

## **Minutes**

Sacramento Suburban Water District

### **Regular Board Meeting**

July 15, 2024

#### **Location:**

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #812 6180 4509

#### **Call to Order**

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

#### **Pledge of Allegiance**

President Thomas led the Pledge of Allegiance.

#### **Roll Call**

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Hector Segoviano, Mitchell McCarthy, Jeff Ott, Dana Dean, and Julie Nemitz.

Public Present: Kamal Razavi, Roger Krier, Sheri Weigt, Lindsey Smith, Brooklinn Fryer, Kyler Rayden, Greg Zlotnick, Jennifer Harris, Brett Ewart, Tony Firenzi, Mark Hildenbrand, and Christine Kohn.

#### **Announcements**

None.

#### **Public Comment**

None.

#### **Consent Items**

1. **Draft Minutes of the June 17, 2024, Regular Board Meeting**
2. **Draft Minutes of the June 24, 2024, Special Board Workshop – Rate Study**
3. **Treasurer’s Report**
4. **Policy Review – Employee Standards of Conduct and Discipline Policy (PL – HR 011)**

Director Wichert moved to approve all Consent Items; Director Boatwright seconded. The motion passed by unanimous vote.

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

**Public Hearing**

**5. Public Hearing on the Report of Delinquent Water Charges as of June 1, 2024**

President Thomas opened the Public Hearing.

General Manager Dan York (GM York) provided a summary of the need for the Public Hearing and summarized the procedures of the Public Hearing.

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

Kamal Razavi protested and explained his situation.

Director Wichert expressed due to the circumstances, staff would look into his situation and if warranted, his property would be removed from the list.

Roger Krier protested and explained his situation.

Director Wichert expressed staff would look into his situation and if warranted, his property would be removed from the list.

Sheri Weigt protested and explained her situation.

Director Wichert expressed staff would look into her situation and if warranted, her property would be removed from the list.

President Thomas closed the Public Hearing.

Jeff Ott (Mr. Ott) expressed that he tabulated all of the valid protests received and determined that a total of 3 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 listed accounts, the protest failed.

**Items for Discussion and/or Action**

**6. Resolution No. 24-06 – 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 2024-2025 Fiscal Year**

Julie Nemitz (Ms. Nemitz) presented the staff report.

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

Legal Counsel Josh Horowitz pointed out to the Board that it would be appropriate to amend the motion to include allowing staff to work with any protesters to either validate or deny their claims, which would either remove or keep them on the Delinquent Rates, Charges, Interest and Penalties list.

Director Locke agreed to the amendment, Director Wichert agreed as well.

The motion passed by unanimous vote.

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

7. **Water Forum 2.0 Update**

SSWD GM York presented the staff report and introduced Jessica Law, Executive Director with the Water Forum, who presented the PowerPoint presentation, and answered clarifying questions.

8. **RiverArc Project Update**

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

Lindsey Smith, with West Yost, answered additional clarifying questions.

Jennifer Harris inquired how the Sites Reservoir impacted this effort and expressed she was generally not in favor of Joint Powers Associations as she felt they were not efficient.

Tony Firenzi provided additional information on the RiverArc Project from PCWA’s perspective.

The Board agreed not to bring this item back at this time, but to keep the Board apprised of future potential to participate.

9. **2024 Comprehensive Water Rate Study – Final Draft**

Mr. Ott presented the staff report and introduced Mark Hildebrand (Mr. Hildebrand) with Hildebrand Consulting, LLC, who presented the PowerPoint presentation, and answered several clarifying questions.

Director Wichert pointed out that the presentation included two additional staff positions and he felt the Board should not be moving ahead without justification for those positions. He recommended the Rate Study be redone with the two positions not included. Additionally, Director Wichert requested staff look into options for the

Butterball main replacement project and recommended staff provide additional possibilities for efficiencies and improvements.

Director Boatwright expressed he felt Director Wichert had valid concerns and that there would still be time to review those concerns.

Director Locke pointed out that staff was setting the maximum limit of what they felt they could do, noting that it was not solidified yet, and additionally pointed out how much project costs have increased and was doubting that the proposed rate increases were enough.

Mr. Ott clarified that the presentation did not include two specific additional staff positions, but rather it was an estimated increase in labor, and benefit costs associated with potential increases in authorized headcount in addition to increases for merit and COLA for existing authorized positions.

Director Locke inquired what the impact to the rates would be for the increase in operations, labor, and benefits.

Mr. Hildenbrand expressed it would be an increase of a tenth of a percent each year over the 5 years, or a one-time half of a percent, noting that the Board could implement the increase all at once, or however they decided.

