

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, September 21, 2015

Call to Order

President Schild called the meeting to order at 6:32 p.m. and announced Director Gayle's absence.

Roll Call

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

Directors Absent: Frederick Gayle.

Staff Present: General Manager Robert Roscoe, Dan York, Dan Bills, Heather Hernandez-Fort, James Arenz, Greg Bundesen, David Espinoza, Dave Jones, John Valdes, Annette O'Leary and Lynne Yost.

Public Present: William Eubanks, Avery Wiseman, Julie Byers, Greg Glavinovich, Jennifer Harder and Students.

Announcements

- The District has had two resignations; the Production Foreman and an Associate Engineer have both resigned.
- The Strategic Plan was schedule for Thursday, October 29, 2015 at 4:00 p.m. but Director Locke is unable to attend.
 - President Schild suggested rescheduling to after January 1, 2016.
- Reminder that the Board Budget Workshop is on Monday, October 5, 2015 at 3:00 p.m.
- General Manager Rob Roscoe (GM Roscoe) will be out of the office from September 25, 2015 thru Friday, October 9, 2015, returning to the office on Monday, October 12, 2015.
- Jennifer Harder, Law Professor at the University of the Pacific McGeorge School of Law, was present with law students.

Public Comment

Mr. Greg Glavinovich commented on water filters, HAARP technology and stock market predictions.

Mr. William Eubanks requested that future minutes of the Board meetings refrain from trying to interpret the nature of his comments, and simply state, "Mr. Eubanks commented."

Consent Items

1. Minutes of the August 17, 2015 Regular Board Meeting
2. Impaired Capital Asset Policy (PL - Fin 008)

Mr. Eubanks commented.

Director Locke moved to approve Items 1 and 2; Director Thomas seconded. The motion carried by unanimous vote.

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

Items for Discussion and Action

3. **Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003)**

President Schild introduced the report stating Director Gayle wanted to discuss this item; however, he was unable to attend the meeting. President Schild announced that Director Gayle's comments were regarding the extra day of per diem for travel, as well as who would be responsible for reimbursement if a Director was unable to attend a pre-reserved conference.

President Schild remarked that the way the policy is written is fine, stating that if a Director is unable to attend a conference that was already registered for, the Board would need to need to make a decision to charge the Director or not.

Director Wichert moved to adopt agenda Item 3 as written; Director Locke seconded. The motion carried by unanimous vote.

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

4. **General Manager's Out of State Travel Request – American Water Works Association (AWWA) California-Nevada Section Annual Fall Conference**

Director Wichert moved to adopt agenda Item 4; Director Thomas seconded. The motion carried by unanimous vote.

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

5. **Claim - 7322 Yorktown Place #907**

President Schild introduced the item. He inquired if it's possible for the meter lid to be moved by a car driving over it. Assistant General Manager York (AGM York) explained that there are 4, 2 inch long prongs beneath the lid, making it near impossible for the lid to come off. He further noted that the meter lid at the property has since been upgraded.

President Schild suggested bolting down these types of lids in the future.

Director Wichert noted that there were no doctor receipts. AGM York informed the Board that all personal injury claims are forwarded to the District’s insurance carrier, JPIA.

Director Wichert moved to deny the claim; Director Thomas seconded. The motion carried by unanimous vote.

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

6. Sacramento River Water Reliability Study Update

Mr. John Valdes provided a summary of the report.

President Schild inquired if there’s a difference in the amount of the contribution that the District would have to make depending on the amount of water used. Mr. Valdes answered that perhaps at some point there will be, but not in the phase 2 study.

President Schild commented that the Bureau of Reclamation had a similar report a few years ago, and that he didn’t believe this report was much different.

Director Wichert inquired if staff supported the draft Sacramento River Regional Water Reliability Project Planning Report. GM Roscoe indicated that staff does support the project. He further explained the position of the District and the potential benefits to the District.

Director Wichert inquired if this project has been budgeted. GM Roscoe stated that this project is included in the budget, and with Board approval, it will continue to be budgeted for District participation in the coming years.

Director Locke requested clarification on the 1/6 of the part time recipients. Mr. Valdes clarified that there are 12 recipients, and if the project gets at least 6 recipients, each recipient would owe roughly \$83,000. The cost will vary depending on how many participate.

Director Wichert stated that he would like to see the agreement before it is signed, and further noted that he is in favor of supporting this matter.

Mr. Eubanks commented.

Director Wichert moved to approve agenda Item 6; Director Thomas seconded. The motion carried by 3/1 vote.

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

7. **Voluntary Watering Schedule Change**

Mr. Greg Bundesen provided a summary of the report.

President Schild commented that he is not in favor of a mandatory one day per week watering schedule. However, he stated that he does support continuing educating the customers on watering with the weather.

GM Roscoe clarified that staff’s recommendation is to endorse a message that promotes a voluntarily reduction to one day per week, not a mandatory reduction.

