

ITEM #5.A

Approval of Minutes of the August 15, 2022 Meeting



**REGULAR MEETING OF THE BOARD OF DIRECTORS
DEL PASO MANOR WATER DISTRICT**

DRAFT MINUTES

**August 15, 2022, 6:00 PM
1817 Maryal Drive, Suite 300, Sacramento 95864**

1. CALL TO ORDER:

President Saunders called the meeting to order at 6:02 p.m.

2. ROLL CALL:

Directors Present: President Ryan Saunders, Carl Dolk, Osmar Macias, Bob Matteoli and Gwynne Pratt

Staff Present: General Manager Alan Gardner
Office Manager Victoria Hoppe
Field Manager Mike Jenner
General Counsel Elena Pacheco

A quorum of the Board was present.

3. ADOPTION OF AGENDA: Members may pull an item from the agenda.

Director Dolk made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 5 Yes/0 No roll call vote.

4. PUBLIC COMMENTS: The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD President. Comments will be accepted via teleconference and in writing.

President Saunders called for public comment.

Roy Wilson provided public comment.

Trish Harrington provided public comment.

General Manager Alan Gardner fielded questions from public comment.

5. CONSENT CALENDAR: All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

(0:08 minutes)

Requests were made for each item to be discussed and considered separately.

Item 5.A: Approval of Minutes of the July 05, 2022 Meeting.

Directors requested some scrivener errors be corrected.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Director Pratt made a motion to approve Item 5.A, as corrected. The motion was seconded by Director Dolk. The motion was approved on a 5 Yes/0 No roll call vote.

Item 5.B: Approval of Minutes of the August 01, 2022 Meeting

Directors requested some scrivener errors be corrected.

President Saunders called for public testimony. Seeing no one come forward, he closed public comment.

Director Pratt made a motion to approve Item 5.B, as corrected. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

Item 5.C: Approval of Additional Warrants After August 01, 2022 Regular Meeting

General Manager Alan Gardner fielded questions from the Board.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Roy Wilson provided public comment.

Director Macias made a motion to approve Item 5.C. The motion was seconded by Director Pratt. The motion was approved on a 5 Yes/0 No roll call vote.

6. PUBLIC HEARING:

There were no Public Hearing items to consider.

7. OLD BUSINESS:

There were no Old Business items to consider.

8. NEW BUSINESS:

Item 8.A: Resolution No. 22-0815-01 Authorizing the General Manager to Negotiate and Execute an Agreement with Bartle Wells Associates for Water Rate Study Services for a Cost Not to Exceed \$45,000

(0:32 minutes)

General Manager Alan Gardner presented the staff report and fielded questions from the Board.

President Saunders called for public testimony.

Roy Wilson provided public comment.

Director Macias made a motion to approve Resolution No. 22-0815-01, as presented. The motion was seconded by Director Matteoli. The motion was approved on a 5 Yes/0 No roll call vote.

Item 8.B: Resolution 22-0815-02 Amending Rules for Virtual Participation During Board Meetings

(1:12)

General Manager Alan Gardner and General Counsel Elena Pacheco presented the staff report and fielded questions from the Board.

Discussion commenced amongst the Directors and General Manager Alan Gardner and General Counsel Elena Pacheco provided clarifications to the Board's inquiries and fielded questions.

President Saunders called for public testimony.

Carol Rose provided public comment.

Roy Wilson provided public comment.

Trish Harrington provided public comment.

Director Macias made a motion to approve Resolution No. 22-0815-02, as presented. The motion was seconded by Director Pratt. The motion was approved on a 5 Yes/0 No roll call vote.

Item 8.C: Ad Hoc Committee Status Report Regarding August 8, 2022 2x2 Meeting with SSWD

(1:27)

President Saunders and Director Dolk presented the report and fielded questions from the Board.

President Saunders called for public testimony.

Roy Wilson provided public comment.

Item 8.D: Ad Hoc Committee Report on Bill Insert Summarizing District Improvements
(1:38)

Director Macias presented the report.

Discussion commenced amongst the Directors.

President Saunders called for public testimony.

