

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, April 18, 2016

Call to Order

President Thomas called the meeting to order at 6:34 p.m.

Roll Call

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

Directors Absent: Robert Wichert.

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

Public Present: Mitch Dion, Jim DeHart, William Eubanks, Glen Jorgensen, Ted Costa and Tom Gray.

Public Comment

William Eubanks (Mr. Eubanks) questioned why the San Juan Water District (SJWD) consolidation discussion was back on the agenda. He noted that at the last meeting there was a vote by the Board to inform SJWD that the District was not interested in consolidation discussions at that time.

President Thomas stated that the item was placed on the agenda at the request of a Board member.

Mr. Eubanks requested clarification on the ability the Board has to bring back an item at any time.

General Manager Robert Roscoe (GM Roscoe) clarified that the item was on the agenda at the request of a Board member, which is covered under the section on the agenda titled "Director's Comments/Staff Statements and Requests." He further noted that votes of the Board are final until a vote of the Board changes it, and that a Director can request to bring back an item at any time.

Mr. Eubanks inquired which Board member requested the item be placed back on the agenda.

President Thomas stated that Director Gayle requested it.

Director Gayle stated that there was \$100,000.00 dollars set aside in the budget for special projects.

Paul Stranbrough (Mr. Stanbrough) commented that he felt that it was important to revisit the consolidation discussion as he believed the vote that was held at the last Board meeting was confusing. He stated that it was important to have clarity and opportunity for everything that is factual to surface, so that a proper decision can be made for the future of the residents of this District.

Announcements

- Christine Bosley is no longer with the District; Heather Hernandez-Fort replaced her.
- Sarita Cross announced her retirement after 26 years with the District.
- Request for Board to add item to the Agenda - Addition of the Closed session item: Conference with Legal Counsel – Existing Litigation, Government Code sections 54954.5(c) and 54956.9(d)(1). In re Municipal Derivatives Antitrust Litigation, Master Docket No. 08-02516 VM-GWG, MDL 1950 (Sacramento Suburban Water District, et al.) – Proposed Settlements Between District and Societe Generale and Bayerische Landesbank Girozentrale, and adjustment to proposed settlements with National Westminster Bank and George K. Baum.

Director Schild moved to not allow the addition to the Agenda as they have not had time to review the report.

GM Roscoe clarified that he was requesting for the addition to the Agenda as the information was just received and the due date was before the next regular Board meeting. He suggested scheduling a Special Board meeting.

Director Schild commented that he is opposed to a Special Board meeting, as he was unavailable.

President Thomas commented that he will schedule a Special Board meeting.

- Director Wichert was unable to attend the meeting as he was unavoidably detained at work on the East Coast. He requested that Agenda Item 12 be tabled.

Director Schild suggested waiting until the Board got to Agenda Item 12 before requesting to have it tabled. He further suggested going in order of Agenda Items.

President Thomas stated that Agenda Item 12 was brought up due to Director Wichert’s absence and his request to have it tabled, so he wanted to address it then.

Director Gayle moved to table Agenda Item 12, Director Locke seconded. The motion carried by 3/0/1 vote, with Director Wichert absent and Director Schild abstaining.

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

Consent Items

1. Minutes of the March 21, 2016 Regular Board Meeting
2. Minutes of the April 1, 2016 Special Board Meeting
3. Resolution No. 16-07 Accepting Grant of Easement and Right of Way for 2200 Gramercy Drive
4. Resolution No. 16-08 Accepting Grant of Easement and Right of Way for Trinity United Methodist Church at 2245 Highridge Drive
5. Resolution No. 16-09 Accepting Grant of Easement and Right of Way for Mallard Creek Apartments at 2724 Elvyra Way
6. Resolution No. 16-10 Calling for the November 8, 2016 District Election
7. Strategic Plan (PL - BOD 001)
8. Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL - Adm 003)

Director Locke requested to pull Item 7, Director Schild requested to pull Item 2.

Director Locke moved to approve all of the Consent Items except Items 2 and 7; President Thomas seconded. The motion carried by 3/1 vote.

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

Director Schild suggested a roll call vote. GM Roscoe stated the Rules for Proceeding adopted by the Board of Directors allowed calls for the ayes and noes, and allowed the President to ask if there are any opposed to the motion, and if there is not a majority opposed, then the motion passes.

President Thomas noted that Director Schild never previously requested a roll call vote.

Director Schild stated that the Brown Act had changed.

Regarding Item 2, Director Schild commented that the minutes did not adequately reflect what took place at the meeting. He noted that Assistant General Manager Dan York (AGM York) presented four options, and that those four options were not listed in the minutes. He further noted that the two options that were approved by the Board were also not listed.

