



## *Minutes of the Regular Meeting of the Board of Directors*

**Del Rey Community Services District  
Thursday, July 21, 2022  
7:00 p.m.  
American Legion Hall  
10649 Morro Ave. Del Rey, CA 93616**

President Garza called the Regular Board Meeting to order at 7:06 p.m.

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

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** Nunez made a motion to approve the agenda of the July 21, 2022 Regular Board meeting. Ramirez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

**B. Public Comment (limit of three minutes):**

Ramirez says Del Rey needs to move further. He believes the town needs to come together to grow. He would like District Manager to stay if they could vote on it at a later time. Garza opens the item for public comment. PM Joey Lopez agrees, and he believes if the five Board members work together, they can change a lot- there needs to be change. Prior Board Members affected town. He sees Parlier thriving and Del Rey, "Of the King," can do the same. He states he has been working with the kids in town and leading the Boys and Girls Club, so he can instill positivity in them for the future and to prosper. He adds the Boys and Girls Club needs a new facility. Public member Catalina Reyna-Navarro says Del Rey used to have everything, and little by little everything went downhill. She states Board members need to work to bring business back to Del Rey to thrive.

**C. APPROVAL OF MINUTES**

C-1 Approve Minutes of the June 16, 2022 Regular Board Meeting

Reyna made a motion to approve the minutes of the June 16, 2022 Regular Board meeting. Nunez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

**D. CONSENT CALENDAR:**

D-1 Approve payments for vendors for West America Bank – June 2022, a Total Amount of \$116,047.46.

D-2 Approve payments for vendors for West America Bank – July 18, 2022, a Total Amount of \$22,148.09.

D-3 Resolution to Allow the Option of Board Members to Attend Meetings Remotely.

D-4 Adoption of a Resolution Ordering Board of Directors' Election, Consolidation of Election, and Specifications of the Election Order.

Garza opens items D-1 to D-4 for public comment. No public comment. Sanchez made a motion to approve items D-1 to D-4. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

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

E-1 Discussion and Direction regarding water meter grant funds and whether to take out a \$60,000 loan from DWR SRF (federal) funds for water meter updates. Arias states he brought the item to the Board because the grant for water meters will cover residential, but commercial and industrial will not be covered. If the District waits for a loan, the project will be delayed an extra year. The proposal to pay \$60,000 will be covered by the \$6.66 charge accumulated by industrial and commercial accounts billed every month. Discussion. Chaffin explains the District needs to pay for industrial and commercial aspect now but will be repaid. He states that the District can tap into the TCP settlement funds and pay now. The TCP grant cannot be received without water meters. If the District applies for a loan, the State government takes time and will be about two years. Dictos states it is worth it to pay \$60,000 to bring in \$1 million. Nunez states there's no time to waste, and he values experts' opinions. Discussion. Garza opens the item for public comment. Public member Catalina Navarro states the District needs to do this ASAP. Reyna made a motion to authorize \$60,000 to be paid from TCP settlement funds for water meter updates. Ramirez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-2 Adoption of Resolution and Approval of Authorization Letter for Special Assessment/Special Taxes packet (Lighting Levy). Arias explains every year the District levies money for street lighting; this needs to be approved annually by the Board. Reyna questions the extra street lights that were previously approved by the Board and charged to taxpayers. Arias states PG&E put brighter lights in current poles, but he will look into the extra poles. Ramirez states there are certain areas that need street lights. Discussion. Garza opens the item for public comment. No public comment. Reyna made a motion to approve the adoption of the Resolution and Approval of Authorization Letter for Special Assessment/Special Taxes packet. Nunez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-3 Adoption of Resolution Approving Budget for FY 2022-2023. Arias explains the budget was brought to the Board at the previous meeting, and he hopes they have all taken a chance to review it. He is available for questions. Reyna states he asked for information from Dictos and needs to get those numbers straight before he votes on the approval. Discussion. Chaffin explains the Board adopted a continuing resolution for the current budget. Garza opens the item to the public for comment. Public member Lopez challenges the Board to approve the budget by the next meeting. Nunez states the budget should be approved sooner than later; last year's budget shouldn't roll over waiting for one or two numbers. Sanchez questions if there are any critical issues with the numbers. Reyna states he just needs those numbers. Sanchez states it depends on the vote, and he hopes they respect everyone's judgment. Nunez clarifies the budget was extended from the last meeting because he wanted to wait to have all board members present to discuss and vote and look for the best interest of the District. Dictos advises to have a meeting before the end of the month to vote on it to avoid further discrepancies. Discussion. Nunez made a motion for a special meeting in two weeks (August 4, 2022 at 6:30 p.m.) to vote on the budget. Garza seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-4 Discussion and Direction regarding previous budget and audit. Reyna postpones the item until the next regular board meeting.

