

**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 August 6, 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 Sergio Guillen with Forsgren Associates were also in attendance. There were several residents and members of the public also present.

PLEDGE OF ALLEGIANCE:

Field Manager Rich Bolton led the Pledge of Allegiance.

PUBLIC COMMENT:

Resident Greg Schneider referenced the minutes of June 4th during Board general discussion where Director Matteoli estimated the delay in the rate increase cost the rate payers approximately \$1.2 million stating he feels the delay saved the ratepayers \$420,000 by his calculations because the ratepayers paid a lower rate for an entire year.

CONSENT CALENDAR:

A motion was made by Vice President Saunders, seconded by Director Matteoli to approve the consent calendar items. Resident Greg Schneider requested corrections be made to the minutes. Vice President Saunders withdrew his motion and the minutes were pulled from the consent calendar.

The only item remaining on the consent calendar was approval of payment for the July invoices. There were no public comments. Upon motion by Vice President Saunders, seconded by Director Elmore, the Board approved payment of the July invoices by the following vote:

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

<u>CHECKS DRAWN</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
PERS/Health 7/2	EFT	7268.01
Primetax Service Charge 7/5	EFT	193.13
ACWA/JPIA 7/9	8787	620.60
AT&T 7/9	8788	176.22
Uinta Holdings, LLC 7/9	8789	1985.00
ACWA/JPIA Workers Comp 7/9	8790	1709.30
Scotty's A-1 Transmission 7/12	8791	2428.23
Primetax - Payroll 7/13	EFT	8766.07
Primetax - Payroll Taxes 7/13	EFT	4873.06
AT&T 7/17	8792	55.00
CalPERS (Unfunded Pension Liability) 7/27	EFT	36572.00
PERS/Health 7/30	EFT	7268.77
PERS/Retirement 7/30	EFT	4725.93
Primetax - Payroll 7/31	EFT	10487.85
Primetax - Payroll taxes 7/31	EFT	5358.86

Regional Water Authority (Water Efficiency Program) 7/31	8793	3341.00
ACWA/JPIA	8794	620.60
Voya Financial	8795	1800.00
One Print Source & Graphics	8796	1274.08
American Water Works Association	8797	50.00
Hill Rivkins Brown & Associates	8798	2925.00
BSK Associates	8799	2466.90
Chevron	8800	359.84
AT&T Wireless	8801	227.69
Emigh Hardware	8802	123.93
Forsgren Associates Inc.	8803	1267.50
Ferguson Waterworks	8804	646.25
Inland Business Systems	8805	270.00
Jiffy Lube	8806	55.07
P.G. & E.	8807	13.44
Petty Cash	8808	162.27
U.S. Postal Service	8809	723.33
Rain For Rent	8810	1482.00
Regional Water Authority (Dues)	8811	6081.00
The Sacramento Bee	8812	108.24
Sacramento County Utilities	8813	174.67
SMUD	8814	9782.91
Sam's Club	8815	196.27
Sacramento Groundwater Authority (Dues)	8816	17583.00
Sierra Chemical Company	8817	848.70
Debra Sedwick (Reimbursement)	8818	139.34
Streamline	8819	200.00
Total Compensation Systems, Inc.	8820	630.00
Underground Service Alert	8821	413.10
Uinta Holdings, LLC	8822	1985.00
Stericycle Communication Solutions	8823	289.15
YP	8824	15.50
		<u>148743.81</u>

Two corrections were made to the minutes. Vice President Saunders made a motion to approve the minutes as corrected and Director Elmore seconded the motion. Hearing no further comments, the Board approved the July 2, 2018 minutes as corrected by the following roll call vote:

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

Noes: None

Abstain/Absent: None

REPORT FROM FIELD MANAGER CONCERNING:

July field matters:

1. The District field staff responded to five leak service calls this month. Three were the responsibility of the homeowner/business owners and the other two were the District's responsibility.
2. Field staff performed 14 Underground Service Alerts and two customer service line location requests.
3. District staff met with San Juan School representatives regarding the Del Paso Manor Elementary School project. Their pipeline design and alternatives were reviewed.
4. Tesco Controls replaced and upgraded the variable frequency drive cooling fans and adjusted the air flow to stop the VFD from overheating at Well #9.
5. Aqua Sierra performed preventative maintenance on Well #6 and installed a software patch to prevent data point loss during power outages.
6. The District Ford truck transmission had to be repaired.

7. There was a recall on the Dodge service truck; the repairs were made by the dealership.

8. The District received the test results for Well #7; the well tested absent for 1,2,3,-TCP.

Field Manager Bolton answered a couple of the Director's questions regarding his report.

REPORT FROM MANAGER CONCERNING:

July operational matters:

1. Manager Sedwick reported she submitted a letter opposing AB2050 to the Senate Appropriations Committee as well as to the author of the bill.

