

Minutes

Sacramento Suburban Water District

Regular Board Meeting

Monday, June 19, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #829 0669 8644

Call to Order

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

Pledge of Allegiance

President Boatwright led the Pledge of Allegiance.

Roll Call

Directors Present: Jay Boatwright, Craig Locke, Dave Jones, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Lynn Pham, Dana Dean, Susan Schinnerer, Todd Artrip, Mitchell McCarthy, Mark Taylor, Monica Vazquez, Aaron Caudillo, Ann Bradford, Jeff Ott, and Julie Nemitz.

Public Present: Legal Counsel Josh Horowitz, William Eubanks, Marti Ikehara, Sandra Rosner, and Shellie Anderson.

Announcements

General Manager Dan York (GM York) announced:

- The District's Top Ops Team qualified as the one team to represent the CA-NV AWWA Section at AWWA's Annual Conference and Exposition (ACE), that was held in Toronto. Although they didn't win the national Top Ops competition, they represented CA-NV, and most importantly, SSWD. The team consisted of Monica Vazquez, Aaron Caudillo, and Mark Taylor.

Todd Artrip (Mr. Artrip) presented the team with the first-place trophy from the CA-NV AWWA Section Competition at the Spring Conference.

The Top Ops Team expressed their appreciation for the opportunity to represent the District at both of the competitions.

Public Comment

Marti Ikehara urged the Board to reconsider the "cash-for-grass" rebate program, as she felt it was beneficial.

Sandra Rosner expressed that her bill was incorrect, and it arrived late.

Julie Nemitz (Ms. Nemitz) expressed there was a delay in Cycle 3 billing from the mailing company and that they identified the issue and have worked to resolve it.

Consent Items

1. **Draft Minutes of the May 15, 2023, Regular Board Meeting**
2. **Treasurer’s Report**

Director Wichert requested to pull Item 2 for discussion.

Director Thomas moved to approve Item 1; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 2, Director Wichert asked clarifying questions. He requested staff provide him with details of the Auburn Constructors invoice.

Dana Dean (Mr. Dean) expressed they were the contractor working on Wells 80 through 84 and explained that he would provide him with further details by the end of the week.

Director Wichert requested staff provide the full Board with an explanation at the July regular Board meeting.

Director Wichert moved to approve Item 2; Director Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

3. **2023 Compensation Study**
GM York introduced Shellie Anderson (Ms. Anderson) with Bryce Consulting, and Human Resources Manager Susan Schinnerer (Ms. Schinnerer) who presented the staff report, PowerPoint presentation, and answered clarifying questions.

Director Wichert inquired how broad the pay band range was.

Ms. Anderson expressed the District’s pay band range was 20% for non-exempt positions and 30% for exempt positions.

Director Wichert additionally inquired about the merit vacation hours awarded to staff at the top of the pay band, and inquired if those amounts were included in the compensation analysis.

Ms. Schinnerer explained the program to Director Wichert while Ms. Anderson explained that she did not include “pay for performance” into compensation, as it was a one-time payment, not a guarantee, and it did not apply to all employees within that classification.

Director Wichert expressed he felt it should be included.

Ms. Anderson answered additional clarifying questions.

Director Wichert inquired if classifications could be compared to private agencies.

Ms. Anderson answered that she’s not able to collect reliable data or benefit information from private agencies. She added that there are many public water agencies regionally to compare with, as that is who the District is competing against for recruitment, therefore, she compares with those agencies.

Director Wichert suggested to use the private contractor information the District collects when hiring private contractors.

President Boatwright inquired if the District collected the certified payroll reports from the contractors.

Discussion ensued over collecting salary and benefit data from private agencies.

Director Locke pointed out that the total cost staff was requesting for the compensation study findings was less than the amount it would cost to hire a consultant to try to collect the information on private agencies, and that he didn’t feel it was worth it. He further suggested to review those questions the next time there was a compensation study review.

Mr. Eubanks expressed he didn’t feel it would be worth it to try to collect salary and benefit data from private agencies.

Director Thomas moved to approve the staff recommendation for Item 3; Director Locke seconded. The motion passed by a 4/1 vote; Director Wichert opposed.

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

4. **CIP Budget Amendment Request for New Well Projects**

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

Jeff Ott (Mr. Ott) further explained the financial impact of the staff recommendation.

Mr. Eubanks expressed his displeasure with how staff initially estimated cost for new wells.

Director Wichert expressed he was not ready to take a position on the item until he understood the rate implications, noting he was not confident with the schedule.

Director Locke pointed out that projects only get more expensive as time goes on, and supported getting the projects done now, noting that the District has reserves to assist when unexpected CIP issues like this arose, and supported borrowing from reserves. He asked additional clarifying questions.

Mr. Eubanks suggested staff figure out a way to do short-term borrowing versus using reserve money.

Director Thomas moved to approve the staff recommendation; Director Locke seconded.

Director Wichert reiterated that he was not comfortable until he was more aware of the rate implications. He additionally requested staff provide alternative options.

The motion passed by a 4/1 vote; Director Wichert opposed.

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

5. **2024 Budget Preparation Timeline**

Mr. Ott presented the staff report.

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

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

6. **Policy Review – Directors’ Compensation and Expense Reimbursement Policy**

GM York presented the staff report and answered clarifying questions.

