

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, October 18, 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 #892 8169 8946.

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, Ken Gebert, Todd Artrip, Julie Nemitz, Lynn Pham, Vicki Sprague, Rachel Middlestead, Grayson Moyse, Hector Segoviano, Michele Hirt, Hannah Dunrud, David Armand, Aaron Caudillo, Robin Geiger, Geneva Dowl, Greg Bundesen, Tommy Moulton, Wayne Scherffius, David Morrow, Shawn Shedenhelm, Jim Arenz, and Susan Schinnerer.

Public Present: William Eubanks, Dean Bailey, Jennifer Harris, Paula Arenz, Richard Altschut, Ted Costa, Ken Payne, Tony Shedenhelm, Alan Driscoll, Bill DeBoer, and District Legal Counsel Josh Horowitz.

Announcements

President Wichert inquired if any Director wanted to table any items on the agenda as he was concerned it would be a lengthy meeting.

No comments were received.

Public Comment

None.

Consent Items

1. Minutes of the September 20, 2021, Regular Board Meeting

2. Minutes of the October 11, 2021, Special Board Workshop – Budget
3. Treasurer’s Report
4. 2021 Audit Engagement Letter and Contract
5. Policy Review - Engagement of Auditor Policy (PL – Fin 001)
6. Resolution No. 21-14 Nominating San Juan Water District’s Pam Tobin for President of the Association of California Water Agencies (ACWA) Board of Directors

Director Locke moved to approve all Consent Items; Director McPherson 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. **Capital Budget Transfer Request**

Assistant General Manager Matt Underwood (AGM Underwood) presented the staff report and answered clarifying questions.

Paul Helliker (Mr. Helliker) urged the Board to approve the staff recommendation as San Juan Water District (SJWD) supported the joint effort in sharing water.

William Eubanks (Mr. Eubanks) expressed concern that the item would only benefit the North Service Area.

Director Thomas moved to approve the staff recommendation; Director Locke seconded. The motion passed by a 4/1 vote, President Wichert opposed.

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

8. **Budget Rollovers**

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

Director Locke requested that if the Board approved the item, he would not want the item to come back to the Board in the future.

President Wichert expressed he was not in favor of the staff recommendation, as he felt it would encourage project delays.

Director Locke moved to approve the staff recommendation; Director Jones seconded. The motion passed by a 4/1 vote, President Wichert opposed.

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

9. **Calendar Year 2022 Budget – First Draft Update**

Mr. Ott presented the staff report, Power Point Presentation, and answered clarifying questions.

Director McPherson requested staff include any new position requests into rate studies in the future, as she was concerned that the new positions were not in the last rate study.

David Armand provided a detailed explanation for the Environmental Compliance Technician position request.

Dana Dean (Mr. Dean) provided a detailed explanation for the Senior Hydrogeologist position request.

President Wichert requested staff provide the amount paid for a consultant per year versus the savings to the District for the new position.

Hannah Dunrud (Ms. Dunrud) answered clarifying questions on the SCADA System Analyst position.

President Wichert inquired if there would be a reduction in the engineering budget under consulting, by roughly \$90,000.

Ms. Dunrud expressed it would need to take at least a year to get the new person up to speed, but she was optimistic that the consultant fees would decrease in the engineering budget over time.

Staff answered additional clarifying budget related questions.

Mr. Helliker clarified that the rates for water transfers with SJWD in 2022 would be the same as the rates for 2021.

Mr. Eubanks urged the Board to consider abandoning the 3 percent rate increase and do a 5 percent cut in rates, noting they could take the funds out of the rate stabilization fund.

Director McPherson commented that she agreed with Mr. Eubanks and reiterated that she would like staff to include any new position requests into rate studies in the future.

President Wichert requested to vote on each new position request separately.

Director Locke moved to approve the budget as presented, not including the three new position requests; Director Thomas seconded. The motion passed by unanimous vote.

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

Director Locke moved to approve the Environmental Compliance Technician position request; Director Jones seconded. The motion passed by 3/2 vote. President Wichert and Director McPherson opposed.

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

Director Locke moved to approve the SCADA System Analyst position request; President Wichert seconded. The motion passed on a 3/2 vote. Directors McPherson and Thomas opposed.

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

Director Jones requested to table the Senior Hydrogeologist/Senior Engineer position request, as he wanted staff to provide more information about the position before voting.

