

## **Minutes**

### **Sacramento Suburban Water District Regular Board Meeting Monday, September 20, 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 #875 5967 0738.

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

President Wichert called the meeting to order at 6:01 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, Dana Dean, Todd Artrip, Julie Nemitz, William Sadler, and Susan Schinnerer.

Public Present: William Eubanks, Cathy Lee, Jennifer Harris, Paul Helliker, Alan Driscoll, Jim Peifer, and Josh Horowitz.

#### **Announcements**

General Manager Dan York (GM York) announced:

- Carmichael Water District/SSWD Joint Board Meeting will take place on Wednesday, October 6, 2021, at 6:00 p.m., at SSWD's Administration Building.

#### **Public Comment**

Jennifer Harris (Ms. Harris) requested to recognize fallen Marine Sargent Nichole Gee's service with a moment of silence.

All members of the meeting stood for a moment of silence.

#### **Consent Items**

1. **Minutes of the August 16, 2021, Regular Board Meeting**
2. **Policy Review - Water Banking and Transfer Policy (PL – BOD 006)**

3. **Treasurer’s Report**
4. **Resolution No. 21-11 Amending Regulations 1, 3, 8, 9, 12, and 13 of the Regulations Governing Water Service**

Director Jones moved to approve the Consent Items; Director Thomas seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

5. **Proposal to Merge the Sacramento Groundwater Authority and the Sacramento Central Groundwater Authority**

Jim Peifer (Mr. Peifer) Executive Director of the Regional Water Authority (RWA) and the Sacramento Groundwater Authority (SGA) presented a PowerPoint presentation on the SGA and the Sacramento Central Groundwater Authority merger discussions.

President Wichert noted he was in favor of all 3 organizations coming together, as he felt they were all very similar.

Director Jones expressed his concern over the cost implications as well as expressed his desire to have all questions brought forth by other agencies answered.

Director Locke echoed Director Jones.

William Eubanks (Mr. Eubanks) expressed he had additional questions based on the presentation.

Paul Helliker expressed that San Juan Water District provided the District with their comment letter, which was included in the Board packet, and that he looked forward to having his questions answered.

6. **Employee Handbook Review - Sick Leave Policy Amendments**

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

President Wichert recited a section of the LAFCo Resolution #1237 that was approved at consolidation regarding employee benefits and expressed his opinion that the benefits were established 20 years ago, but that they did not have to maintain them in perpetuity.

Director Locke inquired if employees could voluntarily change their benefits.

District Legal Counsel Josh Horowitz (Mr. Horowitz) answered that staff could voluntarily change their benefits, noting there were a couple options available to change the position of the District, one is to meet with staff who are subject to the Resolution, as well as including requesting a change of the existing Resolution with LAFCo.

Ms. Schinnerer continued presenting the PowerPoint presentation.

President Wichert expressed he did not want to monetize sick leave.

Director Jones expressed he was ok with option 2, noting he stood for integrity. He expressed when the deal was made with the employee, and the benefits were presented at the time of hire, he did not want to go back on that deal. He recommended leaving employee benefits for the current employees, but was open to the option of changing benefits going forward, noting that he felt making any changes to current employees' benefits was not showing any integrity, and he was not in favor of that.

Director Locke inquired what the objective is, noting that not all Directors agreed with the objective.

President Wichert expressed they were looking for three votes, noting the Directors did not have a unified objective, and further noting his personal intent was to avoid paying for sick leave.

Director Locke agreed with Director Jones expressing the only issue he saw was a liability of accumulated sick leave. He suggested to do a onetime payout to employees of their accrued sick leave, and then going forward, convert all sick leave to CalPERS service credits when they retire.

Ms. Schinnerer pointed out that Options 3 and 4 were similar to Director Locke's suggestion, noting all options eliminated the cap on sick leave.

President Wichert moved to go to LAFCo and ask for relief from the LAFCo Resolution, so that the Board, General Manager, and staff could make changes to employee benefits for several reasons, such as effects from the post pandemic world, and the fact there are other companies and agencies that have implemented cafeteria plans that save money.

Director McPherson seconded.

Mr. Horowitz added that the Board had the option to discuss vested rights with staff, noting that if the Board wanted to offer employees an equivalent benefit, that those changes could be made without the need to go to LAFCo, expressing that the Board was only proposing a reduction in the benefits for existing employees.

Director Locke expressed he felt the item suffered from a lack of a goal or a clearly defined objective, noting there was likely a bad effect on employee morale based on the

fact employee benefits are always on the agenda. He further inquired what the objective was.