Director Wichert echoed what GM Roscoe and President Schild stated, emphasizing that the message is to educate customer and encourage voluntarily reduction to one day per week watering.

Mr. Bundesen clarified the Cash for Grass Program funding allocation. Director Wichert and President Schild suggested that customers should be made aware of the waiting list prior to filling out an application.

Director Wichert inquired about a drip system watering schedule, noting that there are no changes in the regulations for drip systems.

Mr. Bundesen also noted that the reset date for water conservation enforcement is on October 1, 2015. He further stated that staff is recommending to change this reset date to January 1, 2016. The Board suggested that changing the date could be confusing for customers and recommended not changing it.

Mr. Eubanks commented.

Discussion ensued regarding releasing customers names that participate in District rebate programs information.

President Schild moved that from this point forward, customers who participate in the Cash for Grass Program must check a box that states that they will release their names upon request. Director Wichert seconded. The motion carried by unanimous vote.

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

Director Locke moved to support staff’s recommendation to endorse a message promoting customers voluntarily reduce their watering schedule from two days per week, to one day per week, beginning October 1, 2015. Director Thomas seconded. The motion carried by unanimous vote.

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

8. **Sacramento LAFCo Election of Special District Commissioner**

President Schild introduced the staff report. AGM York provided a summary of the report.

Director Locke moved to support Mr. Ron Greenwood to be re-elected for the position of Special District Commissioner; Director Thomas seconded. The motion carried by unanimous vote.

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

9. **Project Agreement with RWA for Grant Management Services for 2014 Proposition 84 Drought Grant Projects**

Mr. Valdes provided a summary of the report.

President Schild identified that the District’s share is only allocated to the pump around.

Director Locke moved to approve agenda Item 9; Director Thomas seconded. The motion carried by unanimous vote.

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

10. **Board Direction to Convene a Stakeholder Advisory Group**

GM Roscoe presented the staff report announcing that staff was requesting additional direction from the Board.

President Schild suggested doing nothing until the Board gets the results from the Water Rights Review report. Director Wichert recommended having a closed session meeting regarding the Water Rights Review report. President Schild suggested setting a meeting that works for him and Director Wichert, and inviting the rest of the Board members to attend if they are available.

Mr. Eubanks commented.

Director Wichert commented that he believes that the Stakeholder Advisory Group meeting was a bad idea.

Director Locke moved to table the Stakeholder Advisory Group meeting until the Board has a chance to review the Water Rights Review report; Director Thomas seconded.

Director Wichert moved to amend the previously stated motion, suggesting not tabling this discussion, but rather ceasing work on creating a Stakeholder Advisory Group all together. Director Locke indicated that he would like to table the Stakeholder Advisory Group meeting until the Board has a chance to review the Water Rights Review report.

President Schild restated the original motion made by Director Locke, to table the Stakeholder Advisory Group meeting until the Board has a chance to review the Water Rights Review report; Director Thomas seconded.

The motion failed by a split vote, 2/2.

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

The Board gave staff direction to schedule a closed session meeting of the Water Rights Review report.

Director Wichert moved to cease work on a Stakeholder Advisory Group meeting all together; Director Thomas seconded. The motion carried by unanimous vote.

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

Information Items

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

A written report was provided. Mr. Bundesen presented the staff report.

Director Thomas inquired if staff has noticed anything that other water districts were doing that has been successful in regards to water conservation education and outreach. Mr. Bundesen answered that the District is currently doing more than most local agencies.

Director Wichert inquired if there is a District policy addressing notifying customers when the District is reducing pressure. President Schild clarified that something like that could be challenging, as it would need to be clear if it is intentional pressure reduction versus normal pressure fluctuation.

- a. *Drought Report*
A written report was provided.
- b. *Summary of Activities to Date*
A written report was provided.
- c. *Water Conservation Program and Results*
A written report was provided.
- d. *Upcoming Events*
A written report was provided.

12. **District Activity Report**

A written report was provided. AGM York gave brief summary.

a. *Water Operations and Exceptions Report*

A written report was provided.

b. *Customer Service Report*

A written report was provided.

c. *Community Outreach Report*

A written report was provided.

13. **Engineering Report**

A written report was provided.

President Schild inquired when the Rutland Well would be online. Mr. Valdes explained that getting bids on drilling the well took roughly 6 months; therefore, it extended the due date of the project. He further noted that staff expects the well completion by June 2016. Mr. Valdes further noted that the water quality testing was successful.

President Schild expressed his appreciation that the District does not produce high greenhouse gas emissions.

Director Locke complimented Veerkamp, a contractor of the District, on the great job that they have been doing in his neighborhood. He further stated that he has received positive feedback from other customers of the District.

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.

d. *Groundwater Quality Projects*

A written report was provided.

e. *Developer Projects*

A written report was provided.

f. *Other*

A written report was provided.

14. **Financial Report**

A written report was provided. Mr. Bills gave a brief summary of the report.

