

Minutes

Sacramento Suburban Water District

Regular Board Meeting

Monday, May 16, 2016

Call to Order

President Thomas called the meeting to order at 6:31 p.m.

Roll Call

Directors Present: Frederick Gayle, Craig Locke, Neil Schild and Kevin Thomas and Robert Wichert (via teleconference).

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Greg Bundesen, David Espinoza, Dave Jones, Annette O'Leary, Lynne Yost, James Arenz, Mitch Dion, Wayne Scherffius and Sarita Cross.

Public Present: Avery Wiseman, Jim DeHart, William Eubanks, Jennifer Hagemann, Glen Jorgensen, Ted Costa, Brenda Davis, Rodney Fricke, Melanie Holton, Paul Cross and Paul L. Cross.

Public Comment

None.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- The remodeling of the Customer Service Area at the Marconi office would begin on Monday, May 23, 2016 and was expected to be completed by Friday, May 27, 2016.
- The F&A Committee meeting would be held on Thursday, May 26, 2016 at 10:00 am in Suite 300, due to the construction.
- The State Water Resources Control Board (SWRCB) letter and the Association of California Water Agencies (ACWA) letter are distributed at the dais.
- The hiring of the new Technical Services Director, Mitch Dion.
- The Sacramento County change in pavement restoration requirements notice.
- The final RiverArc brochures are distributed at the dais.

Consent Items

1. **Minutes of the April 18, 2016 Regular Board Meeting**
2. **Minutes of the April 25, 2016 Special Board Meeting**
3. **Information Technology/Disaster Recovery Policy (PL – IT 004)**
4. **Purchasing Card Policy (PL – Fin 006)**

5. **Amendment to Resolution No. 16-10 Calling for the November 8, 2016 District Election**

President Thomas noted that a member of the public requested to speak on Consent Item 2, therefore the Item was pulled.

Director Locke moved to approve all Consent Items except Item 2; Director Wichert seconded. The motion passed by unanimous vote.

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

Regarding Item 2, Glen Jorgensen (Mr. Jorgensen) congratulated the Board on their cooperation regarding the San Juan Water District consolidation discussion.

Director Locke moved to approve Item 2; President Thomas seconded. The motion passed by unanimous vote.

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

Items for Discussion and Action

6. **Resolution No. 16-12 Honoring Sarita C. Cross on Her Retirement**

GM Roscoe presented the staff report and introduced Sarita Cross (Ms. Cross).

GM Roscoe recited Resolution No. 16-12 honoring Ms. Cross.

President Thomas presented Ms. Cross with Resolution No. 16-12.

Director Schild moved to approve the Resolution; Director Gayle seconded. The motion passed by unanimous vote.

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

Ms. Cross stated that she felt lucky to have worked for the District and that saying goodbye was so hard.

7. **3305 Edison Avenue – Service Line Installation and Material Dispute**

Assistant General Manager York (AGM York) provided a summary of the staff report.

Jennifer Hagemann (Ms. Hagemann) expressed her concerns to the Board. She stated that she did not give consent for the placement of the new in-tract water line, noting that she did not agree with the placement.

Ms. Hagemann expressed her discontentment with the installation process and location of the new line, commenting that she believed that having the new in-tract water line under the center of the asphalt driveway was hazardous and a financial burden to her; and further noted that she was now responsible for roughly 100 feet of additional pipeline which was costly to maintain. She stated that she believed that the District was transferring the liability to her, and she additionally expressed concern over the ability to locate a leak should one happen under the asphalt.

Ms. Hagemann requested to have the line put back where it was before, to have the line that was cut into replaced with a new one, and to have all asphalt repaired.

Dave Jones (Mr. Jones) expressed that due to other utilities located on the west side of the property, it would be near impossible to install a new line on that side. He stated that the contractor moved the line to a location that they felt was the best possible location for the customer, which was consistent with other installations in similar situations.

Director Schild explained that the District has routinely been moving backyard mains to the front, as it is harder to access and maintain pipeline in customers' backyards. He further noted that what was done at her property was the proper action, and consistent with the work that the District has been performing.