E-5 Approval of a Fourth Amendment to District Manager's Employment Contract. Papajohn explained it was brought to their attention at the previous meeting that the contract had expired. Their office formed an amendment to make sure no gap in service or time in contract up until January 31, 2023. District Manager asked for increase of 5% in salary effective July 1, 2022 (retroactive). Board can vote. Reyna suggests keeping current pay rate and discuss pay increase at next meeting. Dictos clarifies 5% increase for employees is in budget. Discussion. Garza opened the item to the public for comment. Public member Catalina Reyna-Navarro asked if the increase would be retroactive for the whole year or July forward. Garza responds from July forward. Discussion. Ramirez made a motion to approve the Fourth Amendment to District Manager's Employment Contract. Reyna seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-6 Approval of Updated HR Handbook. Papajohn states this was discussed at the last meeting but can clarify if necessary. Office serves as HR for the District. Office reviewed Mora's Manual and made edits. Chaffin explained with the edits made, the employees can remain at-will, and if the Board approves proposed changes, Mora will finalize updates. Reyna states he called Mora in regards to handbook, but did not get a response. Arias explains to Reyna that Mora stated if there are any questions from the Board, he needs to hear directly from the District Manager. Garza opens the item to the public for comment. No public comment. Sanchez made a motion to continue the item to the next regular board meeting. Sanchez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-7 Discussion and Authorization to Seek a Waiver of SB 1383 Requirements (Disposal of Food Content and Paper Procurement). Arias requests Papajohn to discuss the item. Papajohn explains the concerns in the recent change in State law. State mandated concerns paper procurement and food content disposal- organic waste recycling. Clients have to update ordinances to stay in compliance. Involves time and money. Way to save the District money is to qualify for waiver. The requirements include having a small population and the disposal of small amount of waste- below the threshold. This also needs to be reported to CAL Recycle. The information has not been reported but thinks the District can still qualify. The office will contact CAL recycle to review the waiver process. The waiver is good for five years and needs to be renewed every five years. Garza opens the item to the public for comment. Public member Lopez asks why it hasn't been reported. Papajohn responds that he thinks it is the duty of the trash haulers to do so but will check on it. Discussion. Sanchez made a motion to authorize to seek a Waiver of SB 1383 Requirements (Disposal of Food Content and Paper Procurement). Garza seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-8 Discussion and Direction regarding auditor services. Arias states the District paid \$31,000 for previous auditor services. There are two proposals from different auditors for the Board to review. The first option would cost \$20,000, and the second option will cost \$10,000 with an increase of \$1,000 each year for the next three years. He asks the Board to vote today because the boxes are ready, and audit needs to be done as soon as possible. Dictos states he called Malaga District and asked who did their audit, and they informed him their auditor only charged \$10,000. Dictos states the District needs to look for savings. Garza opens the item to the public for comment. No public comment. Sanchez made a motion to approve auditor Nelson. Reyna seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-9 Discussion and Direction regarding info on truck mileage, log recommendation, and fixing mileage meter reader on truck. Reyna explains there should be a mileage log to keep track of gas and maintenance. He also believes the guys need to keep their trucks clean to make sure they last longer. The District spent a lot of money on the new trucks, so they should be maintained. He questions the logo to be put on the trucks, and if/when they'll be done/ Arias states he has looked into it, but he didn't like the designs provided. Arias states he would like to add hinges and a toolbox to the trucks, and he would like the 2003 truck fixed for Squid to have a decent truck. He doesn't think the '94 truck is worth putting more money into anymore. Discussion. Nunez questions the log requested at the previous meeting, and if one is needed, he can provide a sample. Arias states he would appreciate that, and it will start the beginning of next month. Garza opens the item to the public for comment. Public member 1 questions why the log is starting now after so many years without one. He also commends Board for getting new trucks. Reyna responds by stating its standard procedure for businesses to have a log to keep a record. Discussion. Arias will check with mechanic on '03 truck to get it fixed as soon as possible. Reyna made a motion to keep a mileage log for each truck. Sanchez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-10 Discussion and Direction regarding timing for installation of water meters. Reyna states he wanted to know when the water meters would come in, but it was discussed and answered in a previous item. Chaffin suggests adding the item to future agenda for update. Discussion. Garza opens the item for public comment. No public comment.