The Board directed staff to bring the position to the next regular Board meeting with further information.

10. Employee Handbook Review - Sick Leave Policy Amendments

Susan Schinnerer (Ms. Schinnerer) presented the staff report and answered clarifying questions.

Director McPherson expressed she felt the goal was to eliminate the monetization of sick leave.

President Wichert expressed he was not in favor of any of the options.

Director Jones expressed this was an integrity issue, and that he urged the Board to not change anything regarding sick leave for current employees, but if changes were considered, to only change them prospectively.

Jim Arenz (Mr. Arenz) expressed that the cornerstone of excellent customer service is maintaining a high level of employee satisfaction, starting with the Board of Directors. He noted that since the inception of the Employee Benefits Ad Hoc Committee, the

Board has been highly focused on reducing employee benefits. He further expressed that in his 22 years employed at the District, he has never felt so unappreciated and under attack, than in the last two years. He expressed that he stayed with the District for so long because he felt like he was a part of a team and part of a family. He urged the Board to have honor and integrity by not changing the terms of the agreement he signed when becoming an employee of the District and to not decrease current employees' benefits.

Rachel Middlestead (Ms. Middlestead) echoed Mr. Arenz comments and further added she felt underappreciated and continually picked on for the benefits and she additionally urged the Board to leave the employee benefits as is.

President Wichert noted he felt this was a health issue, as he didn't want employees to go to work if they were sick, in an effort to be paid for their unused sick leave. He stated it was the only reason he was interested in the item, as it was not a cost cutting measure for him at all.

Director McPherson expressed that looking into reducing the sick leave benefit was not meant to be a criticism or an attack on staff, and apologized if staff took it that way. She further explained that it was an effort to look at benefits that have not been looked at in 20 years to try to bring some of the overgenerous benefits into line with what other agencies were doing. She noted she did not intend on taking away the basic benefits. She added she was bothered that more ratepayers were not in the audience providing their side of the story.

Mr. Eubanks expressed he felt that Director McPherson was determined to cut salaries and benefits since she became a Director. He stated that he did not feel she appreciated the employees, and further noted there were additional agenda items attempting to reduce employee benefits.

Director McPherson noted that employees signed a letter at time of hire and that it was not an actual contract. She added that the letter identified that the benefits could be changed at any time.

Ms. Middlestead expressed that the employee benefits have been slowly reduced over several years starting with the reduction of the dental benefits. She further echoed Mr. Eubanks by stating she didn't feel that some of the Directors appreciated staff as their actions did not show that they did.

Director Jones expressed that he felt the handshake from the General Manager at the time of hire was the same as a contract, and to change those terms was showing no integrity.

Jennifer Harris (Ms. Harris) expressed she appreciated the Board and was hopeful they would make decision on the topic, as she noted it has been on several previous agendas. She additionally commented the Human Resources Administrator was the subject expert, noting she has presented the Board with several options. She expressed she was not in favor of taking away accrued benefits from the current employees, which they have relied on. She commented that it did not seem as though District staff were misusing the sick leave program as she felt the culture and environment didn't appear to be that way. She urged President Wichert to get to know the employees and encouraged the Board to make a decision.

Director Locke expressed he felt this topic was a solution in search of a problem, noting he was not in favor of any of the options. He stated he supported Director Jones comments.

Director Thomas voted to do nothing.

Director McPherson moved to approve Option 1.

The motion died for lack of a second.

No action was taken.

11. Rescind the Motion and Subsequent Approval of the Motion Made and Approved at the September 20, 2021, Regular Board Meeting for the District to Request that Sacramento LAFCo Amend Resolution No. LAFC 1237

Josh Horowitz (Mr. Horowitz), District Legal Counsel, presented the staff report noting that if the Board rescinded the motion, they would cure the Brown Act violation and it would clear the issue.

President Wichert moved to approve the staff recommendation; Director McPherson seconded. The motion passed by unanimous vote.

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

12. Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237 to Remove Employee Benefits Continuation Provision for Sick Leave Benefits

President Wichert presented the staff report and moved to go to LAFCo and ask for relief of the sick leave buy back monetization program; Director McPherson seconded.

Michelle Hirt (Ms. Hirt) expressed she has been employee at the District for 24 years and she that she was very upset that President Wichert referenced the employees as being greedy. She additionally expressed concern that the Board was considering changing the basic protection that LAFCo provided staff at time of merger, and noted that her faith in the Board was very low. She further expressed that she was unaware of

any staff that came to work sick so they could receive a payout at half the rate, adding that her co-workers all stayed home when sick, as they care for one another. She concluded by expressing that the Board is negatively impacting employee morale.