Director Wichert expressed he would be in favor of implementing it all at once in the first year.

AGM Underwood provided a summary of the Butterball project, noting it was a phased project and that staff was taking the most conservative approach.

Mr. Hildenbrand continued with the PowerPoint presentation and answered clarifying questions.

Director Wichert moved to approve Item 3 in the Recommended Board Action, to accept the 2024 Capacity Fee study report outlined in the 2024 Comprehensive Water Rate Study report as the basis for approving Resolution No. 24-07 – A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending Regulation No. 7 of the Regulations Governing Water Service. Director Jones seconded.

The motion passed by unanimous vote.

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

Discussion ensued on Items 1 and 2 of the Recommended Board Action, pointing out how much inflation has risen.

GM York expressed that staff would conduct an assessment on the Butterball project, noting that slip lining the pipe will reduce the fire flow, and staff is not in favor of that.

Director Locke moved to approve Item 1 in the Recommended Board Action, to accept the attached 2024 Comprehensive Water Rate Study report as the basis for the proposed water rate changes for the years 2025 to 2029 to be discussed at a Public Hearing scheduled for October 14, 2024. Director Jones seconded.

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

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

Director Locke moved to approve Item 2 in the Recommended Board Action, to accept the proposed Water Shortage Surcharge policy outlined in the 2024 Comprehensive Water Rate Study report to be discussed at the Public Hearing scheduled for October 14, 2024. President Thomas seconded.

The motion passed by unanimous vote.

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

**10. Resolution No. 24-07 Amending Regulation No. 7 of the Regulations Governing Water Service**

Mr. Ott presented the staff report.

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

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

**11. Resolution No. 24-08 A Resolution of the Board of Directors of the Sacramento Suburban Water District Declaring Certain Real Estate Exempt Surplus Land and Authorizing Its Sale**

Dana Dean (Mr. Dean) presented the staff report and answered clarifying questions.

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

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

12. **Distribution Main Asset Management Plan – Status Update**

Mitchell McCarthy presented the staff report and answered clarifying questions.

**General Manager’s Report**

13. **General Manager’s Report**

GM York presented the staff report and answered clarifying questions.

- a. *Grant of Easement and Right of Way at 3936 Dudley Boulevard*  
GM York presented the staff report.
- b. *American Water Works Association - Top Ops Competition*  
GM York presented the staff report.

**Department/Staff Reports**

14. **Groundwater Well Status Report**

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

Director Wichert requested staff provide the Board with the targeted goal on the Capacity vs. Demand by Service Area schedule. AGM Underwood stated that the current goal was a minimum of 70% of Active wells on-line.

15. **Engineering Report**

Mr. Dean presented the staff report.

Director Wichert requested staff place a marker at the current position on the Progressive Desing-Build Projects Milestone schedule.

- 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.

16. **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.

17. **District Activity Report**

Hector Segoviano presented the staff report.

**Information Items**

18. **Urban Water Use Objective Update**

Ms. Nemitz presented the staff report.

19. **Annual Water Supply and Demand Assessment**

Ms. Nemitz presented the staff report.

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

A written report was provided.

21. **Upcoming Policy Review**

A written report was provided.

a. *Environmental Sustainability Policy (PL - Adm 005)*

b. *Budget Policy (PL – Fin 012)*

c. *Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL – HR 012)*

d. *Reserve Policy (PL – Fin 004)*

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

22. a. Regional Water Authority (Director Wichert)

The Agenda for the July 11, 2024, Regular Board Meeting was provided.

b. Sacramento Groundwater Authority (Director Boatwright)

None.

c. Director Reports – AB 1234

Director Jones provided an oral report of the meeting he had with the General Manager on June 14, 2024; and the RWA Water Efficiency Program meeting he attended on June 18, 2024.

President Thomas provided an oral report of the DPMWD Board meeting he attended on June 4, 2024; the Protecting Water from Cyber Threats meeting he attended on June 6, 2024; the Meeting he had with the General Manager on June 14, 2024; the EPA Webinar he attended on June 27, 2024; and the meeting he had with Director Locke on June 30, 2024.

**Joint Board Meeting Items**

- 23. a. Sacramento Suburban Water District/San Juan Water District Joint Special Board Meeting  
The Agenda from the June 25, 2024, meeting was provided.
- b. Sacramento Suburban Water District/Del Paso Manor Water District Joint Special Board Meeting  
The Agenda from the July 10, 2024, meeting was provided.

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

None.

**Adjournment**

President Thomas adjourned the meeting at 8:43 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District