Trish Harrington provided public comment.

Roy Wilson provided public comment.

Director Pratt made a motion directing staff to send an envelope mailer as soon as possible. The motion was seconded by Director Macias. The motion was approved on a 5 Yes/0 No roll call vote.

9. FIELD REPORT: Verbal report

August Field Report on Current and Upcoming Project was to be provided at the September 06, 2022 Regular Meeting

10. CLOSED SESSION:

There was no Closed Session item to consider.

11. GENERAL MANAGERS COMMENTS: Verbal report

(1:05)

General Manager Alan Gardner provided a brief report on District matters.

12. DIRECTORS COMMENTS: Verbal information, non-action comments.

(1:08)

Director Dolk, Director Macias and Director Matteoli provided brief comments.

13. FUTURE AGENDA REQUESTS: Directors can suggest topics they would like on future agendas

There were no requests for future agenda items.

14. ADJOURNMENT: Next Regular Board of Directors meeting is scheduled for September 6, 2022

Director Dolk made a motion to adjourn. Director Macias seconded the motion. There being no further business, the Board of Directors meeting adjourned at 8:19 p.m.

APPROVAL:

ATTEST:

Ryan Saunders, President of the Board

Norma I. Alley, MMC, Clerk of the Board

ITEM #5.B

*Approval of Additional Warrants After
September 6, 2022 Regular Meeting*

Del Paso Manor Water District SEPTEMBER 2022 VENDORS FOR APPROVAL
(For Approval After 09/06/2022)

VENDORS NAME	DESCRIPTION	CIP	AMOUNT	CHECK #
ADP	Payroll			EFT
ADP Taxes	Payroll Taxes			EFT
Appletree Answers	Answering service		\$441.70	CC
AT&T	Phone		\$213.18	CC
AT&T Mobility	Cell Phones; iPads		\$411.78	CC
BSK	Labs		\$602.00	
Emigh Hardware	Material/Supplies		\$311.37	
Flowline Contractors, Inc.	2404 Andrade Way		\$2,252.00	
Leaf	Photocopy Machine Lease		\$187.93	
Sierra Chemical Company	Chemicals		\$320.28	
TAK Communications, Inc.	2512 Borica Way Emergency Repair (2nd Repair)		\$4,936.58	
USA BlueBook	4268 Stock		\$726.26	
MONTHLY TOTAL----->		\$0.00	\$10,403.08	

ITEM #8.A

Budget to Actuals

Del Paso Manor Water District
Expense Budget To Actual Comparison
July 1, 2022 to August 31, 2022

Notes

	Year to Date July 1, 2022 to August 31, 2022	Budget	Percent of Budget
Employee Related			
Management Salaries	22,499	146,610	15.35%
Staff Salaries	31,298	285,285	10.97%
Director Fees	1,800	30,000	6.00%
Payroll Taxes	4,253	38,000	11.19%
Staff Bonuses	-	15,525	0.00%
PERS Retirement	16,436	100,500	16.35%
Health	9,419	80,000	11.77%
Retiree Health Benefits & OPEB	11,263	120,000	9.39%
Total Employee Related	96,968	815,920	11.88%
Administration			
Insurance	11,024	47,000	23.46%
Office Expense	14,401	82,300	17.50%
Building Maintenance	-	2,000	0.00%
Audit Fees	-	12,000	0.00%
Legal Fees	11,756	236,000	4.98%
Election Related	-	3,000	0.00%
Miscellaneous	45	5,000	0.90%
Professional Administration Fees	7,767	106,700	7.28%
Bank Charges	407	2,000	20.35%
Professional Dues	35,793	57,600	62.14%
Professional Meetings	-	10,000	0.00%
Cert/Continuing Education	215	6,000	3.58%
Total Administration	81,408	569,600	14.29%
Operations			
Power	11,876	123,000	9.66%
Repairs & Maintenance	32,741	268,000	12.22%
Lab Fees	3,558	6,000	59.30%
Backflow Program	-	2,000	0.00%
Engineering	32,893	80,000	41.12%
City Water	-	6,000	0.00%
Total Operating	81,068	485,000	16.72%
Total Employee Related, Administration and Operating Expenses	259,444	1,870,520	13.87%
C.I.P.			
New Pipeline	-	350,000	0.00%
New Well/Well Additions/Generators	-	1,300,000	0.00%
Interest Expense & Principal Debt Payment	-	325,000	0.00%
Total C.I.P.	-	1,975,000	0.00%
Total water sales through August 2022	239,087		
Planned system maintenance charges through August 2022	95,693		

