

**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 January 2, 2018 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. Dan DeMoss with California Rural Water Association was in attendance for a presentation. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Director Wilson led the Pledge of Allegiance.

TECHNICAL, MANAGERIAL & FINANCIAL ASSESSMENT REQUIREMENTS

PRESENTATION:

Manager Sedwick introduced Dan DeMoss Executive Director with California Rural Water Association. CRWA assists non-profit organizations with training and technical assistance. Dan has worked with many agencies throughout the state. He gave a presentation on the elements required in a Technical, Managerial, and Financial Assessment (TMF) which are required by all agencies seeking funding through a State program such as the State Revolving Fund or a State grant fund program. Dan referred to the TMF elements chart that was provided to everyone in attendance which can be found on the State Water Resource Control Board website and discussed each element. Funds are always made available first for disadvantage communities/agencies. The process is lengthy, typically taking one to one and half years for the application process, then another year or so to actually get the funding. Dan responded to questions from the Board and the public.

CONSENT CALENDAR:

Resident Trish Harrington requested to have the payment of invoices pulled from the consent calendar.

Upon motion by Vice President Saunders, seconded by Director Matteoli and carried, the Board approved the minutes of the special meeting of December 4, 2017 and the minutes of the regular meeting of December 4, 2017 on the consent calendar by the following roll call vote:

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

Resident Trish Harrington requested the checks drawn list be on the web site with the Board packet so all could see the invoices being paid. Manager Sedwick explained to the Board that staff does not necessarily have that report ready by the time the Board packet goes out. Vice President Saunders suggested that it be made available the night of the Board meeting for all in attendance as it is for the Board members. Manager Sedwick made copies for those in attendance. Approval of payment of invoices will be voted on by the Board as a new business item later tonight.

REPORT FROM FIELD MANAGER CONCERNING:

December field matters:

1. The District field staff responded to seven leak service calls this month. Four leaks were the responsibility of the homeowner; three were the District's responsibility. Two of the District's leaks were caused by broken galvanized nipples at the curb stop and the other one was a broken check valve at the meter setter. All repairs have been made and service restored.
2. Field staff also performed nineteen Underground Service Alerts and one customer service line location request.
3. The District had a small power outage on December 3, 2017. All back up systems worked perfectly and no calls were received.
4. District staff signed off on the plan for the fire service for the El Camino High School performing arts building project. The tie in for the new fire protection is scheduled for later this week.
5. Demolition has started for the County Club Plaza theaters.
6. Aqua Sierra changed out the radio unit at Well #8. All conductivity alarms have now stopped.
7. District staff took samples at El Camino High School and Del Paso Manor Elementary School for lead monitoring. The District is waiting for the test results. Vice President Saunders inquired as to requirements for the District to take the samples for the schools? Field Manager Bolton explained the sample procedures to Vice President Saunders. A total of twelve samples were taken, five per school, and one at each meter connection.

REPORT FROM MANAGER CONCERNING:

December operational matters:

1. The District received the ACWA/JPIA President's Special Recognition Awards for Low Loss Ratio for the Property and Workers' Compensation programs.
2. The District received notice from the State Water Resource Control Board denying our petition for reconsideration for the permit amendment for lead testing at schools.

3. The SWRCB also sent a notice stating that the Office of Administrative Law approved the State's request for an early effective date for 1, 2, 3-TCP as of December 14, 2017.

4. Manager Sedwick attended the RWA Executive Committee meeting. The audit was reviewed and will be presented to the full RWA Board. The committee discussed the RWA pension/liability. There were updates on the Strategic Plan and from the Education Committee. There will be a Public Goods Charge Symposium on March 15th, details will be forthcoming.

5. Manager Sedwick gave an update of the RWA Lobby Program meeting. Reviewed and discussed the SWRCB permanent prohibitions against wasteful and unreasonable water uses. The group also reviewed and discussed the water tax legislation (SB623). Agencies are now looking at alternatives for financing to present to the Legislature.

6. The dispute over lead testing in schools is ongoing. A petition has been filed in the Office of Administration of Law by BB&K law firm. The concern is future legislation may require testing be done annually and/or at every faucet.

7. The District reduced our water production for December by 41.3%, compared to 2013; the year to date reduction compared to 2013 was 21.1%. Compared to 2016, December usage reduced by 3.2%, with year to date increase of 9.8%.

8. All bacteriological quality samples tested absent for December.

9. There were no water quality complaints for the month of December.

REPORT FROM ATTORNEY CONCERNING:

Attorney Brown reported about the District's denial for the reconsideration of the permit amendment.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

President Allen attended the Sacramento Groundwater Authority meeting. The 2017 financial audit was approved. Audie Foster with Cal American Water was elected as the 2018 SGA Chair and Mike DeWit representing Agriculture was elected as Vice Chair. They reviewed and discussed the approval of social security coverage for SGA employees; the Board approved a "Resolution of Intention to Amend the SGA PERS Contract to Include Social Security Coverage." John Woodling gave an update on the Sustainable Groundwater Management Act. The Groundwater Management program update was given by Rob Swartz.

Director Wilson attended the Water Forum Successor Effort meeting. There was a presentation by Corey Phillips whose research was on winter migration of the small fish run in the lower American River. Cassandra Miller and Katherine Perkins used grant funds to do field research collecting actual otolith samples from dead salmon found along the rivers. The information will be used to better understand adult fish migration. Tom Gohring gave the latest updates to the Flow Management Standards and the continuing discussion regarding the California Water Fix. The Habitat Management USACE 408 permit update by Lilly Allen was presented. John Lowrie gave an update on the Sustainable Groundwater Management Act.

