

## **Minutes**

### **Sacramento Suburban Water District Regular Board Meeting Monday, July 17, 2023**

#### **Location:**

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #895 5941 6768

#### **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, Dana Dean, Susan Schinnerer, Todd Artrip, Jeff Ott, Tommy Moulton, and Julie Nemitz.

Public Present: Legal Counsel Josh Horowitz, Cathy Lee, William Eubanks, Jennifer Harris, Richard Love, Svea Love, Anna Love, Corey Faria, and Laura Gonzalez.

#### **Announcements**

General Manager Dan York (GM York) announced:

- Form 470, the Officeholder and Candidate Campaign Statements are annually due to the County of Sacramento Voter Registration and Elections office by July 31, 2023. Staff has filled them out for Director convenience, and they are prepared at the dais for each Director to sign.

#### **Public Comment**

Jennifer Harris urged the Board to eliminate any District debt.

#### **Consent Items**

1. **Draft Minutes of the June 19, 2023, Regular Board Meeting**
2. **Draft Minutes of the June 21, 2023, Special Board Workshop – Public Information Meeting**

3. **Treasurer’s Report**
4. **Policy Review – Directors’ Compensation and Expense Reimbursement Policy (PL – BOD 003)**

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

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

**Public Hearing**

5. **Public Hearing on the Report of Delinquent Water Charges as of June 1, 2023**

President Boatwright opened the Public Hearing.

GM York provided a summary of the need for the Public Hearing and summarized the procedures of the Public Hearing.

President Boatwright opened the public protest section of the Public Hearing.

Richard Love (Mr. Love) protested and commented.

Anna Love echoed Mr. Love’s protest.

Svea Love echoed Mr. Love’s protest.

Corey Faria protested and commented.

Jeff Ott (Mr. Ott) expressed that he tabulated all of the valid protests received and determined that a total of 2 valid protests were filed. A total of 50% plus 1 protests must be filed to constitute a valid protest vote. Because the number of protests received was less than the 50% plus 1 required of the total of 1,644 listed accounts, the protest failed.

President Boatwright closed the Public Hearing.

**Items for Discussion and/or Action**

6. **Resolution No. 23-05 - A Resolution of the Board of Directors of the Sacramento Suburban Water District Authorizing Collection and Requesting Inclusion of Delinquent Rates, Charges, Interest and Penalties for Water Service on the Sacramento County Tax Roll for the 2023-2024 Fiscal Year**

Julie Nemitz presented the staff report and provided an update.

Director Thomas inquired if any new accounts have been added to the list since the list was provided to the Board last month.

Ms. Nemitz noted that no accounts have been added to the list since June 1, 2023.

GM York expressed that staff still reaches out each month to those customers that are delinquent.

Director Locke inquired if the communication goes to the tenant and owner, or just the owner of the property.

Ms. Nemitz noted that communication goes to both the tenant and owner.

Director Locke inquired if the owner of a property can request to turn off water service to the property.

Ms. Nemitz noted that we are unable to turn off water service to an occupied property.

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

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

7. **Roadmap for Capital Improvements to Meet Future Water Demands**

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

Director Wichert expressed he would be more interested in staff executing the project, as he felt staff has more knowledge of the District and would produce a better product.

Director Locke pointed out that we were unsure of what the future holds for the District, as things could change with the current combination discussions, and suggested to consider holding off on the project for now.

President Boatwright inquired if there were any regulations or legal reasons to do this now.

AGM Underwood expressed there was not.

Director Wichert echoed Director Locke’s opinion, further endorsing staff move ahead with preparing what they could without utilizing consultants.

GM York answered clarifying questions.

Director Locke suggested staff consider collaborating with Carmichael Water District (CWD) on this project as another way to begin participating in collaboration efforts with them.

Director Wichert moved to table the item; Director Thomas seconded. The motion passed by unanimous vote.

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

8. **Combination Discussions – Disclosure of Possible Conflicts-of-Interest in Legal Counsel’s Representation of Sacramento Suburban Water District and Carmichael Water District and Request for Conflict Waiver**  
 GM York presented the staff report.

Legal Counsel Josh Horowitz (Mr. Horowitz) provided further explanation of the staff report.

Director Wichert expressed he was in favor of combination discussions with CWD, and noted he felt CWD would need to seek their own legal representation in preparation of further combination discussions.

Director Jones agreed with Mr. Horowitz’ recommendation.

Director Locke expressed he felt CWD would need to eventually seek their own legal representation in possibly the next 6 months, but expressed it would be more cost effective to keep the same legal representation for now while discussions were still in the information gathering phases.

President Boatwright and Director Thomas agreed that once the two districts were considering taking a vote to move ahead with a consolidation or not, at that point they would need their own legal representation.

Director Jones moved to approve the staff recommendation.

Director Locke requested to amend the motion to include a deadline of December 31, 2023, on the Conflict Waiver.

Director Jones accepted the amendment.

Director Locke seconded the motion. The motion passed by unanimous vote.

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

9. **Carmichael Water District/Sacramento Suburban Water District Combination Discussion Communications Contract Amendment**

GM York presented the staff report.

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: |  |            |  |

10. **Carmichael Water District/Sacramento Suburban Water District Draft Combination Discussion Process and Timeline**

GM York presented the staff report.

In an effort to save time at Joint Board meetings, Director Locke suggested allowing the 2x2 Committee to review options and bring back a recommendation to the full Boards.

Mr. Eubanks expressed he did not think the CWD customers were in support of combination, and further inquired where the funding would come from to support the combination.

Director Wichert suggested the District change their regularly scheduled Board meeting day to align with CWD’s Board meeting day so the two districts could hold Joint Board meetings at that day and time.

