

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, April 20, 2020

Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #964 7240 6466

Call to Order – Videoconference/Audioconference Meeting

President Thomas called the meeting to order at 6:03 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Matt Underwood, Julie Nemitz, and District Legal Counsel Josh Horowitz.

Public Present: William Eubanks, Paul Olmstead, and Greg Zlotnick.

Announcements

General Manager Dan York (GM York) announced:

- The next Sacramento Suburban Water District/Del Paso Manor Water District 2x2 Ad Hoc Committee Meeting is May 4, 2020, at 5:00 p.m.
- The next Finance and Audit Committee (F&A Committee) is May 21, 2020, at 4:00 p.m.
- Carmichael Water District hired Cathy Lee as their new General Manager.

Public Comment

William Eubanks (Mr. Eubanks) expressed his displeasure with the Zoom Conference format stating there are risks involved with using this platform.

Consent Items

1. **Minutes of the March 16, 2020, Regular Board Meeting**
2. **Information Technology-Disaster Recovery Policy (PL – IT 004)**
3. **Reasonable Accommodation and Interactive Process Policy (PL - HR 014)**

4. **Director Sexual Harassment Prevention Training Policy (PL – BOD 005)**
5. **Water Service Rates, Fees, and Charges Setting Policy (PL - Fin 009)**
6. **2020 Water Conservation Program and Stage Declaration**

Director Wichert requested to pull Items 1, 5, and 6 from Consent.

Director Jones moved to approve Items 2, 3, and 4; Director Wichert seconded. The motion passed by unanimous vote.

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

Regarding Item 1, Director Wichert noted that in the discussion at the March 16, 2020, regular Board meeting, Item 8, Resolution No. 20-06 Amending Regulations No. 7 of the Regulations Governing Water Service, he expressed he was curious why capacity charges for new services were calculated using net position rather than debt position. He noted he did not feel that it was answered correctly.

Director McPherson noted that she received an email correspondence from Jeff Ott (Mr. Ott) where he explained the details of the new Facility Development Charge, but that she was still a little confused.

Mr. Ott explained that you could use any size meter as the base, and then adjust the percentage off that base size, which would then be used to multiply to come up with the total equivalent units.

The Board agreed to discuss this topic further at the next F&A Committee meeting.

Director Wichert moved to approve Item 1, Director Jones seconded. The motion passed by unanimous vote, Director Locke abstained as his connection was intermittent.

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

Regarding Item 5, Director Wichert was not in favor of removing the sentence under Section 200.00 A., number 7., which stated, “The estimated wage increases of District customers since the time of the last rate increase. This will be accomplished by utilizing the latest published data from the U.S. Bureau of Labor Statistics, “Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimate” for the “Sacramento-Roseville-Arden Arcade Area.”

Director McPherson expressed that the Board did review that addition as something to consider, but she felt that if they made a decision on rates based on a survey of incomes or wage increases, it could potentially leave out those not working or retired. She additionally stated if all utilities used wage information to decide rates, they would all raise rates, and she didn't feel that was sustainable, further stating she believed the rates should be based on the cost of providing service. She was not in favor of this going into a policy.

President Thomas agreed with both opinions.

Director Jones noted that it was just one of the criteria in the analysis further noting it hasn't made an impact on previous rate increases from the District.

Director Locke expressed he didn't feel a person's wage should be considered at all when analyzing District rates and further stated he believed the rates should be based on the cost of providing service.

The Board agreed to table Item 5 until they were able to hold a Board meeting in person.

Regarding Item 6, Director Wichert inquired if it was considered a "normal water year" or a "dry water year," due to the inconsistencies between the 2020 Water Conservation Program and Stage Declaration staff report and the 2020 Water Transfer staff report.

Assistant General Manager Mike Huot (AGM Huot) pointed out the 2020 Water Conservation Program and Stage Declaration staff report was referring to the District's Regulation 15 reference to a "normal water supply year."

Director Wichert moved to approve Item 6, Director McPherson seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

7. Discussion on 2020 Rate Increase

Mr. Ott presented the staff report.

Mr. Eubanks requested clarification noting option 2 was not an option based on the Governors Executive Order.

Mr. Ott expressed that the Governors Executive Order came out after the report was written, and that staff was recommending not limiting what classes were able to take advantage of the proposed relief.

Mr. Ott further presented the staff report.

Director McPherson expressed this was a temporary situation and the Board shouldn't assume that the majority of the customers were economically impacted.

Director Wichert expressed the Governors Executive Order was sufficient and that he was not in favor of either option at this time.

Director Locke agreed with Director Wichert, noting the rate increases were approved because the Board determined that was the cost needed to deliver water.

The Board requested staff keep them informed of any changes.

8. **Resolution No. 20-07 Temporary Suspension of Portions of Regulations 5 and 6 in Response to the COVID-19 Epidemic**

Mr. Ott presented the staff report.

Director Wichert expressed his support for the Item, and moved to approve the staff recommendation.

Director McPherson was unsure why a Resolution was necessary.

Mr. Ott expressed the suspension of portions of Regulations 5 and 6 would provide protection for commercial, institutional, industrial, and other commercial businesses that were not included in the Governors Executive Order.

