

Del Rey Community Services District

**Minutes of the
Board of Directors
Regular Board Meeting
August 19, 2021
7:00p.m.**

President Garza called the Regular Board Meeting to order at 7:02 p.m.

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

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** DM Arias states in absence of LC Chaffin, he suggests to table item E-10 for the following meeting. Sanchez made a motion to approve the agenda and table item E-10 for the following meeting. Ramirez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

B. Public Comment (limit of three minutes):
None Scheduled.
Unscheduled – Open to the public for discussion.
 No members of the public present.

C. APPROVAL OF MINUTES

C-1 Approve Minutes of the following Board Meetings (September 2020-July 2021).
 Sanchez made a motion to approve the minutes stated in item C-1. Ramirez second the motion. All in favor; four ayes: Garza, Nunez, Ramirez, Sanchez. All abstain; one abstain: Reyna. Motion passed.

D. CONSENT CALENDAR:

D-1 Approve payments for vendors for West America Bank – June 2021, a Total Amount of \$78,129.49.
 D-2 Approve payments for vendors for West America Bank –July 2021, a Total Amount of \$79,776.28.
 D-3 Approve payments for vendors for West America Bank –August 13, 2021, a Total Amount of \$100,411.81.

Reyna questioned check 2765 from June Statement. DM Arias clarified the description and purpose of the check. Sanchez made a motion to approve items D-1, D-2, and D-3. Ramirez second the motion. All in favor; four ayes: Garza, Nunez, Ramirez, Sanchez. All abstain; one abstain: Reyna. Motion passed.

D-4 Approve a Resolution of the Board of Directors of the Del Rey Community Services District confirming Board members and authorized bank signatories. DM Arias explained the resolution to add Director Rolando Sanchez as a signatory to the bank account. It is explained that all board members will need to go to the bank to authorize and sign. Reyna asked to update the titles of signatories. Fred Galante, in place of LC Chaffin, stated this is a routine item for board members when there is a new director. Sanchez made a motion to approve item D-4. Reyna second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E. PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):

E-1 A Public Hearing to Consider Community Input and Application for Funding from the 2021 Funding Year of the Federal Community Development Grant Program. Manrique states he brought the item to the board as a recommendation to authorize the District Engineer to apply for the CDBG Grants for fiscal year 2021. Fresno County offers applications for CDBG Grants annually for Special Districts. Staff recommendation is to resubmit the same project submitted the prior year but not funded- which consists in demolition and removal of abandoned Wastewater Treatment Facility. Currently the condition for safe access is restricted by abandoned buildings, structures and equipment which poses danger to those who need access around it. Project will include filling asphalt concrete and uneven surfaces to make a safe access for walking and transportation from the facility and general improvement of the Wastewater Treatment Facility. Sanchez asks if other sewage plant or district projects could be considered in use of grant money. DM Arias clarifies the grant money can be used for other projects in the district, but the current focus is the Wastewater Treatment Facility. Garza opened the item to the public for comment. No public present. Sanchez made a motion to approve the item. Reyna second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-2 Consideration to Adopt the Del Rey CSD Debt Management Policy. Manrique states this is a staff recommendation that the board of directors adopt a resolution establishing a debt management policy as required by Senate Bill 1029, which is required by the State Resources Control Board as part of the drinking water State Revolving Fund. Background is given- the district has applied and is in the process of obtaining a grant to construct the TCP treatment improvements and the conditions of the Wastewater treatment facility and to install water meters. A small component is a loan; thus, the State requires the district to have a written debt management policy, so it has been presented to the board for approval. Discussion. Dictos states they could payoff other loans with the grant, such as the sewer bond. LC Galante states the pay off the sewer bond is possible. He also clarifies to the board that any issuance of debt, in the form of bonds, would have to be approved by the board, not the district manager alone. Discussion. Reyna made a motion to approve the item. Sanchez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-3 Budget A. Presentation on the proposed Budget for the 2021-2022 Fiscal Year. B. Consideration to Adopt a Resolution of the Board of Directors of the Del Rey Community Services District Adopting the Annual Budget for Fiscal Year 2021-2022. Arias states the deadline to have an operating budget in motion is September 1, 2021 and emphasizes the necessity to approve the budget. Reyna questions why the budget is so high. Arias states Reyna had enough time and opportunities to discuss the issues of the budget or numbers before the meeting and would not like to drag on the meeting for that reason. Discussion. Reyna expresses concern for staff salaries and overtime hours on operating expenses; he also states if raises are considered on the budget, the raises need to be evaluated and approved by the board beforehand for each employee. Discussion. Ramirez states budget is based off the previous year and percentage of what is expected to be spent the current year, which may consider the cost of living. Sanchez states if the cost of living goes up, per labor law, the cost of living reflected in an employee's salary must also. Dictos explains there is a 2% raise in the salaries as pertains to cost of living. LC Galante informs the board that if an employee asks for a raise, approval must be made by the board as they have control over negotiations of salary increase. The District manager doesn't have authorization to approve salary negotiations; it must go through the board. Arias states he has never given a raise to an employee without approval of the board. Discussion. Ramirez defines the term "budget" for clarification, as an estimate of income and expenditure for a set period of time to ensure you have enough money at the end of the time frame; without a budget, one might run out of money. He adds the District Manager knows what expenses the district has and how to allocate the money accordingly. Reyna states the district needs to tighten the budget and spending. Dictos stated before the budget is approved, he would like to have it known the measured estimated fee from Sequoia Pumping may be a discrepancy and unreliable source of income moving forward after all. Discussion. Sanchez made a motion to approve the budget. Ramirez second the motion. All in favor; four ayes: Garza, Nunez, Ramirez, Sanchez. All abstain; one abstain: Reyna. Motion passed.

