

## **Minutes**

Sacramento Suburban Water District  
**Regular Board Meeting**  
Monday, March 18, 2019

### **Call to Order**

President Jones called the meeting to order at 6:00 p.m.

### **Pledge of Allegiance**

President Jones led the Pledge of Allegiance.

### **Roll Call**

Directors Present: Dave Jones, Craig Locke, Kathleen McPherson, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Director of Finance and Administration Dan Bills, Heather Hernandez-Fort, Cassie Crittenden, Matt Underwood, Annette O'Leary, David Morrow, Todd Artrip, and Dana Dean.

Public Present: William Eubanks, Ellen Cross, Avery Wiseman, Alan Driscoll, Shelly Artrip, Jenny Buckman, Habib Isaac, Marissa Burt and John Lenahan.

### **Announcements**

General Manager Dan York (GM York) announced:

- AWWA Spring Conference is March 25-28, 2019.
- Creek Week Celebration at Carmichael Park is on April 13, 2019.

### **Public Comment**

None.

### **Consent Items**

1. **Minutes of the February 25, 2019 Regular Board Meeting**
2. **Improvement Standards and Technical Specifications (PL – Eng 001)**
3. **Drug and Alcohol Program Policy (PL – HR 010)**
4. **Resolution No. 19-03 Amending Regulation No. 7 of the Regulation Governing Water Service**

5. **Resolution No. 19-04 Concurring in Nomination of Brent Hastey to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority**
6. **Resolution No. 19-05 Concurring in the Nomination of Rio Linda/Elverta Community Water District’s Director Paul R. Green to the California Water Insurance Fund Board of the Association of California Water Agencies Joint Powers Insurance Authority**
7. **General Manager Out of State Travel Request**

Director Wichert moved to approve all Consent Items; Director Thomas seconded. The motion passed by unanimous vote.

|         |   |            |  |
|---------|---|------------|--|
| AYES:   | Jones, Locke, McPherson, Thomas, and Wichert. | ABSTAINED: |  |
| NOES:   |   | RECUSED:   |  |
| ABSENT: |   |            |  |

**Items for Discussion and/or Action**

8. **Draft Strategic Plan**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report and introduced Ellen Cross (Ms. Cross) from the consulting firm Strategy Driver Inc. who presented the PowerPoint presentation and walked through the Draft Strategic Plan (Plan) with the Board.

Director McPherson inquired how much public outreach has been done to advertise the Plan.

Ms. Cross noted that the public had opportunity to comment on the Plan through the Board workshop and each of the Board meetings.

The Board agreed to include the language “Maintain sustainable resources and facilities asset and financial management through cost effective business practices” in the “Values” section under “Robust Standards.”

The Board requested to have a copy sent to each Director so they can include their changes.

The Board agreed to remove all of the clear bullets under Goal B, and place them under the implementation plan. They further agreed to condense the first and last clear bullet into one or two under “Optimize Equipment and Assets” for clarification purposes.

The Board agreed to amend the second to last bullet under Goal C to state “Seek opportunities for alternate funding sources to augment revenue such as federal and state funding sources to augment revenue.”

The Board agreed to change the third bullet under Goal C to state “provide semi-annual forecasting of budget-to-actual financial data to the public and the Board of Directors.”

The Board agreed to remove all of the clear bullets under Goal D and place them in the implementation plan.

The Board agreed that each Director would review the draft Plan and provide staff with any recommended changes to include at the next regular Board meeting.

Mr. Eubanks commented that he disagreed that the public was not notified well enough about the Strategic Plan development, as he was a member of the public that participated.

9. **2019 Water Rate Study**

Director of Finance and Administration Dan Bills (Mr. Bills) presented the staff report and introduced Habib Isaac (Mr. Isaac) from the consulting firm of Rafetellis who presented the PowerPoint presentation.

Several clarifying questions were asked.

The Board agreed that Mr. Isaac captured what they recommended.

Directors Thomas and Wichert commended staff and the consultant for all of their hard work on the study, noting that they liked the results.

Mr. Bills noted that staff would bring the Reserve Policy to the next regular Board meeting with included changes.

Mr. Eubanks noted that as a rate payer he expected reliable, clean water with good pressure, and he was willing to pay his share and noting that the rate increases proposed were reasonable.

Avery Wiseman (Mr. Wiseman) expressed his concern that the increases were all under operations and further expressed he wasn't happy with the low rates for actual water usage, as it was contrary to the State's conservation message.

10. **California Special Districts Association Call for Nominations for Seat B**

GM York presented the staff report.

11. **Meter Retrofit Program - Master Service Contract**

David Morrow (Mr. Morrow) presented the staff report.

Director Wichert moved to approve the item; Director McPherson seconded. The motion passed by unanimous vote.

|         |   |            |  |
|---------|---|------------|--|
| AYES:   | Jones, Locke, McPherson, Thomas, and Wichert. | ABSTAINED: |  |
| NOES:   |   | RECUSED:   |  |
| ABSENT: |   |            |  |

**12. New OPEB Valuation Under GASB 75**

Mr. Bills presented the staff report.