Director Locke stated that the galvanized line that she originally had, was roughly 50 years old and nearing the end of its useful life, and that the District replaced it with a PVC line that has a life expectancy of roughly 70 years, which increased reliability. He further noted that he didn't agree that there was a cost shift, as the new line is more reliable. He further noted the 4" pipeline in the backyard did not provide adequate fireflow, so the District replaced it with the new 12" pipeline, providing proper fireflow protection.

Director Wichert commented that the new line appeared to be in the best location possible for the property. He further noted that District staff could assist with locating a leak on the property, should she have those concerns in the future.

William Eubanks (Mr. Eubanks) inquired why the Item was being brought before the Board, expressing that the installation met District regulations. He commented that he did not agree with the District spending money to accommodate one dissatisfied customer.

GM Roscoe explained the process for customer appeals.

President Thomas clarified that staff had attempted several times to make contact with the person responsible for the property which included sending letters.

Director Wichert moved to replace the galvanized line between the washroom where it meets the PVC pipe, and provide PVC to the washroom and the apartment building; Director Gayle seconded.

Director Locke inquired if Ms. Hagemann would be satisfied with the motion. She replied that she would not be, stating that she welcomed that as a part of the solution, but that it is not the entire solution. She further noted that she would not accept PVC pipeline.

Director Locke expressed that he supported staff, and that the placement of the new line was the best viable location.

Mr. Jorgensen expressed his dissatisfaction in the District's handling of the water line dispute, further commenting that he disapproved with PVC as well, and offered his suggestions on where the line could go.

Director Wichert inquired if Ms. Hagemann agreed with the proposed motion.

Ms. Hagemann stated that she did not agree with the motion.

Director Schild requested to amend the motion to add that the galvanized pipe would be replaced only if the property owner wished to have it done. Director Wichert accepted the amendment; Director Gayle seconded.

Director Schild directed staff to send a formal letter of the motion to allow Ms. Hagemann the option to either accept or reject the Board's offer.

The motion passed by a 3/2 vote.

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

8. **2015 Urban Water Management Plan - Public Hearing**

GM Roscoe introduced the staff report.

Director Wichert recited the public hearing script announcing the opening of the public hearing.

GM Roscoe recited the General Manager's portion of the public hearing announcement.

President Thomas introduced Melanie Holton (Ms. Holton) from Brown and Caldwell.

Ms. Holton presented a PowerPoint presentation.

Director Schild suggested researching ways to simplify the process and make the report easier for the ratepayers to understand.

Director Gayle commented that the document was well presented.

President Thomas noted that the District had not received any written or verbal comments.

Brenda Davis (Ms. Davis) inquired how groundwater was treated with respect to the Sustainable Groundwater Management Act.

Ms. Holton answered that the report is based on what is currently in place.

Director Schild commented on the water supply summary, stating that the wording could be misleading. He suggested adding a footnote explaining the source of water treatment.

President Thomas declared the closure of the public hearing.

GM Roscoe announced that the final report will be presented to the Board at the June 2016 regular Board meeting.

9. Minutes of the April 1, 2016 Special Board Meeting

GM Roscoe presented the staff report.

Mr. Eubanks pointed out that the notes did not accurately reflect all attendee's at the meeting, noting that he was not included as being present.

President Thomas moved to accept the minutes with the addition of Mr. Eubanks being listed as present; Director Schild seconded. The motion passed by unanimous vote.

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

10. Amendment No. 2 to the Groundwater Stabilization Agreement Between PCWA and SSWD

GM Roscoe presented the staff report.

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

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

11. **2016 Water Conservation Program and Stage Declaration**

GM Roscoe introduced the staff report. Greg Bundesen (Mr. Bundesen) presented the PowerPoint presentation.

GM Roscoe stated the staff recommendation.

Director Schild expressed his disagreement with the staff recommendation. He suggested taking action at that time and make any necessary adjustment later. He further suggested not enforcing anything above a stage 1 declaration.

Mr. Bundesen expressed that the staff recommendation reflected the Governors executive order; further noting that staff was allowing the SWRCB to make their decision final before making any recommendations regarding a stage declaration.

President Thomas moved to approve the staff recommendation; Director Gayle seconded. The motion passed by a 3/2 vote.

