

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, February 27, 2017

Call to Order

President Wichert called the meeting to order at 6:30 p.m.

Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Legal Counsel Josh Horowitz, Finance Director Dan Bills, Heather Hernandez-Fort, Annette O’Leary, Lynne Yost, Greg Bundesen, Doug Cater, David Espinoza and Tom Dickinson.

Public Present: William Eubanks, Avery Wiseman, Ted Costa, Mike Grace, Brenda Davis, Marian Bender and Jim DeHart.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- The Bureau of Reclamation’s cost increase;
- Letter at the dais from the Auburn Dam Council requesting funding;
- And a request to move Agenda Item 10 closer to the beginning to accommodate the presenters.

Public Comment

None.

Consent Items

1. **Minutes of the January 23, 2017 Regular Board Meeting**
2. **Electronic Mail Management and Retention Policy (PL – IT 003)**
3. **Investment Policy (PL – Fin 003)**
4. **Resolution No. 17-01 Concurring the Nomination of Cucamonga Valley Water District’s Kathleen J. Ties to the ACWA/JPIA Executive Committee**

5. Resolution No. 17-02 In Support of Repealing Federal Water Rebate Taxation

President Wichert requested to pull Item 5 noting that there was a public comment on the Item.

Director Thomas moved to approve all Consent Items except Item 5; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 5, William Eubanks (Mr. Eubanks) inquired what the District’s interest was with supporting repealing the Federal Water Rebate Taxation.

President Wichert expressed that the people that get energy conservation rebates don’t have to pay taxes and the idea is that it should be equitably treated.

Mr. Eubanks expressed that he didn’t understand why the District believed it could give away public funds with the rebates. He further inquired how much the “cash for grass” program has saved the District.

Greg Bundesen (Mr. Bundesen) expressed that it would take 12 months from the date of installation to determine the water savings per customer.

President Wichert restated the objective.

Mr. Eubanks urged that the District not get involved with this.

Director Schild moved to not approve the staff recommendation. The motion died for lack of a second.

Director Thomas moved to approve the staff recommendation, Director Jones seconded. The motion passed by a 4/1 vote.

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

Items for Discussion and Action

Agenda Item 10 was taken out of order as requested by staff in the announcements.

10. Howe Park River-Friendly Demonstration Garden

Mr. Bundesen presented the staff report and introduced Mariam Bender (Ms. Bender) with Eco Landscape. Ms. Bender explained further options if the additional funding was approved.

Mr. Bundesen introduced Mike Grace (Mr. Grace), President Fulton El Camino Park District (FECPD).

Mr. Grace expressed his support for the project and explained the benefit to the community by working together as Special Districts. He expressed that the FECPD planed on maintaining the garden.

Director Jones inquired if FECPD was willing to contribute to the additional \$30,000.

Mr. Grace explained that he was unsure.

Further discussion ensued regarding the proposed plans for the garden.

President Wichert expressed that he was confident that the original approved budget would provide enough funding for a quality garden.

GM Roscoe expressed his support for the additional funding noting that it is beneficial to continue to have a good working relationship with FECPD as mutual agreements will inevitably come up in the future. He further pointed out that the original \$60,000 was in lieu of writing a check for \$60,000 for the easement that they granted to the District.

Director Schild moved to allocate the original \$60,000, and if later on it warranted another \$30,000 then we can give it consideration at that time; Director Thomas seconded. The motion passed by unanimous vote.

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

6. A Week in the Life of Production

Doug Cater (Mr. Cater) presented the PowerPoint presentation on the Life of a Production Operator.

President Wichert requested Division of Drinking Water Monthly Water Quality Report as well as the Triennial Water Quality Monitoring Report to be placed on the agenda for the Water Quality Committee.

Director Thomas inquired if there was anything else staff needed.

Mr. Cater expressed that there was already a budget for additional security cameras at a few of the wellsite's. Director Thomas expressed that it sounded like a good investment.

7. New Account Payable and Inventory Systems

Dan Bills (Mr. Bills) presented a PowerPoint presentation on the staff report.

8. Setting the Dates for Future Regular Board Meetings

GM Roscoe presented the staff report.

President Wichert restated the options.

Director Schild moved to hold the March meeting on March 27, 2017; Director Jones seconded. The motion passed by unanimous vote.

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

There was no changes to the standard 3rd Monday of the month at 6:30 for the regular Board meetings.

9. McClellan Business Park and Operations Agreement Update

GM Roscoe presented the staff report.

