

MINUTES OF THE FIVE HUNDRED AND FIFTY-THIRD REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO ALTO WATER DISTRICT HELD ON WEDNESDAY, JUNE 15, 2016, AT 6:30 P.M., AT THE DISTRICT BOARD ROOM.

DIRECTORS PRESENT:

Max Richman, President
Joe Adams, Vice-President
Don Moitoza, Director
Mark Reese, Director
Dave Anders, Director

STAFF PRESENT:

Martha Slack, General Manager
Terri Taggart, Secretary

ALSO PRESENT:

Louise Wilkinson, Homeowner
Matt Goss, CalPERS CERBT Customer Outreach Manager
Steven Gibbs, Homeowner

ABSENT:

All Board members were present.

1 The meeting was opened at 6:30 p.m., by President Richman who chaired the meeting.

2

3 Agenda Item #1 - Public Comment. Matt Goss, Customer Outreach Manager with the CalPERS

4 CERBT Program introduced himself and stated that he had attended a District Board Meeting in

5 2013 and was glad to see all of the same Directors.

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7 Agenda Item #2 – Approval of Excused Absences. All Board members were present.

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1 Agenda Item #3 – Water Conservation Citation Reviews (0 Citations Issued). There were zero
2 citations issued, so no homeowners wishing to discuss their citations were present.

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4 Agenda Item #4 – Presentation by Matt Goss from PERS Regarding Earnings and Strategies of
5 the CERB Trust. Matt Goss said he is here today to discuss how things are evolving with our
6 OPEB liabilities and the assets we have been able to accumulate. He handed out folders of his
7 presentation and discussed the slides within. A discussion was held on what would be the best
8 investment strategy for the Water District. The Directors expressed concern on the volatility of
9 the global market and its impact on our current investment strategy. They feel we should try to
10 preserve the assets that we have by being a little more conservative. Matt agreed with the
11 suggestion to put all of the money (prior and future contributions) into Strategy 2. He stated that
12 he would need a letter on Rio Alto letterhead requesting the change, and completion of a form
13 required by CERB Trust to accomplish this. The Directors thanked Matt Goss for attending the
14 meeting. The Directors discussed and agreed to change to Strategy 2. Director Anders made a
15 motion, seconded by Director Reese, to transfer the approximate \$36,000 contributions held in
16 the LAIF account to the CERB Trust in quarterly increments. The motion was carried 5-0.
17 Director Moitoza made a motion, seconded by Director Anders, to take the CERB Trust balance
18 held in Strategy 1, and transfer it to Strategy 2. The motion was carried 5-0. Director Reese
19 made a motion, seconded by Director Moitoza, to transfer current year (16/17) budgeted OPEB
20 funds quarterly directly to the CERB Trust, on the off months of the other quarterly contributions
21 from LAIF. The motion was carried 5-0.

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1 Agenda Item #5 – Manager’s Report. The General Manager presented the Manager’s Report
2 Update through June 15, 2016 (see attached Addendum A to the minutes).

3
4 Agenda Item #6 – Review of Asphalt Bids and Selection of Vendor. The General Manager said
5 Mike Brown had all of the contractors come out but the scope of the work changed after he met
6 with them. After he met with Eagle Paving it was felt that the asphalt in the back did not need to
7 be redone, just sealed. Rather than go out and get all new bids, the General Manager calculated
8 the price per square foot for comparison. Mike recommended going with Eagle Paving.
9 Director Reese said he realizes that Eagle Paving came in cheaper, but they had a different scope
10 of work. He thinks, in all fairness, we should change the scope of work and go out to bid again.
11 Director Reese thinks we need to give all of the contractors the same scope of work, ask for a 1
12 year guarantee, and a price guarantee for thirty days. The General Manager agreed and said she
13 would put together a scope of work, and have them all rebid the project. Director Reese said
14 none of them included the price of bond and permits and we would need to find out the cost for
15 those. It was agreed we would postpone this item until we get the revised bids.

16
17 Agenda Item # 7 – Review and Approval of Resolution 01-16 Amending Article 13 of
18 Resolution 8-73 (and all Associated Resolutions Establishing Rules and Regulations for the
19 Distribution of Water) to Change Water Rates. Director Anders made a motion, seconded by
20 Director Moitoza, to review and approve Resolution 01-16. The motion was carried 5-0.

21
22 Agenda Item #8 – Review and Approval of Resolution 02-16 Ordering an Election, Requesting
23 County Elections to Conduct the Election, and Requesting Consolidation of the Election. Vice

1 President Adams made a motion, seconded by Director Reese, to Approve Resolution 02-16.
2 The motion was carried 5-0.

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4 Agenda Item #9 – Review and Approval of Resolution 03-16 Ratifying Resolution 01-15
5 Mandatory Water Conservation Measures. Director Anders made a motion, seconded by Vice
6 President Adams, to approve Resolution 03-16. The motion was carried 5-0.

