

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, May 15, 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, 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, Annette O'Leary, Mitch Dion, David Espinoza, James Arenz, John Valdes and Shawn Chaney.

Public Present: William Eubanks, Avery Wiseman, Jim DeHart, Jim Carson, Brenda Davis, Jeff Nelson and District General Counsel Josh Horowitz.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- The well attended Howe Park Demonstration Garden Ribbon Cutting event,
- The update to the Legislative Report, and
- That Board President Wichert was attending the meeting via teleconference.

Public Comment

None.

Consent Items

1. **Minutes of the April 17, 2017 that 7 Regular Board Meeting**
2. **Minutes of the April 24, 2017 Special Board Workshop**
3. **Engagement of Auditor Policy (PL – Fin 001)**
4. **Unclaimed Check Policy (PL – Fin 007)**
5. **Legislative Response Policy (PL – Adm 004)**
6. **Resolution No. 17-05 Honoring Patricia D. Weddle on Her Retirement**

7. **Resolution No. 17-06 Amending Regulation No. 15 of the Regulations Governing Water Service**

Director Schild requested to pull Item 7.

Director Thomas moved to approve Consent Items 1 through 6; Director Locke seconded. General Counsel Horowitz reminded that all votes must be by roll call since a Director was attending the meeting via teleconference. Heather Hernandez-Fort (Ms. Hernandez-Fort) call the roll. The motion passed by unanimous vote.

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

Regarding Item 7, Director Schild suggested to move pool draining restrictions from stage 1 to a Stage 2 – Water Warning.

GM Roscoe clarified why staff wanted those restrictions in Stage 1, explaining that it requires a recommendation to drain a pool from a pool professional giving a reason to allow it.

Director Thomas moved to accept the staff report as written; VP Locke seconded. The motion passed by a 4/1 vote. Director Schild opposed.

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

Items for Discussion and Action

8. **A Day in the Life of a Distribution Operator**

GM Roscoe announced the staff report and introduced District Distribution Foreman Shawn Chaney (Mr. Chaney) who delivered a PowerPoint presentation. Directors expressed appreciation for the informative presentation.

Avery Wiseman (Mr. Wiseman) requested to have the Distribution team inspect the property at 3000 Mission Avenue for water running from the backyard.

Director Jones inquired how many staff members we have lost in that department in the past 5 years.

Mr. Chaney expressed several.

William Eubanks (Mr. Eubanks) inquired what kind of paint the District uses to paint the streets for USA markings.

Jim Arenz (Mr. Arenz) answered that it is a water based paint that takes about a year to breakdown.

Director Jones explained that the County Department of Transportation typically requires it to be hydro blasted a few months after a project was complete.

9. **2017 Water Conservation Program and Stage Declaration**

GM Roscoe presented the staff report.

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

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

Information Items

10. **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.

11. **Engineering Report**

A written report was provided.

Director Schild inquired about Well 59A’s tablet chlorine feeder.

Mr. Arenz explained that there are access issues with that particular well site and that it is very difficult to deliver liquid chlorine to the site so they are testing out the tablet chlorine feeder.

Director Wichert requested that the Replacement Palm Well be added to the Water Quality Committee Meeting Agenda.

a. *Major Capital Improvement Projects*

A written report was provided.

- b. *Water Main and Sewage Collection Separation Requirements*
A written report was provided.
- c. *County and City Projects/Coordination*
A written report was provided.
- d. *McClellan Business Park*
A written report was provided.
- e. *Groundwater Quality Projects*
A written report was provided.
- f. *Developer Projects*
A written report was provided.
- g. *Planning Studies*
A written report was provided.
- h. *Other*
A written report was provided.

12. **Financial Report**

A written report was provided.

Director Schild pointed out that the year end date on the top of page 3 showed 2015.

Dan Bills expressed that he would correct it to 12/31/2016.

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

13. **WaterSMART Grant Application Submission**

A written report was provided.

14. **Association of California Water Agencies Region 4 Nomination**

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

Director Wichert inquired if Dan York (AGM York) was interested in serving, noting that he would support that.

AGM York expressed interest.

