

*Del Rey Community Services District*

**Minutes of the  
Board of Directors  
Regular Board Meeting  
November 18, 2021  
6:00p.m.**

Vice President Nunez called the Regular Board Meeting to order at 6:00p.m.

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

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** LC Chaffin advises the Board to hold item E-1 as a floater (up until 7:15p.m.) to allow members of the public to be present on the topic. DM Arias states he would like to remove the closed session from the agenda. Reyna made a motion to approve the agenda with amendments. Ramirez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

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

- B-1 Approval of Hall Rental for Senior Center Fundraiser 11/20/21 5PM-11PM (Guadalupe Balladarez).
- B-2 Discussion of Mural Project (Selena Raquel).
- B-3 Presentation of Mural Committee to Board. (Villareal) (10 minutes allotted.)

No members of the public present.

**C. APPROVAL OF MINUTES**

- C-1 Approve Minutes of the September 16, 2021 Regular Board Meeting
- C-2 Approve Minutes of the October 21, 2021 Regular Board Meeting

Nunez opens the items to the public for comment. No public present. Reyna made a motion to approve items C-1 and C-2. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

**D. CONSENT CALENDAR:**

- D-1 Approve payments for vendors for West America Bank – September 2021, a Total Amount of \$95,636.95.
- D-2 Approve payments for vendors for West America Bank –October 2021, a Total Amount of \$59,552.11.
- D-3 Approve payments for vendors for West America Bank –November 10, 2021, a Total Amount of \$54,925.19.

Reyna questions multiple checks for clarification on their amount and description. DM Arias explains the checks. Discussion. Nunez opens the items to the public for comment. No public present. Reyna made a motion to approve items D-1, D-2, and D-3. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

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

E-1 Authorization for the District to Pay Off USDA Loan. Reyna explains thinks this loan has been hurting the District for a long time, and it still needs 10-15 more years to pay it off. Reyna states he has gone over the topic with Paul Dictos, and he believes paying it off can be a win-win. He suggests using money from either TCP or LAIF accounts to pay it off, and eventually paying it back. Discussion. LC Chaffin explains there are two options- to pay or not to pay off the USDA Loan early. LC Chaffin reviews the Staff Report in regard to USDA Loan and explains the multiple options in terms of paying off the USDA loan and their possible pros and cons. He explains the cost-benefit analysis. If the money is borrowed from the suggested accounts, they would lose out on interest in those accounts. Discussion. Reyna states the District would be saving over \$250,000 on interest if the Sewer bond is paid off early, and the money would be paid back in seven years. Discussion. DM Arias states he brought this topic to the board before, but now he would like to wait to get agreement approval with Department of Water Resources for grant funding, which could take up to six months. Sanchez brings up water rates. Discussion. Reyna states he will wait six months and bring the topic back up to the board. Sanchez