Director Schild expressed his concerns that the original agreement was poorly written and identified a few specific issues. He explained that if the contract was not negotiated properly, it could be very costly for the District. He further commented that the District should not be financing McClellan Business Park’s (MBP) systems.

President Wichert inquired what staff’s goal was.

GM Roscoe clarified that the goal was to define better contract language, clarify what the contract covers, and come to a mutual agreement.

Director Schild inquired what the terms were.

Assistant General Manager Dan York (AGM York) explained that staff was trying to get some guidelines set that both parties could agree to, recognizing that there were several issues.

GM Roscoe further explained that the ultimate goal was for staff to get to a resolution with Sac County noting that staff cannot move forward without the Board agreeing to amend the contract.

President Wichert inquired what the dollar estimate to finish the agreement was.

AGM York answered that it was roughly 2 million dollars.

Mr. Bills expressed that the District has recovered roughly 16 million in revenue from MBP overall.

President Wichert requested an update at the next regular Board meeting including what is budgeted for 2017 for MBP improvements.

Director Locke remarked favorably that staff and the County of Sacramento have been working together to try to come to an agreement without costing the rate payers a lot of money up front.

Legal Counsel Josh Horowitz (Mr. Horowitz) recognized that it was a two track process, the first being to come to an agreement about the the contract with the county, and the second being to get the three parties to quantify how MBP would be transitioned to a regular customer of the District.

Director Thomas noted that one of the representatives at MBK was an attorney by occupation and cautioned that staff may need legal representation as well.

Mr. Eubanks commented that he was unsure why the District was negotiating the old contract with MBP.

GM Roscoe expressed that the District didn't have a contract like this with anyone else.

Mr. Eubanks urged the District to either terminate the existing contract with MBP or to finish up negotiating with them on the existing contract using the existing standards of the District. He didn't understand why there would be a need for a new contract. He further noted that he had all the confidence that the General Manager and the Assistant General Manager would not give away public funds and urged the District to protect itself from potential litigation.

10. Howe Park River-Friendly Demonstration Garden

Item 10 was presented earlier in the meeting.

Information Items

11. Update on District Actions to Address Chromium 6 Contamination of Groundwater Wells

President Wichert presented the staff report. He added to the answer of question number 1 that the District plans to sue those that the District feels are responsible for contamination, and that the Board was not convinced that it was a naturally occurring contaminate.

Mr. Eubanks commented that the answers to the questions were not very good, but that he understood that there might not be answers just yet.

Mr. Horowitz expressed that with question number 2, there was no guarantee of success, but that counsel believed that there was a probability that the District had a good case.

President Wichert requested for staff to bring an update to the next regular Board meeting.

12. District Activity Report

A written report was provided.

a. Water Operations and Exceptions Report

A written report was provided.

b. Water Conservation and Regional Water Efficiency Program Report

A written report was provided.

c. Customer Service Report

A written report was provided.

d. Community Outreach Report

A written report was provided.

Director Thomas inquired if staff prepared anything to provide to ratepayers regarding why the District changed banks.

Mr. Bills expressed that staff only changed back to the previous banking institution that the District contracted with, and that staff didn't want to confuse the ratepayers.

13. Engineering Report

President Wichert inquired about why the Master Plan appeared to intentionally be moving towards larger transmission systems and larger wells.

GM Roscoe expressed that the Master Plan was recommending moving toward some larger wells and transmission mains in anticipation of future wellhead treatment.

He noted that several of the District wells were on small lots where space for treatment would not be possible.

Director Jones clarified that the transmission mains that President Wichert was referring to were just short segments and not a program for the next 5 or 10 years.

President Wichert requested for a quantitative analysis presentation to Facilities and Operations Committee in the future regarding these wells and transmission mains.

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

14. Financial Report

A written report was provided.

- a. *DRAFT - Financial Statements – January 2017*
A written report was provided.
- b. *Cash Expenditures – January 2017*
A written report was provided.
- c. *Credit Card Expenditures – January 2017*
A written report was provided.
- d. *DRAFT - District Reserve Balances – January 2017*
A written report was provided.
- e. *DRAFT - Information Required by Bond Agreement*
A written report was provided.

15. 2017 Budget Impact from Newly Adopted San Juan Water District Wholesale Water Rates

A written report was provided.

16. Proposed San Juan Water District Wholesale Water Rate Contract Discussion Points

GM Roscoe presented the staff report.

17. 2017 OCB Budget Reallocations

A written report was provided.

