

Del Rey Community Services District
**Minutes of the
Board of Directors
Regular Board Meeting
December 15, 2022
6:00p.m.**

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

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

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** Ramirez made a motion to approve the agenda of the December 15, 2022, Regular Board meeting. Sanchez seconded the motion. All in favor; four ayes: Garza, Reyna, Ramirez, Sanchez. All Absent; one absent: Nunez. Motion passed.

B. Public Comment (limit of three minutes):

C. VERIFICATION OF ELECTIONS

C-1 Proclamation recognizing outgoing Director Rumaldo Reyna

DM Arias recognizes Rumaldo Reyna for serving on the Board for 8 years, actions he aided in achieving, and thanks him for his service. The Board thanks Reyna for his time and effort. He is presented with a certificate.

C-2 Declaration of Election Results: Adopt a Resolution declaring the results of the November 8, 2022

General Municipal Election. President Garza reviews the results of the election. She explains Nunez and Ramirez will continue to serve for four more years, and Maria Reyna will join the Board and serve for four years. Reyna made a motion to approve the Resolution. Sanchez seconded the motion. All in favor; four ayes: Garza, Reyna, Ramirez, Sanchez. All Absent; one absent: Nunez. Motion passed.

C-3 Administer Oaths of Office

Director-elect Joaquin Nunez

Director-elect Daniel Ramirez

Director-elect Maria Reyna

Joaquin Nunez not present. Daniel Ramirez and Maria Reyna are administered oaths of office. Reyna takes a seat and joins the Board.

D. CONSENT CALENDAR:

D-1 Approve payments for vendors for West America Bank – November 2022, a Total Amount of \$89,855.63.

Rumaldo Reyna questions checks that haven't cleared. Papajohn mentions to Reyna that he is unable to vote on the items. Reyna states he just wants to advise the Board of those items. Rumaldo Reyna suggests reissuing the checks. Maria asks why the checks should be reissued if the vendor doesn't cash it. Rumaldo Reyna states it is for audit purposes. Discussion. Garza opens the item to the public for comment. No public comment. Sanchez made a motion to approve payments for November 2022. Ramirez seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

D-2 Approve payments for vendors for West America Bank – December 6, 2022, a Total Amount of \$32,163.53. Garza opens the item to the public for comment. No public comment. Sanchez made a motion to approve payments for December 6, 2022. Ramirez seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

D-3 Resolution to Allow the Option of Board Members to Attend Meetings Remotely. Garza opens the item to public for comment. Public member Rumaldo Reyna states the District is paying a monthly fee to have Zoom and fees for the attorney to update the resolution to allow teleconference attendance. Discussion. Sanchez states he believes everyone

that represents the Board- Staff, employees, and Board members- should be present in person. Discussion. Papajohn clarifies he is not drafting a new resolution every month, so he has not been charging the District for that. He also informs the Board that they can adopt the resolution for tonight, but it might not be an option starting January pending State law. Discussion. Ramirez made a motion to approve the resolution to allow the option of Board Members to attend meetings remotely. Sanchez seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

D-4 Approval of Minutes of November 18, 2022, Special Board Meeting. Ramirez made a motion to approve the minutes of the November 18, 2022, Special Board Meeting. Sanchez seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

D-5 Approve a Resolution of the Board of Directors of the Del Rey Community Services District confirming Board members and authorized bank signatories. DM Arias states this is a standard procedure when there is a new Board member- all board members need to go to the bank to sign to add the new Board member to the accounts. Sanchez makes a motion to approve the resolution. Reyna seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

E. PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):

E-1 Adopt Resolution Awarding Contract for Engineering Services for the design of Groundwater Recharge improvements to AM Consulting Engineers, Inc. Arias states AM Consulting bid, was the only one who bid and was also the one who got the District the grant, so he would like for the Board to contract with them. Sanchez asks how much it cost. DM Arias states it will all come from the grant, and all the information is in the packet attached. Discussion. Garza opens the item to the public for comment. Public member Rumaldo Reyna states he believes it is a conflict of interest. Manrique states the District received the grant from the County ARPA funds. Most grants the District, the District engineer does the work. For this particular grant, the County asked that the District go out and solicit bids for the work. Although AM Consulting is the District engineer, the County did not disqualify them from doing the work, so they submitted a bid, as they are the most familiar with the project and are also the ones who submitted the proposal for the District. One of the projects is also one that was being worked on previously by their previous District engineer. Discussion. Director Reyna explains that if the attorney says its not a conflict of interest, AM Consulting is the only firm that bid and was the one who actually got the District the bid, then she believes they should go with them. Sanchez states as long as it is on record that it isn't a conflict of interest, he's okay with it. Public member Catalina Reyna questions hoe AM Consulting was selected. Sanchez explains he went through the correct process of placing a bid in the allotted 30 days the District was allowed to solicit bids. Discussion. Sanchez made amotion to adopt Resolution Awarding Contract for Engineering Services for the design of Groundwater Recharge improvements to AM Consulting Engineers, Inc. Reyna seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

E-2 Discussion/Direction regarding payment for South Kings GSA. Arias states it is the second year the District is billed more than \$100,000. He believes it is time to do another rate study to help with the expenses of the District, especially those, like this, of larger amounts. Sanchez states he would like to encourage Board members to search for other revenue to bring to Del Rey that they need. Discussion. Reyna asks the purpose of South Kings GSA. DM Arias explains by the State, the District needs to recharge the water that comes out of the ground. The District doesn't make enough to do it on their own, so they are apart of South Kings GSA, so this is an annual fee. Discussion. Ramirez suggests getting together with Dictos to discuss direction on funds to pay. DM Arias will notify them of the outlets they come up with. Garza opens the item to the public for comment. No public comment.

