

Del Rey Community Services District
Minutes of the
Board of Directors
Regular Board Meeting
March 16, 2023
7:00p.m.

President Garza called the Regular Board Meeting to order at 7:05 p.m.

Directors present: **Stephanie Garza, Daniel Ramirez, Joaquin Nunez**
 Maria Reyna arrived at 7:15p.m.
 Rolando Sanchez arrived at 7:18p.m.

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** Ramirez made a motion to approve the agenda of the March 16, 2023, Regular Board meeting. Nunez seconds the motion. All in favor; three ayes: Garza, Ramirez, Nunez. All Absent; two absent: Reyna, Sanchez. Motion passed.

B. SCHEDULED AND UNSCHEDULED COMMUNICATIONS:

Public member 1 mentions interest in bringing activities and functions for the youth in the community that is Christian based but non-denominational. He would appreciate a letter from the Board to take to the community to bring awareness and support. Public member Joey Lopez states this is another visionary coming to help bring something for the kids. Discussion. Garza brings up the liability and insurance aspect of having it at the District Hall to be considered. Reyna clarifies the letter will not make the District financially committed. Public member Joey Lopez mentions the letter will give them the opportunity to look for funding. Garza mentions adding it to the agenda to take action on the item. Reyna requests to add it to the agenda for next month.

C. CONSENT CALENDAR:

C-1 Approve payments for vendors for West America Bank – February 2023, a Total Amount of \$122,724.70.

C-2 Approve payments for vendors for West America Bank – March 10, 2023, a Total Amount of \$10,764.64.

Reyna made a motion to approve items C-1 and C-2. Ramirez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed.

C-3 Approval of Minutes of February 16, 2023, Regular Board Meeting

C-4 Approval of Minutes of February 24, 2023, Special Board Meeting

Ramirez made a motion to approve items C-3 and C-4. Nunez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed.

LC Papajohn asks if the items were open to the public for comment. Garza opens all the items to the public for comment. No public comment.

D. PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):

D-1 Election of new Board President and Vice President. Papajohn states this item was continued from the last meeting. Papajohn states this item was continued from the last meeting. Every two years the Board President and Vice President are elected from the current Board. It is majority vote. The current President and Vice President have been in the position for two years. They can be reelected, but any Board members are eligible to hold those positions. Sanchez states last time it went by seniority. Garza asks if anyone wants to nominate a new President. Garza opens the item to the public for comment. Public member Joey Lopez believes the President and Vice President should establish themselves in the community and go out to the events. He states he isn't nominating anyone; he is only challenging those who are interested in the position. Discussion. Nunez states it would be nice if the whole Board attends events, but it is not a requirement. Reyna states she feels if the public puts them in that position, they should make an effort to go. Discussion. Ramirez mentions his interest in being President or Vice President if the rest of the Board thinks he is fit. Sanchez states everyone should have the opportunity to experience those positions. Reyna asks when he would like to hold the positions. Sanchez states he would rather be out in the field putting input rather than hold the position. Discussion.

Garza nominates Maria Reyna as President. Sanchez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed. Sanchez nominates Daniel Ramirez as Vice President. Reyna seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed.

D-2 Discussion/Direction regarding California Employers Pension Prefunding Trust. Arias states he brought the item to the last meeting about putting money into an account with CalPERS. Eventually what is paid will come out of the interest gained from the account. He states Dictos mentioned there were other accounts that would pay more. Arias states they are about the same, but this one is more secure. It doesn't have to be a big amount at the same time but start at about \$5,000 and deposit small amounts every month to build it up and accumulate interest. Reyna asks how much will be deposited every month. Arias mentions it is up to the Board. Discussion. Reyna made a motion to approve Pension Prefunding Trust with CalPERS with initial amount of \$5,000; with stipulation to come back to the Board next month with numbers for monthly deposit amounts to be considered. Ramirez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed.