18. New Catastrophic Leave Procedure (PR – HR 008)

A written report was provided.

19. McClellan Business Park Reservoir Tank Property

A written report was provided.

20. Examination of Well Pump Motors Failures

A written report was provided.

Jim DeHart with Affinity engineering further explained the cause of the failure.

21. Annexation of Carmichael Water District Properties

A written report was provided.

22. County of Sacramento Proposed Paving Requirements

A written report was provided.

President Wichert thanked Mr. Horowitz for his excellent work regarding this Item.

23. Comments on Final Environmental Impact Report/Environmental Impact Statement for the Bay-Delta Conservation Plan/California WaterFix

GM Roscoe provided further details about the Item.

24. Ongoing State Board and Delta Issues

A written report was provided.

25. Division of Drinking Water Annual System Inspection

A written report was provided.

President Wichert requested for this report to be presented to the Water Quality Committee as well.

26. CEQA Exemptions for Water Facility Projects: Edison Avenue - Juliese Avenue Water Main Extension and Connie Drive Water Main Extension

A written report was provided.

27. Legislative and Regulatory Update

A written report was provided.

28. General Manager's Report

A written report was provided.

a. Long Term Warren Act Contract Update

A written report was provided.

b. City of Sacramento Wholesale Water Rates and 9,023 af of Area D Water

A written report was provided.

c. Water Transfer – Bureau of Reclamation Update

A written report was provided.

d. *How Other Districts Handle Firefighting Water Use*

A written report was provided.

e. *Sustainable Groundwater Management Act Implementation (SGMA)*

A written report was provided.

29. Upcoming Policy Review

A written report was provided.

a. *Improvement Standards and Technical Specifications (PL – Eng 001)*

A written report was provided. Directors' comments were due by March 6, 2017.

b. *Strategic Plan Policy (PL – BOD 01)*

A written report was provided. Directors' comments were due by March 6, 2017.

President Wichert noted that he would have comments regarding the mission statement being represented throughout the entire document.

30. Upcoming Water Industry Events

A written report was provided.

Director's Schild and Thomas requested to sign up for the Legislative Symposium on March 8th.

Committee Reports

31. a. Facilities and Operations Committee (Director Schild)

The notes from the January 20, 2017 Meeting and the notes from the February 16, 2017 Meeting were provided.

b. Finance and Audit Committee (Director Thomas)

No report.

c. Water Quality Committee (Director Wichert)

No report.

d. Government Affairs Committee (Director Locke)

No report.

e. Ad Hoc Water Banking and Transfer Committee (Director Schild)

No report.

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

32. a. Regional Water Authority (Director Thomas)

The agenda from the February 22, 2017 Meeting was provided.

Regional Water Authority Executive Committee (General Manager Roscoe)
The agenda from the January 25, 2017 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Schild)
The agenda from the February 9, 2017 Meeting was provided.
- c. Water Forum Successor Effort (General Manager Roscoe)
The agenda from the February 9, 2017 Meeting was provided.

Carryover Storage Working Group Meetings
No report.

Water Forum Dry Year Conference Meeting
No report.

Water Caucus Meeting
No report.

- d. Other Reports
Director Thomas provided an oral report regarding the AeroJet CAG that he attended on January 18, 2017, and the meeting he had with the General Manager on January 24, 2017.

President Wichert provided an oral report regarding the meeting he and Director Jones had with Brown and Caldwell regarding the Master Plan on February 9, 2017.

Director Jones provided an oral report regarding his meeting on January 27, 2017 with the General Manager.

Director Schild provided an oral report regarding the Water Forum's Fish Group webinar that he attended via web link on February 3, 2017; the ACWA Groundwater Committee meeting that he attended on February 15, 2017; and the JPIA Sexual Harassment training session he attended on February 23, 2017.

Director Locke provided an oral report regarding his meeting with Director Thomas regarding the GM Review on February 14, 2017; the ACWA Groundwater Committee meeting that he attended on February 15, 2017; the ACWA Energy Committee meeting that he attended on February 16, 2017; his meeting with AGM York on February 17, 2017; and his facility tour with AGM York on February 23, 2017.

Miscellaneous Correspondence and General Information

- 33. Certain correspondence received by the District was provided.**
- 34. 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 8:55 p.m. to discuss the following:

35. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957
36. Conference with Board negotiating committee (including Director Wichert) 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 9:51 p.m. There was no reportable action.

Adjournment

President Wichert adjourned the meeting at 9:52 p.m.

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