

Minutes

Sacramento Suburban Water District

Regular Board Meeting

Monday, March 16, 2015

Call to Order

President Schild called the meeting to order at 6:31 p.m. and announced Director Wichert's absence. President Schild spoke regarding out-of-state travel for Board members during the April regular Board meeting and questioned if there would be enough Directors to have a quorum. He suggested possibly rescheduling the April Board meeting. Director Gayle confirmed he would be absent, Director Thomas is undecided.

Roll Call

Directors Present: Frederick Gayle, Craig Locke, Neil Schild and Kevin Thomas.

Directors Absent: Robert Wichert.

Staff Present: General Manager Robert Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Greg Bundesen, Annette O'Leary and John Valdes.

Public Present: Melissa Bohn, Ted Costa, Brenda Washington-Davis, Tom Gray, Sammi Hedges, Rob Swartz, William Eubanks, Paul Stanbrough, Robert Waldo and Avery Wiseman.

Announcements

- The State Water Resources Control Board (SWRCB) has issued its proposed text of emergency drought regulations calling for mandatory water restrictions. The action is expected to take place March 17, 2015. There will be a report at the next Facilities and Operations Committee Meeting.
- Staff self-reported an air quality violation. A full report will be provided at the April regular Board meeting.
- Handouts of the RWA press release titled Water Providers Urge Continued Conservation Amid Fourth Drought Year and a response letter from San Juan Water District (SJWD) to Fair Oaks and Citrus Heights Water Districts were provided at the dais and public copies counter.
- General Manager Roscoe reminded all assembled of the upcoming Ad Hoc Water Rights Review Committee meeting on March 24, 2015, the 2x2 Water Management Ad Hoc Committee meeting on March 26, 2015, the Finance and Audit Committee meeting and the Facilities and Operations Committee meetings both held on March 30, 2015.

Public Comment

Avery Wiseman voiced his concerns regarding a lack of information provided to the ratepayers regarding the potential merger. William Eubanks suggested submitting a "Letter to the Editor". GM Roscoe commented that outreach had been discussed at the 2x2 Water Management Committee and the Committee chose to use the limited funds available to conduct a telephone survey. It was decided that it would be more prudent to address outreach in the Phase 2B process so as not to expend the funds to provide outreach when the Committee may decide not to

pursue a merger at the conclusion of the Phase 2A Study. Staff was directed to provide an information item regarding public outreach at the next regular Board meeting.

Consent Items

1. Minutes of the February 23, 2015 Regular Board Meeting
2. Resolution No. 15-02 Concurring in Nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA/JPIA”)
3. New Debt Obligation Continuing Disclosure Policy (PL - Fin 013)
4. Electronic Mail Management and Retention Policy (PL - IT 003)

President Schild requested Item 3 be pulled from the Consent calendar for further discussion.

Director Thomas made a motion to approve Items 1, 2 and 4; Director Gayle seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

Regarding Item 3, President Schild inquired as to how bonds are purchased. Dan Bills provided a basic explanation of the process.

Director Thomas made a motion to approve Item 3; Director Gayle seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

Items for Discussion and Action

5. **Groundwater Update**
President Schild introduced Rob Swartz of Sacramento Groundwater Authority. Mr. Swartz provided a presentation on recent trends in groundwater elevations and Hexavalent Chromium.
6. **Disposal of Surplus District Property at El Sutton/Fulton Well #11**
Assistant General Manager York provided a summary of the report.

Director Thomas moved to approve surplusizing the subject property; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

7. **Surplusing of District Vehicle – Truck No. 33**

AGM York provided a summary of the report.

Director Thomas moved to approve surplusing the subject vehicle; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

8. **Facility Development Charges**

Finance Director Dan Bills provided an overview of the report. The new charges would become effective April 1, 2015. The report proposes an increase in FDC charges as well as new wording in the regulation to avoid paying for a consultant each year as the data is already available to the District. President Schild questioned the District’s requirement for a separate metered irrigation service on all non-residential units. Staff will report back to the Board on the reasoning behind this requirement. Staff will be bringing all of the Regulations back to the Board at the next regular Board meeting.

Director Thomas moved to adopt the proposed 2015-2016 FDCs and amend Regulation No. 7, Part H.5., Facility Development Charge; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

9. **Resolution No. 15-03 Authorizing the Extension of a Letter of Credit in Connection with Its Outstanding 2009a Certificates of Participation, and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters**

Dan Bills summarized the report.

Director Locke moved to adopt the subject resolution, approve the letter of credit extension terms and authorize the Board President to execute the legal documents following counsel approval; Director Thomas seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

10. **California Special Districts Association Call for Nominations – Board of Directors, Sierra Network, Seat C**

This item was introduced as an information item at the February regular Board meeting. Director Gayle expressed interest in being nominated.

Director Thomas moved to nominate Director Gayle for the CSDA Board of Directors, Seat C; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Wichert.		

Information Items

11. **District Activity Reports**

A written report was provided.

a. *Water Operations and Exception Report*

A written report was provided.

b. *Customer Service Report*

A written report was provided.

c. *Water Conservation and Regional Water Efficiency Program Report*

A written report was provided. Mr. Eubanks commented that figures on conservation differed in the report as well as the website. Staff replied the figures could differ depending on what years the current conservation figures are being compared with. Staff will work to make the report more consistent.

d. *Community Outreach Report*

A written report was provided.

12. **Engineering Report**

A written report was provided.

a. *Major Capital Improvement Projects*

A written report was provided.

b. *County and City Projects/Coordination*

A written report was provided.

c. *McClellan Business Park*

A written report was provided. The next Restoration Advisory Board meeting may be cancelled. Staff will follow up to confirm.

d. *Developer Projects*

A written report was provided.

- e. *Other*
A written report was provided.