AGM York commented that he will review the notes and bring it back at a future Board meeting.

Regarding Item 7, Director Locke wanted to review the Strategic Plan when Director Wichert was at the meeting. He recommended tabling the Item.

Director Schild moved to table Agenda Item 7, President Thomas seconded. The motion carried by unanimous vote.

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

Items for Discussion and Action

9. **Resolution No. 16-11 to Request Rescission of the Emergency Conservation Regulation**

GM Roscoe introduced the staff report.

Mr. Jorgensen withdrew his comment.

Director Schild moved to approve the staff report; Director Locke seconded. The motion carried by unanimous vote.

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

10. **Urban Water Management Plan – Request for Public Hearing on May 16, 2016**

John Valdes (Mr. Valdes) presented the staff report.

All Board members requested hard copies of the final draft report.

Director Schild commented that the public will not have much time to review the document.

Mr. Valdes noted that staff is going to do as much outreach as possible regarding the review period of the draft document.

Director Schild suggested posting information on the website in advance.

Mr. Valdes commented that he will, and noted that the draft document is roughly 100 pages.

Director Locke moved to approve the staff report; President Thomas seconded. The motion carried by unanimous vote.

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

11. Acquisition of Property at Bainbridge/Holmes Well (#59A) Site

Mr. Valdes presented the staff report.

Discussion ensued regarding the location of the well site.

Director Schild moved to authorize the purchase of the property; Director Locke seconded. The motion carried by unanimous vote.

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

12. Status of the San Juan Water District Reorganization Discussion

President Thomas noted that the Item had been tabled.

13. Drought Tolerant Garden – Fulton/El Camino Parks and Recreation District

Greg Bundesen (Mr. Bundesen) presented the staff report.

Director Schild suggested using money spent on the Antelope Garden to help fund this project instead.

Mr. Jorgensen inquired if the District had a commitment from the Fulton/El Camino Park and Recreation District (FECPRD) stating that they will maintain the garden.

Mr. Bundesen stated that it will be in the Memorandum of Understanding (MOU).

Further discussion ensued regarding the FECPRD MOU.

Director Schild moved to approve the staff report with periodic updates to the Board, Director Locke seconded. The motion carried by unanimous vote.

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

Information Items

14. Water Conservation and Regional Water Efficiency Program Report

Mr. Bundesen presented the staff report.

Mr. Eubanks inquired if there were any articles submitted in the Arden/Arcade newspaper.

Mr. Bundesen explained that the District will submit publications to each of the newspapers companies in the area, and it is at their discretion if they chose to publish them or not.

GM Roscoe stated that an article from the District was selected by the Carmichael Times. He further stated that staff submitted an editorial to the Sacramento Bee as well, however there is no guarantee that it will run.

- a. *Drought Report*
A written report was provided.
- b. *Summary of Activities During March 2016*
A written report was provided.
- c. *Water Conservation Program and Results*
A written report was provided.
- d. *Upcoming Events*
A written report was provided.

15. **District Activity Reports**

A written report was provided.

- 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.

16. **Engineering Report**

A written report was provided.

Director Gayle requested for an update on the McClellan Contract to be brought to a future Board meeting.

Director Schild requested any updated information on the joint meeting between Fire Agencies/Water Purveyors to be emailed to him.

- 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.

Director Schild inquired about the abandoning and relocating services at McClellan Business Park.

David Espinoza (Mr. Espinoza) replied that remediation at the landfill location at McClellan Business Park is in process. He further explained that with the developer projects, the developer is responsible for all construction activity.

- f. *Planning Studies*
A written report was provided.
- g. *Other*
A written report was provided.

17. Financial Report

Dan Bills (Mr. Bills) presented the staff report.

Director Schild requested to be notified when the pension information is provided by CalPERS.

- a. *Draft Financial Statements – March 2016*
A written report was provided.
- b. *Draft Investments Outstanding and Activity – March 2016*
A written report was provided.
- c. *Draft Cash Expenditures – March 2016*
A written report was provided.
- d. *Draft Purchasing Card Expenditures – March 2016*
A written report was provided.
- e. *Draft Directors Compensation and Expense Accounting – March 2016*
A written report was provided.
- f. *Draft Market Report Yields – March 2010 through March 2016*
A written report was provided.

g. Draft District Reserve Fund Balances – March 2016
A written report was provided.

h. Information Required by Bond Agreement
A written report was provided.

18. Financial Markets Quarterly Report

Mr. Bills provided the staff report.