Amounts above are not audited

	<u>August 2022</u>	<u>Budget</u>	<u>Percentage of Budget</u>
Employee Related			
5102.10 · Management salaries	22,499.00	146,610.00	15.35%
5102.15 · Field salaries	18,855.00	215,162.00	8.76%
5102.20 · Office manager salary	12,443.00	70,123.00	17.74%
5102.05 · Director fees	1,800.00	30,000.00	6.00%
5102.30 · Payroll soc sec	3,447.00	29,000.00	11.89%
5102.35 · Payroll medc	806.00	9,000.00	8.96%
5102.40 · Staff bonuses	0.00	15,525.00	0.00%
6451.00 · PERS/retirement	16,436.00	100,500.00	16.35%
6501.00 · Employee healthcare (CalPers)	9,419.00	80,000.00	11.77%
6502.00 · Retiree health benefits	11,263.00	70,000.00	16.09%
6441.00 · OPEB	0.00	50,000.00	0.00%
Administration			
5251.00 · Insurance			
5251.05 · Liability	7,123.00	28,500.00	24.99%
5251.10 · Property	3,900.00	3,500.00	111.43%
5251.15 · Workers Compensation	0.00	15,000.00	0.00%
6151.00 · Office expense			
6151.05 · District office lease	7,350.00	33,000.00	22.27%
6151.10 · Phone service	884.00	4,300.00	20.56%
6151.15 · Internet provider	806.00	5,500.00	14.65%
6151.20 · Sewer & garbage (Lusk)	215.00	1,500.00	14.33%
6151.21 · Miscellaneous (office other)	532.00	0.00	N/A
6151.25 · Postage	2,386.00	12,000.00	19.88%
6151.30 · Printing	0.00	1,000.00	0.00%
6151.35 · Computers & supplies	0.00	3,500.00	0.00%
6151.40 · Office supplies	750.00	7,500.00	10.00%
6151.45 · Answering service	912.00	5,500.00	16.58%
6151.50 · Office furniture	0.00	2,000.00	0.00%
6151.55 · Payroll preparation	246.00	2,000.00	12.30%
6151.60 · GASB 75 valuation	0.00	2,000.00	0.00%
6151.70 · Janitorial	320.00	2,500.00	12.80%
6152.00 · Building maintenance	0.00	2,000.00	N/A
6251.00 · Audit	0.00	12,000.00	0.00%
6255.00 · Election related	0.00	3,000.00	N/A
6301.00 · Legal	11,756.00	236,000.00	4.98%
6401.00 · Misc	45.00	5,000.00	0.90%
6601.00 · Professional Admin fees			
6601.05 · SWRCB annual fees	0.00	16,000.00	0.00%
6601.10 · NDPES permit	0.00	1,500.00	0.00%
6601.15 · Cal Pers actuarial reports	700.00	700.00	100.00%
6601.25 · Air Quality permits	0.00	5,000.00	0.00%
6601.30 · Encroachment permits	0.00	500.00	0.00%
6601.35 · CPA fees	1,473.00	18,000.00	8.18%
6601.00 · Professional admin fees - other	5,594.00	25,000.00	22.38%
6601.50 · Public relations	0.00	30,000.00	0.00%
6601.55 · Salary and staffing level study	0.00	10,000.00	0.00%
6171.00 · Bank fees	407.00	2,000.00	20.35%

