

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, April 15, 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, Kathleen McPherson, Kevin Thomas, and Robert Wichert.

Directors Absent: Craig Locke.

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, Dana Dean, Wayne Scherffius, Kerry Smith, David Espinoza, and Mitchell McCarthy.

Public Present: William Eubanks, Maddie Bister, Matt Beilby, Avery Wiseman, Ellen Cross, Alan Hersh, Dennis O'Leary, Nick O'Leary, Catie O'Leary, and Alan Driscoll.

Announcements

General Manager Dan York (GM York) announced:

- Director Locke was absent, as he was on vacation.
- The April 30 – May 3, 2019 Pre Cap to Cap meeting that the General Manager will be attending.
- ACWA Spring Conference May 6-10, 2019.
- The 2018 Year in Review at the dais and copies for public.

Public Comment

None.

Consent Items

1. **Minutes of the March 18, 2019 Regular Board Meeting**
2. **Electronic Mail Management and Retention Policy (PL – IT 003)**
3. **2019 Water Conservation Program and Stage Declaration**
4. **2018 Comprehensive Annual Financial Report and Audit Results**

5. **New Other Post Employment Benefits Valuation Under GASB 75**

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

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

President Jones requested to pull Item 15 to discuss it earlier in the agenda.

15. b. Finance and Audit Committee (Director Wichert)
Draft minutes from the March 22, 2019 and April 1, 2019 meetings were provided.

Director Wichert provided an oral report of the March 22, 2019 and April 1, 2019 meetings, recapping the discussion in those meetings.

William Eubanks (Mr. Eubanks) encouraged the Board to abolish the Finance and Audit Committee, or reconstitute it with different Directors. He expressed that the Committee member's accusations and behavior were very unprofessional.

Director McPherson left the meeting.

Mr. Eubanks further expressed that he was displeased with the minutes of the meeting noting that they did not reflect the accusations from the Committee members against staff.

Director McPherson rejoined the meeting.

President Jones noted that he would discuss Mr. Eubanks' concerns with GM York and provide an update at the next regular Board meeting.

Mr. Eubanks inquired if the minutes were going to be revised.

GM York noted the minutes of the meetings have historically captured the discussion points, directives and recommendations of the meeting, not verbatim statements.

President Jones requested to review the minutes of the two meetings before they were accepted.

Mr. Eubanks suggested for President Jones to listen to the audio recordings of the meetings.

Items for Discussion and/or Action

6. Resolution No. 19-06 Honoring Annette O’Leary on Her Retirement

GM York presented the resolution to Annette O’Leary (Ms. O’Leary).

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

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

GM York stated he and Ms. O’Leary worked together through the consolidation of the District and that she did an outstanding job as both Customer Service Manager and the Community Outreach Committee Chair.

Ms. O’Leary thanked GM York and the Board.

7. Strategic Plan (PL – BOD 001) Final Draft

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 reviewed the proposed changes to the Strategic Plan with the Board.

The Board agreed with the following changes:

Under Page 5, Strategic Objectives, Ensure Sustainable Water Supply:

- Ensure a lasting water supply for future generations by establishing multiple supply sources including conjunctive use, water banking, and water transfers.
- Evaluate new water supply options.
- Protect current water rights from external threats through internal oversight and collaboration on legislative actions. (RWA, ACWA, and SGA).

Director McPherson noted that she didn’t want this section to be an opportunity for additional staffing.

Under Page 6, Goal A, Ensure Clean and Safe Water Supply:

- “Proactively manage the Cross Connection Control Program,” has been removed from the document.

Under Page 7, Goal C, Fiscal Responsibility and Affordable Rates:

- “Continue updating established Fiscal/Funding management practices,” has been left in the document.

Under Page 7, Goal D, Maintain Excellent Customer Service:

- Conduct customer surveys.

Under Page 8, Goal E: Retain and Recruit a Qualified and Stable Workforce:

- Develop an Internship Program utilizing a variety of district and regional resources to employ temporary workers through water education programs.

AGM Huot expressed that staff would bring back a draft implementation plan towards the end of 2019 for Board comments.

President Jones inquired if there were budget impacts from the plan.

AGM Huot expressed that staff would keep that into consideration when planning the budget.

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

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

8. **McClellan Business Park Water Service Successor Agreement**

Dana Dean (Mr. Dean) presented the staff report and PowerPoint presentation.

