

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, November 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, and Robert Wichert (arrived at 6:29 p.m.).

Directors Absent: Kevin Thomas.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Dan Bills, Heather Hernandez-Fort, Cassie Crittenden, Dana Dean, and Matt Underwood.

Public Present: William Eubanks, Avery Wiseman, Lindsey Liebig, Debra Sedwick, Paul Olmstead, Greg Zlotnik, Paul Helliker, Emily Arnautouic-Taugher, and Kelsey Drener-Hawthorn.

Announcements

General Manager Dan York (GM York) announced:

- ACWA JPIA Leadership Essentials for the Water Industry Program, a yearlong highly immersive program that required commitment to professional growth. Staff: Joe Crockett, David Espinoza, Todd Artrip, and David Armand have all recently graduated from the program.
- A check for \$362,240.00 was received from the State Attorneys General's Citibank Libor Settlement.
- Happy Thanksgiving to you and your families.

Public Comment

None.

Consent Items

1. **Minutes of the October 16, 2019 Special Board Meeting**
2. **Minutes of the October 21, 2019 Regular Board Meeting**

3. **General Manager and Director Out of State Travel Request**

4. **Records Inspection, Retention and Disposal Policy (PL – Adm 002)**

Director Locke requested to pull Item 3 for discussion. He then moved to approve items 1, 2, and 4. Director McPherson seconded. The motion passed by unanimous vote.

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

Regarding Item 3; Director Locke requested to add the NCWA Conference in Atlanta, Georgia, to the out of state conferences listed, in the staff report.

President Jones requested to additionally include the National AWWA Conference in Orlando, Florida.

Director Locke moved to approve Item 3 with the addition of the NCWA Conference in Atlanta, Georgia, and the AWWA Conference in Orlando, Florida. President Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

5. **Association of California Water Agencies (ACWA) Officer Elections and Designate the Voting Representative**

GM York presented the staff report.

President Jones moved to approve the staff recommendation and appoint Director McPherson as the voting representative for ACWA; Director Locke seconded. The motion passed by unanimous vote.

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

6. **Sacramento LAFCo Election of Special District Commissioner and Alternate Special District Commissioner**

GM York presented the staff report.

Lindsey Liebig (Ms. Leiebig) introduced herself as a candidate for the LAFCo Special District Commissioner for Office No. 6 and Alternate Special District Commissioner for Office No. 6 & 7, provided her background, and requested the District's support.

President Jones moved to support Ms. Liebig for the LAFCo Special District Commissioner for Office No. 6 and Alternate Special District Commissioner for Office No. 6 & 7; Director McPherson seconded. The motion passed by unanimous vote.

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

7. **2020 Budget – Review and Consider Second Draft of Budget**
President Jones tabled Item 7 until Director Wichert joined the meeting.

General Manager’s Report

8. **General Manager’s Report**

GM York presented the staff report.

- a. *Del Paso Manor Water District Update*

GM York presented the staff report.

President Jones noted he would like to see what happens with the Del Paso Manor Water District (DPMWD) before any collaboration discussions took place.

- b. *Sacramento Region Collaboration Study Update*

GM York presented the staff report.

Director Locke expressed that he was not in favor of elected officials not being included in the request for proposal process.

- c. *McClellan Business Park/County of Sacramento Agreement Update*

GM York presented the staff report.

- d. *Groundwater Substitution Transfer – San Juan Water District*

GM York presented the staff report.

Paul Helliker (Mr. Helliker) provided additional information about the Groundwater Substitution Transfer.

Director Wichert joined the meeting at 6:29 p.m.

William Eubanks (Mr. Eubanks) commented on the Sacramento Region Collaboration Study Update item, noting that the San Juan Water District surface water could not be delivered to the South Service Area (SSA) and was curious what would be done for the SSA.

President Jones explained that it was a benefit to the water supply in the area and that it provided groundwater and reliability to the District as a whole.

Paul Olmstead (Mr. Olmstead) expressed his support for the DPMWD operation service agreement, noting that it would be in the District's best interest.

Mr. Olmstead additionally commented on the Sacramento Region Collaboration Study expressing that collaborations between the districts in the region were critical and he fully supported them.

Debbie Sedwick (Ms. Sedwick) expressed her support for the DPMWD operations service agreement as well, noting that the ratepayers of the DPMWD deserved to have clean and reliable water.

Director Wichert expressed his support for the DPMWD operations service agreement.

President Jones noted that Director Wichert had joined the meeting and requested to reopen Item 7.

Regarding Item 7; Dan Bills (Mr. Bills) presented the item.

Director Wichert commended staff for decreasing the budget for additional wells.

Director Locke was not in favor of deferring CIP projects, noting that it would only cost more in the future.

Director Wichert moved to approve the staff recommendation. The motion died for lack of a second.

Director Locke expressed he was not in favor of reducing the budget for property acquisitions, as real estate prices were continuing to rise.