6561.00 · Professional dues			
6561.05 · AQUA	4,867.00	11,000.00	44.25%
6561.10 · AWWA	237.00	700.00	33.86%
6561.15 · CSDA	3,807.00	8,000.00	47.59%
6561.20 · CRWA	714.00	1,000.00	71.40%
6561.25 · RWA	4,106.00	9,700.00	42.33%
6561.30 · SGA	21,187.00	25,000.00	84.75%
6561.35 · SAWWA	0.00	1,000.00	0.00%
6561.00 · Professional dues - other	874.00	1,200.00	72.83%
6551.00 · Professional meetings	0.00	10,000.00	0.00%
6610.00 Certification/continuing education	215.00	6,000.00	3.58%

Operations

5151.00 · Power			
5151.05 · PG&E	24.00	3,000.00	0.80%
5151.10 · SMUD	11,853.00	120,000.00	9.88%
5201.00 · R & M			
5201.05 · Leak repairs	21,042.00	104,000.00	20.23%
5201.10 Field Equipment	0.00	2,000.00	0.00%
5201.15 · Field supplies	5,856.00	35,000.00	16.73%
5201.20 · Fuel for vehicles	530.00	9,000.00	5.89%
5201.25 Vehicle repair and maintenance	28.00	3,000.00	0.93%
5201.30 Temporary Help	0.00	0.00	N/A
5201.35 · Chlorine	2,473.00	11,000.00	22.48%
5201.45 · Well repair & maintenance	132.00	0.00	N/A
5201.55 · Field staff cellular service	824.00	6,000.00	13.73%
5201.60 Tesco Services Contract (Well #8)	0.00	0.00	N/A
5201.65 Aqua Sierra Service Contract	0.00	8,000.00	0.00%
5201.00 R & M other	1,858.00	0.00	N/A
5201.70 SSWD Mutual Aide Field Staff	0.00	90,000.00	0.00%
5301.00 · Lab fees (H2O testing)	3,558.00	6,000.00	59.30%
5451.00 City water	0.00	6,000.00	0.00%
5452.00 Backflow program	0.00	2,000.00	0.00%
5351.00 Engineering	32,893.00	80,000.00	41.12%

CIP

Pipes			
Miscellaneous	0.00	50,000.00	0.00%
Interties	0.00	300,000.00	0.00%
Wells			
Well #2	0.00	1,000,000.00	0.00%
Well # 9	0.00	300,000.00	0.00%
Debt Service			
Interest expense and principal	0.00	325,000.00	0.00%

ITEM #8.B

Capital Improvement Projects (CIP) Presentation for Consideration to be included in the Proposition 218 Rate Study

DEL PASO MANOR WATER DISTRICT

REGULAR BOARD MEETING

DATE: September 19, 2022

Item: 8.B

SUBJECT: Capital Improvement Projects (CIP) Presentation For Consideration to be included in the Proposition 218 Rate Study

CONTACT:

Alan Gardner, General Manager

EXECUTIVE SUMMARY

In late 2021, the Sacramento Grand Jury admonished the District and recommended that the District, among other things, publish and distribute a report addressing the District's immediate and longer-term water quality, delivery, and fire flow infrastructure needs. Afterwards, the District was to notify the ratepayers of the needed improvements and commence a Proposition 218 study to increase rates and pay for the new improvements. To facilitate that process, the District had its consultant HyrdoScience complete the technical memorandum that supplemented the District's Water Master Plan. Next, the Board of Directors retained the services of Forsgren and Associates to serve as the District's engineers. More recently, the District entered into a professional services contract with Bartle Wells and Associates to prepare the Proposition 218 study.

This meeting focuses on the capital projects that Forsgren and staff have identified as near term and longer-term needed to ensure water quality, delivery, and fire flow needs of the District. To determine which projects to recommend, District staff and Forsgren Engineering have engaged in a complete review of the District's facilities from the 2009 Kennedy/Jenk's consultant's study. This included all the suggested projects and proposed infrastructure needs. Also reviewed was the HydroScience Technical Memo that became available on June 12, 2022, which was supportive of staff's and Forsgren's work.

Forsgren and staff propose a total of nine projects to be included in the Proposition 218 study as the most pressing near-term improvements. Longer-term projects will return for further analysis and review at a future meeting. The nine projects consist of five primary and four alternative choices.