Director Wichert requested for the item to be presented to the Finance and Audit Committee (F&A Committee) before being presented to the full Board.

Mr. Bills expressed that it was a detailed presentation and he wanted to be sure the Board understood the materials as they would be in the annual report at the next regular Board meeting.

Director Wichert expressed that he would rather have the item presented at the F&A Committee meeting and allow the F&A Committee to present it to the full Board at the April regular Board meeting.

President Jones expressed concern that the item would be presented in detail twice.

Director Wichert expressed that he believed the F&A Committee could present the item to the full Board.

The Board agreed to allow the item to go to the F&A Committee and report back to the Full Board.

**13. Sensus Flexnet Advanced Metering Infrastructure**

Matt Underwood (Mr. Underwood) presented the staff report.

Director Wichert moved to approve the item; Director Locke seconded. The motion passed by unanimous vote.

|         |   |            |  |
|---------|---|------------|--|
| AYES:   | Jones, Locke, McPherson, Thomas, and Wichert. | ABSTAINED: |  |
| NOES:   |   | RECUSED:   |  |
| ABSENT: |   |            |  |

**General Manager's Report**

**14. General Manager's Report**

GM York presented the staff report.

- a. *Sacramento Suburban Water District / San Juan Water District Management/Re-Organization Committee Update*

GM York presented the staff report and provided an update.

- b. *Regional Water Supply/Wheeling Opportunities*  
GM York presented the staff report and provided an update.
- c. *Mueller Systems Fixed Network Update*  
GM York presented the staff report and provided an update.

## **Department/Staff Reports**

### **15. Financial Report**

A written report was provided.

- a. *Draft Financial Highlights – February 2019*  
A written report was provided.
- b. *Draft Financial Statements – February 2019*  
A written report was provided.
- c. *Investments Outstanding and Activity – February 2019*  
A written report was provided.
- d. *Cash Expenditures – February 2019*  
A written report was provided.
- e. *Credit Card Expenditures – February 2019*  
A written report was provided.
- f. *Draft District Reserve Balances – February 2019*  
A written report was provided.
- g. *Information Required by LOC Agreement*  
A written report was provided.
- h. *Financial Markets Report*  
A written report was provided.

### **16. District Activity Report**

A written report was provided.

- a. *Water Operations and Exceptions Report*  
A written report was provided.
- b. *Water Quality Report*  
A written report was provided.
- c. *Water Conservation and Regional Water Efficiency Program Report*  
A written report was provided.

d. *Customer Service Report*  
A written report was provided.

e. *Community Outreach Report*  
A written report was provided.

17. **Engineering Report**

A written report was provided.

a. *Major Capital Improvement Program (CIP) Projects*  
A written report was provided.

b. *Asset Management Plans*  
A written report was provided.

c. *Other*  
A written report was provided.

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

18. a. Regional Water Authority (President Jones)  
The agenda for the March 14, 2019 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)  
None.

b. Sacramento Groundwater Authority (Director Thomas)  
None.

c. Water Caucus Meeting (General Manager York)  
None.

d. Water Forum Successor Effort (General Manager York)  
None.

e. Other Reports – AB 1234

President Jones provided oral reports on the following meetings he attended:

- February 7, 2019 - Meeting with the General Manager on GM Contract
- February 14, 2019 - SGA Board Meeting

Director Thomas provided oral reports on the following meetings he attended:

- February 27, 2019 - Meeting with the General Manager
- March 6, 2019 - Meeting with the Director of Finance and Administration

Director Locke provided oral reports on the following meetings he attended:

- November 16, 2018 - Meeting with the General Manager re: Salary Survey and the Long Term Warren Act signing.
- November 27, 2018 – ACWA Fall Conference
- December 14, 2018 - Meeting with the General Manager on performance evaluation and committees

Director McPherson provided oral reports on the following meetings she attended:

- February 15, 2019 – RWA Meeting – John Woodling Luncheon
- February 28, 2019 - Meeting with the General Manager to tour McClellan

### **Committee Reports**

19. a. Facilities and Operations Committee (President Jones)  
None.
- b. Finance and Audit Committee (Director Wichert)  
None.
- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Locke and President Jones)  
None.

### **Information Items**

20. **Legislative and Regulatory Update**  
A written report was provided.
21. **Upcoming Water Industry Events**  
A written report was provided.
22. **Upcoming Policy Review**  
A written report was provided.
  - a. Electronic Mail Management and Retention Policy (PL – IT 003)  
A written report was provided.

### **Miscellaneous Correspondence and General Information**

23. Correspondence received by the District 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 8:45 p.m. to discuss the following:

24. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board’s proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

**Return to Open Session**

The Board convened in open session at 8:53 p.m. There was no reportable action.

**Adjournment**

President Jones adjourned the meeting at 8:54 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District