

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, August 21, 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: Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Dana Dean, David Espinosa, Jim Arenz, John Valdes, Wayne Scherffius and Lynne Yost.

Public Present: William Eubanks, Avery Wiseman, Jim Leonard, Frederick Gayle, Keith Durkin, Audie Foster and Brenda Davis.

Announcements

Assistant General Manager Dan York (AGM York) announced:

- The update that the lawsuit was filed regarding the Cal WaterFix;
- The update to the opposition letter for SB623 Public Goods Charge, and;
- That Staff recommended pulling items 2 and 3 from Consent for correction.

President Wichert agreed to pull items 2 and 3 from Consent and discuss them as Action.

Public Comment

Jim Leonard (Mr. Leonard) expressed his concern regarding the District's well site property on Palm Avenue. He expressed that even though District staff was initially responsive there are still a handful of concerns that have not been addressed yet. These concerns are the lack of lighting at the front of the property, the lack of drainage at the property and he is requesting installation of bollards to prevent dumping at the property.

David Espinosa expressed that staff was still in the process of completing the project. The replacement well has been drilled on the site but construction of the pumping plant has not yet started.

President Wichert requested to schedule a meeting with staff to visit the property site and assess the customers' concerns.

President Wichert invited Mr. Leonard to attend the September regular Board meeting, where there would be an update to the status of his concerns.

Consent Items

1. **Minutes of the July 17, 2017 Regular Board Meeting**
2. **Budget Policy (PL – Fin 012)**
3. **Directors’ Compensation and Expense Reimbursement Policy (PL - BOD 003)**
4. **Impaired Capital Asset Policy (PL - Fin 008)**
5. **Purchasing Card Policy (PL – Fin 006)**
6. **Surplus District Vehicles #27, 30, 41 and 44**
7. **Resolution No. 17-10 Supporting the Nomination of Brent Hastey for President of the Association of California Water Agencies (ACWA) Board of Directors**

Director Schild moved to approve the consent calendar except for Items 2 and 3 which were pulled for review; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 2, Dan Bills (Mr. Bills) provided a summary of the correction made to page 2 of 3 under Item I.4. He noted that the correct sentence would read “A comprehensive rate study will be conducted by an outside party as determined by the Board in order to assess the fairness of the rates to the District’s ratepayers and to verify that necessary revenue is available for the District’s operating and capital needs.”

President Wichert agreed that the changes presented by Mr. Bills captured the essence of the conversation at the July 17, 2017 regular Board meeting regarding changes to the policy.

Director Schild moved to accept the amended changes to the Budget Policy; Director Jones seconded. The motion passed by unanimous vote.

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

Regarding Item 3, AGM York expressed that the Board binders provided were missing the second page of the policy in the staff report. He noted that the correct version was

posted on the District’s website and available to the public. He further noted that there were no suggested changes to that page.

Director Schild requested to change the term “cabbie” at the bottom of page 4, letter D, to updated language.

Mr. Bills expressed that staff would find better terminology to replace the word “cabbie.”

Director Schild moved to accept the staff recommended changes to the Policy including changing the term “cabbie” to a better term; Director Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and Action

8. A Day in the Life of GIS

Wayne Scherffius (Mr. Scherffius) presented the PowerPoint presentation.

Director Thomas inquired about the status of the GPS system.

Mr. Scherffius expressed that staff has been previewing different GPS system providers.

AGM York expressed that there was an update in the Engineering Report regarding the status of the GPS testing.

9. Fraud Prevention Presentation

Mr. Bills presented the Fraud Prevention PowerPoint presentation.

President Wichert inquired if there were any findings of fraud.

Mr. Bills expressed that there have been no findings of fraud in the last decade.

Director Schild inquired if there has been any examination into fraud with District equipment.

Mr. Bills expressed that there are controls over District equipment and vehicles and management staff monitors that frequently utilizing the vehicle tracking GPS system.

10. Board Member Out of State Travel Request

AGM York presented the staff report noting that Director Locke was interested in attending the conference.

Director Jones expressed his interest in attending the AWWA Conference as well.

Directors Locke and Jones explained why they believed the conference would be valuable to attend.

Director Schild expressed that the conference would be advantageous if you were a field employee, but not as advantageous as a Director.

Director Thomas moved to approve Directors Jones and Locke to attend the conference; President Wichert seconded. The motion passed by 4-1 vote. Director Schild opposed.

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

11. Regular Board Meeting Times

President Wichert presented the staff report.

Director Locke expressed his desire to change the regular Board meeting start time to an earlier time.

Director Schild commented the he believed that starting the regular Board meeting at 6:30 p.m. made it more available for public participation. He believed the start time should stay the same.

William Eubanks (Mr. Eubanks) expressed that occasionally committee meetings were held at 3:00 and 4:00 in the afternoon, so he didn't agree with Director Schild's comment about it being more available for the public participation. He further suggested reevaluating the content in the Board packets to consider removing some of the unnecessary reports. Mr. Eubanks stated he was indifferent on the regular Board meeting start time.

