

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, April 17, 2017

Call to Order

Vice President Locke (VP Locke) called the meeting to order at 6:30 p.m.

Pledge of Allegiance

VP Locke led the Pledge of Allegiance.

Roll Call

Directors Present: Dave Jones, 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, Annette O’Leary, Mitch Dion, Lynne Yost, David Espinoza, John Valdes, Doug Cater and Tommy Molton.

Public Present: William Eubanks, Avery Wiseman, Doug Kuramoto, Jim DeHart, Brenda Davis and Frederick Gayle.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- The Special Board Workshop on April 24, 2017 at 6:30 p.m. and;
- Requested for Item 9 to be moved to Consent as the honoree was not able to attend the meeting.

Public Comment

Director Schild inquired if there were any further updates regarding the construction taking place at the ACWA Spring Conference locations.

GM Roscoe informed the Board that there have been no further updates announced.

Consent Items

1. **Minutes of the March 27, 2017 Special Board Meeting**
2. **Minutes of the March 27, 2017 Regular Board Meeting**
3. **Employee Compensation Policy (PL – HR 002)**
4. **Reserve Policy (PL – Fin 004)**

5. **Facilities and Operations Committee Mission Statement and Charter**
6. **Water Quality Committee Mission Statement and Charter**
7. **Finance and Audit Committee Mission Statement and Charter**

Director Schild moved to approve all Consent Items including agenda Item 9.

VP Locke announced that there was public comment regarding Items 5, 6 and 7 and requested to pull Items 5, 6, 7 from Consent.

VP Locke requested for William Eubanks (Mr. Eubanks) to provide his comments.

Regarding Items 5, 6 and 7, Mr. Eubanks commented that some of the duties in the Mission Statements and Charters of those committees have never been executed. He further commented that he believed that there was a lot of overlap in the responsibilities.

Mr. Eubanks additionally commented that the Finance and Audit Committee did a terrific job putting the Board in a position to have the tightest fiscal controls, and have done an outstanding job under the leadership of Dan Bills (Mr. Bills) and his staff, and that the Board should be proud of that.

Mr. Eubanks further commented that the Water Quality Committee meeting was the worst meeting that he attended; noting that he didn't believe the Committee had a purpose. He further commented that he hoped that the next time that Committee met, they would have more of a targeted agenda, and focus on significant topics such as TCE treatment. He additionally commented that it seemed like the committee was trying to anticipate what the Department of Health (DH) will do in terms of water quality standards but that no decisions have come from the DH yet.

Director Schild expressed that he couldn't disagree with Mr. Eubank's comments however, he expressed that the Water Quality Committee had only met once and that they were still establishing their purpose.

Mr. Eubanks further commented that he believed that the Committee structure did not function like normal committee's do.

Director Jones expressed that the Water Quality Committee was still brand new and that they were still trying to establish their direction, noting that there were changes in water quality on the horizon. He stated that it was a committee formed to focus on the detailed information and bring back information to the full Board as consent.

VP Locke noted that he would be ok with having the detailed information presented to a committee and then come to the full Board for consent, rather than re-present all of the details to the full Board.

Mr. Eubanks further commented that he believed the committee members should present information from those committee's to the full Board as it being thoroughly presented and reviewed at the committee level, therefore it would not be necessary to spend time reviewing all of the details again at a full Board meeting.

VP Locke thanked Mr. Eubanks for his comments.

Director Thomas seconded the original motion to approve all consent Items, including Item 9. The motion passed by unanimous vote.

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

Items for Discussion and Action

8. 2016 Comprehensive Annual Financial Report and Annual Audit

GM Roscoe presented a summary of the staff report. He noted that this came to the full Board with unanimous support from the Committee.

Mr. Bills provided a summary of the staff report.

Mr. Kuramoto provided an overview of the Annual Financial Report and Annual Audit.

Director Schild commented about the meter readings miscalculations.

Mr. Kuramoto noted that there were not a lot of discrepancies, but that the auditors wanted to bring it to staff's attention as a recommendation for review.

Director Thomas moved to accept the Annual Financial Report and Annual Audit, Director Schild seconded the motion. The motion passed by unanimous vote.

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

9. Resolution No. 17-04 Honoring David E. Bruns on His Retirement

This Item was moved and approved as a Consent Item.

10. Water Service Charges

Mr. Bills presented the staff report.

Director Schild commented that he didn't believe the fees were high enough.

VP Locke inquired why the District was not continuing to charge for the labor and materials for meter testing on the cross connection control fees.

Mr. Bills expressed that the staff time involved was being charged. He further noted that if there were repairs needed, the customer would be responsible for those repairs.

Director Thomas moved to approve the staff recommendation; VP Locke seconded. The motion passed by unanimous vote.

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

11. Select Candidates for the Executive Committee Election at the 2017 ACWA/JPIA Spring Conference

GM Roscoe presented the staff report, noting that there were four positions open.

Director Schild noted that they need to have 51 percent of the voting delegates agreeing on a nominee, and that sometimes it would go 6 or 7 rounds before a candidate was selected.

Director Thomas noted that he thought that it would be nice to have a representative from Northern California on the Executive Committee.

Director Schild suggested selecting Tom Cuquet, Melody McDonald and Kathleen J. Tieg.

VP Locke moved to support Tom Cuquet, Melody McDonald and Kathleen J. Tieg on the first round and to leave it to Director Schild’s judgement for the fourth candidate; Director Jones seconded. The motion passed by unanimous vote.

