

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, September 18, 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 and Robert Wichert.

Directors Absent: Kevin Thomas.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Lynne Yost, David Espinoza, James Arenz, John Valdes, Matt Underwood and Dana Dean.

Public Present: William Eubanks, Avery Wiseman, Keith Durkin and Audie Foster.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- Jim Arenz moved from Operations Manager to Project Manager for the Engineering Department and Matt Underwood was promoted to the Operations Manager;
- The Sustainable Business of the Year BERC award that the District received;
- An update to Agenda Item 22 regarding an additional response to the water rate item is at the dais;
- The update to AB 1668 and SB 606 bills;
- The American Flag Etiquette handout that was at the dais;
- A thank you to staff for doing a great job while he was out on vacation, and;
- A thank you to President Wichert for meeting Assistant General Manager Dan York (AGM York) at a field visit to the Palm well project site.

Public Comment

None.

Consent Items

1. **Minutes of the August 21, 2017 Regular Board Meeting**
2. **Minutes of the August 25, 2017 Special Board Meeting**

3. **Minutes of the August 26, 2017 Special Board Meeting**
4. **Minutes of the August 28, 2017 Special Board Meeting**
5. **Minutes of the August 29, 2017 Special Board Meeting**
6. **Minutes of the August 30, 2017 Special Board Meeting**
7. **Minutes of the September 5, 2017 Special Board Meeting**
8. **Water Banking and Transfer Policy (PL - BOD 006)**
9. **Ethics Policy (PL – BOD 004)**
10. **Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service**

Director Jones moved to approve the Consent Items; Director Locke seconded the motion.

Director Schild commented that he didn't have an opportunity to thoroughly review the Ethics Policy (agenda Item 9) and he requested to bring the Item back at the October 16, 2017 regular Board meeting as an Action Item.

Director Jones amended his motion to approve all Consent Items and bring agenda Item 9 back to the October 16, 2017 regular Board meeting as an Action Item; Director Locke seconded.

GM Roscoe requested that if any Directors had changes or edits to the Ethics Policy, to provide those comments to staff by October 2, 2017. The Board accepted his request.

The motion passed by unanimous vote.

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

Items for Discussion and Action

11. **A Day in the Life of Engineering**
 President Wichert noted that Director Thomas could possibly benefit from the presentation, however he was absent. President Wichert requested tabling the presentation until the October 16, 2017 regular Board meeting when Director Thomas would be back.

William Eubanks (Mr. Eubanks) commented that due to the size of the District, management should consider either decreasing the Engineering staff and contract all of

the work, or hire more Engineers and do more of the work in-house to retain the institutional knowledge.

President Wichert noted that good practices and best practice indicated that the District make every effort ensure that the engineering is done properly.

President Wichert moved to table the Item until the October 16, 2017 regular Board meeting; Director Schild seconded. The motion passed by unanimous vote.

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

12. **McClellan Business Park Successor Agreement Update**

Assistant General Manager Dan York (AGM York) presented the staff report.

President Wichert recommended that additional information regarding this Item go before the Facilities and Operations Committee. Staff concurred.

13. **Resolution No. 17-11 Amending Policy PL – BOD 002, Rules for Proceedings of the Board of Directors - Changing the Regular Board Meeting Time to 6:00p.m.**

AGM York presented the staff report.

Director Schild commented that he received a letter from a customer supporting retaining the 6:30p.m. time. He further noted that he believed that an earlier time could inconvenience the ratepayers.

Director Schild moved to deny changing the time and leave the 6:30 p.m. start time.

The motion died for a lack of a second.

Director Locke moved to approve the time change; Director Jones seconded.

President Wichert noted that he had no preference with the exception that if approved, the change could be confusing for a while. He further noted that he preferred to table the Item until Director Thomas was present to vote.

Director Locke withdrew his motion and suggested to defer the Item to the October 16, 2017 regular Board meeting.

President Wichert requested for staff to bring back the policy that states the time and place for the January and February regular Board meetings, Rules for Proceeding.

Director Jones moved to table the Item until the October 16, 2017 meeting; President Wichert seconded. The motion passed by unanimous vote.