E-4 Ratify Expenditures to Install Equipment to Allow both In-Person and Remote Board Meetings. Arias brought this to the board because the authorized amount to spend on equipment to allow both in-person and virtual access to board meetings was \$1500.00. To allow sound from those joining in online, an additional speaker was necessary which was \$200 over the limit; thus, Arias asked for ratification of expenditures. Sanchez made a motion to approve the ratification. Ramirez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-5 Reducing the District Manager's Spending Authority to \$500 or otherwise Adjusting Said Authority Amount (*Continued from meeting of June 17, 2021*). Reyna asked to save the item for next month. Consensus to table item until next meeting.

E-6 Authorization to Allow Director Reyna to Purchase Materials and Donate his Time to Build Benches for the Downtown Mural Area. Reyna states he would like to build a table and a couple of benches. Ramirez asked how much it would cost. Discussion. Reyna informed the board he will get an estimate and bring it to the next meeting. Consensus to table item until next meeting.

E-7 Consideration for Beautification and Renovation of the Park, such as Cartoon Murals on the Walls and Replacement of Basketball Hoops and Lights. Ramirez would like the board to consider replacing the hoops and rims at the park and look into putting a mural on the wall by the basketball courts. DM Arias states he has a person in mind for the mural who has done work in town before. Sanchez suggests possibly looking into a local artist or reaching out to the Boys and Girls Club to get them involved in hopes of gaining their respect for the mural and refrainment from ruining it with graffiti. Garza and Ramirez agree. Sanchez made a motion to approve item E-7. Ramirez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-8 Consideration to Move BBQ Pits Currently at the Plant to Use at the Park. Reyna suggests moving the BBQ pits to the park since they are not being used at the plant. To permanently place them, he states he would only need to buy a couple bags of concrete, which would come out to roughly \$15. Sanchez advises Reyna to work out the details with DM Arias. Discussion. Sanchez made a motion to approve item E-8. Ramirez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-9 Authorization to Use Credit Card for Monthly Billing Postage. Arias states he brought this item to the board because there are times when the utility bills are ready to be mailed out to residents, but they sit in the office waiting. He explains the process for sending out billing every month- before mailing out, two board members must sign the check made out to the post office for the pre-sorting fee, which is roughly the same amount each month. Often, it takes about a week before both signatures are obtained, which causes an unnecessary delay. By allowing the use of the credit card to pay for this fee instead, the bills can be mailed out the same day they are made. Ramirez made a motion to approve the use of the credit card for monthly billing postage. Sanchez second the motion. All in favor; five ayes: Garza, Nunez, Reyna, Ramirez, Sanchez. Motion passed.