OLD BUSINESS:

1. Manager Sedwick gave an update from the communication/outreach committee. We reviewed where the old committee left off. The committee discussed the need for community meetings to receive input on the rate study. The committee also discussed collecting email addresses and phone numbers of residents in order to facilitate alternative ways to communicate. Vice President Saunders added since the District has not been granted membership on “Next Door” he will step in with accurate information whenever deemed necessary. Director Wilson concurred that he will do the same. Director Matteoli expressed concern that it is a governance issue and Board members should not be stepping in to speaking on behalf of the District on Nextdoor. He reminded the Board that a Director’s job is to set policy and not get into day to day work. President Allen expressed the same concern. After discussion it was decided that any director can comment on Nextdoor as an individual but not on behalf of the District. Attorney Brown reminded the Board members not to get into a dialogue on Nextdoor; if a majority are commenting it could be a Brown Act violation.

2. The Board reviewed the job duties developed for the intern for this semester; Manager Sedwick explained she developed the duties based on the priorities the Board and communication committee developed for outreach. Vice President Saunders made a motion to approve and Director Wilson seconded the motion. Director Matteoli asked what other expenses the District will incur by having an intern. Manager Sedwick explained that a desk and computer would need to be purchased as well as the cost of bringing in the phone and internet connection at the work station. A few residents commented and also suggested that the District look at a temp agency so we would not have to commit to a full semester. After discussion, Vice President Saunders withdrew his motion and Director Wilson withdrew his second. The Board directed Manager Sedwick to come back with information on using a temp agency.

3. Reviewed and discussed 2016/17 audit. Auditor Larry Bain added the supplemental report to address the additional information requested by the Board. Director Wilson loves the breakdown;

however, he questioned Manager Sedwick on the carry over and budget numbers. Manager Sedwick explained the budget is a working document and the numbers are estimates until all the expenses and revenues come in at year end. The audit reflects the actual revenues and expenses along with deferred liabilities, depreciation expenses, accrued vacation expense, etc. Director Wilson expressed that he would still like to see a separation of O&M from Planned System Maintenance. Manager Sedwick stated that this would require a change in the District's books and the current billing software does not separate out the two. Resident Greg Schneider had a few questions on the audit; overall he thought the revised audit is fantastic. After Board discussion, upon motion by Vice President Saunders, and seconded by Director Matteoli to accept the 2016/17 audit by the following roll call vote:

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

4. Reviewed and discussed the revised Guiding Principles for Setting the Water Rates. Manager Sedwick explained that this draft version incorporates all of the changes discussed last month. Manager Sedwick is recommending approval. Several residents asked questions. Board members asked for clarification. After discussion., Vice President Saunders made a motion to accept the Guiding Principles for the Water Rate Study, Director Matteoli seconded, and the motion carried 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. President Allen tabled the following items to the next Board meeting due to the time:

a. Review and discuss Draft Reserve Policy

b. Review and discuss the status of the Board Policy Manual

c. Review and discuss the Carmichael Water District Intertie Project

d. Review, discuss and possible action on the addition of an Office Manager Position

3. The Board reviewed the checks drawn to pay the December invoices. There was no public comment. Upon motion by Vice President Saunders, seconded by Director Matteoli, the Board approved payment for December invoices by the following roll call vote:

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

December invoices approved:

<u>CHECKS DRAWN</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
US Postal Service 12/4	8566	688.16
Primetax Service Charge 12/5	EFT	187.50
AT&T 12/12	8567	214.66
AT&T 12/12	8568	282.83
County of Sacramento (Annual Encroachment Permit) 12/12	8569	365.75
Primetax - Payroll 12/15	EFT	8442.06
Primetax - Payroll Taxes 12/15	EFT	5071.03
AT&T 12/18	8570	55.00
Primetax - Payroll 12/29	EFT	9716.61
Primetax - Payroll Taxes 12/29	EFT	5017.15
PERS/Health 12/29	EFT	7268.01
PERS/Retirement 12/29	EFT	4402.14
ACWA/JPIA (Dental, Vision, & EAP) 12/29	8571	620.60
Voya Financial	8572	1800.00
One Print Source & Graphics	8573	292.74
Bartle Wells Associates	8574	10803.46
Larry Bain, CPA	8575	9250.00
Hill Rivkins Brown & Associates	8576	4050.00
BSK Associates	8577	168.00
Chevron	8578	282.56
AT & T Wireless	8579	219.85
Crocker & Crocker (August-October)	8580	6985.10
Emigh Hardware	8581	94.82
Inland Business Systems	8582	194.33
P.G.& E.	8583	8.32
Petty Cash	8584	102.69
SMUD	8585	6741.57
Sam's Club	8586	216.36
Sierra Chemical Company	8587	270.60
Streamline	8588	200.00
Uinta Holdings, LLC	8589	1930.00
Stericycle Communication Solutions	8590	295.05
YP	8591	15.50
		<u>86252.45</u>

PUBLIC COMMENT:

Carl Dolk made a few comments and suggestions such as moving the Board meeting to the second week of the month with a start time of 6:30PM and give a monthly update on the budget. Greg Schneider suggested posting the agenda one week prior to the meeting, posting the minutes one week after the meeting, and changing auditors. Mike VandenEnden questioned the third round of sampling at Well #3 and the amount of water used to flush the well. He also commented that since attending the last couple of Board meetings, all he is hearing is budgets and limited income; he suggested a decrease in expenses. Marissa Burt commented that she would like everyone to be treated the same as to time allowed.

BOARD GENERAL DISCUSSION:

President Allen commented that he realizes no one wants to pay more; however, the bottom line is if the residents of Del Paso Manor are not willing to pay then the District will have no choice but to close the doors and consolidate.

There being no further business to come before the Board, the Board President adjourned the meeting at 10:41PM.

Richard K. Allen, President

ATTEST:

Debra Sedwick, Secretary