

**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 December 4, 2017 at 7:30PM.

President Allen called the meeting to order. Vice President Saunders, Director Matteoli, and Director Wilson were present. Also present were Attorney Brown, Manager Debra Sedwick, Field Manager Rich Bolton, and Office Administrator Lori Hensley. Douglas Dove with Bartle Wells Associates and Lori Denaro with Crocker and Crocker were also present. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Director Matteoli led the Pledge of Allegiance.

BARTLE WELLS ASSOCIATES GUIDING PRINCIPLES FOR WATER RATE SETTING:

Doug Dove with Bartle Wells Associates presented a draft guiding principles document for the Board to review and discuss. Doug explained rates should be simple and fair while also meeting the District's financial needs. Rates also need to meet all legal requirements and comply with Proposition 218 and with all other applicable federal, state, and local laws and regulations. Conservation was also discussed and how rates should discourage wastefulness. Lastly, rates should generate adequate revenues to fund District costs, to maintain prudent reserve fund levels, and to comply with debt covenants. Director Matteoli commented on the conservation element with two areas of concern. He discussed our pension liability compared to others, future ground water pumping fees, future legislation like a public goods charge the District will have to bear, and loss of revenue associated with conservation. He also commented that while conservation is good, he does not want to set a standard that will become our allotment under SGMA. Under the reserve element, Director Matteoli wants to make sure the District has a goal of funding pension liabilities at least 85%. Vice President Saunders commented he feels the District should have prudent reserve levels and that everyone should pay their fair share, commercial and residential customers. Overall, they agreed with the draft principles with the few comments to be incorporated in. A revised draft will be presented next month for approval.

CONSENT CALENDAR:

Director Wilson requested the November 2017 minutes be pulled.

Upon motion by Vice President Saunders, seconded by Director Matteoli, and carried the Board approved the consent calendar which includes the minutes of October 2, 2017 and approval of payment for November invoices by the following roll call vote:

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

November invoices approved:

<u>CHECKS DRAWN</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
Primetax Service Charge 11/5	EFT	187.50
AT&T 11/13	8536	205.66
Primetax - Payroll 11/15	EFT	8482.74
Primetax - Payroll Taxes 11/15	EFT	5139.77
Regional Water Authority (Annual Meeting) 11/16	8537	210.00
AT&T 11/16	8538	159.50
AT&T 11/20	8539	64.00
Primetax - Payroll 11/30	EFT	9955.01
Primetax - Payroll Taxes 11/30	EFT	5505.93
PERS/Health 11/30	EFT	6977.99
PERS/Retirement 11/30	EFT	4466.22
ACWA/JPIA (Dental, Vision, & EAP) 11/30	8540	620.60
Voya Financial	8541	1800.00
One Print Source & Graphics	8542	1237.74
American Water Works Association (Dues)	8543	420.00
Hill Rivkins Brown & Associates	8544	1675.00
BSK Associates	8545	150.00
Chevron	8546	472.19
AT & T Wireless	8547	219.85
California Special Districts Association (Dues)	8548	4102.00
Emigh Hardware	8549	111.37
Forsgren Associates Inc.	8550	2563.75
Ferguson Waterworks	8551	76.37
Inland Business Systems	8552	354.10
Jiffy Lube	8553	145.18
John F. Mahaney Co.	8554	99.48
P.G.& E.	8555	8.32
Petty Cash	8556	137.85
The Sacramento Bee	8557	267.86
Sacramento County Utilities	8558	173.22
SMUD	8559	8839.31
Streamline	8560	200.00
USA BlueBook	8561	289.83
The Bank of New York Mellon Trust Co., N.A.	8562	131518.75
Uinta Holdings, LLC	8563	1930.00
Stericycle Communication Solutions	8564	289.15
YP	8565	15.50
		<u>199071.74</u>

REPORT FROM FIELD MANAGER CONCERNING:

November field matters:

1. The District field staff responded to two leak service calls this month. One leak was not a water leak but a sewer leak which the customer needed to take care of. The second leak was on a one inch galvanized service line located under the stem wall to the addition of the home. A repair clamp was installed once the leak was exposed since the curb stop valve could not be found. The customer was advised as to where District staff believes the curb stop is in order for the customer to locate for future use.