E-10 Authorization for the District to Pay Off USDA Loan. Consensus to table item until next meeting.

F. DIRECTOR COMMUNICATIONS/AGENDA ITEMS

Nunez takes the time to acknowledge maintenance staff member Jesus Cerda and the responsibility he takes in the District. Nunez explains to the board that he witnessed Cerda go out of his way to help a couple that had taken a ladder to the park to hang up a banner that had fallen off the fence- he informed the couple it was unsafe for them to do it, so he did it instead. He also has seen Cerda pick up trash on the weekends, voluntarily when he is off the clock. Nunez goes on to say these small acts bring light to the community, and Cerda is a respectable worker and member of the community. Lastly, he is disappointed that there is any debate on 2% increase in pay when the workers go above and beyond for the District. Garza states she has seen Cerda clean other peoples houses just because. Sanchez states he should be acknowledged as employee of the month for going above and beyond for the community. Ramirez addressed the board about their duty to attend the monthly meetings. He states the board only meets once a month, but if one cannot make it to notify District Manager ahead of time, and if not enough members can join, it would allow the opportunity to cancel the meeting. In doing so, this would save the District money- board members and staff (that would generally show) would not need to be paid if the meeting is canceled.

G. DISTRICT ADMINISTRATOR REPORTS

G-1 Report of District Engineer (Report by AM Consulting)

Manrique summarizes the July and August engineer reports. He reports the new pumps for wells 4 and 5 are expected to be delivered and installed within the next 30 days and hopefully they will both be operational by the end of June or mid-July, so in the meantime will be relying on wells 6 and 7. AECOM is working with State to get the funding agreement finalized. Waiting for the County to update the Del Rey Specific Plan and submit approval from LAFCO for a District Boundary change. Reviewing an Impact Fee Study prepared by the SKRGSA to determine the fee to be charged to new development to comply with SGMA requirements. The District was contacted by POM to see if there was any additional capacity in the industrial WWTP and disposal ponds to take some of the POM's industrial low strength wastewater flows during some fall and winter months of the year- working on a scope and fee for that work to be presented to POM. Fresno county is soliciting proposal from Special Districts for the 2021-22 CDBG program.

G-2 Report of District Manager (Report by Carlos Arias)

DM Arias reports since the approval to re-open the hall last month, it has been open to the public and rented out three times. He has looked into applying for a grant (\$178,000) that will allow to build a walk path at the park. The project for housing is closer now that the county is involved; there are still a few hurdles, but it is closer than before. Last month, there was a COVID-19 Vaccine Clinic, but due to low attendance, they did not return to administer the second dose this month, but they offered a different location. Lastly, Eileen Hernandez is officially a permanent full-time employee.

G-3 Report of District Counsel (Report by Shannon Chaffin)

No report; not present.

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

Dictos begins by informing the board he needs authorization to speak to the CPA to audit 2020-2021 fiscal year. He advises Fresno County told employees \$500 would be given to employees who get vaccinated. He continues by reviewing the accountant report. At the end of the report, Reyna asks to get together with Dictos and DM Arias to review spending and the numbers and their allocation.

H. PUBLIC COMMENTS:

Public member Guadalupe Mendoza Calderon informs the board there is a hole on the sidewalk where she lives (Redondo Ave). She explains the effects it has, such as water building up in the area which attracts mosquitos to hover and states it is an unpleasant site. She asks the board who she should contact to help fix the issue or if she has permission to fix it herself. DM Arias explains that may be an issue for the County. Reyna states it is the District's problem to fix. Discussion. The board and District Manager inform the resident they will look into the issue and come up with a solution. LC Galante advises the District Manager to place the item on the next agenda. The resident's name, number, and address were taken down for reference. Dictos informs the board and District Manager the CPA needs permission to pick up the boxes to perform the audit for fiscal year 2020-2021.

I. CLOSED SESSION:

Consensus to table item until next meeting.

J. ADJOURNMENT:

With no further business the meeting was adjourned at 9:03 p.m.

Respectfully Submitted,

Eileen Hernandez

Eileen Hernandez
Del Rey Community Services District