Director Wichert inquired about the District's bond principal and interest payments. He also inquired about the District's investments and asked about the amount of customer refunds. Mr. Bills explained the items.

President Schild inquired about the Culligan water charge. AGM York stated the Culligan water invoice is a soft water system for vehicle washing to prevent water spots.

President Schild commented about the garnishments, suggesting that there should be a fee associated with processing garnishments.

a. *Financial Statements – August 2015*

A written report was provided.

b. *Investments Outstanding and Activity – August 2015*

A written report was provided.

c. *Cash Expenditures – August 2015*

A written report was provided.

d. *Credit Card Expenditures – August 2015*

A written report was provided.

e. *Directors Compensation and Expense Accounting – Through August 2015*

A written report was provided.

f. *Market Report Yields – January 2010 through August 2015*

A written report was provided.

g. *District Reserve Balances – August 2015*

A written report was provided.

h. *Information Required by Bond Agreement*

A written report was provided.

15. **New Other Post Employment Benefits (OPEB) Valuation**

A written report was provided. Mr. Bills provided an overview of the report.

16. **General Manager's Report**

A written report was provided. GM Roscoe provided a summary of the report.

a. *Hexavalent Chromium 6 Update*

A written report was provided.

b. District Hiring Practices

A written report was provided.

c. McClellan Restoration Advisory Board (RAB) Meeting Update

A written report was provided.

d. 2016 Benefits Renewal Analysis

A written report was provided.

17. Legislative and Regulatory Update

A written report was provided. AGM York provided an overview of the report. GM Roscoe further summarized the report.

18. Order for Technical Report – Central Valley Regional Water Quality Control Board

A written report was provided. GM Roscoe congratulated staff of doing a thorough job of providing the detailed information that the Regional Board requested.

Director Wichert asked how many large leaks the District generally has. Mr. Jim Arenz stated that the District typically has very few, approximately 1 or 2 per year.

19. ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment

A written report was provided. GM Roscoe acknowledged that there were no findings from the Risk Assessment, and reminded the Board how far the District has come in risk reduction.

20. Fluoridation in the South Service Area

A written report was provided.

President Schild inquired about the cost to fluoridate the North Service Area. Director Wichert stated that his question was asked at the Facilities and Operations Committee meeting, and the answer will come back to that Committee at the next meeting. Director Wichert further stated that this report was to identify what it would cost the District to un-fluoridate the South Service Area. Mr. Valdes answered that it would cost roughly 1.344 million dollars to un-fluoridate the South Service Area, if the cost is based on a pro-ration of grant dollars received to duration remaining on the contract.

Julie Byers with the First 5 of Sacramento commented in support of fluoridation.

Mr. Eubanks commented.

GM Roscoe further explained the state regulation as well as discussed the District's water supply permit obligations with the State of California.

21. Succession Plan Update

A written report was provided.

22. Upcoming Policy Review

- a. *Water Banking and Transfer Policy (PL – BOD 006)*
A written report was provided. Directors' comments are due by October 5, 2015.
- b. *Reserve Policy (PL – Fin 004)*
A written report was provided. Directors' comments are due by October 5, 2015.

Committee Reports

23. a. *Facilities and Operations Committee (Director Wichert)*
Revised notes from July 23, 2015 meeting were provided. Notes from the September 3, 2015 meeting were provided.
- b. *Finance and Audit Committee (Director Locke)*
Notes from the August 28, 2015 meeting were provided.
- c. *Government Affairs Committee (Director Wichert)*
Notes from the August 21, 2015 meeting were provided.
- d. *Ad Hoc Water Banking and Transfer Committee (Director Locke)*
No report.
- e. *Ad Hoc Water Rights Review Committee (Director Schild)*
No report.

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

24. a. *Regional Water Authority*
President Schild provided an oral report regarding the September 10, 2015 meeting.

Regional Water Authority Executive Committee
Agenda from the August 26, 2015 meeting was provided
- b. *Sacramento Groundwater Authority*
No report.
- c. *Water Forum Successor Effort*
No report.

Carryover Storage Working Group meeting
Agenda from the September 14, 2015 meeting was provided.

Water Forum Dry Year Conference meeting
No report.

Water Caucus meeting
Agenda from the September 9, 2015 meeting was provided.

d. *Other Reports*

Director Thomas provided oral reports regarding the August 12, 2015 San Juan Water District Board meeting

Miscellaneous Correspondence and General Information

25. Certain correspondence received by the District was provided.

26. General information related to District business 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 8:43 p.m. to discuss the following:

27. Conference with real property negotiator involving the purchase, sale, lease or exchange of real property, Assessor's Parcel Numbers 203-0270-001-0000 & 203-0270-001-0000. Robert Roscoe, District negotiator, will negotiate with Polycomp Trust Co. Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

Return to Open Session

The Board convened in open session at 9:02 p.m. There was no reportable action.

Adjournment

President Schild adjourned the meeting at 9:03 p.m.

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