E-11 Discussion and Direction regarding payment of unpaid balances. Reyna states the District is hurting because balances are going unpaid. He questions if there are any actions the District Manager can take to collect payments from delinquent accounts. Discussion. Nunez asks if there is a way to check the total balance of delinquent accounts. Arias states he can provide that in 2-3 days. Garza opens the item for public comment. Public member Joey Lopez asks if there is a process to go about how to deal with unpaid accounts. Arias states there are late charges, but they haven't been utilized due to COVID/State restrictions. Public member Lopez asks if they still post warnings or notices. Chaffin clarifies due to the State mandate, the District cannot shutoff or charge late fees at the time. Public member Catalina Reyna-Navarro makes it clear that before, the District used to shut off water. Arias responds that in previous years, they did shut off water to unpaid accounts, but due to the current restrictions, the District is unable to do so.

E-12 Discussion and Direction regarding process and scope for District Board members obtaining general District information. Reyna discusses he has problems getting documents or information from DM Arias, and it is frustrating. He states he would like the documents requested for fiscal year 2021. Arias states he will get the for him. Chaffin states the process and timing for Board Members to receive requested information can depend on staff availability, timing, and the scope of information requested. Chaffin advises for Board Members to email Staff and District Manager for any information in order to provide clarification and accountability. Discussion. Garza opens the item for public comment. Public member 1 asks why Reyna what he is looking for. Reyna states he would just like information to be accessible to be informed. Discussion.

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

Nunez states he is honored to work on the Board, listen to the public, and recognizes everyone here. Formally, he would like to ask to keep the District Manager another year. The project for clear and clean drinking water began with him and he would like to finish the project with him. Papajohn advises to add this as an item to the next agenda. Nunez adds the item to the agenda for the next regular meeting. Reyna says the fence impacted by the crash needs to be fixed. The license plate needs to be reported to the insurance to get it fixed.

## **G. DISTRICT ADMINISTRATOR REPORTS**

G-1 Report of District Manager (Report by Carlos Arias)  
DM Arias has nothing to report.

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

LC Papajohn states this is his first time in Del Rey, and he is excited to be here. He can tell the Board is very passionate about the District, and he looks forward to working together in the future.

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

Lakshmi reviews the Engineer report as Manrique is on vacation. Updates on projects are provided. Notes in terms of sphere of influence amendment, there was a meeting held on June 23. The County suggested a pieced annexation. The Board states unanimously they want a whole annexation at one time regarding sphere of influence, not a pieced annexation, and if that is not possible, they are not interested. Lakshmi takes note of that and will inform Manrique.

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

Dictos reviews the Accountant report. He highlights income year to date as \$1.1 million. \$198,000 from property taxes. \$36,000 from caustic soda from Del Rey Packing. \$152,574 litigation fund. The District is missing Sequoia Pumping fees which greatly helped the District.

G-5 Other

Sanchez states the gnat problem in Del Rey has become a serious issue. POM drops fruit off which attracts the gnats. Questions if they can set something up to spray. Chaffin suggests reaching out to the Mosquito Abatement District which is free, and it could probably take care of the gnats as well.

**H. PUBLIC COMMENTS:**

Public member Joey Lopez asks if Sequoia Pumping would help keep the District operating in green. Dictos responds that it would. PM Lopez suggests the District to promote to have other organizations come. Public member 2 states they requested the restrooms at the Senior Center to be fixed a long time ago, and it hasn't been done. Arias states Board member Reyna said he would do it and never did. Director Sanchez states he will go in tomorrow to check them out. Public member 2 states she will like a timeframe of two weeks to get it done.

**I. ADJOURNMENT:**

Reyna made a motion to adjourn the meeting. Nunez seconded the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed. With no further business the meeting was adjourned at 9:38 p.m.

Respectfully Submitted,



Eileen Hernandez  
Del Rey Community Services District