Clarifying questions were asked.

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

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

9. **Condition Assessment Outline – Distribution Main Asset Management Plan**

Mr. Dean presented the staff report.

Clarifying questions were asked.

Director Wichert expressed that this was a step in the right direction and he supported it.

Director Thomas inquired if the transmission main asset management plan would be presented to the Board by the summer of 2019.

AGM Huot expressed that the condition assessment draft would be presented to the Board by summer 2019, and if it's approved, then staff would incorporate it into the asset management plans.

General Manager's Report

10. General Manager's Report

GM York presented the staff report.

a. Regional Water Authority Recruitment Process for Executive Director
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. Grant of Easement and Right of Way
GM York presented the staff report and provided an update.

Mr. Dean expressed that the General Manager had a \$5,000 limit.

Director Thomas requested for staff to inform the Board what the limit was.

d. 2019 Water Transfers
GM York presented the staff report and provided an update.

e. Risk and Resilience Assessment
GM York presented the staff report and provided an update.

Director Wichert requested for staff to provide an update on the City of Sacramento pricing and the Area D water.

Director Thomas requested for staff to provide an update to the Area D water map.

Department/Staff Reports

11. Financial Report

A written report was provided.

a. Draft Financial Highlights – March 2019
A written report was provided.

b. Draft Financial Statements – March 2019
A written report was provided.

- c. *Investments Outstanding and Activity – March 2019*
A written report was provided.
- d. *Cash Expenditures – March 2019*
A written report was provided.
- e. *Credit Card Expenditures – March 2019*
A written report was provided.
- f. *Directors Compensation and Expense Accounting – First Quarter 2019*
A written report was provided.
- g. *Draft District Reserve Balances – March 2019*
A written report was provided.
- h. *Information Required by LOC Agreement*
A written report was provided.
- i. *Financial Markets Report – March 2019*
A written report was provided.

12. **District Activity Report**

A written report was provided.

13. **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)

14. a. Regional Water Authority (President Jones)

None.

Regional Water Authority Executive Committee (General Manager York)

The agenda for the March 27, 2019 meeting was provided.

b. Sacramento Groundwater Authority (Director Thomas)

The agenda for the April 11, 2019 meeting was provided.

- c. Water Caucus Meeting (General Manager York)
None.
- d. Water Forum Successor Effort (General Manager York)
The agenda for the April 11, 2019 meeting was provided.
- e. Other Reports – AB 1234

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

- March 27, 2019 – AWWA Conference
- April 3, 2019 - Meeting with the General Manager
- April 8, 2019 – McClellan Tour with the General Manager
- April 13, 2019 – Creek Week
- April 11, 2019 - SGA

Director Thomas commented that the District was the only entity at the event that was giving away quality water saving devices, and he recommended discontinuing it.

President Jones requested staff provide the cost for community outreach items to him.

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

- March 20, 2019 – CSDA Prop 218 Workshop
- March 25, 2019 - Meeting with the General Manager on Strategic Plan and District Issues.
- March 26-28, 2019 – SAWWA Conference
- April 11, 2019 - SGA

Committee Reports

- 15. a. Facilities and Operations Committee (Director Jones)
None.
- b. Finance and Audit Committee (Director Wichert)
Draft minutes from the March 22, 2019 and April 1, 2019 meetings were provided.

GM York explained that staff would prepare a report for the June regular Board meeting regarding the recommendations from the Finance and Audit Committee meeting on options of hiring special counsel.

GM York additionally explained that staff would prepare a report for the June regular Board meeting regarding a special Ad Hoc Committee on benefits.

- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Locke and Director Jones)
None.

Information Items

16. Legislative and Regulatory Update

A written report was provided.

17. Upcoming Water Industry Events

A written report was provided.

18. Upcoming Policy Review

A written report was provided.

a. Legislative Response Policy (PL – Adm 004)

A written report was provided.

b. Unclaimed Check Policy (PL – Fin 007)

A written report was provided.

c. Reserve Policy (PL – Fin 004)

A written report was provided.

Director Wichert requested for the Reserve Policy to move to the June regular Board meeting, when all Directors would be present.

Miscellaneous Correspondence and General Information

- 19. Correspondence received by the District was provided.**

Director's Comments/Staff Statements and Requests

None.

Adjournment

President Jones adjourned the meeting at 7:42 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District