

*Del Rey Community Services District*  
**Minutes of the  
Board of Directors  
Regular Board Meeting  
June 16, 2022  
7:00p.m.**

Vice President Nunez called the Regular Board Meeting to order at 7:36p.m.

**Directors present:**        **Joaquin Nunez, Rumaldo Reyna, Rolando Sanchez**  
**Directors absent:**       **Stephanie Garza, Daniel Ramirez**

A2        The Board leads in the Pledge of Allegiance.

A3        **Approval of Agenda:** Reyna made a motion to approve the agenda of the June 16, 2022 Regular Board meeting. Sanchez seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

**B.        Public Comment (limit of three minutes):**  
No public comment.

**C.        APPROVAL OF MINUTES**

C-1       Approve Minutes of the May 19, 2022 Regular Board Meeting  
Reyna made a motion to approve the minutes of the May 19, 2022 Regular Board meeting. Sanchez seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

**D.        CONSENT CALENDAR:**

D-1       Approve payments for vendors for West America Bank – May 2022, a Total Amount of \$119,358.74.  
D-2       Approve payments for vendors for West America Bank – June 10, 2022, a Total Amount of \$41,052.87.

Discussion. Nunez opens the item for public comment. No public comment. Sanchez made a motion to approve items D-1 and D-2. Reyna seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

D-3       Resolution to Allow the Option of Board Members to Attend Meetings Remotely.  
Reyna states he would like board members present but understands. Nunez opens the item for public comment. No public comment. Reyna made a motion to approve item D-3. Sanchez seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

**E.        PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):**

E-1 Discussion of Budget for FY 2022-2023. Chaffin states generally when discussing the budget want all Board members present, and since there are only three Board members present there are two options. Option 1: continue the item to a special meeting to adopt budget before June 30<sup>th</sup>. Option 2: adopt a continuing resolution to discuss the budget at the next meeting. Arias states discussing the budget defeats the purpose since the board is unable to vote on it yet. Sanchez states it should be discussed now since it is possible not all five Board members will be present again next time. Nunez feels all Board members should be present to discuss, so he leans more toward the second option. Chaffin states there is also the hybrid option to discuss the budget for the public present then continue the item. Discussion. Arias presents the Budget for Fiscal Year 2022-2023. Notes a 5% increase for District employees and an increase in utilities. Proposes an increase in Board members pay for meeting attendance. Sanchez questions increase. Arias states it is for cost of living. Discussion. Sanchez points out a goal for the District to have a Grade Level 3 Operator in house to eliminate water testing charge in budget. Discussion. Nunez opens the item for public comment. No public comment. Reyna made a motion to adopt a continuing resolution until August 31<sup>st</sup>. Sanchez seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

E-2 Discussion/Consideration regarding HR meeting. Reyna spoke to Mora and was informed there hasn't been many changes to manual since 2012. If there are no changes, they can continue with the HR meeting because the Board needs to be on top of training. Chaffin explains that Mora prepared the HR manual and sent to the firm, and they flagged an item. The item includes a change for at-will employees to provide them with services the District cannot provide. Waiting on Mora to get back to the firm regarding that. Arias states Mora does not agree with firm, so it is being brought to the Board to see how they would like to move forward with this. Legal

counsel advises the Board to not accept the HR Manual as is because it creates a legal liability, but it is up to the Board. Nunez states he sees no concerns with the recommendation. Discussion. Sanchez questions if the current HR Manual has been in function. Arias states it has been. Discussion. Reyna recommends keeping the HR manual as is. Nunez opens the item for public comment. No public comment. Consensus to continue the item to the next meeting.

