

Del Rey Community Services District
**Minutes of the
Board of Directors
Regular Board Meeting
April 18, 2024
7:00p.m.**

The Board went into closed session at 6:59 p.m. Nothing to report.

President Reyna called the Regular Board Meeting to order at 7:07 p.m.

Directors present: Maria Reyna, Daniel Ramirez, Joaquin Nunez, Stephanie Garza

Directors absent: Rolando Sanchez

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** Garza made a motion to approve the agenda. Ramirez seconds the motion. All in favor; four ayes: Reyna, Ramirez, Nunez, Garza. All Absent; one absent: Sanchez. Motion passed.

B. SCHEDULED AND UNSCHEDULED COMMUNICATIONS:

Public member Antonia asked why there was an increase, what it is paying for, and why surrounding cities are paying less if Del Rey is smaller? President Reyna states CID (California Irrigation District) charges the District water. That price has gone up. This year the District had to pay \$148,000 to South Kings GSA. Other cities have around or over 10,000 connections to divide the cost. Del Rey only has 312 connections to divide that expense. Antonia asks if notices were sent out to warn the residents. Reyna responds that notices were sent out on February 2 to allow residents to protest. She adds that one resident came up to her to complain about the rates and admitted she received the notice but put it on the table and never read it. Public member Jose Arredondo Leon asks if the big amount increase is necessary and if it could be lowered. He also asks if they would have come to protest and asked not to raise the rates if the Board would have listened. DM Arias responds that if 50% of the residents protested, legally the rates could not have been raised and that was the reason of sending out the Prop 218 notices. Public member Andy Ramirez says the District was in better shape before. Reyna explains that the previous Board failed by not raising the rates when they should have. The Board doesn't want to raise the rates, but they have to. Everything has gone up, so they have to make sure the District is able to cover expenses. Public member Juan Arredondo asked why the rates went up so much. DM Arias asked if he filled out a protest. PM Arredondo says he won't lie, he doesn't know where he left he form. DM Arias explains there were workshops for residents to apply for help to pay bill, and I was advertised to residents, but only eight people showed up. CRLA Leticia informs the residents that they will look into other programs like LIHWAP to help pay bills; it isn't a guarantee, but it will be looked into. Public member Rumaldo Reyna states he put protests out but didn't get much turnout. He mentions the town will be getting sidewalks soon. Public member Ramona Lopez says \$120 bill was fine, but the increase over \$30 is terrible. She points out the apartments and projects don't have to pay for the water. DM Arias explains Fresno Housing Authority pays for it. President Reyan states she respects Ramona and everyone there, but she has already explained why the rates had to go up, and continues to explain again, and reminds them they all had a chance to protest. Ramona Lopez says she did read the notice but didn't think the rates would go up that much. Rumaldo Reyna asks if the increase is a solid rate or if will go up gradually as with the last rate study, the rates went up every year. DM Arias explains the rates will only adjust for inflation. Public member 1 states the big companies aren't being charged more. President Reyna responds they are paying way more. The rates increased the most for industrial and commercial customers. Public member 2 asks if more businesses

will be coming. President Reyna states there is a Community Plan Update that should allow for over 210 more connections which will bring more apartments. It will be a while before it happens, but it is coming. Public member Marina asks when they can protest. DM Arias explains in 5 years they will have the opportunity to do so. He is aware they all came with the intent to do something tonight, but there is nothing they can do now as the protest time has passed already. Public member 3 suggests adding the meeting dates to the monthly billing. Public member 4 explains her husband isn't working and if it is possible to make payments. President Reyna says the District can work with them and to go in to talk to the District Manager.

C. CONSENT CALENDAR:

- C-1 Approve payments for vendors for West America Bank – March 2024, a Total Amount of \$95,987.37.
- C-2 Approve payments for vendors for West America Bank – April 9, 2024, a Total Amount of \$49,861.12.
- C-3 Approval of Minutes of March 21, 2024, Regular Board Meeting.