2. Field staff also performed twenty Underground Service Alerts and three customer service line location requests.

3. District staff installed a curb stop, meter box, and connected a new service line at 2600 Avalon Drive. The original connection and two inch feeder line have been severed. This is in regards to the low pressure call received in September.

4. The contractor from the El Camino High School performing arts building project picked up specifications and the general condition notes for the project.

5. District staff is still waiting for the contractor to submit their plans and plan check fees before proceeding at the County Club Plaza theaters.

6. The demolition has begun at 2222 Watt Avenue.

7. District staff removed an unauthorized hose bib and placed a meter box over the existing bull head connection on the 2800 block of Avalon Drive.

8. The second test result for 1, 2, 3, TCP showed the level at 18 ppt. Staff will continue flushing per the Division of Drinking Water and pull one more sample. Manager Sedwick added since two tests have come back exceeding the California MCL, staff is beginning to discuss how to proceed. If the District decides to submit an application for funding with the State Revolving Fund to assist with the expense of this issue, the application process requires a Technical, Managerial, and Financial (TMF) Assessment. Manager Sedwick has asked California Rural Water Association to present at the January Board meeting requirements involved for a TMF assessment. Manager Sedwick reiterated the valve into the distribution system from Well #3 has been shut off therefore no water from the well has been entering the system; the last time Well #3 pumped water into the system was four or five years ago.

Director Matteoli stated he believes the State would like to see all small water districts consolidated. The resident from the 2800 block of Avalon Drive inquired as to why an old piece of wood was used as shoring around the curb stop and meter box at his property? Field Manager Bolton explain once the ground settles against the wood it forms a wall keeping dirt out of curb stop box and, in order to save money, the District uses wood that is in stock; new wood is not needed to complete this type of work/repair.

REPORT FROM MANAGER CONCERNING:

November operational matters:

1. Manager Sedwick received Director Clohossey resignation letter November 13th. Manager Sedwick thanked him for his service over the years for the District. The notices for the Board vacancy have been posted. All the notifications to the State, election office, California Fair Political Practices

Commission, etc. have been completed. Letters of interest with resumes will be accepted until December 18th.

2. Manager Sedwick reported back regarding an Advisory Committee. There are basically three options. The Board President can appoint a committee, either a standing committee or ad-hoc. A standing committee requires complying with the Brown Act. An ad-hoc committee is for a single purpose and does not have to meet the Brown Act requirements. However, an ad-hoc committee can choose to open their meeting to the public. An open public meeting would have a public comment period where the committee can chose to have as much public input as they desire. The pro is that it is simple but the con is you will only receive input from people who attend the meeting. The third option is to appoint members of the public to an “advisory group”. In this option, the District should advertise, take applications, and appoint after an interview or whatever process is determine. The first steps with any of these three options, would be for the Board to discuss the purpose of the advisory group and what will their function be. Other decisions include: will it be an advisory group for one purpose or will it be a citizen advisory group to give input on a variety of matters, will they be paid, how will they be appointed, term of appointment, conflict of interest reporting, etc.? The pro is that there would be a good cross mix of ratepayers but the con is that it may take a little time to establish.

3. Manager Sedwick is working with Attorney Brown on a board policy manual and expects to have a draft prepared by the January meeting.

4. Auditor Larry Bain completed the additional field work to prepare the supplemental report. The report was just received; Manager Sedwick will review and place on next month’s agenda for acceptance.

5. The District received election results from Sacramento LAFCo. Gay Jones was elected for Commissioner and Paul Green as the alternate.

6. Manager Sedwick gave the update of the RWA Lobby program. The group also reviewed and discussed the long term conservation, the public goods charge, and the SWRCB proposed regulations on “Wasteful Water Use” prohibitions.

7. The State Water Resource Control Board has made an emergency rule to amend the drinking water fee regulation. The proposal will not increase our District fees at this time.

8. The District reduced our water production for November by 18.8%, compared to 2013; the year to date reduction compared to 2013 was 19.9%. Compared to 2016, November usage increased by 35.8%, with year to date increase of 10.5%.

9. All bacteriological quality samples tested absent for November.

10. There were no water quality complaints for the month of November.

Director Wilson inquired about the “Public Goods Charge.” Manager Sedwick responded it is a two year bill and the session has closed, but it will come back in 2018. If passed, it will be a fee charged to the District and it will be up to the District to pay the fee. The discussion is it will probably not include language that will allow the District to just charge the fee without a 218 process.