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

Information Items

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

Mr. Bundesen presented the staff report.

a. *Drought Report*

A written report was provided.

b. *Summary of Activities During April 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.

13. **District Activity Report**

AGM York presented the staff report.

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.

14. **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.
- d. *Groundwater Quality Projects*
A written report was provided.
- e. *Developer Projects*
A written report was provided.
- f. *Planning Studies*
A written report was provided.
- g. *Other*
A written report was provided.

15. **Financial Report**

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

- a. *Draft Financial Statements – April 2016*
A written report was provided.
- b. *Draft Investments Outstanding and Activity – April 2016*
A written report was provided.
- c. *Draft Cash Expenditures – April 2016*
A written report was provided.
- d. *Draft Credit Card Expenditures – April 2016*
A written report was provided.
- e. *Draft Directors Compensation and Expense Accounting – April 2016*
A written report was provided.

f. Draft Market Report Yields – January 2010 through April 2016
A written report was provided.

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

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

16. Web Site Improvement

GM Roscoe presented the staff report.

17. Biannual Groundwater Elevations Report

GM Roscoe presented the staff report.

18. 2015 Nitrate Monitoring Data Inquiry

GM Roscoe presented the staff report.

19. General Manager's Report

GM Roscoe presented the staff report

a. Acquisition of Property on Antelope North Road Status
A written report was provided.

b. Update on McClellan Business Park Contract
A written report was provided.

Director Gayle requested a report back on the cold storage building at McClellan Business Park.

c. Long Term Warren Act Contact Update
A written report was provided.

d. Water System Permit Fees
A written report was provided.

e. Sustainable Groundwater Management Act (SGMA) Emergency Regulations
A written report was provided.

20. Upcoming Policy Review

GM Roscoe presented the staff report

a. Employee Recruitment, Hiring and Promotion Policy (PL - HR 009)
A written report was provided. Directors' comments are due by Monday June 6th.

b. Director Sexual Harassment Prevention Training Policy (PL – BOD 005)

A written report was provided. Directors' comments are due by Monday June 6th.

c. Discrimination and Harassment Training Policy (PL – HR 012)

A written report was provided. Directors' comments are due by Monday June 6th.

21. Legislative and Regulatory Update

GM Roscoe presented the staff report.

22. Upcoming Water Industry Events

GM Roscoe presented the staff report.

Committee Reports

23. a. Facilities and Operations Committee (Director Locke)

No report.

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)

No report.

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

24. a. Regional Water Authority (Director Thomas)

GM Roscoe provided a report from the May 12, 2016 Meeting.

Regional Water Authority Executive Committee (General Manager Roscoe)

GM Roscoe provided a report from the April 27, 2016 Meeting.

Director Schild suggested staff request Rob Schwartz with RWA to do a presentation on the region moving toward groundwater banking, at a future Board meeting.

b. Sacramento Groundwater Authority (Director Schild)

Director Schild provided an oral report on 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
The Agenda from the May 11, 2016 Meeting was provided.

d. Other Reports

Director Schild provided oral reports regarding the Creek Week Event at Carmichael Park on April 9, 2016 and the ACWA Spring Conference May 2-6, 2016.

Director Locke provided an oral report on the CA Rural Water Agency Conference he attended April 25-28, 2016.

President Thomas provided oral reports regarding the Creek Week Event at Carmichael Park on April 9, 2016, the San Juan Water District Board Meeting on April 13, 2016, his meeting with the Assistant General Manager on April 15, 2016, and the ACWA Spring Conference May 2-6, 2016.

Director Wichert requested the link to the Ethics training be resent to him.

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

President Thomas requested that staff ensure that in the future, District contractors will get signatures of property owners when necessary.

Director Locke requested staff bringing back the Board Packet Preparation Process discussion to the F&O meeting.

Director Wichert mentioned a forensic lab that he is aware of called Anamet and suggested staff research if they do forensic pipe analysis.

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

A written report pertaining to the following closed session Item was provided. The Board elected to not convene to closed session.

- 27. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957

Adjournment

President Thomas adjourned the meeting at 9:22 p.m.

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