The Board decides to discuss items C-1 to C-3 together. Reyna opens the items to the public for comment. No public comment. Garza made a motion to approve items C-1 to C-3. Ramirez seconds the motion. All in favor; four ayes: Reyna, Ramirez, Nunez, Garza. All Absent; one absent: Sanchez. Motion passed.

D. PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):

D-1 Presentation of Financial Statements by the Auditor. Jaribu Nelson apologizes for late presentation. He proceeds to present the June 30, 2023, financial statements. He consulted with independent auditors' office, Paul Dictos, and Carlos. Paul's statements were satisfactory, as usual there are post financial statements but looks at standpoint of finances on accrual basis. Emphasizes the District is in a deficit. Discussion. Reviews page 11 and explains OPEB didn't create and flow as previous years. He made sure the District is in compliance and items that are specific to Special Districts. There were no findings or concern other than deficit. There was significant loss this last fiscal year. Will make changes next year based off current billing rates. There is no money missing, no fraud or improprieties. President Reyna hoping audit for 2025 will be better. Discussion. President Reyna opens the item to the public for comment. Rumaldo Reyna finds comparison of audit from previous years odd. Auditor explains the benefit of what occurred last year was OPEB and cannot attest for previous auditor's work. Discussion. Reyna made a motion to accept audit for FY 2022-2023. Garza seconds the motion. All in favor; four ayes: Reyna, Ramirez, Nunez, Garza. All Absent; one absent: Sanchez. Motion passed.

D-2 Discussion/Consideration to extend contract with IWS. Arias explains he spoke to Nick Caglia if it was possible to extend the contract. Caglia was very interested in extending. If extended, would only increase based on inflation. Reyna asks if they would be willing to add another big trash day. DM Arias informs Reyna they offer two vouchers per resident every year to go to the dump. LC Linden asks when the contract ends. DM Arias replies it expires in 2025. Nunez asks how long the contracts are for. DM Arias responds the current one was for three years and assumes this one would be the same. LC Linden suggests directing DM Arias to come back with a written agreement to be adopted. President Reyna opens the item to the public for comment. CRLA member states there are also vouchers available through Fresno County. CRLA member 2 asks if the Board has considered other vendors or if they have reviewed new quotes. Ramirez explains they compared three and went with the lowest. Dictos reminds DM Arias of \$5,000 rebate in contract. Discussion. DM Arias states he will get something in writing to present to the Board.

D-3 Discussion/Direction on District Manager retirement/position. Nunez explains he stated in the previous meeting the District Manager won't be here very long and they need to keep their heads up on what to do when he leaves. He would like to look into finding someone to transition into filling position while DM Arias is still here to allow for smooth transition. Discussion. DM Arias says it makes sense and is willing to go January 30, 2025. He believes they need to consider and think about who can take the position and he is willing to help the person adjust and train them. LC Linden states there is a process to go through to fill the position, such as interviews, recommendations, and action from the Board. He also suggests they can add it to the website, Special District magazine, online recruitment. Discussion. President Reyna opens the item to the public for comment. Rumaldo Reyna recommends Dolores as an option for the position.

D-4 Discussion/Direction regarding what action can be taken for residents not paying bills. LC Linden states there needs to be a policy per State Law Office. He is working on it and needs to confer with DM Arias and believes he can provide one that the Board is looking for. There is a draft policy that contains provisions for late fees, disconnection notices, alternative payment arrangements, etc. Office is working on the details and draft to make it more pertinent for the District and should have one ready at the May meeting. Reyna asks if they have to send the policy to residents. LC Linden states they don't have to mail them, but they can notify them or inform them on the website.