2. The State Board issued drinking water notification levels for PFOAs at 14 parts per trillion. The notification levels are non-regulatory; health based advisory levels at this time. The United States EPA is looking into setting a MCL; Manager Sedwick will keep the Board informed.

3. Manager Sedwick was informed that several agencies in Sacramento County have combined efforts to implement a regional groundwater substitution transfer. The agencies will use groundwater extraction from July-September to make surface water available for the transfer. This will result in an increase of groundwater extracted in our area.

4. Attorney Brown and Manager Sedwick reviewed the District's Conflict of Interest Code for the required biennial review. No amendment is required and notification of such was sent to the County.

5. The District received notice from the Fair Political Practices Commission that a complaint was filed against the District for a Conflict of Interest by Trish Harrington. A few days later, the District received notice from the FPPC that they would not be investigating the complaint stating it appears the issue was resolved through advice from the District's attorney.

6. On the November ballot there will be a new water bond as Proposition 3. The Proposition would make available \$8.9 billion for water supply and quality projects, watershed restoration, fish and wildlife protection, sustainable groundwater management, and repair of existing dams and canals.

7. Manager Sedwick attended the RWA Executive committee meeting. The main topic was a review of the Compensation Study Policy at the request of the RWA Board.

8. Manager Sedwick met with Ana Javaid with ACWA who is now our ACWA contact. ACWA's 2018 priority goals were discussed as well as the benefits ACWA has to offer.

9. Manager Sedwick reminded the Board that next month's Board meeting will be Tuesday, September 4th as Monday is a holiday.

10. The District reduced our water production for July by 18.4% with a year to date reduction of 28.4% compared to 2013. Compared to 2017, July water production saw an increase by 5.9% with the year to date reduction of .09%.

11. All bacteriological quality samples tested absent for July.

12. There were no water quality complaints for the month of July.

REPORT FROM ATTORNEY CONCERNING:

Attorney Brown will report in closed session.

REPORT FROM ENGINEER CONCERNING:

No report.

REPORTS ON VARIOUS MEETINGS:

Vice President Saunders attended the Regional Water Authority meeting. The Other Post Employment Benefits Funding Policy was approved with minor changes due to the new GASB 75 requirements. The July 2017 OPEB Actuarial report was reviewed and a 7.0% discount rate was approved. RWA is 91.4% funded at this time. The cost estimate for RWA's OPEB for fiscal year 2019 is \$58,423 which is lower than the budgeted amount of \$83,201. Rob Swartz gave a presentation on the American River Basin Integrated Regional Water Management Plan. The Board approved the updated ARB IRWM Plan and incorporated Storm Water Resource Plans. A legislative update on multiple Senate and Assembly bills was also given. Vice President Saunders voiced his concerns and Del Paso Manor Water District's opposition to AB2050 at the RWA meeting; several other agencies agreed with the opposition. There were no public comments.

OLD BUSINESS:

None.

NEW BUSINESS:

1. Upcoming Meeting(s):

- a. California Special District Associations Annual Conference, September 24-27, 2018 at Indian Wells, California.
- b. Association of California Water Agencies Fall Conference, November 27-30, 2018, San Diego, California.

2. Reviewed and discussed the District's outreach program at the request of Vice President Saunders at the June Board meeting. Manager Sedwick reviewed the top five strategies the Directors listed and then reviewed what the District has implemented or tried over the last year. The District has found the newsletters/bill inserts to be the most cost effective. The web site is full of information; however; there has not been a lot of local activity. Attendance at the first community meeting was not great and attendance dropped off for the second and third meetings which made the meetings very expensive on a per customer basis; however, by law some community meetings such as hearings are required. Only two ratepayers came to the coffee klatch. The District looked into the cost of performing a survey but the cost was expensive. We are currently gathering email addresses to implement that form of communication but are finding very few people want to give their email

