

Minutes

Sacramento Suburban Water District Regular Board Meeting September 16, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #823 5339 7500

Call to Order

President Thomas called the meeting to order at 6:02 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

Directors Present: Craig Locke, Kevin Thomas, and Robert Wichert.

Directors Absent: Jay Boatwright and Dave Jones.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Mitch Jackson, Mike Simi, Lynn Pham, Dane Westvik, Julie Nemitz, and Susan Schinnerer.

Public Present: Legal Counsel Matt Edling, Jay Boatwright, and Dave Jones.

Announcements

General Manager Dan York (GM York) announced:

- A reminder that the Del Paso Manor Water District and Sacramento Suburban Water District Special Board Meeting – Public Information Workshop on Tuesday, September 24, 2024, at the Mission Avenue Elementary School at 6:00 p.m.
- A reminder of the District's Open House on Thursday, September 26, 2025, at 5:00 p.m.

Public Comment

None.

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

The Board convened in Closed Session at 6:03 p.m. to discuss the following:

- I. 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).

- II. 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.
- III. 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 7:04 p.m.

Open Session

- IV. **Report from Closed Session.**
There was no reportable action.

Consent Items

- 1. **Draft Minutes of the August 19, 2024, Regular Board Meeting**
- 2. **Treasurer’s Report**
- 3. **September 2024 Legislation Update**
- 4. **Policy Review – Public Works Contracting Policy (PL – Eng 002)**

Director Wichert requested to pull Item 4 and table it until a future Board meeting. He requested to meet with staff offline to discuss the Item.

President Thomas agreed to table Item 4.

Director Wichert moved to approve Consent Items 1, 2 and 3; Director Locke seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

- 5. **Alternative to Merit Matrix Compensation System**
Susan Schinnerer (Ms. Schinnerer) presented the staff report and answered clarifying questions.

Director Wichert suggested rather than a “one-time award,” he suggested doing a merit increase or a 10% salary bump, and that he preferred it be limited by the top of the salary range. He further suggested a 2-step increase within the salary range, not to exceed the salary range, adding that once the employee reached the top of their salary range, they either got a new title, or promoted.

Director Locke commented that he supported employees making more money based on their performance, but he expressed concern with Director Wichert’s suggestion noting he was afraid if the employee received a 5% merit increase and a 5% award, it would add up quickly and might be challenging to maintain staying in their salary range. He further stated he preferred a one-time award.

Director Wichert pointed out that he was just attempting to move an exceptional performer up in their salary range faster, but not to exceed the salary range, noting that promotional opportunities could be another option.

GM York expressed that there were not always promotional opportunities available within each department.

Director Locke reiterated that he was in support of a one-time increase.

GM York commented that staff could bring the item back when all the Directors were present and able to discuss the options.

Ms. Schinnerer commented that it could be more difficult to conduct accurate compensation studies that included promotional positions within the same department that may not exist with other agencies to compare

6. **Calendar Year 2025 Rate Increase Budget Assumption**

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

Director Wichert requested staff to bring this item back, as he didn’t feel comfortable with including the three additional employee positions in the budget if they were not needed. He additionally noted that if removing those positions equated to a half of a percent, then the Board should not burden the ratepayers with that half-percent or \$300,000 increase.

Mr. Ott clarified that the \$300,000 was for unexpected additional employee labor costs over the course of the next 5 years, but that it was not for merit or COLA costs.

Director Locke expressed that budgets were estimates, and that he was comfortable with the 5% increase proposed.

Mr. Ott suggested leaving the amount in, then staff could prepare the budget with it included, and the Board would have another opportunity to review it at the next budget meeting.

President Thomas agreed with Mr. Ott's suggestion.

7. **Sacramento Suburban Water District - Division 1 Election Status**
GM York presented the staff report.

General Manager's Report

8. **General Manager's Report**
GM York presented the staff report.
 - a. *Regional General Manager/Utility Director Meeting*
GM York presented the staff report.
 - b. *General Manager Goals - 2024*
GM York presented the staff report.

Department/Staff Reports

9. **Groundwater Well Status Report**
Dana Dean (Mr. Dean) presented the staff report and answered clarifying questions.

10. **Engineering Report**
Mr. Dean presented the staff report and answered clarifying questions.

Director Wichert requested that staff show how far behind schedule any project was on the Construction Milestones bar graph for the multi-year wells projects.

- 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.
11. **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.

12. **Operations Report**

Mike Simi presented the staff report.

13. **Customer Service Report**

Mr. Ott presented the staff report.

Director Locke requested to have the information on what the neighboring water purveyors rate increase amounts were. He suggested bringing that information to the Prop 218 hearing.

Director Wichert requested to have the information on what the other neighboring water purveyors' average bills were.

Information Items

14. **United States Environmental Protection Agency's Lead and Copper Rule Revisions Service Line Inventory – Compliance Efforts Update**

Mitch Jackson presented the staff report.

15. **Sacramento Regional Water Bank Update**

Assistant General Manager Matt Underwood presented the staff report.

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

A written report was provided.

17. **Upcoming Policy Review**

A written report was provided.

a. *Employment Rules and Procedures Policy (PL – HR 001)*

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

18. a. Regional Water Authority (Director Wichert)

None.

b. Sacramento Groundwater Authority (Director Boatwright)

None.

c. Director Reports – AB 1234

President Thomas provided an oral report of DPMWD Board meetings he attended on August 6, and 20, 2024; the SGA Board meeting he attended on August 8, 2024; the meeting he had with the General Manager on August 13, 2024; the RWA

Executive Committee meeting he attended on August 27, 2024; and the ACWA Regulatory Committee meeting he attended on August 28, 2024.

Joint Board Meeting Items

- 19. a. Sacramento Suburban Water District/Del Paso Manor Water District Joint Special Board Meeting

The Draft Minutes from the August 14, 2024, meeting, and the Agenda for the September 11, 2024, meeting were provided.

Director's Comments/Staff Statements and Requests

None.

Adjournment

President Thomas adjourned the meeting at 8:03 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District