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

14. **Amended and Restated Agreement between San Juan Water District and Sacramento Suburban Water District Concerning Diversion, Treatment and Conveyance of Water**

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

Director Schild asked for Keith Durkin (Mr. Durkin) to comment on the conveyance facilities.

Mr. Durkin commented on the conveyance facilities and noted what the Bureau of Reclamation owns at the facility and what is owned by San Juan Water District.

Discussion ensued regarding the Cooperative Transmission Pipeline and who owns it.

Director Schild commented that he was not very happy with the document.

Mr. Bills explained that the document was written in 1993 and that staff was only directed to negotiate the one change to the document.

Director Locke moved to approve the staff recommendation; Director Jones seconded.

President Wichert noted that the language in item 4 on the top of page 2 appeared incorrect; noting that it sounded like the District had an agreement to construct a pipeline with Citrus Heights Water District.

Mr. Bills reminded the Board that the document was not a full updated contract, as staff was not directed to update the entire contract.

President Wichert inquired if the language “with Citrus Heights Water District (CHWD)” could be removed.

Mr. Bills expressed that at the time the original contract was written, it was contemplated that an agreement might have occurred with CHWD. He further expressed that the outcome was that the District did not end up needing to contract with CHWD.

Director Locke commented that San Juan Water District already approved the contract and the focus on the CHWD language was not germane to the agreement.

President Wichert commented that staff did a great job of amending the contract.

The motion passed by a 3/1 vote. Director Schild opposed.

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

15. **Resolution No. 17-12 of the Board of Directors of the Sacramento Suburban Water District Affirming the Board of Directors' Authorization of Payment of Special Compensation in Accordance with the Public Employees' Retirement Law and Regulations**

Dan Bills presented the staff report.

President Wichert noted that he was surprised that this Item was not on the consent agenda.

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

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

15.5 **ACWA Committee Appointment Considerations for the 2018-19 Term**

Mr. Bills presented the staff report.

President Wichert moved to table the Item and bring it back at the September 26, 2017 Special Board Meeting; Director Jones seconded. The motion passed by a 3/1 vote. Director Schild opposed.

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

Information Items

16. **Chromium 6 Court Complaint Update**

AGM York provided a brief summary of the status of the Item.

President Wichert commented that the report was very good and very thorough.

17. **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.

18. **Engineering Report**

A written report was provided.

John Valdes (Mr. Valdes) provided an update to the Parkland Estates project.

Director Jones inquired about well status, Mr. Valdes provided the updates.

a. *Major Capital Improvement Projects*
A written report was provided.

b. *County and City Projects/Coordination*
A written report was provided.

c. *Developer Projects*
A written report was provided.

d. *Planning Studies*
A written report was provided.

e. *Other*
A written report was provided.

19. **Financial Report**

Mr. Bills provided a summary of the staff report.

a. *Financial Statements – August 2017*
A written report was provided.

b. *Cash Expenditures – August 2017*
A written report was provided.

c. *Credit Card Expenditures – August 2017*
A written report was provided.

d. *District Reserve Balances – August 2017*
A written report was provided.

e. *Information Required by Bond Agreement*
A written report was provided.

20. **Letter of Credit Extension with Sumitomo Mitsui Bank Corporation**

Mr. Bills provided a summary of the staff report.

21. **Palm Well Project Update**

David Espinoza (Mr. Espinoza) provided a summary of the staff report.

President Wichert commented that he visited the property and recommended that staff attempted to keep the property cleaned up.

GM Roscoe noted that the particular property was not in the normal well run as it was still in the construction phase; therefore staff was not regularly visiting the site.

AGM York stated that staff would be visiting the property to clean it. He further noted that the majority of the garbage and debris was on the county side of the property and that they expressed that they were going to have it cleaned up as well.

AGM York further noted that there was no lighting at the property as SMUD removed the transformer.

Mr. Eubanks commented that he believed that a Director lobbying for individual ratepayers' properties was an inappropriate use of District/ratepayer funds.

President Wichert expressed that he was not lobbying but rather discussing the property and grounds at the site.

