

## **Minutes**

### **Sacramento Suburban Water District Regular Board Meeting Monday, August 16, 2021**

#### **Location:**

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #845 7757 0729.

#### **Call to Order – Videoconference/Audioconference Meeting**

President Wichert called the meeting to order at 6:00 p.m.

#### **Pledge of Allegiance**

President Wichert led the Pledge of Allegiance.

#### **Roll Call**

Directors Present: Dave Jones, Craig Locke, Kathleen McPherson, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Ann Bradford, Dana Dean, Todd Artrip, Julie Nemitz, and Susan Schinnerer.

Public Present: William Eubanks, Jennifer Harris, Paul Helliker, Alan Driscoll, Ted Costa, Josh Horowitz, and Ryan Bezerra.

#### **Announcements**

General Manager Dan York (GM York) announced:

- Three of Del Paso Manor Water District's Board members resigned.

#### **Public Comment**

William Eubanks (Mr. Eubanks) expressed his disagreement with a section of the minutes of the July 16, 2021, Employee Benefits Ad Hoc Committee meeting.

President Wichert expressed that Mr. Eubanks would be able to address his concerns regarding the minutes of the July 16, 2021, Employee Benefits Ad Hoc Committee meeting at the next meeting of that Committee.

#### **Consent Items**

1. **Minutes of the July 19, 2021, Regular Board Meeting**

2. **Policy Review - Purchasing Card Policy (PL – Fin 006)**
3. **Policy Review - Impaired Capital Asset Policy ( PL – Fin 008)**
4. **Treasurer’s Report**
5. **Surplus Real Property**
6. **2021 Mid-Year Budget Update**

Director McPherson requested to pull Item 1 of the Consent Items.

Director Thomas moved to approve Items 2 through 6; Director Jones seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, McPherson, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Director McPherson expressed that she had a correction to the bottom of page 11 in the Board packet, page 54 of the Minutes of the July 19, 2021, Regular Board Meeting. She expressed that she stated, “the problem was the monetization of sick leave.” She asked to include that statement in those minutes.

President Wichert requested to insert the expressed statement into the minutes.

With the addition of the statement, Director Thomas moved to approve Item 1; Director Locke seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, McPherson, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and/or Action**

7. **Annual Fraud Prevention Presentation**  
Jeff Ott (Mr. Ott) presented the staff report and PowerPoint presentation.
8. **Calendar Year 2022 Budget Timeline and Budget Assumptions**  
Mr. Ott presented the staff report and answered clarifying questions.

Discussion ensued over placing funds into a reserve account for purchasing water in the future.

Directors Locke, Thomas, and Jones supported the idea.

Director McPherson just wanted to be sure the change in budgeting did not inhibit the District from giving back to the ratepayers, should that become a possibility, and expressed she didn't want it to seem like there was too much of a revenue surplus.

President Wichert expressed if the Board approved the water transfer, he didn't feel the Board would need to provide a second approval in the future.

The Board agreed to the staff recommendation regarding surface water.

Ted Costa commented the intentions of the proposal were very good, however, he suggested to bank the water instead of the funds.

Mr. Ott continued his presentation and discussion regarding Merit and COLA.

Directors Thomas and McPherson expressed they felt a combined total of 11% increase for Merit and COLA was too high.

President Wichert disagreed, noting the Cost of Living had increased, and that Merit pay was incentive for employees to strive to have greater job performance. He expressed he supported a 6% COLA increase as well as a 5% Merit increase.

Director Thomas expressed he would feel more comfortable with a 3% Merit increase.

Director McPherson expressed she didn't think it was fair to the ratepayers to increase salaries by that much.

Directors McPherson and Thomas were comfortable with a combined total of 9% increase for Merit and COLA.

Directors Locke, Jones, and Wichert were comfortable with the combined total of 11% increase for Merit and COLA.

The direction was to budget for 5% Merit increase and a 6% COLA increase.

Mr. Ott continued his presentation and discussion regarding rate increase projections.

The Board approved the proposed budget timeline.

Discussion ensued over where the vacation and sick leave buyout budget was placed.

Director Thomas left the meeting, as he was not feeling well.

9. **Employee Handbook Review - Sick Leave**

Susan Schinnerer (Ms. Schinnerer) presented the staff report and PowerPoint presentation.

President Wichert expressed he felt employees will do whatever they can to maximize their income, including coming to work sick, and he did not support that.

Director Jones disagreed, noting he has never experienced a person come into work sick, in an effort to receive a payout several years later.

Director Locke expressed that the responsibility of the Board was to set policies, not run the District, further noting that if the General Manager had an issue with staff coming into work sick, that would be a management issue, not a policy issue.

Director McPherson expressed that the Board reviewing the sick leave policy had nothing to do with how much the employees are valued, and further expressed that the Board was reviewing employee sick leave to keep up with industry trends and make sure the rate payers didn't think of the District as overly generous with benefits to the point of waste.

GM York commented that any time the Board reviewed employee benefits, there was concern among the employees.