Mr. Eubanks reiterated what Mr. Horowitz pointed out, which was to come up with an equivalent benefit that the employees might be interested in.

Ms. Harris pointed out that there were no employees in the room to express their opinion of the Board’s desire to reduce their benefits. She additionally expressed that 7 options for any decision is way too many. She further expressed this was a waste of time, as she felt there were more important topics to focus on such as maintenance, clean water, and pipes in the ground.

President Wichert agreed that he felt there were too many options. He additionally stated that he believed paying for sick leave encouraged employees to come to work sick, noting that people generally will do whatever they can to maximize their income.

Ms. Harris expressed that she disagreed, noting she was not judging people as there are lots of people in the city and each have their own issues. She expressed that she was thankful for people that were willing to come to work, stating there are those who will also stay home when they are ill or need to take care of a sick family member.

The motion passed on a 3/2 vote, Director Jones and Locke opposed.

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

Director Jones moved to table the item until something came back from LAFCo.

Director Locke seconded.

Director McPherson moved option 4, with an addendum to pay out staff on a one time basis.

Director Locke noted there should be an option for a one time payout, with suggestions from staff on when that payout should be.

President Wichert clarified that the original motion was to table the item until something came back from LAFCo.

That motion failed on a 3/2 vote. Directors McPherson, Thomas, and Wichert opposed.

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

Director McPherson moved to adopt option 4, with an additional caveat to be reviewed at the next Regular or Special Board meeting, adding that employees who were anticipating getting a payout receive a onetime payout. She further stated that staff can bring back option 4 with employees allowed to request a onetime payout over the 240 hours that they were expecting, and a removal of the sick leave cap, as of whatever date staff brings back.

President Wichert suggested staff bring back a timeline.

Director Locke suggested removing the motion, and have the Board direct staff to bring back option 4 with additional recommendations on the amount that can be paid out, and a timeline for when the payout would occur.

The Board agreed with Director Locke's suggestion.

7. **Committee and Liaison Appointments – Ad Hoc Employee Benefits Committee**

President Wichert expressed that he requested the item and that he would like to table the item at this time, as he would like for the Ad Hoc Employee Benefits Committee to meet once more. Once they met again, he requested from that committee how comfortable they felt about going forward with the committee, or changing anything.

8. **Public Agencies' Use of Private Sector Compensation Data for Compensation Study Comparisons**

President Wichert expressed concern that only public agencies were being considered when reviewing pay and benefits, and suggested to include private sector as well.

Director McPherson added that she felt only other water agencies were being considered and suggested to include other public sector agencies in the region too.

GM York stated in the last salary study, there were 15 agencies for the non-exempt positions and roughly 18 for the exempt positions, which included public sector agencies other than water agencies.

Director Locke stated that it was difficult to gain salary information from private sector companies, and further expressed they often have different benefits, noting it is not an equal comparison as it would be hard to equate one to the other.

Ms. Schinnerer expressed that when doing a compensation study, you look at total compensation, noting that private agencies often consider that information confidential. She additionally noted that it is very difficult to categorize and compare job specifications and classifications as some private sector companies don't use them. She added that they often also have differing retirement plans, noting that overall the lack of consistent information makes it very challenging to compare. She further commented that she reached out to Shellie Anderson with Bryce Consulting, and Ms. Anderson further confirmed that it is a very difficult task to compare a private employer to a public agency.

Director Locke further echoed that it was difficult to get accurate compensation from private agencies.

Director Jones expressed that most employees that the District lost were to other water agencies, further noting that trying to compare to private agencies would not be equivalent as they are completely different.

Ms. Schinnerer further stated that even if the District was to gain information on private sector compensation, there was no way of knowing how long the data would last, as the information is often derived off of their sales and profits. She further reiterated that it was not an equitable comparison.

President Wichert stated the public sector seems to be paid more, and expressed if public sector agencies continued to compare to other public agencies, he felt it ensured they continued to get paid more.

Ms. Schinnerer stated that from a Human Resources standpoint, that was not the goal, but rather the goal was to compare similar agencies that provide similar services with employees doing similar tasks.

Director McPherson expressed that the Board recently approved salary increases for staff and suggested looking at a wider range of agencies, not just water agencies, when looking at comparisons in the future.

Director Jones reminded the Board that the District was not competing with private agencies for employees, but that we are competing with other water agencies.

President Wichert stated that the District has hired from private sector companies in the past, expressing it was because the District pays more.