D-3 Action/Direction authorizing District Manager to lease the 20 acres plus the 10 acres at the American Pond. Arias states there is a person interested in using the land. He says he asked for \$500 per acre a year. The person interested is interested in a 15-year lease but claims there is a lot of maintenance to be done on the area before it can be used. Arias agreed he should be reimbursed for that, so the deal would be \$225 per year per acre until he recoups his money and bring the price back up to around \$400-\$500. Reyna states it isn't much at first, but the land isn't making any money at all now anyway, and it will be beneficial in removing the sludge from the wells. Discussion. Sanchez asks about the water usage. Arias states there are many stipulations to be considered and the contract still needs to be worked on if the Board agrees to lease the pond. Discussion. Reyna asks if the Board can review the contract before they agree to move forward. Discussion. Garza opens the item to the public for comment. Public member asks Arias if anyone else is interested in the land. Arias states there was another person interested, but they changed their mind. Lopez states competition always helps negotiate prices. Discussion. Reyna made a motion to give direction to District Counsel and District Manager to work on Contract including stipulations District Engineer and Board members mentioned to review. Sanchez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed.

D-4 Discussion regarding signing checks in timely manner to avoid any late charges. Reyna brought this to the Board because it was mentioned that the checks take a week or two weeks to be signed and sent out. She suggests coming up with a system to sign checks. Nunez suggests designating and alternating two board members each month to be responsible to sign checks every month. Discussion. Reyna states previously the checks were brought to the meetings and Board members would be able to sign them then. Discussion. Arias states he can't wait to bring the checks to the meetings because it would take a month to send them out. Discussion. Sanchez states to take advantage of signing checks that are available at the time of the meetings. Nunez suggest having it in writing. Reyna suggests a calendar for accountability. Discussion. Sanchez made a motion to designate two people to sign checks every month. Nunez seconds the motion. All in favor; five ayes: Garza, Nunez, Ramirez, Sanchez, Reyna. Motion passed. Nunez and Garza will be responsible for the month of March. April will be Ramirez and Reyna. May will be Sanchez and Nunez.

D-5 Discussion/Direction regarding retirement package policy for new hires. Arias explains all current employees will take medical insurance package with them when they retire. For example, there will be an employee retiring at the end of the month, and the District will take care of his insurance for the rest of his life. It was brought to the attention by Legal Counsel that it is not that easy to change it, but it should be looked into. He thinks it should be changed if the Board is inclined to do so. Discussion. Garza asks if the District can't do away with the retirement package, if they can switch to a medical program that's cheaper. Arias states he would have to check with legal counsel. LC Papajohn says it is something that needs to look into on how to reduce costs. The District may have to pay some kind of retirement benefits regardless, but they might be able to reduce costs. The Contract with CalPERS needs to be reviewed to figure out what the options are and bring it back to the District. Discussion. Consensus to table the item until next month for further information.

D-6 Discussion/Acceptance of the Audit Report for FY 21-22. Nelson not present. Item tabled until next month.

E. DIRECTOR COMMUNICATIONS/AGENDA ITEMS

No comments.

F. DISTRICT ADMINISTRATOR REPORTS

F-1 Report of District Manager (Report by Carlos Arias)

DM Arias gives an update on the situation at the wastewater plant. The sand was extracted from the lift station and put the pump to work again. There is a collapsed line. Further work is being postponed until the weather clears up. The situation was left under control as much as possible until then. In respect to the rate study, he informs them of the three quotes offered for them to consider.

F-2 Report of District Counsel (Report by Nicolas Papajohn)

LC Papajohn reports Director Reyna asked at previous meeting the Districts requirements for disclosing financial information in the monthly statements. What the District discloses currently meets the requirements. However, if someone would like to submit a public record's request to the District, and they are asking for specific records, they are more than welcome to do so. They would review the request to determine if those records can be disclosed or withheld due to State law. Secondly, in regard to the AB 1234 Training, the Board members who were unable to attend still need to do the training and to get certified. Third, an update on legal bills, legal counsel is getting close to reaching their budget for the year, so they are doing their best to minimize costs.

F-3 Report of District Engineer (Report by AM Consulting)

Manrique reviews the Engineer report and gives updates on projects, agreements, and funding.

F-4 Report of District Accountant (Report by Paul Dictos)

Dictos not present.

G. UNSCHEDULED COMMUNICATIONS:

No public comment.

H. ADJOURNMENT:

Consensus to adjourn the meeting. With no further business the meeting was adjourned at 8:37 p.m.

Respectfully Submitted,



Eileen Hernandez

Del Rey Community Services District