Director McPherson identified that although sick leave was a very small portion of the budget, she was not in favor of paying for unused sick time either during employment or at retirement.

Directors' McPherson and Wichert both agreed that they wanted to remove the sick leave payout.

President Wichert moved to adopt a policy that included private sector salaries and benefits as well as public sector salaries and benefits when conducting any salary studies for the District; Director McPherson seconded.

Director Locke inquired why there needed to be a policy on that, and suggested to just provide direction at the time of the next salary survey.

Josh Horowitz (Mr. Horowitz) reminded the Board that the topic was inappropriate as it was not an agenda item.

President Wichert requested to place the topic on the next regular Board meeting agenda.

President Wichert requested to table the sick leave item until Director Thomas was at the meeting.

## **General Manager's Report**

10. **General Manager's Report**  
A written report was provided.

- a. *Grant of Easement and Right of Way*  
A written report was provided.

## **Department/Staff Reports**

### **11. Financial Report**

Mr. Ott presented the staff report and answered clarifying questions.

Jennifer Harris inquired what agency approved the arrearage reimbursement program.

Mr. Ott answered that the Governor of California approved the assistance program funding in the last budget that was approved and that the Division of Drinking Water was managing the program.

- a. *COVID-19 Financial Update*  
A written report was provided.
- b. *Financial Highlights*  
A written report was provided.
- c. *Budgets*  
A written report was provided.
- d. *Information Required by LOC Agreement*  
A written report was provided.

### **12. District Activity Report**

A written report was provided.

Director Locke commended staff on their preventive maintenance efforts.

### **13. Engineering Report**

Dana Dean presented the staff report and answered clarifying questions.

President Wichert requested to schedule a meeting where he would be allowed to view the SCADA Asset Management Plan.

Assistant General Manager Matt Underwood clarified that due to the sensitive nature of the information, disclosing the plan at a public meeting would not be safe.

Mr. Horowitz expressed that it would be appropriate for the Board to hold the discussed meeting in closed session, as it was sensitive infrastructure topic.

President Wichert requested staff schedule a Special Closed Session meeting, separate from a Regular Board meeting.

- a. *Major Capital Improvement Program (CIP) Projects*  
A written report was provided.
- b. *Planning Documents*  
A written report was provided.
- c. *Other*  
A written report was provided.

**Information Items**

- 14. **Merit Program Implementation Analysis**  
Mr. Ott presented the staff report and answered clarifying questions.

- 15. **Sacramento Suburban Water District Goals – 2021 Update**  
GM York presented the staff report.

Director McPherson expressed she was hoping to see Issue Paper Board reports condensed down to one to two pages.

- 16. **Upcoming Water Industry Events**  
A written report was provided.

- 17. **Upcoming Policy Review**  
A written report was provided.

- a. Water Banking and Transfer Policy (PL – BOD 006)

**Director’s Reports (Per AB 1234, Directors will report on their meeting activities)**

- 18. a. Regional Water Authority (Director Jones)  
The agenda for the July 15, 2021 Special Board Meeting was provided.  
  
Regional Water Authority Executive Committee (General Manager York)  
None.
- b. Sacramento Groundwater Authority (Director Wichert)  
The agenda for the August 12, 2021 Board Meeting was provided.
- c. Director Reports – AB 1234

**Committee Reports**

- 19. a. Carmichael Water District/SSWD 2x2 Ad Hoc Committee (Director Locke)  
The agenda from the July 23, 2021 meeting was provided.

Mr. Eubanks expressed he was unsure what benefit the ratepayers of the District would gain from a consolidation with Carmichael Water District (CWD), as he noted he did not see any benefit.

Director McPherson pointed out that CWD had some rights to the American River which could be a benefit to the District.

President Wichert noted he would not support a consolidation unless there was specific benefits to the ratepayers of the District.

Director McPherson expressed she was interested in understanding the impacts preemptively, however she was not interested in impacting the Districts ratepayers.

Paul Helliker commended the District for proceeding in the consolidation discussion with caution, noting that all members of that committee were looking for a clear statement of what the goals are. He additionally pointed out there was a desire to have a well-defined roadmap. He commended District staff on doing a great job.

- b. Finance and Audit Committee Meeting (Director Thomas)  
The draft notes from the August 2, 2021 meeting were provided.

Director Jones provided an oral report of the meeting.

- c. Regulatory Compliance Committee Meeting (Director Wichert)  
The agenda from the August 11, 2021, meeting was provided.

President Wichert provided an oral report of the meeting.

Director Locke expressed he would like if the Committee meetings still offered the Zoom option.

President Wichert agreed.

GM York expressed staff would include Zoom options for upcoming meetings.

#### **Director's Comments/Staff Statements and Requests**

None.

#### **Closed Session (Closed Session Items are not opened to the public)**

The Board convened in Closed Session 8:11 p.m. to discuss the following:

- 20. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

**Return to Open Session**

The Board convened in Open Session at 8:28 p.m. There was no reportable action.

**Adjournment**

President Wichert adjourned the meeting at 8:29 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District