E-3 Discussion/Direction regarding pumps for lift station at wastewater plant. Arias explains the estimate from a company regarding the item. Sanchez explains he visited the plant and talked to the operators about the issues. He reviews the statement provided about what he sees is needed, and he thinks he can find something to try to help. Ramirez suggests Sanchez to look into it. Sanchez states he will look into seeking and purchasing the part needed for the drive at the plant. He would like to purchase a new one, fix the electrical, and then focus on rebuilding it. He requests the name plate to do the research and he can bring it at the next meeting. Consensus to allow Sanchez to look into the pumps.

E-4 Discussion regarding Ordinance for towing non-operating vehicles. Arias asks what to do with the two non-operating District vehicles. Reyna states to call Pick-A-Part to get money off of them. Sanchez explains it's an easy process- a phone call to explain all the information on the vehicles and make sure to have the pink slips and then set up a

time and date to pick them up. Ramirez clarifies the District Manager is seeking approval from the Board. Garza opens the item to the public for comment. Public member Reyna suggests calling Pick-A-Part to see what they offer and try another place to get another offer and also putting a sale sign on them to see the best offer. Ramirez made a motion to allow DM Arias to find the best offer to dispose of the District vehicles. Sanchez seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

E-5 Discussion/Direction regarding initiating new Prop 218 utility rate study and updating development impact fees. Arias explains the only income the District has is that of the services it provides to the community. Besides that, there is a company trying to build a couple of apartments across the street from the Swanson building. The development impact fees haven't been updated since 1996, so they need to be updated. Discussion. Garza opens the item to the public for comment. Discussion. LC Papajohn informs the Board there are two aspects to the item- the Prop 218 utility rate study and updating the development fees. The development impact fees have one particular process it needs to go through in order to update the fees. For Prop 218, every 5 years, it is required to have a new rate study that covers all the services the District provides- water, sewer, lighting. If the District wants to increase rates, the rate study needs to support it. Given inflation, increased costs in operations and the fact that the current rate study is in its fifth year, the process needs to start to update the study. It would involve getting a consultant or the District engineer to create the study, involving legal counsel, the accountant, district manager. The study would be presented to the board and an opportunity for the public to be involved as well. It is a multistep process that takes time so it should be started now, just to get it in motion and allow the possibility to increase the rates. Sanchez brings up a rate study done not too long ago. Papajohn states it was his understanding they weren't adopted. Discussion. Sanchez states he believed the board passed one. Papajohn says it would be helpful to look where they are at with those rate studies and come back in January to discuss it further to see if there's something to be updates, but it was his understanding that those were coming to an expiration. DM Arias says there's one more increase coming up in January for the year. Discussion. Garza opens the item to the public for comment. Public member Rinaldo Reyna states the District needs to make cuts. Discussion. Sanchez made a motion to direct for DM Arias and Papajohn to discuss the development impact fees and the rate study and bring data and options to the next meeting for review. Reyna seconded the motion. All in favor; four ayes: Garza, Ramirez, Sanchez, Reyna. All Absent; one absent: Nunez. Motion passed.

E-6 Discussion regarding finances in correlation with ethics. Reyna presents this item to the Board. Discussion.

F. DIRECTOR COMMUNICATIONS/AGENDA ITEMS

Sanchez mentions he realizes the District has a lot of projects going on, but he would like to go over them to see which are priority. The spending is going to be high this year. DM Arias states they received grants for those projects. Sanchez states he would just like to review them and have the Board to be more involved to see the impact on the town. Ramirez states it is all to beautify the town and what needs to be done, but he understands it's good to be cautious. Reyna mentions she is happy to be on the Board, she has children here, and hopes they can move here if there is new development. She agrees that the Board needs to do ethics training and other training to know how to conduct themselves on the Board and what their responsibilities are and what they can do as a District to be more transparent for all the people in the District.

G. DISTRICT ADMINISTRATOR REPORTS

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

DM Arias discusses the Christmas parade, and states it was a success. There is finally a Sequoia Pumping Agreement signed, so they will be setting up their equipment at the plant. There have been two major leaks- he has been working with Cost-U-Less, so there will be those fees to fix them.

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

LC Papajohn reports SB 1383 concerning State's regulations concerning recycling of organic wastes and requirements they're imposing on cities and public agencies across the State. They applied for a waiver, but it was denied; the State says they don't qualify for it. They are in communication with the State and Cal Recycle about how to get the District in compliance but also to see what they can do to save on costs. There is no way around incurring some expenses in order to comply, but they are understanding of the District's situation, and they know of a lot of districts across the State that are in the same situation. They will be bringing items to the Board as needed as they move forward this next year. It is being worked on and will be an ongoing process.

G-3 Report of District Engineer (Report by AM Consulting)
Manrique reviews the Engineer report and gives updates on projects, agreements, and funding.

G-4 Report of District Accountant (Report by Paul Dictos)
Dictos reviews the Accountant report.

H. PUBLIC COMMENTS:

LC Papajohn announces the closed session item.

I. CLOSED SESSION:

I-1 Public Employee Performance Evaluation (Pursuant to Government Code §54957(b)(1).)

Position: District Manager

I-2 Public Employee Recruitment (Pursuant to Government Code §54957(b)(1).)
Position: Acting/Interim/Permanent District Manager

No public comment.
The Board went into closed session at 8:54 pm.

No reportable action. The Board tables closed session item to the next meeting.

J. ADJOURNMENT:

Consensus to adjourn the meeting. With no further business the meeting was adjourned at 9:24 p.m.

Respectfully Submitted,



Eileen Hernandez
Del Rey Community Services District