13. **Financial Report**

A written report was provided. President Schild questioned why the District had paid \$100,000 on the Antelope Pump Back Project rather than SJWD. Staff responded that, per the agreement, the District would pay and then seek reimbursement from SJWD.

- a. *DRAFT – Financial Statements – February 2015*
A written report was provided.
- b. *Investments Outstanding and Activity – February 2015*
A written report was provided.
- c. *Cash Expenditures – February 2015*
A written report was provided.
- d. *Credit Card Expenditures – February 2015*
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through February 2015*
A written report was provided.
- f. *Market Report Yields – February 2010 through February 2015*
A written report was provided.
- g. *DRAFT – District Reserve Balances – February 2015*
A written report was provided.
- h. *DRAFT – Information Required by Bond Agreement*
A written report was provided.

14. **District Credit Rating**

A written report was provided. Mr. Bills provided an overview. GM Roscoe commented that, given the drought and the location of the District in the central valley of California, the District has done very well to achieve such a high rating.

15. **Upcoming Policy Review – Strategic Plan (PL - BOD 001)**

A written report was provided. Directors' comments are due by April 6, 2015. Staff has had difficulty finding a date for a Strategic Plan Workshop which works for all Directors' schedules but will continue to try and set up the Workshop.

16. **Upcoming Policy Review – Improvement Standards and Technical Specifications (PL - Eng 001)**

A written report was provided. Directors' comments are due by April 6, 2015.

17. **California Special Districts Association Call for Nominations - Board of Directors, Seat A**
A written report was provided. The CSDA seeks nominations for Seat A, as well as Seat C (see item 10).
18. **State Water Resources Control Board Emergency Drought Regulations**
A written report was provided. Mr. Eubanks commented the District's conservation Stage 2 was modified to two outdoor watering days per week but the website states 3 days per week. GM Roscoe responded staff will change the website should the Board vote to change the watering days back to two days per week.
19. **San Juan Unified School District Partnership**
A written report was provided. GM Roscoe introduced the report. Mr. David Burke of San Juan Unified School District (SJUSD) was present and spoke regarding SJUSD's mandate to provide safe educational facilities and explained that outdoor fields are educational facilities. He also spoke regarding the difficulty of complying with the various water schedules of the ten different water purveyors their district does business with. A proposal was made to lift the restriction of water days while SJUSD continues to meet the District BMP requirements and while committing to a reduction in water use of 25%.

Tom Gray of Fair Oaks Water District commented he expects difficulty with SWRCB if water days are not set. Mr. Burke replied SJUSD intends to use signage, have public outreach as well as provide information on their website.
20. **Antelope Pump Back Operation and Maintenance Agreement Update**
A written report was provided. GM Roscoe introduced the report. Staff will follow the principals of agreement as the Board previously directed.
21. **Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water Systems**
A written report was provided.
22. **CEQA Exemption for Loehmann's Plaza Waterline Upgrade Project**
A written report was provided. GM Roscoe summarized the report. President Schild stated his concern in doing this project before completing the relocation of backyard mains. President Schild requested staff provide a prioritized list of projects.
23. **Status of Phase 2A Reorganization Study**
A written report was provided. GM Roscoe provided a brief summary.
24. **Report Back Items**
A written report was provided. Regarding the easement request at 7031 Watt Avenue, President Schild noted the report stated the owner at 7035 was unwilling to grant an easement without compensation. President Schild questioned staff as to the amount the owner was willing to accept. Staff responded they hadn't determined the amount as they have not paid for easements of this nature in the past. President Schild directed staff speak with owner again and determine an amount the owner would accept.

25. **Legislative and Regulatory Update**

A written report was provided. GM Roscoe introduced the report.

Committee Reports

- 26. a. *Facilities and Operations Committee*
No report.
- b. *Finance and Audit Committee*
No report.
- c. *Government Affairs Committee*
No report.
- d. *2x2 Water Management Ad Hoc Committee*
See separate agenda item – Status of Phase 2A Reorganization Study.
- e. *Ad Hoc Water Banking and Transfer Committee*
No report.
- f. *Ad Hoc Water Rights Review Committee (Director Schild)*
President Schild provided an oral report regarding the March 4, 2015 meeting.

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

- 27. a. *Regional Water Authority*
Director Thomas provided an oral report regarding the March 12, 2015 meeting.

Regional Water Authority Executive Committee
GM Roscoe provided an oral report regarding the February 25, 2015 meeting.
- b. *Sacramento Groundwater Authority (Director Schild)*
No report.
- c. *Water Forum Successor Effort*
Agendas from March 11, 2015 Water Caucus meeting and March 12, 2015 Water Forum Successor Effort Plenary meeting were provided.
- d. *San Juan Water District Executive Committee*
No report.
- e. *Other Reports*
President Schild and Director Gayle provided oral reports regarding the February 25, 2015 General Manager's evaluation meeting.

Director Locke provided an oral report regarding a February 6, 2015 meeting with District Auditor, a February 19, 2015 NPDES Potable Water Permitting Event, and a February 20, 2015 meeting with the Phase 2A consultant.

Director Thomas provided oral reports regarding the February 26, 2015 meeting with the General Manager, the March 4, 2015 ACWA 2015 Legislative Symposium and March 13, 2015 meeting with the General Manager.

Miscellaneous Correspondence and General Information

28. Certain correspondence received by the District was provided.
29. General Information related to District business was provided.

Director's Comments/Staff Statements and Requests

President Schild announced an upcoming WIFAA webinar and will forward the announcement to staff for distribution to the other Board members.

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

The Board convened in closed session at 9:03 to discuss the following:

30. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Return to Open Session

The Board reconvened in open session at 9:16 p.m. There was no reportable action.

Adjournment

President Schild adjourned the meeting at 9:17 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District