Director Thomas moved to change the regular Board meeting start time to 6:00 p.m.; Director Jones seconded. The motion passed by a 3/2 vote. Directors Schild and Wichert opposed.

President Wichert clarified that staff would bring back a Resolution to the September regular Board meeting to change the regular Board meeting start time to 6:00 p.m. as stated in the staff report.

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

12. ACWA Region 4 Election

AGM York presented the staff report.

Director Thomas moved the staff recommendation; Director Locke seconded. The motion passed by a 4/1 vote. Director Schild opposed.

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

13. Resolution Number 17-11 Amend District Regulation

President Wichert presented the Item.

Director Schild requested to table the Item a month to allow further review.

Director Thomas moved to table the Item for a month, President Wichert seconded. The motion passed by unanimous vote.

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

Information Items

14. Chromium 6 Court Complaint and Regulations Update

AGM York provided a summary of the staff report.

15. District Activity Report

A written report was provided.

Director Locke expressed his appreciation for adding the additional column of the total number of completion to show percentage.

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.

16. 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. *Developer Projects (Including McClellan Business Park)*
A written report was provided.
- d. *Planning Studies*
A written report was provided.
- e. *Other*
A written report was provided.

17. **Financial Report**

A written report was provided.

Director Thomas inquired how long the District was using Sonitrol. He inquired if we should consider evaluating the District's security company to ensure that we are getting the best value.

Mr. Bills expressed that staff would evaluate the best value and report back.

Director Schild noted that the fees for SGA and RWA have been going up, and that the Board should remember that at budget time.

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

18. **McClellan Business Park Update**

A written report was provided.

Frederick Gayle (Mr. Gayle) inquired if all customers at the McClellan Business Park (MBP) were paying customers, and he further inquired about the successor agreement.

AGM York expressed that all connections at MBP were customers of the District.

AGM York further provided a brief description and status of the successor agreement.

19. **Alternative Workweek Schedule**

A written report was provided.

20. **Update on Water Service Line Contract for Parkland Estates Phase 2 Main Replacement Project**

A written report was provided.

Mr. Valdes provided the list of contractors that were invited to bid for the project.

21. **ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment**

A written report was provided.

22. **ACWA Committee Appointment Considerations for the 2018-19 Term**

A written report was provided.

23. **Improvements from Hiring of New Positions in Meter Preventative Maintenance Program**

A written report was provided.

24. **Long-Term Water Conservation 2017 Legislation Update**

A written report was provided.

25. **Legislative and Regulatory Update**

A written report was provided.

26. **General Manager's Report**

A written report was provided.

a. General Manager Recruitment Update

A written report was provided.

b. Aerojet Community Advisory Group Meeting

A written report was provided.

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

A written report was provided.

d. Sutter Occupational Health Pricing Increase

A written report was provided.

e. Letter-of-Credit (LOC) Status

A written report was provided.

f. *Bond Insurance Litigation Update*

A written report was provided.

g. *Cal WaterFix Update*

A written report was provided.

h. *Amendment to Agreement between San Juan Water District (SJWD) and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water*

A written report was provided.

27. **Upcoming Policy Review**

A written report was provided.

a. Water Banking and Transfer Policy (PL - BOD 006)

A written report was provided. Directors' comments are due by September 5, 2017.

b. Ethics Policy (PL – BOD 004)

A written report was provided. Directors' comments are due by September 5, 2017.

28. **Upcoming Water Industry Events**

A written report was provided.

Committee Reports

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

Minutes from the July 27, 2017 Meeting were provided. Director Schild provided an oral report of the meeting.

b. Finance and Audit Committee (Director Thomas)

No report.

c. Water Quality Committee (Director Wichert)

Minutes from the July 17, 2017 Meeting were provided. President Wichert provided an oral report of the meeting.

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)

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

Regional Water Authority Executive Committee (General Manager Roscoe)
The Agenda from the August 16, 2017 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Schild)
The Agenda from the August 10, 2017 Meeting was provided.

- c. Water Caucus Meeting
No report.

- d. Water Forum Successor Effort (General Manager Roscoe)
No report.

- e. Other Reports
President Wichert provided an oral report about his meeting with General Manager Rob Roscoe (GM Roscoe) on August 17, 2017.

Director Jones provided an oral report regarding his meeting with Mr. Bills on July 3, 2017.

Director Locke provided an oral report regarding his meeting with GM Roscoe on July 25, 2017.

Director Thomas provided an oral report regarding the ACWA Energy Meeting he attended on August 3, 2017, his meeting with the Assistant General Manager on August 11, 2017 and his meeting with the General Manager on August 14, 2017.

Miscellaneous Correspondence and General Information

- 31. **Correspondence received by the District**
A written report was provided.

- 32. **General Information**
A written report 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 8:25 p.m. to discuss the following:

33. 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 8:34 p.m. There was no reportable action.

Adjournment

President Wichert adjourned the meeting at 8:35 p.m.

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