell on Maryal Drive. Upon investigation, field staff did not detect any smell of chlorine and instructed the customer to call back if it was smelled again; no call back was received. There was also one complaint in October for low pressure on Annette Street. Upon investigation, field staff found the pressure to be about 47psi which is within the normal range for that area.

REPORT FROM ATTORNEY CONCERNING:

Attorney Brown was contacted by Manager Sedwick concerning a complaint she received from Greg Schneider about a possible violation of the District's Ethics Policy. Director Wilson also contacted Attorney Brown regarding this matter. Attorney Brown stated he reviewed the complaint and the flyer along with the District's Ethic's Policy. The District's Ethics Policy applies when the Directors are working on behalf of the District not when they are acting as individuals. They have a right under the First Amendment to Freedom of Expression and as long as no District facilities or resources were used, then no violation occurred. It did not appear that District's resources were used in this case. He has provided a memo of his findings to Manager Sedwick which is a matter of public record. President Allen questioned why Director Wilson contacted Attorney Brown in this matter as he felt this is basic civics and Director Wilson should know that, as individuals, they have a right to Freedom of Speech. President Allen feels that Director Wilson should be responsible to pay for the time consulting with the District's Attorney as he was using District resources. Director Wilson felt it was about perception and that Director Allen and Matteoli did wrong. President Allen stated again, they were within their constitutional right.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Vice President Saunders attended the Regional Water Authority meeting. There was a Proposition 1 Storage update given by Terrie Mitchell with Sacramento Regional Sanitation District and Jim Peifer with the City of Sacramento. Rob Swartz gave a Regional Water Reliability update. Finally, there was a presentation by Mary Ann Dickinson with the Alliance for Water Efficiency on the California Water Efficiency Program (CALWEP).

Vice President Saunders attended the Local Agency Formation Commission Special District Advisory Committee meeting. His term ends December 31, 2018 and there will be seven vacant seats. He reported that water rights were discussed. SMUD also reported that electric rates will be increasing based on time of day usage.

Director Matteoli attended the Association of California Water Agencies Ag Committee meeting. This was the first official meeting of the committee. They briefly discussed some of the legislation that could affect the water industry. The Delta Plan was also discussed; there is concern with the proposed 45% unrestricted flow in some of the tributaries. Storage was also discussed, specifically Sites Reservoir and Temperance Flats.

Director Matteoli also attended the Sacramento Groundwater Authority meeting in October. It was a very short meeting due to the SGA 20th Anniversary luncheon that was following the meeting. A SGMA update was given. It was reported that a website was developed for our basin. The water transfer that was done in the region was also discussed which resulted in approximately four million dollars to the region.

President Allen reported on the ACWA/Joint Powers Insurance Authority meeting. They held a presentation on the new Captive Insurance Company they want to develop. This new company will be a non-profit subsidiary of the JPIA with the goal to reduce rates to the JPIA members as it will carry the excessive insurance that we now purchase from private for-profit companies. This will be voted on at the JPIA meeting held at conference. He is in favor as it could reduce the rates. Manager Sedwick reported that it was important for President Allen to attend to hear about this proposed company in order to assist her with how the District should vote at the JPIA meeting on November 20, 2018. She and President Allen discussed the proposal after the presentation and feel this is a good move as it could lower our rates.

OLD BUSINESS:

1. Alan Driscoll and Rick Noll presented the task order for the scope of work that was determined by a consensus of the Board at the September meeting. After their presentation, the Board discussed the scope and cost. Director Wilson was expecting something a lot less in scope and cost. He felt this is not what the District needs. Vice President Saunders commented that this is higher than he expected; however, it did include all the items the Board requested. He was hoping to see a task order where the Board could pick and choose. Rick Noll explained that it is not that simple, as some areas affect other areas of the work. If they want to pare down the scope, all the numbers would need to be reworked. Director Saunders stated that with the election tomorrow, he is not comfortable voting to move forward with this tonight. Director Matteoli stated he felt at first all we needed to do was evaluate the pipe but the ratepayers requested that we update the whole Master Plan. As much as we don't want to spend money, we need to. He feels if we attempt to do anything less it will be rejected by the rate payers. Director Elmore stated that this was a good discussion and a good proposal. Although this includes the scope that was from the consensus of the Board, he feels the same as Vice President Saunders in not making a decision tonight. If there is a new Board, they may have different objectives. President Allen stated that it was higher than he expected but feels it includes everything that the Board asked for. He commented that as Director Elmore pointed out, the hourly rates are lower than most engineering firms so if we go out to bid, it would probably come in higher and we would lose time. President Allen opened the floor for public comment. Resident Greg Schneider commented that the Master Plan of 2009 included a 25% contingency fee which would probably match inflation and that we should have contacted Kennedy Jenks for an estimate for the update. Resident Marissa Burt commented that she called some area water districts and they all stated they would go out to bid for an update. She also called Kennedy Jenks and they stated they would bid on an update. Resident Carl Dolk commented that the priority is the modeling and after hearing the presentation, he supports the proposal. Resident John Lenahan commented that when he has a proposal that comes in higher than expected, he compares quotes. In this case, there is only one quote so he does not support the proposal. Resident Diane Graves commented that she supports this proposal. She stated the District needs to do this and urged the Directors to not kick this down the road. Resident Trish Harrington asked if the amount was covered in the budget. Manager Sedwick replied it was in the Planned System Maintenance budget.

With no further comments, Director Matteoli made a motion to approve the proposal. With no second, the motion died.

NEW BUSINESS:

1. Upcoming Meetings:

- a. None

President Allen tabled 11.b, 11.d., and 11.e. to the next Board meeting as it was getting late.

2. Manager Sedwick reported that Sacramento Suburban Water District and San Juan Water District have reestablished their 2x2 committees to open the Regional Reliability/Reorganization discussions again. After a long discussion at their meeting, they directed their respective Manager's to contact the other area managers to engage in a discussion to see if there were areas that can have regional collaboration on services up to consolidation. Manager Sedwick reported she agreed to meet because it's always better to be at the table for discussions; otherwise, we may find ourselves on the table. The Board agreed that she should attend the meetings.

BOARD GENERAL DISCUSSION:

Manager Sedwick asked where we stand with the task order for the Master Plan update. The Board agreed that it depends on the election results. If a new Board is elected, they should decide how to proceed.

Vice President Saunders wished all candidates well in the election tomorrow. Director Elmore agreed with Vice President Saunders.

There being no further business to come before the Board, President Allen adjourned the meeting at 10:35PM.

Richard K. Allen, President

ATTEST:

Debra Sedwick, Secretary