

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, March 16, 2020

Call to Order

President Thomas called the meeting to order at 6:01 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Dan Bills, Jeff Ott via teleconference and District Legal Counsel Josh Horowitz via teleconference.

Public Present: Karen Bills and William Eubanks.

Announcements

General Manager Dan York (GM York) announced:

- The March 16, 2020, regular Board meeting was being held in lieu of Governor Newsom's March 12, 2020, Executive Order concerning COVID-19, noting that Directors McPherson, Director Wichert, District Legal Counsel Josh Horowitz, and staff Jeff Ott were all participating via teleconference.
- The following meetings were canceled:
 - Ad Hoc Water Banking and Transfer Committee meeting scheduled for March 27, 2020
 - Tap Talk Live scheduled for March 27, 2020
 - California Nevada AWWA Conference scheduled for April 6 through April 9, 2020
 - ACWA Region 2 and 4 Shasta Tour Event scheduled for March 26, 2020
 - Cap to Cap Washington DC trip scheduled for April 25 through April 29, 2020

Public Comment

None.

Consent Items

1. **Minutes of the February 24, 2020 Regular Board Meeting**

2. **Resolution No. 20-04 Calling for the November 3, 2020 District Election**
3. **Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL - Adm 003)**
4. **Ethics Policy Update (PL – BOD 004)**
5. **Claims Processing Policy (PL – Adm 007)**

Director Locke requested to pull Items 3 and 4, and moved to approve Items 1, 2, and 5. Director Jones seconded. The motion passed by unanimous vote.

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

Regarding Item 3, Director Locke inquired why staff was proposing to delete the language regarding the vehicle point system under section 400, in the first paragraph.

Assistant General Manager (AGM Huot) expressed that after further analysis, staff was recommending to go with a more conventional method by using a system based on age and mileage.

GM York further explained that staff was finding that the point system was not working as well as expected.

Director Locke expressed concern with having no criteria in the Policy. He additionally stated he was not comfortable with the language in section 400.10, number 2, noting that it appeared staff was planning on fixing vehicles before selling them.

GM York expressed the criteria was listed in the Procedure of the Policy.

AGM Huot explained that further details were incorporated in the Procedure as well as the Fleet Asset Management Plan (Plan), which was currently being revised. He noted that staff would bring the Policy back for approval, with the Procedure and Plan, once the Plan was complete.

President Thomas requested staff send him the old point system and expressed he was not in favor of removing it.

The Board agreed to Table the Item.

Regarding Item 4, Director Locke recognized there was a redline version included, which he didn't notice at first, and moved to approve the Item; Director Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

6. Association of California Water Agencies Joint Powers Insurance Authority Rate Stabilization Fund Refund Check

GM York presented the staff report, noting that Pam Tobin, ACWA Vice President was planning on presenting the check in the amount of \$55,134, but decided not to attend due to the current COVID-19 situation. He noted that they were mailing the check instead.

7. Resolution No. 20-05 Honoring Daniel A. Bills on his Upcoming Retirement

GM York presented a ceremonial resolution to Dan Bills (Mr. Bills).

William Eubanks (Mr. Eubanks) commented that over the past 13 years, he witnessed Mr. Bills use his skill, knowledge, and expertise to work through some very difficult issues and was responsible for the great shape the District was currently in. He wished more of the general public would attend the Board meetings to see how transparent, thorough, and well run the District was. He congratulated Mr. Bills and wished him well on his retirement.

GM York stated how refreshing it was when Mr. Bills was hired to see the financial advancement of the District and how it had been a joy working alongside him.

President Thomas noted other districts have commented how much they wished they had Mr. Bills in their accounting departments. He further expressed that besides his incredible skill set, Mr. Bills was also just an incredible guy all around.

Directors McPherson and Locke expressed their appreciation and congratulations to Mr. Bills.

Director Wichert stated Mr. Bills was very thorough and did a great job getting the District in the great financial position it is currently in, noting that he should be proud.

Josh Horowitz (Mr. Horowitz) stated how proud he was to have worked alongside Mr. Bills and that Mr. Bills had a lot to do with creating the District as a model agency throughout the state. He noted that he used Mr. Bills as an example of how a Finance Director should be with his clients. He wished him well in his retirement and noted that he will be missed.

Jeff Ott (Mr. Ott) thanked Mr. Bills noting they have worked together for years, and he expressed his appreciation for Mr. Bills' support and mentoring.

Director Jones expressed he felt fortunate to work with Mr. Bills both as co-workers as well as in his position as Director. He noted that Mr. Bills was always able to explain financial matters in a way that anyone could understand them, and he appreciated and respected Mr. Bills and wished him well in his retirement.

AGM Huot echoed Director Jones noting that Mr. Bills was always able to simplify complex topics and help anyone and everyone understand them.

Mr. Bills expressed his gratitude and appreciation for the staff and thanked GM York and the Board.

Director Locke moved to approve the Item; Director Jones seconded. The motion passed by unanimous vote.

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

8. **Resolution No. 20-06 Amending Regulation No. 7 of the Regulation Governing Water Service**

Mr. Ott presented the staff report.