GM Roscoe reminded the Board that if anyone was interested, the requested paperwork was due to staff by June 5, 2017.

15. **McClellan Business Park and Operations Agreement Update**

A written report was provided; AGM York provided a brief summary of the staff report.

16. **Succession Planning**

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

GM Roscoe noted that the next step in the General Manager recruitment was to hold an Ad Hoc Compensation Committee meeting.

Director Schild expressed that he and Director Jones scheduled a meeting for Tuesday, May 16, 2017 at Director Schild's home.

17. **California Water Fix Update**

A written report was provided.

18. **Biannual Groundwater Elevations Report**

A written report was provided.

Mr. Eubanks commented that the report was not produced for the public to understand and that the report was not legible either.

AGM York suggested showing the Board the graph of groundwater levels and benefits of conjunctive use as in information item for June.

19. **Legislative and Regulatory Update**

A written report was provided.

AGM York expressed that the Cap to Cap trip was a very productive trip.

20. General Manager's Report

- 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. *Regional Water Authority – Regional Water Planning Efforts*
A written report was provided.
- d. *McClellan Business Park Property Transfer*
A written report was provided.
- e. *Water Transmission Main Asset Management Plan Update*
A written report was provided.
- f. *McClellan Restoration Advisory Board*
A written report was provided.

21. Upcoming Policy Review

A written report was provided.

Director Wichert commented that he was happy to see the term “balanced budget” but he disagreed that “strive for rate stability” was happening.

GM Roscoe expressed that rate stability to him meant not going a decade with no rate increases and then have to have a 50% increase all at once, but rather keeping the rates up with the cost of service of water.

Mr. Bills further noted that staff is trying to set up the reserve account to adjust for those years when the demand fluctuates.

Director Wichert noted that for every year that he has been on the Board, there has been a rate increase.

- a. Budget Policy (PL – Fin 012)
A written report was provided. Directors’ comments are due by June 5, 2017.

22. Upcoming Water Industry Events

A written report was provided.

Committee Reports

- 23. a. Facilities and Operations Committee (Director Schild)
Notes from the April 27, 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.
- f. Ad Hoc Selection Committee (Director Wichert)
No report.
- g. Ad Hoc Process Committee (Director Wichert)
No report.
- h. Ad Hoc Compensation Committee (Director Schild)
No report.

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

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

Regional Water Authority Executive Committee (General Manager Roscoe)
The agenda from the April 26, 2017 Meeting was provided.
- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Caucus Meeting
No report.
- d. Water Forum Successor Effort (General Manager Roscoe)
No report.
- e. Other Reports
Director Jones provided oral reports on the AWWA Conference that he attended April 11 – 13, 2017 and the Howe Park Demonstration Garden Ribbon Cutting Event on May 13, 2017.

Director Schild provided oral reports on the McClellan Restoration Advisory Board Meeting that he attended on April 20, 2017; The Carmichael Creek Week Event that he attended on April 29, 2017; the ACWA Conference that he attended the

week of May 7-12, 2017; The Howe Park Demonstration Garden Ribbon Cutting Event on May 13, 2017; and the FISH Working Group Meeting that he attended via webinar on May 5, 2017.

President Wichert provided an oral report on the Carmichael Creek Week Event that he attended on April 29, 2017.

Director Thomas provided oral reports on his meeting with the General Manager on April 28, 2017 and May 2, 2017; his meeting with the Assistant General Manager on May 12, 2017; the Carmichael Creek Week Event that he attended on April 29, 2017; and the ACWA Spring Conference May 9 – 11, 2017.

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 7:56 p.m. to discuss the following:

27. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9 (d)(1); *In re Municipal Bond Insurance Litigation*, San Francisco Superior Court Case No. JCCP 4555 (Sacramento Suburban Water District, et al.) – Proposed Settlement with Ambac.
28. Conference with legal counsel -- existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); Claim for damages for Chromium 6 contamination of District wells filed against the United States Air Force.

Return to Open Session

The Board convened in open session at 8:17 p.m. There was no reportable action.

Adjournment

VP Locke adjourned the meeting at 8:18p.m.

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