states he would like to wait to research all the avenues. LC Chaffin suggests its possible to get DWR agreement before six months, so once the agreement is approved, bring this topic back for discussion. LC Chaffin suggested and advised a motion to direct staff to come back when the DWR funding agreement occurs with a resolution or option to pay off the sewer bond. Sanchez made a motion direct staff to come back when the DWR funding agreement occurs with a resolution or option to pay off the sewer bond. Ramirez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-2 Authorization to Formalize AM Consulting as District Engineer. DM Arias states he would like Manrique to be accepted as the District Engineer. He is currently the interim, but he would like him to be the official District Engineer. Reyna asked where the District stands on grants. Manrique explains the each grant he has applied for and those he plans to apply for the District. Discussion. Reyna thanks Manrique and states his approval. Reyna asks how the contract will work- if it will be on a yearly basis or every two years. Nunez states Manrique came and worked alongside Mark and learned a lot, so he approves. Sanchez states Manrique is the best candidate and the District is in a position where they really need him as the engineer. Discussion. Nunez opened the item to the public for comment. No public present. Reyna made a motion to approve AM Consulting as the District Engineer. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-3 Authorization/Resolution for Water Distribution System Isolation Valve and Aged Water Line Replacement. Manrique states the grant for water application was submitted, but the resolution needs to be adopted before it is finalized. The resolution would authorize the District Manager to sign and submit the application. The application is for a Drought Relief Program. Discussion. Dictos mentions and advises Manrique to approach Council Member Acosta regarding grants and other options for funding. Discussion. Nunez opened the item to the public for comment. No public present. Reyna made a motion to approve the resolution and authorization for Manrique to approach Council Member Acosta. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-4 Authorization/Resolution to Approve Del Rey Wastewater Treatment Plant's Participation in the King's Water Alliance Management Zone for Nitrate Program Compliance. Manrique explains this is an unfunded mandate regarding the CV Salts and Water Control Board. Everyone needs to comply. He explains there are two ways to go about it: study to demonstrate the water is not being contaminated, which the State discourages small districts to do on their own because it is very costly; the other is Kings Water Alliance Management Zone does a study to provide compliance the District needs. The cost of compliance is about \$5,500 for two years. Discussion. The compliance date passed. Tried to negotiate Kings water Alliance and public utilizes got fair share on deal. Next year will renegotiate costs among farmers, wastewater treatment plants, etc. Hopes to lower fee in next round. For sake of compliance now, sign agreement and work next year to lower the fee. Discussion. Nunez opened the item to the public for comment. No public present. Reyna made a motion to approve item E-4. Ramirez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-5 Authorization/Resolution for the District Manager to File an Application for Proposition 68 Per Capita Grant Funds. Manrique explained the noncompetitive grant for parks and recreation. This grant has allocated a certain amount based on population. He informs the board this grant has been open for application for a while and the deadline is December 31<sup>st</sup>. This grant would be used for pedestrian path around park and small restroom building. Discussion. The application cannot be submitted until the resolution is passed. Sanchez asked if the grant had a loan attached to the grant. The board and Manrique state there is no loan attached to the grant. The grant is free money. Discussion. Nunez opened the item to the public for comment. No public present. Reyna made a motion to approve item E-5. Ramirez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-6 Authorization/Resolution for Submittal of Application for all Cal Recycle Grants for which District is Eligible. Manrique mentions the issue with trash cans at the park. Cal Recycle will help acquire cans that help separate with multi-compartment trash containers. The grant will be for \$5,000. Discussion. Reyna states trash cans will be good for park to keep it clean. Nunez opened the item to the public for comment. No public present. Reyna made a motion to approve item E-6. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-7 Consideration/Resolution to Allow the Option of Board Members to Attend Meetings Remotely. Arias asks LC Chaffin to explain. LC Chaffin states staff can legally attend remotely, but Board members cannot. Approval of this resolution would allow the option for Board members to attend remotely, if not, they cannot attend remotely. Sanchez states it is a tool necessary in case Board members cannot come in person but can attend online (especially to form a quorum). LC Chaffin advises the resolution would need to be refreshed every month in consent items to keep it in motion as long as it is necessary. He also states if the Board does not want

to keep it, then it can be removed, and it would be required for all to attend in person, without the option to attend remotely. Discussion. Reyna states he prefers for all to attend in person to get stuff done and it would cost to keep the resolution updates. Discussion. Nunez opened the item to the public for comment. No public present. Sanchez made a motion to approve item E-7. Ramirez second the motion. All in favor; three ayes: Nunez, Ramirez, and Sanchez. All opposed; one opposed: Reyna. All absent; one absent: Garza. Motion passed.

E-8 Consideration to Adopt Final IS/MND regarding TCP Grant. LC Chaffin explains Staff is currently in process to get money in regards to TCP grant. Before can do anything in California that might change the environment, an assessment needs to be done under CEQA (California Environmental Quality Act). CEQA has various levels of environmental repeal. One is the Initial Study- Negative Declaration and another is the Mitigated Negative Declaration. He states Emma Rawnsley from AECOM has been working on and has done CEQA for the project. Been in contact with the State Water Board, it has been circulated out at a State level, it was posted locally: newspaper and Del Rey website. It has been under review for 30 days and there were no negative comments or feedback. He reassures everything that was required to do by statute has been done. Explains if the Board approves CEQA and adopt the final IS/MND, the environmental aspects are done, and are on to the next steps to receiving the money. LC Chaffin explains the grant is for TCP Wellhead treatment at Wells 4, 5, 6, 7. Discussion. Item opened to the public for comment. No public present. Reyna made a motion to adopt the final IS/MND regarding TCP Grant. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-9 Consideration to Update the ESCADA Electronic Emergency System. Arias states company emailed him stating the system is outdated and needs to be updated. SCADA electronic device on wells and lift station signals if there are issues. The current system works well but has been there awhile. It will cost about \$9,000. Reyna asks if current system is failing, only to understand costs and make sure it will be an upgrade and not a rebuild of the entire system. Nunez states he approves updating now to avoid future costs or failure. Discussion. DM Arias states the current system sends signals to call if there are any issues and it has saved them from bigger issues, but it is time to update the system. Discussion. Item opened to the public, but no members of the public present. Reyna made a motion to approve item E-9. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-10 Direction on Funds to Pay for the South Kings GSA Budget Portion of Expenses. Arias asks the Board for guidance on how to come up with the money for the District's share on the South Kings GSA portion of expenses. He states the invoice amounts of \$22,791 and \$78,888 for a total of \$101,679. LC Chaffin explains background on the topic- a few years ago the State was in a drought, so Governor Brown implemented a new law called SIGMA, which divided the State into water basins to reach a balanced water draw- every gallon in for every gallon out. Del Rey is part of South Kings County- cities grouped together to pay based on its population- which also includes Fowler, Kingsburg, Parlier, and Sanger. Del Rey does not have many recharge basins. GSA got together to build infrastructure to recharge. LC Chaffin explains these expenses are more upfront costs, and the payments should be smaller in the future. Discussion. Sanchez asks DM Arias what avenues the District has to pay the money. DM Arias states there is a Restricted account with approximately \$26,000 that can be used. LC Chaffin mentions the LAIF account, which receives less interest than the County account. DM Arias states he would like to use money from the LAIF account, but he would also like the Board's input. Board asks how long the District has before a payment needs to be made. DM Arias states it needs to be paid now. Discussion. Dictos asks for clarification whether it will be a hundred-thousand dollar cost every two years. LC Chaffin explains it somewhat of a membership fee for startup- it is a one time, but it is a budget estimate that will be continuing on a fairly regular basis. Discussion. LC Chaffin advises a motion to authorize District Manager to identify funding sources with Paul Dictos; if he cannot identify fund sources to authorize the use of the LAIF account. Ramirez made a motion to authorize District Manager to identify funding sources with Paul Dictos; if he cannot identify other fund sources, to authorize the use of the LAIF account. Sanchez second the motion. All in favor; four ayes: Nunez, Reyna, Ramirez, and Sanchez. All absent; one absent: Garza. Motion passed.