Director Wichert expressed that real estate fluctuates and is not always increasing and further expressed that the General Manager was ok with the budget as presented.

Mr. Eubanks pointed out that the majority of new wells have been built in the North Service Area (NSA). He additionally pointed out that it appeared that approximately \$35 million dollars for surface water delivery had been spent by the District solely for the benefit of NSA.

Director Wichert moved to approve the staff recommendation. The motion died for a lack of a second.

Director McPherson moved to change the Western Cities COLA Index from category A to category B/C as recommended by staff as the basis for staff COLAs; Director Wichert seconded. The motion passed by unanimous vote.

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

Director Wichert moved the staff recommendation including the COLA amendment; Director McPherson seconded. The motion passed by a 3/1 vote, Director Locke opposed.

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

GM York commented that staff would bring the budget back to the board for a mid-year review in 2020.

Assistant General Manager’s Report

9. **Assistant General Manager’s Report**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report.

a. *Regional Water Supply Opportunities*

AGM Huot presented the staff report.

Mr. Olmstead provided additional history about the Regional Water Supply Opportunities and voiced his support that the District continue the program.

Department/Staff Reports

10. **Financial Report**

a. *Financial Highlights – October 2019*

A written report was provided.

b. *Financial Statements – October 2019*

A written report was provided.

c. *Investments Outstanding and Activity – October 2019*

A written report was provided.

d. *Cash Expenditures – October 2019*

A written report was provided.

e. *Credit Card Expenditures – October 2019*

A written report was provided.

f. District Reserve Balances – October 2019

A written report was provided.

g. Information Required by LOC Agreement

A written report was provided.

h. Financial Markets Report – October 2019

A written report was provided.

The Board had no questions or comments. Mr. Eubanks withdrew his request to comment.

11. District Activity Report

A written report was provided.

Matt Underwood (Mr. Underwood) highlighted the preventive maintenance program (PM) noting that the numbers exceeded the monthly average, and that they planned on meeting all Meter PM goals by the end of the year.

Mr. Eubanks withdrew his comment.

12. Engineering Report

A written report was provided.

a. Major Capital Improvement Program (CIP) Projects

A written report was provided.

b. Planning Documents

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)

13. a. Regional Water Authority (President Jones)

The agenda for the November 14, 2019 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)

The agenda for the October 23, 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)
The agenda for the November 14, 2019 meeting was provided.

- e. Other Reports – AB 1234

Director Locke provided an oral report on the meeting he had with the General Manager on June 26, 2019; the SAWWA tour he attended on July 18, 2019; his meeting with the General Manager on July 24, 2019; the meeting on the 2x2 on August 22, 2019; the APWA Lunch meeting he attended on September 6, 2019; The APWA PWX Convention he attended September 8th through 11th, 2019; the SSWD Fall Speaker Series that he attended on September 27, 2019; the American River Basin Study meeting he attended on October 3, 2019; the SSWD Open House he attended on October 8, 2019; The Human Right to Water Update Webinar he attended on October 11, 2019; and the Palm Well Open House he attended on October 15, 2019.

President Jones provided an oral report on the SSWD Open House he attended on October 8, 2019; the SSWD Palm Well Open House he attended on October 25, 2019; his meeting with the General Manager on October 3, 2019; his meeting with Director Thomas on October 5, and October 7, 2019; the Collaboration Study Proposal he attended on October 15, 2019; and his meeting with the Director of Finance and Administration on October 18, 2019.

Committee Reports

- 14. 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 Jones)
None.
- d. Employee Benefits Ad Hoc Committee (Director Wichert)
Draft Notes of the November 7, 2019 meeting were included.

Director's Wichert and Locke provided brief summaries of the meeting.

Information Items

- 15. **Biannual Groundwater Elevations Report**
Mr. Underwood presented the staff report.

16. **ACWA/JPIA President's Special Recognition Awards**

A written report was provided.

17. **Legislative and Regulatory Update**

A written report was provided.

18. **Upcoming Water Industry Events**

A written report was provided.

19. **Upcoming Policy Review**

a. **Water Service Charges and Rate Setting Policy (PL - Fin 009)**

Director Wichert requested staff provide him with the wage increases of the customers in the local area. He further promoted the idea that the District would create a policy that would not allow rates to increase higher than the wages in the area.

Director Locke requested to defer the policy until January, as he would not be present at the December regular Board meeting.

b. **Capital Asset Policy (PL - Fin 00)**

Miscellaneous Correspondence and General Information

20. **Correspondence received by the District**

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 7:50 p.m. to discuss the following:

21. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

22. Conference with Board negotiating committee (including Director Jones and Director Thomas) involving the General Manager under Government Code sections 54954.5(f) and 54957.6.

Return to Open Session

The Board convened in open session at 8:10 p.m. There was no reportable action.

Adjournment

President Jones adjourned the meeting at 8:11 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District