Given all of the discussion this year about the potential significant increase to water rates, the proposed projects and related costs are much lower than initially considered because staff focused on the most important ones, as opposed to selecting all desired improvements. This modification still allows functionality of the District because the Board approved other emergency projects earlier this year that offset the additional need for CIP improvements. For example, the emergency projects such as repairs to Well 2 were immediately commenced followed by three automatic water interties with Sacramento Suburban Water District providing up to 2000 gpm each and better system management reducing leaks because the District (1) did not have fire flow since 2018; (2) had 3+ miles of old steel pipe that had excessive leaks; and (3) our Well's needed faster rehabilitation to secure our water supply and to avoid the 2022 cost of a new Well at \$4 to 6 million.

The original proposal was to replace all 3+ miles of the steel in this rate case, which would have required a substantial rate increase of approximately \$12 million for the CIP to fund just the pipes. Those same pipes could have been replaced in 2017 for only \$3-4 million. The original proposal would have also had an additional request for operations and maintenance needs. The radical increase in costs signifies the imperative that the District act swiftly to fund its most pressing concerns. This is because the same repair or improvement can exponentially increase in costs the longer it is delayed. By way of example only, if a car did not receive timely oil changes (~\$100), while the car owner would save the \$100 in not having the car serviced, soon thereafter, the car's engine would die and the repair would be over ten times the initial cost. Similarly here, the costs for the repairs can grow over time if they are not addressed now.

The nine primary and alternative projects now in the proposal for this case are all necessary. The five primary projects offer the best value, while the alternative projects are viable substitutes which were placed below the line simply to reduce the costs and rates in this case.

The Board of Directors will be asked to make a policy decision pertaining to Well 7 and Alternative 2D1 (pipes). The update to Well 7 has been included in the CIP list because it potentially provides the biggest value to the District since its rehabilitation can result in a new daily increase in supply of 500 gpm to potentially 1100 gpm. However, since developing this project, staff has learned in the last few weeks that there was an old contamination about 500 feet away from Well 7. It was remediated and tested, but only to 90' and our Well is over 400' deep.

As part of an update to Well 7, we must first investigate this prior plume to determine if it went down to the aquifers our Well pierces, and if it contaminated them. This investigation was never done at the time of the spill. It is important to make this the initial determination because 500' is within the reasonable cone of depression when the well is operating, and if there is remaining contamination, whether the contaminants would impact the water supply from Well 7. If the initial evaluation results in the conclusion that Well 7 is contaminated beyond the 90 feet, staff recommends abandoning that expensive remediation for the time being and moving forward with Alternative 2D1. This alternative replaces some of the steel pipe and is equivalent in cost and is recommended as a substitute.

RECOMMENDATION

Review and consider the CIP projects presented. Accept staff's recommended project list or provide modifications.

ATTACHMENTS

1. Forsgren PowerPoint Presentation

ENVIRONMENTAL CONSIDERATIONS

The consideration and approval of the project list, without anything more, is not a project for purposes of CEQA. If the District decides to advance any of the projects, CEQA analysis will be conducted on a project level basis.



Prop. 218 Projects Workshop

Del Paso Manor Water District

September 19, 2019

FORSGREN
Associates Inc.

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Prop. 218 Projects Workshop Agenda

❖ Introduction to the *Road Map*

- Purpose
- Overview
- Development

❖ Prioritization of Prop. 218 Projects

- Orientation
- Projects Recommended for Prop. 218



Prop. 218 Projects Workshop Road Map: Purpose

- ❖ The purpose of the *Road Map* is to help you make Informed Decisions...
 - ...confidently,
 - ...defensibly,
 - ...and transparently.
- ❖ Satisfies Recommendation No. 1 of the Sacramento County Grand Jury Report.



Prop. 218 Projects Workshop Road Map: Overview

❖ Decision-Making Tool

❖ Infrastructure Improvement Plan

- Comprehensive, but Concise
- Focused on Implementation
- Living Document

❖ Three Elements:

- Technical Memorandum
- Projects Summary Index
- Project Summary Sheets



Prop. 218 Projects Workshop Road Map: Overview

Road Map Contents

- Project Name
- Reference
- Project Description
- Project Location
- Project Rationale
- Priority of Project
- Estimated Cost
- Assumptions
- Planned Funding
- Status



Prop. 218 Projects Workshop Road Map: Development

❖ Objective

Develop a clear, concise picture of the challenges facing the District, and a path forward to navigate those challenges.