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8 Agenda Item #10 – Discussion and Approval of Draft Budget #1. Director Reese made a
9 motion, seconded by Director Moitoza, to approve the Draft Budget #1. The General Manager
10 discussed the highlights and gave a brief overview of the budget. The Directors suggested
11 several changes to the “Budget Highlights” page. The General Manager said she would make
12 those corrections. The motion was carried 5-0.

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14 Agenda Item #11 – Approval of the Amended Minutes from the Five Hundred and Fiftieth
15 Regular Meeting of the Board of Directors Held on April 20, 2016. Vice President Adams made
16 a motion, seconded by Director Moitoza, to approve the amended minutes from the Five
17 Hundred and Fiftieth Regular Meeting. The motion was carried 5-0.

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19 Agenda Item #12 – Approval of the Minutes from the Five Hundred and Fifty-First Regular
20 Meeting of the Board of Directors Held on May 18, 2016. Director Moitoza made a motion,
21 seconded by Vice President Adams, to approve the minutes from the Five Hundred and Fifty-
22 First Regular Meeting. Director Reese pointed out an error on Page 58 of the Board Package,
23 (Page 2 of the Minutes) Line 2. The word “he” should be changed to word “the”. The error was

1 noted. Director Reese also pointed out an error on Page 59 of the Board Package (Page 3 of the
2 Minutes) Line 18. The word “Manager” should be inserted after “General”. The error was
3 noted. Director Moitoza made a new motion, to approve the minutes of the Five Hundred and
4 Fifty-First Regular Meeting with corrections. The motion was carried 5-0.

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6 Agenda Item #13 – Approval of the Minutes from the Five Hundred and Fifty-Second Special
7 Meeting (Public Hearing) of the Board of Directors Held on May 19, 2016. Vice President
8 Adams made a motion, seconded by Director Anders, to approve the minutes from the Five
9 Hundred and Fifty-Second Special Meeting (Public Hearing). Director Reese asked that we
10 include the list of attendees to the minutes. The motion was carried 5-0.

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12 Agenda Item #14 – Approval of the May 2016 Disbursement Reports. Vice President Adams
13 made a motion, seconded by Director Moitoza, to approve the May 2016 Disbursement Reports.
14 The motion was carried 5-0.

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16 Agenda Item #15 – Current Water & Sewer Issues. The General Manager discussed the article
17 regarding a new bill that would ban wells in parts of California. She also discussed John
18 Kenny’s memo regarding how well the Public Hearing went. The General Manager discussed
19 the field inspection we had on June 2, 2016 from ACWA/JPIA. The site visit was performed to
20 update the District’s property schedule and reflect the upgrades and new assets from the WWTP
21 project.

22
23 Agenda Item #16 – Communications. Staff and Directors had nothing more to discuss.

1 Having no further business to conduct, Director Anders made a motion, seconded by Director
2 Reese, to adjourn the meeting at 9:30 p.m. The motion was carried 5-0.

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4 Respectfully submitted,

5 *Terri Taggart*

6 Terri Taggart, Secretary

Manager's Report
June 15, 2016

PROJECT UPDATE:

Construction:

The final reports for SRF and USDA have been completed and I am working on the DWR Report. I got in touch with Rick Fisher from Diamond Tractor Service and he is going to mow a road in the wetlands area to our ground water monitoring wells and also mow the bottoms of ponds 2, 3 & 4 before the 1st. I spoke with the Regional Board and we cannot have 2 permits. If we retained the NPDES permit we would have to fulfill all the requirements of the new permit and our discharge would not meet the new limits. There is no such thing as an administrative permit. They did not make us remove the point of discharge because if we had an emergency and a 100 year flood event we would be able to discharge to the river without penalties.

Drought:

The State Water Board has amended the water restrictions and transferred the conservation measures to regions by allowing them to set their conservation percentages based on their water available until January of 2017.

If an agency has adequate water supplies in the event of a continued 3 year drought they can suspend the outdoor water irrigation restrictions. As a non-urban supplier with adequate water Rio Alto can suspend its irrigation watering limitations until January 1, 2017.

None the less, the Community has still saved a cumulative 27% for the year to date in comparison to 2013 consumption.

Miscellaneous:

Congratulations are in order for Scott Russell who passed his Grade III Wastewater Exam and Tim Conley who passed his Grade II. I received a restitution claim form from the District Attorney's office in Tehama for restitution for the broken door at the WWTP lab. My computer died last week and we needed to order a new CPU. This expense is being offset by \$500 (Capital One Rewards). Thanks Don for suggesting we apply for a rewards card.

Current and Upcoming Projects:

- Repair of check valve at Well #4.
- Paving of the office parking lots.
- Completion of hydrant flushing.
- Completion of exercising valves..
- Replace turf in office backyard.