President Wichert noted he did not recall calling the staff greedy, and added that his worry was that there was someone who would come to work sick to maximize their cash payout.

Ms. Middlestead inquired if the agenda item was even needed anymore, as the sick leave item did not pass.

President Wichert expressed they could still go to LAFCo to inquire to change the agreement.

Mr. Eubanks expressed the Board was trying to renege on a contract and he was not in favor of that.

Mr. Arenz pointed out that President Wichert confirmed the previous points by the public, that they were only interested in reducing benefits, further expressing he did not know of any staff that came to work sick.

The motion failed on a 2/3 vote, Directors Locke, Jones, and Thomas opposed.

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

- 13. **Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237 – Appointing District Spokesperson to Present at LAFCo Meeting**
No action was taken.

14. **Employee Handbook Review**

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

Director McPherson moved to accept the format for attachment 2.

Director Locke inquired what staff preferred.

Ms. Schinnerer expressed staff endorsed attachment 1 for administrative purposes.

Director Jones moved to approve attachment 1; Director Wichert seconded. The motion passed by at 4/1 vote.

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

15. **Committee and Liaison Appointments**

President Wichert inquired if the Employee Benefits Ad Hoc Committee wished to continue as a committee.

Directors McPherson and Thomas both stated they were not interested in continuing the committee.

President Wichert dissolved the Employee Benefits Ad Hoc Committee.

Mr. Eubanks expressed he was not in favor of the District's committee system, as he felt it was a waste of time.

16. **Social Media**

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

Ms. Harris urged the Board to have a presence on social media as she felt it was a great outreach source.

Director McPherson agreed with Ms. Harris.

The Board unanimously agreed to direct staff to look further into the District having a social media page, and bring back additional details to a future Board meeting.

General Manager's Report

17. **General Manager's Report**

GM York provided an update to the staff report.

- a. *Collaboration Study Update*
A written report was provided.

Department/Staff Reports

18. **Financial Report**

Mr. Ott provided an update to the staff report.

- 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.

19. District Activity Report

Todd Artrip (Mr. Artrip) provided an update to the staff report.

20. Engineering Report

Mr. Dean provided an update to the staff report.

Mr. Eubanks inquired on the status of the Cottage/Butano project.

Mr. Dean expressed the project was on track to be completely by the beginning of 2022.

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

21. Sacramento Suburban Water District Goals – 2021 Update

A written report was provided.

22. Water Conservation Update

Greg Bundesen provided an update to the staff report.

23. Customer Service Area Security Upgrade Project

Julie Nemitz provided an update to the staff report.

24. Well Efficiency Testing Annual Report

Mr. Artrip provided an update to the staff report.

25. Correspondence received by the District

A written report was provided.

26. Upcoming Water Industry Events

A written report was provided.

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

27. a. Regional Water Authority (Director Jones)

The agenda for the September 22, 2021 Board Meeting was provided.

Regional Water Authority Executive Committee (General Manager York)
None.

- b. Sacramento Groundwater Authority (Director Wichert)
The agendas for the October 14, 2021 Regular and Special Board Meetings were provided.
President Wichert provided an oral report of the meeting.
- c. Director Reports – AB 1234
Director Jones provided an oral report of the RWA event he attended on October 7, 2021.

Director Thomas provided an oral report of the Del Paso Manor Water District Board meeting he attended on September 7, 2021; the AeroJet CAG meeting he attended on September 15, 2021; his meeting with the General Manager on September 17, 2021; the RWA Executive Committee meeting he attended on September 22, 2021; the webinar on Aquatic Ecosystems he attended on September 29, 2021; and the Water Forum Plenary meeting he attended on September 20, 2021.

Committee Reports

- 28. a. Carmichael Water District/SSWD 2x2 Ad Hoc Committee (Director Locke)
The Draft Minutes from the September 29, 2021 meeting was provided.
- b. Employee Benefits Ad Hoc Committee Meeting (Director McPherson)
The Draft Minutes from the October 4, 2021 meeting was provided.
- c. Finance and Audit Committee Meeting (Director Thomas)
The Draft Minutes from the October 5, 2021 meeting was provided.

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 8:38 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District