GM York confirmed that the Governors Executive Order does not supersede the District's Regulations Governing Water Service, therefore, a resolution is necessary.

President Thomas moved to approve Resolution 20-07, temporarily suspending disconnections for non-payment and temporarily suspending the imposition of certain charges and fees, Director Wichert seconded. The motion passed by unanimous vote.

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

9. **COVID-19 Update**

GM York presented the staff report.

GM York pointed out that there were some projects that were being placed on hold, which would be back on track once normal operations began again.

10. **2020 Water Transfer**

AGM Huot presented the staff report.

Director Jones inquired if the City of Palmdale was a disadvantaged community.

Legal Counsel Josh Horowitz answered that they were a disadvantaged community with limited groundwater supplies.

Director McPherson moved to approve the staff recommendation, President Thomas seconded. The motion passed by a 4/1 vote, Director Wichert opposed.

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

General Manager's Report

11. General Manager's Report

GM York presented the staff report.

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

Assistant General Manager's Report

12. Assistant General Manager's Report

AGM Huot presented the staff report.

- a. *Regional Water Supply/Wheeling Opportunities Update*
AGM Huot presented the staff report.
- b. *2020 Water Transfer Update*
AGM Huot presented the staff report.

President Thomas requested information be sent to him regarding details on the water transfer, including each entity's contribution.

Department/Staff Reports

13. Financial Report

Mr. Ott presented the staff report.

President Thomas and Director McPherson requested information be sent to them regarding details on the Board of Directors budget.

- a. *Draft - Financial Highlights – March 2020*
A written report was provided.
- b. *Draft - Financial Statements – March 2020*
A written report was provided.

- c. *Investments Outstanding and Activity – March 2020*
A written report was provided.
- d. *Cash Expenditures – March 2020*
A written report was provided.
- e. *Credit Card Expenditures – March 2020*
A written report was provided.
- f. *Directors Compensation and Expense Accounting – March 2020*
A written report was provided.
- g. *Draft District Reserve Balances – March 2020*
A written report was provided.
- h. *Information Required by Bond Agreement*
A written report was provided.
- i. *Financial Markets Report – March 2020*
A written report was provided.

14. **District Activity Report**
A written report was provided.

15. **Engineering Report**
A written report was provided.

Director Jones requested information be sent to him regarding the project located on Marconi Avenue near the freeway.

- 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)

16. a Regional Water Authority (Director Jones)
The agenda for the March 19, 2020 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)
The agenda for the March 25, 2020 and April 22, 2020 meeting was provided.

- b. Sacramento Groundwater Authority (Director Wichert)
The agenda for the April 9, 2020, meeting was provided.
- c. Water Caucus Meeting (General Manager York)
None.
- d. Water Forum Successor Effort (General Manager York)
None.
- e. Director Reports – AB 1234

Director Wichert provided an oral report on the SGA meeting he attended on April 9, 2020.

President Thomas provided an oral report on the SGA meeting he attended on April 9, 2020; the RWA meeting he attended on March 19, 2020; the DPMWD Special Board meeting he attended on March 20, 2020; the DPMWD Board meetings he attended on March 3, April 7 and April 17, 2020; his meetings with the General Manager on March 6, March 27, and April 10, 2020; the webinars he attended on March 31, 2020, for the Water Regulations and April 8, 2020, for the VA's on the Delta.

Director Locke provided an oral report on the SGA meeting he attended on April 9, 2020; the RWA meeting he attended on March 19, 2020; the DPMWD Special Board meeting he attended on March 20, 2020; the DPMWD Board meetings he attended on April 7, 2020; the SJWD Board meeting he attended on March 25 and April 14, 2020; his meeting with the General Manager on February 27, 2020; the NCWA meeting he attended on March 6, 2020; the meeting on Overview of the Coronavirus he attended on April 1, 2020; the webinar he attended on March 21, 2020, on COVID 19; the webinar he attended on March 26, 2020, from JPIA on COVID 19; the webinar he attended on April 2, 2020, on Responding to COVID 19; and the webinar he attended on April 3, 2020 on communication Challenges During COVID 19.

Director McPherson provided an oral report on the SGA meeting she attended on April 9, 2020; the DPMWD Special Board meeting she attended on December 28, 2020; and the RWA Legislative Symposium she attended on March 12, 2020.

Committee Reports

- 17. a. Finance and Audit Committee (Director Thomas)
The Draft Minutes from the April 16, 2020 meeting were provided.
- b. DPMWD/SSWD 2x2 Ad Hoc Committee (Director Locke)
The Draft Notes from the April 6, 2020 meeting were provided.

Information Items

18. **Certification of Risk and Resiliency Assessment**
A written report was provided.
19. **Legislative and Regulatory Update**
A written report was provided.
20. **Upcoming Water Industry Events**
A written report was provided.
21. **Upcoming Policy Review**
A written report was provided.
 - a. Employee Recruitment, Hiring, and Promotion Policy (PL – HR 009)

Director's Comments/Staff Statements and Requests

None.

Adjournment

President Thomas adjourned the meeting at 7:49 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District