E-11 Approval for Soccer Team to Use the Park. Reyna brought this to the board because he was approached by someone that was interested in practicing there and needed the restrooms open. DM Arias states they need authorization to use the park for liability purposes. He informs the board there are gopher holes there that may cause injury. He would like to be approached by anyone using the park for practice or any events. Discussion. LC Chaffin advises DM Arias to approach the team to ask for proof of insurance and need approval from the board. Discussion. Nunez advises to inform the District manager when they see people practicing at the park so he can approach them and inform them of regulations. Consensus for motion to approve the soccer team to use the park with proof of insurance.

E-12 Discussion/Consideration in Reviewing Bylaws and Reviewing the Handbook. Reyna states every two years board members to review the bylaws and human resources handbook in order to get new members up to date with policies. LC Chaffin clarifies the and board fees that it would take in order to conduct it. He recommends the board members receive the handbooks and review them on their own and ask questions individually if they have any. Discussion. Reyna suggests a special meeting to conduct a training on the item. Discussion. Consensus for motion to approve DM Arias to inquire on fees and services from Human Resources to conduct training to review bylaws and handbook.

**F. DIRECTOR COMMUNICATIONS/AGENDA ITEMS**

Sanchez questions if there will be a Christmas parade. DM Arias states he will discuss it as part of his report. Sanchez mentions the park that will be used for water basin recharge- there are people that would like to use it for sport practices and are willing to help fix it up, but he will direct them to the District Manager. Sanchez asks if it would be possible to consider moving the meeting times to 5:00p.m. Discussion. The item will be added to the agenda to be discussed and reviewed by everyone to see if it works or conflicts with anyone's (board members, staff, or public) schedules.

**G. DISTRICT ADMINISTRATOR REPORTS**

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

DM Arias reports the two trucks for the employees were purchased for \$51,570. The 16<sup>th</sup> of October, Del Rey held their annual trash clean-up day, and it went well. The Thanksgiving dinner will be held Monday, November 22<sup>nd</sup> from 6-7:30PM. They will be serving to-go plates to the community. The Christmas Parade will be held Saturday, December 11<sup>th</sup> at 11AM. LC Chaffin informs he has money set aside for Thanksgiving and Christmas parade (he will divide the \$700 among the two-\$300 for Thanksgiving and \$400 for Christmas). Nunez recommends the board to be in the parade to show support for the community. Lastly, DM Arias brings up rising inflation. He knows financial issues of the District but recommends employee raise.

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

LC Chaffin flags minimum wage increase to \$15, which doesn't consider inflation. Flags employee turnover in different public agencies-people are moving fast. He also mentions attorney rates haven't been raised in half a decade- Del Rey has the lowest rate from anyone they represent. He states he is happy to serve and be apart of the Del Rey Community.

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

Manrique summarizes his report for November. He attended a meeting regarding South Kings GSA. He states the funding from grants have been discussed in the action items. The resolutions needed to submit applications for grants were approved tonight, so he will be sending the applications out.

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

Dictos states no report due to a computer issue. He apologizes and states he will work and have a double report prepared for the next meeting.

**H. PUBLIC COMMENTS:**

No members of the public present.

**I. CLOSED SESSION:**

DM Arias states he would like to remove the closed session from the agenda.

**J. ADJOURNMENT:**

With no further business the meeting was adjourned at 9:43p.m.

Respectfully Submitted,

*Eileen Hernandez*

Eileen Hernandez  
Del Rey Community Services District