

Del Rey Community Services District

**Minutes of the
Board of Directors
Regular Board Meeting
September 16, 2021
7:00p.m.**

President Garza called the Regular Board Meeting to order at 7:21p.m.

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

A2 The Board leads in the Pledge of Allegiance.

A3 **Approval of Agenda:** Reyna made a suggestion to move item E-3 as the first action item to be discussed and to remove item E-1 from the agenda. Reyna made a motion to approve the agenda with the amendments. Ramirez second the motion. All in favor; three ayes: Garza, Ramirez, Reyna. All absent; two absent: Nunez, Sanchez. Motion passed.

B. Public Comment (limit of three minutes):

B-1 Issue of Del Rey School- what can the community and district do to help? Public Member Maria Reyna asked the Board if they were aware of what is going on with Del Rey Elementary. She explains to the board the school will phase out within the next six years, and the issue of the matter is not only that of the School District anymore, but also the Del Rey Board. She states the town does not offer growth for new residents since there are no new property options for the town to grow. The residents now are growing up, leaving, and there are not enough kids in the community to sustain the school. She states it now comes down to a matter of new housing and zoning to bring in new members of the community. Discussion. Garza and Reyna mention the zoning aspect has been a work in progress. LC Chaffin informs Fresno County sets the General Plan, and there's process that sets the sphere of influence which sets jurisdictional boundaries that states how far they can grow and what they want to grow. As part of the document, they got the boundaries in the first step for approval. When housing comes in, and they are within the sphere of influence, they can get annexed in. He informs the General Plan can be found on the Fresno County website. PM Reyna states previous Board Members did not want the town to grow for numerous reasons, and they turned down many developers, but now Del Rey is in the position of losing the school, which will impact the growth and kids of the future. She asks the board what else can be done to help. Discussion. LC Chaffin states the District needs to show they have done their mapping, they have (clean) water available, sewer capacity. Now they need someone willing to develop in the area, the County to approve it, and they need to annex in. He explains after LAFCO needs to change the jurisdiction from Fresno County to Del Rey, and LAFCO cannot act until they have a developer applicant. LC Chaffin advises PM Reyna to get the School District involved in this aspect. PM Reyna states she is happy this has been in the works. She then goes on to discuss the issue of safety in the community. She asks if they can get police involvement to keep the community safe. Garza advises to call the Sheriff, but PM Reyna states the Sheriff in the area does not provide aide, instead makes it worse and antagonizes more problems. Discussion. LC Chaffin advises PM Reyna to go to County Sheriff Board of Supervisors. The other option would be to put a Bond/Measure, where everyone would be taxed to pay for the law enforcement surveillance, which would take about 2 years to be passed/approved/enforced. Discussion. A member of the public/teacher at Del Rey School claims many students that have scholarship opportunities may lose access to that for the lack of a sense of safety in the community, which causes people not to want to come into the community. She also suggests a highlight of the good done in the community, maybe a newspaper or bulletin board of accomplishments/highlights. Discussion. PM Reyna suggests the board should organize more community involvement activities.

C. APPROVAL OF MINUTES

C-1 Approve Minutes of August 19, 2021 Regular Board Meeting.
Reyna made a motion to approve the minutes of the August 19, 2021 Regular Board Meeting. Ramirez second the motion. All in favor; three ayes: Garza, Ramirez, Reyna. All absent; two absent: Nunez, Sanchez. Motion passed.

D. CONSENT CALENDAR:

D-1 Approve payments for vendors for West America Bank – August 2021, a Total Amount of \$134,899.52.
D-2 Approve payments for vendors for West America Bank –September 10, 2021, a Total Amount of \$33,058.32.

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

E. PUBLIC HEARINGS (DISCUSSION AND ACTION ITEMS):

E-3 Authorization for the District to Pay Off USDA Loan. Reyna brought this item to the board because he states the USDA Loan/Sewer Bond is killing the District with interest accrued of \$365,000, but the District can use TCP money to pay it off. Reyna explains the District needs 125% of Bond in account, which adds up to \$75,000, but that requirement can be gone, and states the money can be used in other areas, such as the Reserves. LC Chaffin gives background on the matter. He states there is reasoning for not using TCP money to pay off the loan. One being, if the district spends the money, there are opportunity costs; that money won't be there to use for other options, such as TCP Remediation. Another is the District is still unsure if they will receive money from the State for extending the filtration system and water meters. Discussion. He recommends allotting time for Staff to come up with options for the board to look at with cause/effects of money allocation. The board opens the item to the public for comment. PM Reyna asks about the water meter project. Reyna explains if the District didn't switch to water meters, they would lose funding from the State, but they can still vote to use flat rates. Discussion. Consensus to allow Staff to bring reports of money allocation in regards to this matter to the next meeting.