D-5 Direction/Action on updating the policy for water and sewer connection fees. Arias states there is new construction coming, but he can't find the documents that state how much to charge for connection fee. The previous was done in 1996-98 and needs to be renewed. Manrique provided different rates in surrounding areas. Del Rey's rates need to be revised and there needs to be a new policy. LC Linden states they can come back to Board with policy updates and suggestions. The current connection fee established is \$750 total. LC Linden also informs the Board the agenda states "action" but should only be "direction". DM Arias stresses they need something in place because the current one is outdated and next month they will present in better format. Manrique explains the impact and connection fees are to cover the costs to maintain new connections, such as maintenance at the WWTP. Reyna directs Manrique to come up with a connection fee based on knowledge to come up with an informed decision on what it should be. Manrique states he can do a small study to come up with an estimate. President Reyna opens the item to the public for comment. CRLA member 1 asks if self-help rates would be different. Reyna responds it would be the same all around because impact would be the same on the WWTP. Discussion. DM Arias will work with Manrique on small study and come back next month.

D-6 Adopt Resolution Awarding the Construction of the Water Distribution System Pipeline Replacement and Water Meter Installation Project to DG Construction Inc. in the amount of \$2,247,318.00 and Authorize the District Manager to Sign the Agreement on Behalf of the District. Manrique informs the Board this is a recommendation to award the project to DG Construction Inc. The project will be funded by two different fund sources. About \$1.4 million is for the pipeline and \$1.2 million for construction, which is more than originally funded but the funding for additional \$400,00 was approved, so the project is fully funded. The lowest bidder was DG Construction Inc., and they would like to begin. There will be a meeting on the 26th regarding the installation of water meters and other connections and is hoping this will be done by the end of the year. The meters will be cell phone based. The meters will have a SIM card which will cost about \$0.80 a month and allows the customer to check how much water they use daily on their app. Manrique informs the Board the rate study did not include meter rates so it will need to be developed. Reyna suggests giving it time to see what average usage is to include in fee or adjustment. Reyna opens the item to the public for comment. No public comment. Garza made a motion to Adopt the Resolution Awarding the Construction of the Water Distribution System Pipeline Replacement and Water Meter Installation Project to DG Construction Inc. in the amount of \$2,247,318.00 and Authorize the District Manager to Sign the Agreement on Behalf of the District. Ramirez seconds the motion. All in favor; four ayes: Reyna, Ramirez, Nunez, Garza. All Absent; one absent: Sanchez. Motion passed.

E. DIRECTOR COMMUNICATIONS/AGENDA ITEMS

Ramirez asks if DM Arias has checked on curtains to fix up the hall. DM Arias states he went to Home Depot to get an estimate. Discussion. Ramirez suggests painting before changing anything else. DM Arias explains he will look into fixing the ceiling. Dictos says he will send someone to look at it. Reyna states she believes police patrol is necessary to protect the kids, if not fully, just have them make some type of presence. DM Arias states to have someone it would cost about \$90,000 a year. Discussion. Nunez states he understands the importance of having patrol, but the District may not have the resources to have them.

F. DISTRICT ADMINISTRATOR REPORTS

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

DM Arias states there is nothing to report.

F-2 Report of District Counsel (Report by Michael Linden)

LC Linden states there is nothing to report.

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

Manrique gives updates on projects and reviews the report. He informs the Board he reached out to Fresno County regarding the manholes and funding to raise them, but they stated it is the District's responsibility. He explains it would be about \$7,000 per hole, so he suggests adding coal mix as a temporary solution as there may be grants available to cover the costs of manholes in the future, but not guaranteed.

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

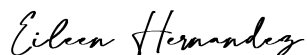
Dictos reviews report and highlights key points. He explains he needs to remove the cost to AM Consulting as the District is paying in advance, but it will be covered by grants as reimbursement.

G. ADJOURNMENT:

Reyna made a motion to adjourn the meeting. Ramirez seconds the motion. All in favor; four ayes: Reyna, Ramirez, Nunez, Garza. All Absent; one absent: Sanchez. Motion passed.

With no further business the meeting was adjourned at 9:53 p.m.

Respectfully Submitted,



Eileen Hernandez

Del Rey Community Services District