Director Wichert inquired what justified the 15% increase.

Director Locke clarified it was for construction, inspection, and installation of new development projects.

Director McPherson pointed out that the rate study was just completed a few months back and was curious why there was an increase.

Director Jones expressed with the cost of main replacements, wells, and other related expenses, it sounded right to him.

Mr. Ott stated the cost was based on the assets that are in the system.

AGM Huot added that the cost was based on the value of the assets and the cost of capacity.

Director McPherson moved to table the Item until the April regular Board meeting in order for staff to provide additional justification for the increase; Director Wichert seconded. The motion failed on a 3/2 vote.

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

President Thomas requested for Mr. Ott to provide a comparison of the figures from the original Raftelis study and the current proposed figures to the Directors.

Director Locke moved to approve the staff recommendation, Director Jones seconded. The motion passed by a 3/2 vote.

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

General Manager’s Report

9. **General Manager’s Report**

GM York presented the staff report.

- a. *Sacramento Region Water Utility Collaboration/Integration Study Update*
GM York presented the staff report.

Department/Staff Reports

10. **Financial Report**

Mr. Ott presented the staff report.

Director Wichert inquired why the Badger Meter fee was higher.

Mr. Ott stated he would provide that information to him.

- a. *Draft - Financial Statements – February 2020*
A written report was provided.
- b. *Draft - Financial Highlights – February 2020*
A written report was provided.
- c. *Investments Outstanding and Activity – February 2020*
A written report was provided.
- d. *Cash Expenditures – February 2020*
A written report was provided.
- e. *Credit Card Expenditures – February 2020*
A written report was provided.
- f. *Draft - District Reserve Balances – February 2020*
A written report was provided.
- g. *Information Required by Bond Agreement*
A written report was provided.

h. Financial Markets Report – February 2020

A written report was provided.

11. District Activity Report

A written report was provided.

Director Locke pointed out the graph for the Preventive Maintenance did not show figures for January.

AGM Huot expressed he would correct the graph going forward.

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 (Director Jones)

The agenda for the March 12, 2020 meeting was provided.

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

b. Sacramento Groundwater Authority (Director Wichert)

None.

c. Water Caucus Meeting (General Manager York)

None.

d. Water Forum Successor Effort (General Manager York)

None.

e. Director Reports – AB 1234

Director Jones provided an oral report on the meeting he had with the General Manager on February 13, 2020.

Director Locke provided an oral report on the Cap to Cap meeting he attended on February 6, 2020; the meeting with the General Manager he had on February 7, 2020; the ACWA Groundwater Committee meeting he attended on February 11, 2020; the SGA Board meeting he attended on February 13, 2020; the ACWA De-Energization Webinar he attended on February 14, 2020; and the meeting he had with the General Manager on February 19, 2020.

Director Wichert inquired about the status of the proposal to change the regular Board meeting time.

Mr. Eubanks commented that to change the time of the regular Board meeting to an earlier time would exclude the public from being able to attend.

GM York expressed staff was directed to collect input from the public, and that the item would be coming to the May regular Board meeting.

Committee Reports

14. a. Finance and Audit Committee (Director Thomas)
Draft Notes from the February 18, 2020, meeting were provided.
- b. DPMWD/SSWD 2x2 Ad Hoc Committee (Director Locke)
Draft Notes from the March 3, 2020, meeting were provided.

Director Locke provided a brief summary of the meeting, noting that he felt it was a great meeting.

Director McPherson expressed her concern over who was looking out for the DMPWD ratepayers.

Director Locke answered that it was the job of their elected officials.

Information Items

15. **Legislative and Regulatory Update**
A written report was provided.
16. **Upcoming Water Industry Events**
A written report was provided.
17. **CEQA Notice of Exemption for Miscellaneous Water Facility Projects**
A written report was provided.
18. **Upcoming Policy Review**
A written report was provided.

- a. Information Technology/Disaster Recovery Policy (PL – IT 004)
- b. Reasonable Accommodation and Interactive Process Policy (PL - HR 014)
- c. Director Sexual Harassment Prevention Training Policy (PL – BOD 005)
- d. Water Service Charges and Rate Setting Policy (PL - Fin 009)

Director’s Comments/Staff Statements and Requests

President Thomas appointed himself to replace Director Jones on the Employee Benefits Ad Hoc Committee, noting it was a change he wanted to make.

President Thomas additionally inquired if the Board was interested in adding an Item to the next regular Board meeting agenda to review options of suspending the 2020 5% rate increase.

Director Wichert expressed he would be interested in staff looking into it.

Discussion ensued regarding the options of suspending the 2020 5% rate increase.

GM York stated that staff would look into it.

Closed Session (Closed Session Items are not opened to the public)

The Board convened in Closed Session at 7:14 p.m. to discuss the following:

19. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving claims related to TCP contamination.

Return to Open Session

The Board convened in Open Session at 7:22 p.m. There was no reportable action.

Adjournment

President Thomas adjourned the meeting at 7:23 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District