address. Manager Sedwick recommended that the District continue with the newsletters as a billing insert, continue to drive people to the website, and continue to gather email addresses and look at using it as a communication tool once we receive a significant number of addresses. She also recommended that District have community meetings strategically throughout the Master Plan update to engage the public as well as use newsletters in the off billing months if need be to keep the public informed as we did with the cost of service analysis. Director Elmore can go one way or the other on newsletters and maybe do signup sheet at a local coffee shop for the next coffee klatch to free up District staff time. Director Wilson would like to see more facts and information and less pictures in the newsletters as he is interested in the content for reading. He inquired about the use of a grad student to keep the cost down. Director Matteoli likes the pictures with the information in the newsletters; he feels if it is not personalized, residents will not even look at it. He feels the newsletters seem to be well received and feels the coffee klatch is a waste of time and money. Vice President Saunders questioned how often do people go to a business website; they usually go if they are looking for something not to get updated with news on a regular basis. He commented further that newsletters seem to be working so he is in favor of keeping them. Community meetings should be scheduled as needed, staff should continue to gather emails, and even though the coffee klatch was low attendance he would be willing to do it again at the local coffee shop. President Allen feels the newsletter is best for reaching the residents and is laid out very professional, he is unsure about the website as to how useful/helpful it has been for the District and residents, and the low show in attendance at the coffee klatch is not worth the District expense or time. During public comment resident Marissa Burt asked why there is not a communication committee anymore and read an email Greg Schneider sent to the District. Manager Sedwick explained the communication committee was an ad-hoc committee and its purpose was to assist with the rate increase communications; since the rate increase passed, the committee no longer exists. The Directors on the committee agreed and felt the purpose had ended. Greg Schneider stated he uses the website but the items of interest to him are loaded shortly before the Board meeting. He commented he had a difficult time finding all of the WaterSpots newsletters and could not find one for May-June 2018. Manager Sedwick explained there was not a May-June WaterSpots because the required Consumer Confidence Report is the bill insert for that cycle. Greg Schneider commented that the fact sheets should be dated and also felt the rate increase should have been explained in more detail in the newsletter. Carl Dolk believes the District is doing a great job on the WaterSpots newsletters. The consensus of the Board was to continue with the WaterSpots, continue to drive customers to the website, continue collecting email addresses for future use, hold community meetings when

appropriate, and Board members who wish to have a coffee klatch will contact the Manager so it can be advertised.

3. Reviewed and discussed the Master Plan update. Manager Sedwick briefly reviewed the elements of the 2009 Master Plan, reasons why those elements were included and some of the discussions that took place during the development of the Master Plan. She explained why the District decided to call the charge a System Maintenance Charge rather than a Capital Improvement Charge as some other District's call it; the reason being the District was built out and not "adding" to the system so the term "system maintenance" made more sense. The 2009 Master Plan elements include: water demand, water supply, conjunctive use, facilities replacement planning, organizational structure and management planning, and meter retrofit. The plan also looked at how to phase in the work discussed in these elements. Manager Sedwick briefly explained why all areas need to be looked at; some will be a quick review and can be done at a staff level such as water demand and supply while other areas will require much more discussion at the Board level. A few areas she feels should engage the public more and suggests bigger community meetings at those points in the update. Finally she recommended that the Board use Forsgren Associates who are already on contract with the District for the update. This will keep the costs and time down since they are familiar with the current Master Plan and already have a model to work off of. In addition, during the 2017 proposed rate increase they did some work to come up with costs estimates for replacement so those can be easily updated rather than starting completely over. All of the Directors concurred that the District should use Forsgren Associates and requested the Manager to request a task order from Forsgren Associates for the Master Plan update for Board approval. There were no public comments.

BOARD GENERAL DISCUSSION:

Vice President Saunders attended the Sacramento Local Agency Formation Commission Special District Advisory Committee meeting. Gay Jones asked for support of AB2258 for assisting smaller LAFCo's in rural areas. Sacramento LAFCo will be seeking applications for the public representative position on LAFCo; the current person holding the position will not be coming back after the term ends on December 31, 2018. Rio Linda/Elverta Recreation & Parks District gave an update on the City of Sacramento request for annexation of an area that is in the RLERPD's service area; it is very controversial. Arden Park Recreation & Parks District reported that their shade project over the playground equipment and picnic benches at Cresta Park has turned into a large project because they have to upgrade restrooms and park access to meet ADA requirements. Vice President Saunders reported he asked Gay Jones what CALAFCo's position on AB2050 is. She reported they are keeping an eye on it. He voiced his concerns to her as it circumvents the LAFCo process.

CLOSED SESSION:

The Board convened into closed session at 9:39PM to discuss potential litigation against responsible parties arising out of 1,2,3-Trichloropropane contamination.

The Board convened back into open session at 10:04PM.

Attorney Brown reported the Board took no action or motion during closed session and will enter into a legal service agreement with Baron & Budd, P.C. to seek relief damages of TCP containing products. Director Matteoli made a motion and it was seconded by Vice President Saunders to authorize the Manager to enter into a legal services agreement with Baron & Budd, P.C. to seek relief damages of TCP containing products. Resident Greg Schneider inquired what cost will there be to the District and was it budgeted for. Manager Sedwick and Attorney Brown answered the agreement terms will be on a contingency fee basis. The Board approved the motion by the following roll call vote:

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

There being no further business to come before the Board, President Allen adjourned the meeting at 10:06PM.

Richard K. Allen, President

ATTEST:

Debra Sedwick, Secretary