Director Locke liked the idea but expressed he would not be able to attend meetings on the first or third Tuesday of the month.

GM York reminded the Board that CWD changed their Board meeting day a few years ago from the third Monday of the month to the third Tuesday of the month. He expressed he could contact CWD’s General Manager Cathy Lee (CWD GM Lee) to discuss the suggestion and see if CWD would be willing to change their Board meetings to the third Monday of each month.

Director Thomas moved to approve the Draft Combination Discussion Process and Timeline as well as authorizing the 2x2 Committee to provide recommendations to bring forward to the Joint Boards, which would include all of the staff materials presented to the 2x2 Committee. President Boatwright seconded.

Director Wichert expressed he was not in favor of giving the 2x2 Committee authority to move ahead, as he expressed the committee did not include the majority of the Board.

President Boatwright and Director Thomas both supported the 2x2 Committee bringing recommendations to the Boards.

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

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

**11. Carmichael Water District/Sacramento Suburban Water District Combination Discussion – Communications Plan**

GM York presented the staff report.

Director Jones expressed that he would be interested in another Public Workshop approximately 6 or so months down the road when there was more information to present.

Director Locke recommended that the comments and questions that were presented in the Public Information Workshops be addressed on the District’s website.

GM York expressed those comments and questions will be placed on the District website.

Mr. Eubanks expressed he felt that CWD customers were interested in keeping their own representation and local control. He further suggested that CWD annex SSWD in order to avoid any conflict from CWD customers.

Director Wichert recommended holding another Public Information Workshop as soon as all of the questions and comments from the previous meeting could be addressed.

Director Jones stated there was still a lot more information to gather.

GM York expressed it would take some time to prepare for and notify the public of another Public Information Workshop, and further expressed he could place an item on the next agenda of the 2x2 Committee to discuss further and make a recommendation.

Director’s Locke and Wichert supported GM York’s suggestion.

**12. Merit Alternatives**

GM York announced the item, noting it was a District goal and introduced Susan Schinnerer, Mr. Ott and AGM Underwood who presented the PowerPoint Presentation and answered clarifying questions.

Director Wichert additionally inquired about the merit vacation hours awarded to staff at the top of the pay band and asked clarifying questions about the different options presented.

The Board thanked staff for their effort and noted it may be discussed further during the budget.

**13. Reservoir and Booster Pump Station Asset Management Plan**

Todd Artrip (Mr. Artrip) presented the staff report and answered clarifying questions.

Director Thomas inquired if the booster pumps and motors were inspected every 7 years as listed in the report.

Mr. Artrip expressed he would have to verify and follow up with Director Thomas.

**General Manager's Report**

**14. General Manager's Report**

GM York presented the staff report.

a. *Potential Change to Board Policy Review Period Update*

GM York provided an update.

b. *ACWA Committee Selections and President and Vice President*

GM York provided an update.

**Department/Staff Reports**

**15. Groundwater Well Status Report**

Tommy Moulton presented the staff report and answered clarifying questions.

**16. Engineering Report**

Dana Dean (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.

**17. Financial Report**

Mr. Ott presented the staff report.

- a. *Financial Highlights*  
A written report was provided.
- b. *Financial Statements*  
A written report was provided.
- c. *Budgets*  
A written report was provided.

18. **District Activity Report**

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

**Information Items**

19. **Municipal Services Review Update**

GM York presented the staff report.

20. **Auburn Constructors – March 2023 Invoice Update**

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

Director Wichert asked clarifying questions and inquired if the Board would be interested in a presentation by Auburn Constructors.

The Board requested a presentation by Auburn Constructors at a future Board meeting.

GM York additionally offered for the Board to tour the District's current groundwater well projects.

21. **Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Update**

GM York presented the staff report.

Director Locke stated it would be a good idea to consider all options for now and into the future when making a decision on the topic of what type of agency the new district could be.

Mr. Horowitz expressed that engaging in conversations with both Boards would be an efficient and appropriate way to consider what type of power might be needed in the future and what type of agency they would want to be.

Discussion ensued over the different types of powers of authority that exist, and the process of how to change them in the future.

GM York expressed that he and CWD GM Lee would provide further information to the 2x2 Committee for additional discussion and recommendations.

22. **Upcoming Water Industry Meetings/Conferences**

A written report was provided.

23. **Upcoming Policy Review**

a. *Unclaimed Funds Policy (PL – Fin 007)*

A written report was provided.

b. *Communications and Team Building Policy (PL – Adm 008)*

A written report was provided.

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

24. a. Regional Water Authority (Director Wichert)

The Agenda from the June 14, 2023, Special 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 Thomas provided an oral report of the RWA Conversation with Jay Ziegler meeting he attended on June 7, 2023; the Water Seminar he attended on June 9, 2023; the Webinar on Communication and Transparency he attended on June 14, 2023; the meeting he had with the General Manager on June 16, 2023; the North American Subbasin meeting he attended on June 22, 2023; and the AeroJet CAG meeting he attended on June 28, 2023.

Director Jones provided an oral report of the groundwater well projects tour he attended on June 14, 2023; and the meeting he had with the General Manager on June 16, 2023.

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

**Committee Reports**

25. a. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)

The Draft Minutes from the June 8, 2023, meeting and the Agenda for the July 11, 2023, meeting were provided.

Director Locke provided an oral report of the meeting.

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

None.

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

The Board did not convene into Closed Session, as there was nothing to report.

26. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC. (Hexavalent chromium contamination claims).
27. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving claims related to TCP contamination.
28. 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).

## **Adjournment**

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

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District