19. Year-to-Date Interest Expense Quarterly Report

Mr. Bills provided the staff report.

20. Human Resources Quarterly Report

GM Roscoe provided the staff report.

21. CIP Projects Quarterly Report

GM Roscoe provided the staff report.

22. 2015 Main Replacement Projects - Customer Comments

GM Roscoe provided the staff report.

23. Foundation for Cross-Connection Control and Hydraulic Research Laboratory Letter

Jim Arenz (Mr. Arenz) provided the staff report.

Director Schild inquired if the District had a contract with those customers that allowed the District to use their facilities.

Mr. Arenz commented that the Foundation has the contract.

24. Increase in Rebate Amounts

GM Roscoe provided the staff report.

25. Board Packet Preparation Process

GM Roscoe provided the staff report.

Director Schild commented that he didn't have any concerns with how the board packet was currently being delivered.

Director Locke noted that he was not considering changing the meeting day, but rather inquired if there was any way to get the packet earlier. He noted that the quality of review time suffers when there's not as much time to review the packet.

GM Roscoe commented that there is a lot of information included in the board packet.

Director Locke suggested presenting to the Board only the information that has changed in the reports.

President Thomas commented that providing Directors with tablets might save money. Mr. Eubanks commented on the amount of information in the Board packet. He noted that there are several reports that could be made available online instead of into the packet. He further commented that the Board packet should be addressing issues.

President Thomas suggested reviewing this Item when Director Wichert was able to provide input.

GM Roscoe suggested bringing this to the F&O Committee for review.

President Thomas directed staff to bring this Item to the F&O Committee for further review.

26. **California Urban Water Conservation Council Coverage Reports (BMPs)**
GM Roscoe provided the staff report.
27. **Charges for Non-Project Use of Excess Capacity in Bureau of Reclamation Facilities**
GM Roscoe provided the staff report.
28. **Legislative and Regulatory Update**
AGM York provided the staff report.
29. **General Manager's Report**
A written report was provided.
 - a. *McClellan Restoration Advisory Board (RAB) Meeting Update*
A written report was provided.
 - b. *Continuous Flow Report*
A written report was provided.
 - c. *Well 32A Landscape Improvement Conceptual Plan*
A written report was provided.
 - d. *Employee Recruitment, Hiring and Promotion Policy (PL – HR 009)*
A written report was provided.
 - e. *Upcoming Customer Service Vacancy*
A written report was provided.
30. **Upcoming Policy Review**
A written report was provided.

- a. *Information Technology/Disaster Recovery Policy (PL – IT 004)*
A written report was provided. Directors’ comments are due by Monday May 2nd.
- b. *Purchasing Card Policy (PL – Fin 006)*
A written report was provided. Directors’ comments are due by Monday, May 2nd.

31. **Upcoming Water Industry Events**

A written report was provided.

Committee Reports

- 32. a. Facilities and Operations Committee (Director Locke)
Notes from the April 1, 2016 Meeting
- b. Finance and Audit Committee (Director Thomas)
No report.
- c. Government Affairs Committee (Director Locke)
No report.
- d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)
Notes from the March 25, 2016 Meeting.

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

- 33. a. Regional Water Authority (Director Thomas)
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
GM Roscoe provided an oral report of the March 23, 2016 Meeting.
- b. Sacramento Groundwater Authority (Director Schild)
Director Schild provided and oral report regarding the April 14, 2016 Meeting.
- c. Water Forum Successor Effort (General Manager Roscoe)
No report.

Carryover Storage Working Group Meetings
No report.

Water Forum Dry Year Conference Meeting
No report.

Water Caucus Meeting
No report.

d. Other Reports

Director Schild provided oral reports on the SJWD Board Meeting on March 23, 2016 and the JPIA Meeting on March 29, 2016.

President Thomas provided oral reports regarding his meetings with AGM York on April 15, 2016, the tour with AGM York on April 11, 2016, the meeting with GM Roscoe on March 11, 2016, the meeting with GM Roscoe on March 2, 2016, the Water Forum Meeting on March 10, 2016, the SJWD Board Meeting on March 23, 2016, and the Aero Jet Meeting on March 16, 2016.

Miscellaneous Correspondence and General Information

- 34. Certain correspondence received by the District was provided.
- 35. 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 8:21 p.m. to discuss the following:

- 36. Conference with Board Negotiating Committee (Director Thomas) Involving the General Manager Under Government Code Sections 54954.5(f) and 54957.6.

Return to Open Session

The Board convened in open session at 8:39 p.m. There was no reportable action.

Adjournment

President Thomas adjourned the meeting at 8:40 p.m.

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