

## **Minutes**

### **Sacramento Suburban Water District Regular Board Meeting Monday, May 20, 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 and Kevin Thomas.

Directors Absent: Kathleen McPherson and Robert Wichert.

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, Julie Nemitz and Dana Dean.

Public Present: William Eubanks, Alan Driscoll, Ken Payne, Rob Swartz, Avery Wiseman, Marissa Burt, John Lenahan, and District Legal Counsel Josh Horowitz.

#### **Announcements**

President Jones announced that Director McPherson and Director Wichert were both absent due to being on vacation.

General Manager Dan York (GM York) announced:

- New Customer Service Manager, Julie Nemitz started that day.
- Annual Financial Report was at the dais.
- AWWA Source SGA Conjunctive Use was at the dais.
- Requested to pull Agenda Item 2 for minor edits.

Director Locke announced that EPA was having a resilience planning and adaptation seminar in June and provided fliers.

#### **Public Comment**

William Eubanks (Mr. Eubanks) commended President Jones for acknowledging his request to listen to the audio recording of the March 22, 2019 Finance and Audit Committee Meeting.

President Jones noted there would be an item on the June regular Board meeting agenda to discuss the concerns regarding the Finance and Audit committee.

Ken Payne (Mr. Payne) expressed his concern regarding a sinkhole located across the street from 4832 Arden Way.

GM York expressed that staff would look into his concern.

Director Thomas inquired if Mr. Payne had any updates on the Auburn Dam Project.

Mr. Payne expressed that they meet at 7:00 a.m. each first Friday of the month at Black Bear Diner on Madison Avenue.

**Consent Items**

1. **Minutes of the April 15, 2019 Regular Board Meeting**
2. **Communication and Team Building Policy (PL – Adm 008) – Previously Titled Employee Recognition and Retention Expense Policy (PL – Adm 008)**
3. **Legislative Response Policy (PL – Adm 004)**
4. **Unclaimed Check Policy (PL – Fin 007)**

Director Thomas moved to approve all Consent Items except Item 2; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 2, GM York noted the following two changes not included in the staff report.

The first change was noting the title change of the Policy from Employee Recognition and Retention Expense Policy to Communications and Team Building Policy.

The second edit was to delete section 200.00 of the Policy, first sentence where it states “for the following purposes” twice.

Director Thomas moved to approve Item 2; Director Locke seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

**5. Sacramento Regional Water Bank Phase 1 and Aquifer and Storage Recovery Information Project Agreements**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report and introduced Rob Swartz (Mr. Swartz) who presented the PowerPoint presentation.

Clarifying questions were asked.

Mr. Eubanks inquired if the City of Sacramento was participating in the study.

Mr. Swartz answered that they were.

Mr. Eubanks inquired about the City of Sacramento’s water rights.

Mr. Swartz briefly explained the City of Sacramento’s water rights.

Director Thomas moved to table the item until the June regular Board meeting to allow him time to gain further information about the subject agreements.

The motion died for a lack of a second.

President Jones moved to approve the staff recommendation; Director Locke seconded. The motion passed by a 2-1 vote.

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

**6. 2019 Water Rate Study Timeline**

Dan Bills (Mr. Bills) provided a summary of the staff report.

Avery Wiseman (Mr. Wiseman) recommended to delay any projected rate adjustments for another year, expressing that he believed the study was flawed and further stated that the District needed to control costs better.

Director Thomas noted that there were reductions made to the budget to assist with lowering the rate projections.

Mr. Payne expressed he believed that ratepayers should be billed based on their water usage more than fixed charges.

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

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

7. **Water Fluoridation – South Service Area**

AGM Huot presented the staff report.

Director Thomas inquired if staff knew of any other agencies that have successfully gotten out of their fluoride contract with the First 5.

Legal Counsel Josh Horowitz (Mr. Horowitz) expressed that he was not aware of any.

Director Locke recommended to bring back the item when the full Board would be present.

GM York expressed to bring the item back later in the year.

Director Thomas requested staff look into if any other agencies that have successfully gotten out of their fluoride contract with the First 5.

Director Thomas moved to table the item until the July regular Board meeting; President Jones seconded. The motion passed by unanimous vote.

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

**General Manager’s Report**

8. **General Manager’s Report**

GM York presented the staff report.

- a. *Grant of Easement and Right of Way*  
GM York presented the staff report and provided an update.
- b. *Pre-Capitol to Capitol Trip*  
GM York presented the staff report and provided an update.
- c. *Verizon Lease Update*  
GM York presented the staff report and provided an update.
- d. *Finance and Audit Committee Status*  
GM York presented the staff report and provided an update.
- e. *Del Paso Manor Water District Request for Assistance*  
GM York presented the staff report and provided an update.

## Department/Staff Reports

### 9. **Financial Report**

A written report was provided.

*a. Financial Highlights – April 2019*

A written report was provided.

*b. Financial Statements – April 2019*

A written report was provided.

*c. Investments Outstanding and Activity – April 2019*

A written report was provided.

*d. Cash Expenditures – April 2019*

A written report was provided.

*e. Credit Card Expenditures – April 2019*

A written report was provided.

*f. District Reserve Balances – April 2019*

A written report was provided.

*g. Information Required by LOC Agreement*

A written report was provided.

*h. Financial Markets Report – April 2019*

A written report was provided.

### 10. **District Activity Report**

A written report was provided.

### 11. **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)**

12. a. Regional Water Authority (President Jones)  
The agenda for the May 2, 2019 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)  
The agenda for the April 24, 2019 meeting was provided.

- 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

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

- April 22, 2019 meeting with the General Manager.
- April 24, 2019 Future of CA Water – Stanford Woods meeting.
- April 30, 2019 Delta Science Board meeting
- May 15, 2019 AeroJet CAG meeting.
- May 16, 2019 meeting with the General Manager.

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

- April 8, 2019 meeting with the General Manager regarding the Agenda
- April 16, 2019 meeting with Dan Bills and General Manager regarding the F&A Committee.
- April 24, 2019 Future of CA Water – Stanford Woods meeting.

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

- January 9, 2019 meeting with Ellen Cross to review the Strategic Plan.
- January 16, 2019 meeting with President Jones for the General Manager Performance Evaluation.
- February 7, 2019 Aquifornia Water 101 meeting.
- February 15, 2019 RWA Board meeting.
- March 1, 2019 NCWA Annual Board meeting.
- March 4, 2019 Del Paso Manor Water District Board meeting.
- March 12, 2019 Kennedy Jenks Meeting regarding ASR Wells.
- March 14, 2019 RWA Board meeting.

## **Committee Reports**

13. a. Facilities and Operations Committee (Director 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 Director Jones)  
None.

## **Information Items**

14. **Biannual Groundwater Elevations Report**  
A written report was provided.
15. **Legislative and Regulatory Update**  
A written report was provided.
16. **Upcoming Water Industry Events**  
A written report was provided.
17. **Upcoming Policy Review**  
A written report was provided.
  - a. Facility Development Charge Setting Policy (PL – Fin 010)  
A written report was provided.

## **Miscellaneous Correspondence and General Information**

18. **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 7:17 p.m. to discuss the following:

19. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC.

20. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case.
21. 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 7:42 p.m. There was no reportable action.

**Adjournment**

President Jones adjourned the meeting at 7:43 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District