Director Jones inquired if it was possible to reduce the lot size or do a lot line adjustment and offer to sell excess portions to adjacent landowners.

President Wichert requested to have future updates regarding this Item.

22. **Water Rate Increase History of Surrounding Purveyors**

Mr. Bills provided a summary of the staff report.

Avery Wiseman (Mr. Wiseman) provided his comments about the Item noting that he didn't believe it was an accurate representation.

President Wichert requested to see all of the rates from the water purveyors that participated in the study at the October 16, 2017 regular Board meeting.

Mr. Bills expressed that the study covered the prior 10 years.

Mr. Wiseman commented on a separate issue that he had regarding a leaking water fountain at Mission Park a month prior; expressing his opinion that District staff was unable to remedy the situation in an appropriate timeframe.

AGM York expressed the circumstances regarding the incident and explained that the water fountain was the responsibility of the Park District and that District staff resolved the issue with the Park District once Park District staff became available.

Mr. Eubanks commented on the rate increase chart noting that it was very revealing with respect to the neighboring water purveyors. He further commented that over the past 10 years so much progress has been made with regard to infrastructure and that anyone trying to impede that progress was shortsighted. He concluded by noting that the small incremental rate increases was the way to go, noting that otherwise down the line there would be much larger rate increases all at once.

23. **Federal WaterSMART Water Marketing Strategy Grant**

A written report was provided.

24. **Meter Program Collaboration – Request for Proposal**

Matt Underwood provided a summary to the staff report.

25. **Unplanned Discharge – Parkland Estates Waterline Replacement Project Phase 2**

A written report was provided.

Director Jones inquired what staff was doing to prevent this from happening again in the future.

Dana Dean provided an explanation of the incident and explained that staff would work on responsive plans in an effort to prevent future occurrences.

26. **Proposed Water Supply and Water Quality Act of 2018**

A written report was provided.

27. **California WaterFix Update**

A written report was provided.

28. **Legislative and Regulatory Update**

A written report was provided.

29. **General Manager’s Report**

A written report was provided.

a. *2018 Benefits Renewal Analysis for Vision and Dental Insurance Plans*

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. *District’s Security Company Sonitrol Update*

A written report was provided.

- d. *McClellan Business Park Water Quality Letter*
A written report was provided.
- e. *MTU Bulk Purchase Discount*
A written report was provided.
- f. *Long Term Warren Act Contract Update*
A written report was provided.
- g. *Medical Clinic for Pre-Employment and DOT Examinations*
A written report was provided.

30. Upcoming Policy Review

- a. Records Inspection, Retention and Disposal Policy (PL - Adm 002)
A written report was provided. Directors' comments are due by October 2, 2017.
- b. Employee Performance Evaluation, Merit and COLA Policy (PL - HR 003)
A written report was provided. Directors' comments are due by October 2, 2017.

31. Upcoming Water Industry Events

A written report was provided.

Committee Reports

- 32. a. Facilities and Operations Committee (Director Schild)
No report.
- 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)

- 33. a. Regional Water Authority (Director Thomas)
The agenda for the September 14, 2017 Meeting was provided. Director Schild provided an oral report of the meeting.

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

- b. Sacramento Groundwater Authority (Director Schild)
No report.

- c. Water Caucus Meeting
No report.

- d. Water Forum Successor Effort (General Manager Roscoe)
The agenda for the September 14, 2017 Meeting was provided.

- e. Other Reports

Director Schild provided oral reports regarding the meetings that he attended at San Juan Water District on September 13, 2017, and the ACWA Groundwater meeting that he attended on August 31, 2017.

Director Locke provided oral reports regarding the San Juan Water District meeting that he attended on September 13, 2017, the SAWWA Tour and Presentation that he attended on August 17, 2017, the Water Balance Webinar that he participated in on August 23, 2017 and his meeting with the General Manager on August 24, 2017.

Dave Jones provided an oral report regarding the meeting that he attended at San Juan Water District on September 13, 2017

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 8:36 p.m. to discuss the following:

36. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).

Return to Open Session

The Board convened in open session at 9:16 p.m. There was no reportable action.

Adjournment

President Wichert adjourned the meeting at 9:17 p.m.

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