Director Wichert suggested that another alternative would be for Directors to only go to conferences that stayed within the designated budget amount.

President Boatwright and Directors Jones and Locke supported the Board attending conferences and workshops, noting how beneficial they felt they were.

President Boatwright moved to approve option 2 of the staff recommendation; to direct staff to revise the Policy to increase the annual limit to \$10,000 each year and bring the Policy back to the July 17, 2023, regular Board meeting for approval. Director Jones seconded. The motion passed by a 4/1 vote; Director Wichert opposed.

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

7. **Set Public Hearing on July 17, 2023 - Resolution No. 23-04, A Resolution of the Board of Directors of the Sacramento Suburban Water District Setting a Public Hearing on the Report of Delinquent Water Charges as of June 1, 2023**

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

Mr. Eubanks asked additional clarifying questions.

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

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

8. **Annual Fraud Prevention Presentation**

Mr. Ott presented the PowerPoint presentation for the Board.

9. **Sacramento Local Agency Formation Commission Call for Nominations for Special District Commissioner (Office #7)**

GM York presented the staff report.

Director Wichert expressed he felt it would be good to have District representation on the committee.

Director Thomas moved to nominate Director Wichert to be considered for the position; President Boatwright seconded. The motion passed by unanimous vote.

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

10. **Transmission Main Asset Management Plan – Status Update**

Mr. Dean introduced Mitchell McCarthy (Mr. McCarthy) who presented the staff report and answered clarifying questions.

Mr. McCarthy expressed staff would begin looking at hiring a consultant in 2024 to combine the Distribution and Transmission Main Asset Management Plans, depending on approval of budget and timing.

General Manager’s Report

11. **General Manager’s Report**

GM York presented the staff report.

a. *AWWA Top Ops Competition in Toronto Update*

GM York expressed this item was already reported on in the announcements.

b. *ACWA Elections Committee Update*

GM York presented the staff report.

Department/Staff Reports

12. **Groundwater Well Status Report**

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

13. **Engineering Report**

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

a. *Major Capital Improvement Program Projects*

A written report was provided.

b. *Planning Documents*

A written report was provided.

c. *Other Projects*

A written report was provided.

14. **Financial Report**

Mr. Ott presented the staff report.

a. *Financial Statements*

A written report was provided.

b. *Financial Highlights*

A written report was provided.

c. *Budgets*

A written report was provided.

15. **District Activity Report**
Mr. Artrip presented the staff report.

Information Items

16. **Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Update**
GM York presented the staff report.

Mr. Eubanks asked clarifying questions.

Director Locke commended the consultants on the efforts at the Public Information Workshop, and further inquired if the Board was interested in expediting both Boards to consider making a commitment to go forward with 2x2 discussions.

GM York pointed out that a director from CWD suggested for both Boards to consider a resolution to begin looking at efficiencies and start conducting the integration of the two districts, committing both Boards to combine.

Mr. Eubanks commented that the LAFCo process would include additional steps to take, which would delay the process.

GM York commented that he disagreed, noting there were already templates created to assist with the process.

Director Locke inquired if the Board was interested in any additional information in order to make a decision on steps going forward.

President Boatwright noted he was interested in hearing what the public comments were before he could make any decisions.

Director Thomas noted he was just interested in more information.

GM York expressed that based on their Public Information Workshop, he was not sure CWD's Board would be willing to approve a resolution like this right now.

Director Wichert noted there were some questions that still needed to be answered with CWD.

Legal Counsel Josh Horowitz (Mr. Horowitz) pointed out that depending on how the reorganization took place, if CWD dissolved and was consolidated into SSWD, the existing rates would continue to apply across the entire new district, however, if the two organizations dissolved and formed a new or organization, both Districts would have to go out for a new Prop 218 process.

17. **Upcoming Water Industry Meetings/Conferences**
A written report was provided.

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

18. a. Regional Water Authority (Director Wichert)
The agenda from the May 18, 2023, Board Meeting was provided.

Director Wichert provided an oral report of the meeting.

- b. Sacramento Groundwater Authority (Director Boatwright)
None.
- c. Director Reports – AB 1234

Director Jones provided an oral report of the ACWA Conference he attended May 8 through May 11, 2023.

Director Thomas provided an oral report of the Urban Water User Efficiency Resource meeting he attended on May 9, 2023; the meeting he had with the General Manager on May 12, 2023; the AeroJet CAG meeting he attended on May 17, 2023; the PFAS Webinar he attended on May 25, 2023; and the interview he had with the consultants on the Combination Discussions on May 31, 2023.

President Boatwright and Director Locke provided written reports of their meetings attended.

Committee Reports

19. a. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)
The Draft Minutes from the May 4, 2023, meeting was provided.
- b. Del Paso Manor Water District/SSWD 2x2 Joint Board Meeting (Director Wichert)
The Draft Minutes from the May 22, 2023, meeting was provided.
- c. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)
The Agenda from the June 8, 2023, meeting was provided.

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 at 8:27 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.

21. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); Sacramento Suburban Water District v. The 3M Company, et al., United States District Court for the District Of South Carolina, Charleston Division, MDL No. 2873 (PFAS contamination claims).

Return to Open Session

The Board convened in Open Session at 8:40 p.m. There was no reportable action.

Adjournment

President Boatwright adjourned the meeting at 8:41 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District