E-1 Reducing the District Manager's Spending Authority to \$500 or otherwise Adjusting Said Authority Amount. (*Continued from meeting of June 17, 2021*) Reyna states he would like to remove this item from the agenda. Consensus to remove item from the agenda.

E-2 Authorization to Allow Director Reyna to Purchase Materials and Donate his Time to Build Benches for the Downtown Mural Area. Reyna gives numbers of \$742 on the community benches/picnic tables and the rest of the materials. He has most of the materials, but he needs steel and concrete and about \$567 to build picnic tables and 5 benches. DM Arias gives background in the item. Discussion. Members of the community have asked for a bench to sit and admire the mural and area, and he appreciates Reyna donating ad giving time to the community. Discussion. Garza opens the items to the public for comment. No public comment. Ramirez made a motion to approve item. Garza second the motion. All in favor; three ayes: Garza, Ramirez, Reyna. All absent; two absent: Nunez, Sanchez. Motion passed.

E-4 Authorization to Use the Same Auditor to Audit Fiscal Year 2020-2021. Arias states he brought this to the board to make sure they are in agreement to use Logoluso again. He informs the board he has searched for an auditor that is cheaper, but he has not found one. Discussion. Reyna asked if Dictos has looked for anyone else. Dictos states the auditor he knows is too busy to audit this year. He also states the current auditor is a big increase in prices from previous years, and he can look into finding another if the board wishes to. Discussion. LC Chaffin explains the motion would be to authorize to use the same auditor for 2020-2021 and authorize staff (Dictos) to see who he can get to audit next year and bring back to the board for approval within the next six months. Discussion. Reyna made a motion to approve. Ramirez second the motion. All in favor; three ayes: Garza, Ramirez, Reyna. All absent; two absent: Nunez, Sanchez. Motion passed.

E-5 Discussion to Review Any and All Outstanding Contracts. Reyna brought this item to the board because he states the contracts should be up to date, and there are contracts that are expired. LC Chaffin asks for clarification, and Reyna states he is concerned with the expired contracts. Reyna mentions the contract with Del Rey Packing and Caustic Soda fee. Discussion. DM Arias asks LC Chaffin to review the contracts and give advice on them. Discussion. Garza opens the items to the public for comment. No public comment. Reyna made a motion to direct staff to review the contracts regarding water and sewer. Ramirez second the motion. All in favor; three ayes: Garza, Ramirez, Reyna. All absent; two absent: Nunez, Sanchez. Motion passed.

F. DIRECTOR COMMUNICATIONS/AGENDA ITEMS

Reyna states Del Rey Mural Committee would like to be added to October's Agenda to give a presentation. Garza and Ramirez nod in approval and allot 10 minutes for the presentation.

G. DISTRICT ADMINISTRATOR REPORTS

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

Manrique summarizes his report for August and beginning of September. He states the new pumps in Wells 4 and 5 were installed but need to be wired when valves are installed and hope to get them functioning by the end of September or early October. There was a conference call for State funding, and they were advised they were missing a document and need to be fixed. Awaiting the Declaration to complete the package to submit. The Debt Management Policy approved by Board has been submitted to the State completing the financial aspect of the package. He states it takes about 4-5 months once filed to receive funding agreement.

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

DM Arias reports he attended the School District Meeting and learned the fate of the school if nothing changes to help keep it. He states if the school shuts down, Del Rey will lose a chance to grow. He hopes to come up with a way to help the school. He informs the board he has been working with the County to get the housing project approved slowly, but hopefully surely. He has applied for a grant that will help fund a walk path in the park.

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

LC Chaffin states he appreciated flexibility to allow Fred Galante to cover for him the previous meeting, as he had to cover in Sanger. He informs the board if they are in Sacramento the following week to let him know because they will have a Client Appreciation Dinner they can join. Still working on the Sequoia Pumping Agreement, had to start from scratch to come up with a contract to protect the District. In hopes it will be reviewed and accepted soon.

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

Dictos reviews the budget report that covers the two months ending August 31st. He goes over the total revenue, total received. He reviews water, sewer, solid waste, and Sequoia Pumping revenue. Informs of the actual expenses all outlined in the report. Actual payments, actual received, salaries were reported. The payments that were deemed "out of the ordinary" were clarified as true-up payments for the solar panels at the treatment plant, which are paid every year during this time. He goes over the accountant compilation report. Dictos informs the board the District may end up in the negative if they lose out on the money that was being received (and benefitting/helping the District) from Sequoia Pumping.

H. PUBLIC COMMENTS:

No members of the public present.

I. CLOSED SESSION:

DM Arias states he would like to hold the closed session when all board members are present (in person). Consensus to table item until next meeting.

J. ADJOURNMENT:

With no further business the meeting was adjourned at 8:59 p.m.

Respectfully Submitted,

Eileen Hernandez

Eileen Hernandez
Del Rey Community Services District