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

12. Claim for Damages - Sacramento Area Sewer District (Perspective Way, Accord Ct., and Event Way)

Mitch Dion (Mr. Dion) presented the staff report.

GM Roscoe provided further information about the claim, noting that the recommendation from JPIA was to deny the claim.

Director Thomas moved to support the staff report; VP Locke seconded. The motion passed by unanimous vote.

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

Information Items

13. 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; GM Roscoe announced that the District received the 2nd place CAPIO award.

Director Thomas noted the Creek Week event and inquired if District staff was putting together a team.

All Directors expressed interest in information about the District putting together a team. Staff will follow up and notify the Directors.

14. Engineering Report

A written report was provided.

a. Major Capital Improvement Projects

A written report was provided.

Mr. Dion announced that the District received the ASCE Energy Project of the Year award for the Rutland Well.

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**

A written report was provided.

Mr. Bills provided a summary of the quarterly reports that were included in the Financial Report.

b. *DRAFT - Financial Statements – March 2017*
A written report was provided.

c. *Investments Outstanding and Activity – First Quarter 2017*
A written report was provided.

d. *Cash Expenditures – March 2017*
A written report was provided.

e. *Credit Card Expenditures – March 2017*
A written report was provided.

f. *Directors Compensation and Expense Accounting – First Quarter 2017*
A written report was provided.

Frederick Gayle (Mr. Gayle) wanted to compliment Mr. Bills on the Directors Compensation and Expense Accounting report.

Mr. Gayle further expressed his comments regarding his support for the McClellan Business Park.

g. *Market Report Yields – January 2011 through March 2017*
A written report was provided.

h. *DRAFT - District Reserve Balances – March 2017*
A written report was provided.

i. *DRAFT - Information Required by Bond Agreement*
A written report was provided.

16. **Financial Markets Quarterly Report**

A written report was provided.

17. **Year-to-Date Interest Expense Quarterly Report**

A written report was provided.

18. **Human Resources Quarterly Report**

A written report was provided.

19. **CIP Projects Quarterly Report**

A written report was provided.

20. **Executive Order B-40-17**

A written report was provided.

Director Schild commented that he felt that it was not a good use of District money, as there were not a lot of leaks in the system.

GM Roscoe expressed that staff wouldn't know if there were any leaks until they conducted a leak detection, and that the District was still performing leak detections on distribution systems as a conservation practice.

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

A written report was provided.

22. **Legislative and Regulatory Update**

A written report was provided. GM Roscoe provided further status updates.

23. **General Manager's Report**

A written report was provided. GM Roscoe provided additional comments about the Top Op's competition, noting that the team from the District came in third place.

Director Thomas requested to convey his congratulations to staff.

a. *Long Term Warren Act Contract Update*

A written report was provided.

b. *McClellan Business Park and Operations Agreement Update*

A written report was provided.

c. *Failed Network Switch*

A written report was provided.

d. *Municipal Derivatives Antitrust Update*

A written report was provided.

24. **Upcoming Policy Review**

A written report was provided.

a. *Engagement of Auditor Policy (PL – Fin 001)*

A written report was provided. Directors' comments are due by May 1, 2017.

b. *Unclaimed Check Policy (PL – Fin 007)*

A written report was provided. Directors' comments are due by May 1, 2017.

c. *Legislative Response Policy (PL – Adm 004)*

A written report was provided. Directors' comments are due by May 1, 2017.

25. **Upcoming Water Industry Events**

A written report was provided.

Committee Reports

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

No report.

b. Finance and Audit Committee (Director Thomas)

The notes from the April 7, 2017 meeting were provided.

c. Water Quality Committee (Director Wichert)

The notes from the March 27, 2017 meeting were provided.

d. Government Affairs Committee (Director Locke)

No report.

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

No report.

f. Ad Hoc Selection Committee (Director Wichert)

The notes from the March 31, 2017 meeting were provided.

g. Ad Hoc Process Committee (Director Wichert)

The notes from the March 31, 2017 meeting were provided.

h. Ad Hoc Compensation Committee (Director Schild)

No report.

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

27. a. Regional Water Authority (Director Thomas)

No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
No report.

- b. Sacramento Groundwater Authority (Director Schild)
The Agenda for the April 13, 2017 meeting was provided.
- c. Water Caucus Meeting
The announcement for the meeting on April 12, 2017 was provided.
- d. Water Forum Successor Effort (General Manager Roscoe)
The Agenda for the April 13, 2017 meeting was provided.
- e. Other Reports
Director Thomas provided oral reports regarding his meeting with Director Locke regarding the General Manager's review on March 3, 2017; the Lecture on Recycled Water that he attended on April 3, 2017; the SGA meeting that he attended on April 13, 2017; and his meeting with the General Manager on April 14, 2017.

Director Jones provided an oral report regarding the meeting he attended on GRA Legislative Symposium on March 29, 2017; the Water Education Foundation meeting that he attended on March 23, 2017; and his meeting with the Assistant General Manager on March 2, 2017.

Director Locke provided an oral report on the meeting he had with the Assistant General Manager on January 27, 2017; and the meeting he had with Director Thomas regarding the General Manager's review on March 3, 2017.

Miscellaneous Correspondence and General Information

- 28. **Certain correspondence received by the District was provided.**
Mr. Eubanks commented the he didn't believe that Director Schild defended him in regards to an email correspondence that spoke of Mr. Eubanks.

Director Schild commented that he didn't believe that the comment in the email was valid or worth responding to.
- 29. **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)

None.

Adjournment

Vice President Locke adjourned the meeting at 7:48 p.m.

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