REPORT FROM ATTORNEY CONCERNING:

No report.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Vice President Saunders attended the Regional Water Authority meeting and submitted a written report. RWA counsel, Ryan Bezerra, provided an overview of the status of the California Water Fix. Adam Robin provided an update on legislative and regulatory affairs. The 2017 compensation study was revised as directed by the Board. After reviewing, the revised compensation study was approved. Executive Director John Woodling reported the San Francisco Chronicle published two articles regarding lead found in drinking fountains at public schools. Woodling also recommended that all water purveyors review their Emergency Action Plans as the Sonoma County fires in October impacted nearby water agency’s Emergency Action Plans.

President Allen attended several Sacramento Groundwater Authority committee meetings as part of the nominating committee. The nominating committee recommends officers for the 2018 term for the Board to elect.

OLD BUSINESS:

1. Manager Sedwick gave an update from the communication committee. A plan has been developed for outreach including newsletters, development of fact sheets, and workshops in conjunction with Bartle Wells. In addition, email blasts, post cards, and other ways to reach out to residents were discussed. The next newsletter will ask for email addresses and phone numbers to assist the District in establishing a database. President Allen appointed Vice President Saunders and Director Wilson to the communication committee to assist Manager Sedwick when needed.

2. Director Clohossey had followed up with CSUS to provide them with the information needed for intern prior to resigning. Manager Sedwick has been in contact with April Parish with University Enterprises, Inc. She suggested the District may only need a junior or senior for the work we are requesting of the intern. April also stated we could begin with one level and then move up or down as needed. Director Matteoli would like the Board to approve the job description before posting; Manager

Sedwick will bring that back at the next Board meeting. In order for the process to begin, a signed contract is required. Attorney Brown made a correction to the contract. After Board discussion, upon motion by Vice President Saunders, and seconded by Director Wilson, the Board authorized Manager Sedwick to sign the corrected contract with the University Enterprises Inc. to begin the process of hiring an intern to assist District staff by the following roll call vote:

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

NEW BUSINESS:

1. Upcoming meeting(s):

a. None

2. Manager Sedwick requested the Board approve for her to respond to Marissa Burt and Greg Schneider regarding the recommendations they submitted to the Board per a letter. Director Wilson stated he stills feels a special Board meeting should be held. Director Matteoli stated after he reviewed the recommendations submitted, he feels a special Board meeting is not needed and feels a letter from the Manager is appropriate. Vice President Saunders stated, he feels the letter is appropriate and while he agreed last month to a special Board meeting, he is concerned by having one, the Board could be setting a precedence requiring the Board to have a special meeting for any resident submitting recommendations. President Allen asked Greg Schneider if he thinks a special meeting is needed regarding their recommendations? Greg's response was no. President Allen asked Marissa Burt the same question; Marissa's response was yes, as she would like to see the Board respond eye to eye. After a great deal of discussion from the Board, a motion was made by Vice President Saunders, and seconded by Director Matteoli to have the Manager send a response letter to Marissa Burt and Greg Schneider regarding the recommendations they submitted to the Board by the following roll call vote:

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

Two residents spoke about the proposed special meeting that was not held. President Allen stated a quorum could not be established with schedules and the holidays in November.

PUBLIC COMMENT:

Trish Harrington asked a few clarifying questions. Greg Schneider commented on his recommendations. Carl Dolk asked what is a Joint Powers Authority (JPA); Attorney Brown answered his question.

BOARD GENERAL DISCUSSION:

Vice President Saunders would like Manager Sedwick to bring back information on a few items at a future meeting. First, he would like the District to investigate getting on "Next Door." Manager Sedwick replied that we have tried but were denied. Vice President Saunders also would like to have a discussion of an office manager position, a report on the Carmichael Water District intertie and how much money the District has spent to date, and lastly, a discussion of having revenue meet expenses on the budget on a future agenda. Director Matteoli asked Manager Sedwick what happened to the accounting software the District had at one time; she responded we lost all data with the Y2K calendar change. He stated he was thankful Manager Sedwick kept manual books also.

There being no further business to come before the Board, the Board President adjourned the meeting at 9:52PM.

 _s/s Richard Allen_____
Richard K. Allen, President

ATTEST:

 _s/s Debra Sedwick_____
Debra Sedwick, Secretary