❖ Premise: Previous work is valuable.

- KJ Master Plan, HSE Update, Nelson, Coyan, etc.
- Rely on previous observations, analysis, conclusions, and recommendations...

...until better information is available.

- Avoid Duplication of Effort
- Keep Costs Down



Prop. 218 Projects Workshop Road Map: Development

Process

- Review Previous Work
- Assess Current Condition/Concerns
- Compile Project Information
- Organize & Distill Information
- Develop Decision Criteria & Weighting
- Score and Rank Projects
- Update/Develop Cost Estimates
- Document Process/Decisions in Tech Memo



***Prop. 218 Projects Workshop
Recommended Projects***

Prioritization of Prop. 218 Projects

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Prop. 218 Projects Workshop

Questions & Discussion

❖ Questions

❖ Discussion

❖ Action

Recommendation:

- Approve Recommended Projects for 218



Recommended Projects for Inclusion in the 218 Process

Monday, September 19, 2022

Priority Projects

Priority	Project Name	Project Description	Project Rationale	Cost	Status
1	Well 7 Rehabilitation	Well and site improvements. Determine best option for sand mitigation to protect screen integrity. Pull well pump and down-hole video inspection of well casing.	Increase water supply. Allow safer operator access to facilities and greater chemical storage capacity. Automation will increase operational efficiency.	\$2,949,000	Conceptual planning in Progress
2	Well 4 Rehabilitation	Pull and replace pump, down-hole video of well casing. Site improvements. Remove hydro-pneumatic tank and install VFD and flush to waste line.	Increase water supply and improve operational efficiency of existing well.	\$958,000	Planning in Progress
3	Groundwater Investigation	Perform District-wide Phase 1 Environmental Site Assessment (ESA).	Determine the known nature and extent of contaminants impacting, or having the potential to impact the District's water supply in order to inform planning and infrastructure improvements.	\$27,000	Planning in Progress. History of ground water contamination under review. Funding options being investigated.
4	Hydraulic Model	Update and recalibrate hydraulic model with new completed projects.	Allow District to see impacts from projects and prioritize and plan based on how these impacts will address District needs.	\$40,000	Preliminary Planning
5	2D-3	Install (N) 7,824 LF of 8" pipeline, (N) 100 LF of 6" pipelines and appurtenances; Retrofit 189 water service connections to front yards and install meter setters.	Remove aging steel pipeline, meter water usage, improve distribution throughout the District.	\$5,250,000	A portion of the original KJ project has been completed on Annette St. to Eastern and on Eastern Ave to Lyle St. Planning in Progress.

Priority Projects Total \$9,224,000

Alternate Projects

5	2D-1	Install 900 LF of 12" pipeline (N) 3,741 LF of 8" pipeline and appurtenances; Retrofit 74 water service connections to front yards and install meter setters.	Remove aging steel pipeline, meter water usage, improve distribution throughout the District.	\$2,691,000	A portion of the original KJ project has been completed on Annette St. to Eastern and on Eastern Ave to Lyle St. Planning in Progress.
5	2D-2	Install (N) 3,965 LF of 8" pipeline, (N) 200 LF of 6" pipelines and appurtenances; Retrofit 78 water service connections to front yards and install meter setters.	Remove aging steel pipeline, meter water usage, improve distribution throughout the District.	\$3,000,000	A portion of the original KJ project has been completed on Annette St. to Eastern and on Eastern Ave to Lyle St. Planning in Progress.
5	2C	Install (N) 5,200 LF of 12" pipeline and appurtenances; Retrofit 96 water service connections to front yards and install meter setters.	Improve distribution throughout the District and meter water usage.	\$1,690,000	Partially completed with construction of well 9.

Alternate Projects Total \$7,381,000

Total for all Projects \$16,605,000