Director Jones expressed people would come to the District for the job security, as that was the reason he came to the District when he was an employee.

Ms. Schinnerer clarified that in past salary surveys, the District has included other public agencies, cities and counties as well. She expressed that her role was to be fair, noting some private agencies were run very differently than public, making it not equal to compare to.

President Wichert inquired if the Board was interested in creating a policy where the District had to try to compare to private agencies when doing a compensation study.

Director Locke suggested to have this conversation at the next salary study.

Director McPherson noted she felt it was a discussion that should take place with the consultant doing the study.

President Wichert noted that staff was absolutely correct with the view of trying to compare public agencies to private agencies, however, he felt he never got any information.

Ms. Schinnerer further expressed it is very challenging to compare job descriptions to private agencies.

Director McPherson expressed that agencies such as California American Water do not have salaries and benefits as generous as the District's.

Director Locke noted that Cal American Water was a for-profit company.

President Wichert stated there was no resolve to the item.

9. **Resolution No. 21-12 Fixing the 2022 Employer Contribution Under the Public Employees' Medical and Hospital Care Act At An Equal Amount for Employees and Annuitants, and Resolution No. 21-13 Fixing the 2022 Employer Contribution For Public Agency Vesting Under Section 22893 of the Public Employees' Medical and Hospital Care Act**

Ms. Schinnerer presented the staff report and answered clarifying questions.

President Wichert requested staff look into a cafeteria plan as an option.

Director Jones moved to approve the staff recommendation; Director Thomas seconded. The motion passed by unanimous vote.

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

### **General Manager's Report**

10. **General Manager's Report**

GM York presented the staff report and answered clarifying questions.

President Wichert suggested staff look at alternate ways to move water without drilling more wells in the North Service Area.

Staff expressed there would be a report on this item at a future meeting.

- a. *Capital Budget Augmentation Need Anticipated*  
A written report was provided.

## Department/Staff Reports

### 11. **Financial Report**

Jeff Ott (Mr. Ott) presented the staff report and answered clarifying questions.

*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**

Todd Artrip presented the staff report and answered clarifying questions.

### 13. **Engineering Report**

Dana Dean (Mr. Dean) presented the staff report.

*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. **Sacramento Suburban Water District Goals – 2021 Update**

GM York presented the staff report.

### 15. **2022 Budget Preparation Status Update**

Mr. Ott presented the staff report.

### 16. **Capital Improvement Program and Operations Mid-Year Status Report**

Mr. Dean presented the staff report.

### 17. **RWA Proposition 1 Grant Funding**

Assistant General Manager Matt Underwood presented the staff report.



18. **Monitoring of Perfluoroalkyl and Polyfluoroalkyl Substances**

A written report was provided.

19. **Correspondence received by the District**

A written report was provided.

20. **Upcoming Water Industry Events**

A written report was provided.

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

21. a. Regional Water Authority (Director Jones)

The agenda for the September 9, 2021 Board Meeting was provided.

Regional Water Authority Executive Committee (General Manager York)

The agenda for the August 25, 2021 Board Meeting was provided.

b. Sacramento Groundwater Authority (Director Wichert)

None.

c. Director Reports – AB 1234

Director Thomas provided an oral report on the Webinar he attended on July 13, 2021; the Webinar he attended on July 14, 2021; the AeroJet CAG meeting he attended on July 21, 2021; the San Juan Water District Board meeting he attended on July 28, 2021; the meeting he had with the General Manager on August 6, 2021; the Webinar he attended on August 10, 2021; the meeting he had with Director McPherson on August 21, 2021; the RWA Executive Committee meeting he attended on August 25, 2021; and the Water Forum meeting he attended on August 26, 2021.

**Committee Reports**

22. a. Regulatory Compliance Committee Meeting (Director Wichert)

Draft Minutes from the August 11, 2021 meeting were provided.

b. Carmichael Water District/SSWD 2x2 Ad Hoc Committee (Director Locke)

Draft Minutes from the August 24, 2021 meetings were provided.

c. Employee Benefits Ad Hoc Committee Meeting (Director McPherson)

Draft Minutes from the September 1, 2021 meeting were provided.

Director McPherson provided an oral report of the meeting.

Director Jones expressed that all Directors join the meetings of the Employee Benefits Ad Hoc Committee, and recommended dissolving the Committee.

President Wichert expressed there will be another meeting held of the Committee and then the Board can discuss making any changes going forward.

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

None.

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

None.

**Adjournment**

President Wichert adjourned the meeting at 8:26 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District