E-3 Discussion/Consideration to get District Manager's last day in writing. Reyna questions contract with District Manager. Chaffin states the contract was approved. Reyna explains the contract expired and was never discussed again for over a year. Reyna would like the contract in writing. Arias states he only needs to give a 2-week notice if he plans on leaving and would like it on record that this is a personal issue and a form of harassment- addressing his position is systemic harassment by Reyna. Arias questions the purpose of needing his resignation date. Reyna states he is concerned about the expired contract and needs notice to look for another District Manager. Reyna apologizes. Arias confirms there is no contract. Sanchez states the issue with the contract should be addressed at a later date, and there is an issue that there is no contract. Sanchez states he doesn't want DM Arias to leave, but over a year without a contract is a concern and important matter. Chaffin offers a legal option to adopt a draft amendment for agreement to extend contract to give the Board the ability to discuss issues of salary, benefits, term, etc. In terms of harassment, elected officials are elected and act in a manner of Board policy and as the Board allows. Discussion. Draft amendment will be presented to the Board at the next meeting, and they can make changes accordingly. Chaffin states the amended agreement can be retroactive, and it will protect from any legal concerns. Discussion. Nunez opens the item to the public for comment. No public comment. Sanchez made a motion to authorize LC Chaffin to get a draft amendment to the agreement. Reyna seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

E-4 Consideration and Action regarding Third Amendment to Contract Services Agreement for District Council Services. Chaffin reviews item from previous meeting. This is an inflation adjustment. Comparison of legal service rates presented. Notes the firm charged TCP as a general matter rather than litigation rate. Legal fees are well below budget from last year- budgeted \$45,000, but only at \$26,000. Senior associate costs less than partner. Nick Papajohn would take over and Chaffin will work as second chair. Nick will appear remotely in trade-off, and they won't charge for two attorneys during transition. Discussion. Nick Papajohn introduces himself to the Board and provides brief background. Chaffin states rates are less than inflation rate of 8.6%. Nunez opens the item for public comment. No public comment. Chaffin breaks down rates and each service. Discussion. Reyna made a motion to approve Third Amendment to Contract Services Agreement for District Council Services. Sanchez seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed.

#### **F. DIRECTOR COMMUNICATIONS/AGENDA ITEMS**

Reyna went through the gas receipts and found there aren't any miles on some receipts. He states he would like a record of mileage because it is a problem. Nunez questions if there is a mileage log. Arias states they write the miles on the receipts. Nunez requests a specific log for each truck to provide evidence on truck services. Arias points out the 96 truck doesn't record mileage, so asks if they would like to get it fixed. Reyna and Sanchez request to add info on truck mileage, log recommendation, and fixing mileage meter reader on truck to the agenda.

#### **G. DISTRICT ADMINISTRATOR REPORTS**

##### **G-1 Report of District Manager (Report by Carlos Arias)**

DM Arias reports, as directed the last meeting to get a timeclock, he purchased them. He got a good deal, so he purchased two to have one at the plant and one at the District office. There will be a \$20 monthly service fee for both.

##### **G-2 Report of District Counsel (Report by Shannon Chaffin)**

LC Chaffin states he has been assisting the District Manager with collection/contract issues. He also reports from time to time does training Municipal Law Attorneys (SEQA). Lastly, due to the drought there will be water/commercial restrictions- possible State mandates certain restrictions for Del Rey.

##### **G-3 Report of District Engineer (Report by AM Consulting)**

Manrique reviews the Engineer report. He reports with Prop 68 Per Capita in which Board adopted restrictions, should start design process. Drought Relief Program- interim project manager is working with Staff to complete the paperwork required for drafting an agreement. Clean Water Application- State is still reviewing the application. LAFCO called meeting for sphere of influence amendment.

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

Dictos reviews the Accountant report. He states Del Rey is an enterprise- should raise money to make money through grants or rate increase adjustments.

G-5 Other

Sanchez suggests cutting expenses across the board, looking at other options rather than only raising rates. He mentions bringing speed bumps to control traffic.

**H. PUBLIC COMMENTS:**

No public comment.

**I. ADJOURNMENT:**

Sanchez made a motion to adjourn the meeting. Reyna seconded the motion. All in favor; three ayes: Nunez, Reyna, Sanchez. All absent; two absent: Garza, Ramirez. Motion passed. With no further business the meeting was adjourned at 9:32p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Eileen Hernandez".

Eileen Hernandez  
Del Rey Community Services District