

MINUTES OF REGULAR MEETING
June 2, 2020
VIA TELECONFERENCE

ROLL CALL:

Board President Rodriguez called the meeting to order at 5:30 P.M. Those in attendance: Board President Rodriguez, Director Peranick, Director Brown, Director Aguilera, Director Mackey, Frank Daniele, Neal Costanzo, Jason Franklin and JoAnn Vierra.

CONSENT CALENDAR:

May meeting minutes were unanimously approved as submitted.

PUBLIC ADDRESS: Postponed until 6 p.m Public Meeting.

PUBLIC HEARINGS: Postponed until 6 p.m. Public Meeting

NEW BUSINESS:

6.1 Resolution 2020-02 Ordering Board of Directors Election, Consolidation of Elections, and Specifications of the Elections Order was reviewed. Director Peranick motioned to adopt the Resolution, Director Mackey seconded. Roll call vote as follows:

Director Peranick----Aye

Director Mackey---Aye

Director Rodriguez---Aye

Director Brown---Aye

Director Aguilera---Aye

Resolution 2020-02 was unanimously adopted with none opposed, none absent.

6.2 Postponed until after the 6 p.m. Public Meeting

DEFERRED BUSINESS: NONE

MANAGER'S REPORT:

Jason emailed everyone a memo regarding the District metering project. Discussion ensued regarding State funding, with Jason explaining that the District has submitted all of the documents that the State requested and we're awaiting approval for funding. Jason keeps in contact with the District's State Water Board representative and we are being told that the District's application is in review. Per Neal, due to the COVID-19 situation, the Governor is having to withdraw previously appropriated funding from State agencies to cover the budget deficit and the State Water Board may be one of the agencies affected. If that's the case, the District may not be able to obtain funding. Neal suggests that if the District is unable to obtain State funding that the District request an extension of the 2025 deadline for meter installation in order for the District to meet the State's metering requirements. Per Jason, the District will have to outsource the meter installation and because of this, he suggests that the District put off any further infrastructure upgrades in the event that that money is needed to help with the purchase of meters if the State funding doesn't come thru. Director Mackey referenced a 2016 LAFCO report on a District rate increase that was intended to be utilized in meter purchase. Per Jason, at the time of the increase, the District was operating at a deficit and the increase wasn't enough to produce the revenue needed to cover the cost of meters. The District did put aside some funds for metering; however, it's not enough to completely cover the cost. Director Mackey questioned the District's flat rate billing structure, questioning the equitable distribution of the cost of watering. For example, under the current flat rate structure, a ¼ acre property is paying the same amount for water that a ½ or 1 acre property is paying. A ¼ acre property would presumably use less water than a 1 acre property, so what can the District do between now and the time that meters are installed to ensure that the cost for the larger properties' consumptions are not being paid by the smaller properties? The answer is that the only way to ascertain the exact usage of any property (and the actual cost involved) is to install meters. Director Peranick suggested caution due to apartment complexes & other properties that may occupy larger lots and how the District would proceed. Neal will check into the legal

aspects of charging customers based upon the size of the lots, etc., and will check into the Fee Mitigation Act.

6:00 p.m. PUBLIC MEETING: No members of the public were in attendance.

The District received 2 written protests on the disposal rate increase. There are 440 disposal customers, and we'd need 51% protesting. Agenda and access information for the Public Meeting were duly posted. Resolution will be amended to show that the increase is for the Disposal rates and not the Water rates. Motion made to accept the Resolution as amended by Director Peranick; seconded by Director Aguilera.

Roll call vote as follows:

Director Peranick---Aye

Director Aguilera---Aye

Director Rodriguez---Aye

Director Brown---Aye

Director Mackey---Aye

Resolution 2020-03 was adopted with all in favor, none opposed, none absent

Public session/Public meeting was closed and the Board commenced with continuing the regular meeting.

MANAGER'S REPORT (cont):

Jason reported on an issue that's developed with the Brandi Orth's office and the District boundaries. The District's sewer area is different from the water area & the map that we were sent doesn't have the boundaries shown correctly. This is for the purpose of elections; the District's sewer-only customers are legal residents of the District and should be counted as such, should be eligible to serve on the Board as well. The sewer-only customers were from the old Cavanaugh Water District that was annexed by the City of Fresno & the District took the sewer lines, while the City took the water lines. Jason submitted a corrected map to the Recorder's office and they're rejecting it. Neal suggests providing Ms. Orth with the LAFCO information that supports the District's claim to boundaries. Mike Slater is working on a response to Ms. Orth's office; Neal will coordinate with Mike and they'll get a letter to Jason for it.

ENGINEER'S REPORT: Per Frank, he received a submittal for the R. Smith property for which he had additional comments and he sent them back with the comments. He states that seems to be receiving several different sets of plans from different entities and has asked Christian Gonzalez for clarification and coordination on who should be submitting what. There are still items that have not been addressed, and none of the documents that the District required have been submitted to us. Neal will contact Dirk Poeschel regarding the items needed, including the construction of the District's well site property driveway which has not shown up on the grading plan, per Frank. Neal will report to the Board regarding what he finds out. Per Frank, he believes there was a point in time where the District did charge for water based upon lot size. He believes there was a surcharge based upon the lot sizes of the properties. There was also a different rate for the line size on each lot. JoAnn stated that as far back as 1999—which is as far back as the District's current billing system goes—the District has been using a flat rate billing structure. JoAnn will see if she can find any information regarding how the District water rates have evolved.

ATTORNEY'S REPORT: Neal was asked to investigate what the District can do regarding the Unfunded Accrued Liability. He reports that there is no way that the District can separate from CALPERS; however, there may be a way that the District can set up a fund wherein the District can pay into the Unfunded Accrued Liability debt in such a matter that the debt will be reduced more quickly that it would if PERS continues to manage the Unfunded Accrued Liability payments. Discussion ensued with the outcome being that a tentative meeting is being set for June 30 for a workshop at the District office at 4 pm and Neal will present the information that he obtains from his investigation into the District's options.

DIRECTOR'S REPORTS:

ADJOURNMENT: 6:55 p.m.

APPROVED BY :

RESPECTFULLY SUBMITTED:

DAVID RODRIGUEZ
BOARD PRESIDENT

JOANN VIERRA
DISTRICT SECRETARY