

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, May 18, 2020

Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #819 5741 5703

Call to Order – Videoconference/Audioconference Meeting

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, 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 Cassie Crittenden.

Public Present: William Eubanks, Paul Olmstead, Ted Costa, Alan Driscoll and Ingrid Shepline.

Announcements

General Manager Dan York (GM York) announced:

- Conferences in general are on hold until we have a better idea of the future due to COVID 19, and Directors should hold off on making reservations until things are officially noticed.
- ACWA Virtual Summer Conference will be held “virtually” July 29-30, 2020.
- Thursday, May 21, 2020, at 4:00 p.m., Finance and Audit Committee Meeting.
- Monday, June 1, 2020, at 5:00 p.m., SSWD/DPMWD 2x2 Ad Hoc Committee Meeting.
- Regional Water Authority American River Basin Integrated Regional Water Management round one grant solicitation has received \$7.5 million dollars in funding for various projects in the region.
- Monday, May 25, 2020, is Memorial Day.

Public Comment

None.

Consent Items

1. **Minutes of the April 20, 2020, Regular Board Meeting**
2. **Employee Recruitment, Hiring, and Promotion Policy (PL – HR 009)**

William Eubanks (Mr. Eubanks) requested to pull Item 1 for discussion.

Director McPherson requested to pull Item 2 for discussion.

Regarding Item 2, Director McPherson inquired if the language being removed from the Policy regarding “at will” in the first paragraph under section 200, would be located in another other Policy of the Board. She expressed that it was important language to have somewhere in another Policy.

Cassie Crittenden expressed that it was in the Employee Standards of Conduct and Discipline Policy (PL - HR 011) as well as the Employee Handbook.

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

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

Regarding Item 1, Mr. Eubanks expressed he was unhappy with how the Minutes of the April 20, 2020, regular Board Meeting reflected his comment about the Zoom Meeting platform rollout.

Director Wichert moved to approve Item 1; 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

3. **2019 Comprehensive Annual Financial Report and Annual Audit Results**
Jeff Ott (Mr. Ott) presented the staff report and introduced Ingrid Shepline (Ms. Shepline) of Richardson & Company, for any questions from the Board.

Mr. Ott presented the 2019 Comprehensive Annual Financial Report.

GM York and Director Jones congratulated staff and the Finance Department for their outstanding job with their work on the audit.

President Thomas thanked Ms. Shepline for her terrific work performing the audit.

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

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

4. **Consider Changing the Regular Board Meeting Time**

GM York presented the staff report.

Director Wichert expressed he was not in favor of changing the time of the regular Board meeting and was in favor of leaving it at 6:00 p.m.

Mr. Eubanks commented that changing the time of the regular Board meeting to an earlier start time would eliminate public input, but as a retired member of the public he personally did not care when the time of the meeting was.

Director Jones expressed he was in favor of leaving the 6:00 p.m. start time, but was interested in moving the January and February regular Board meeting days to the third Tuesday of those months, due to the holidays being on Monday of those months.

Paul Olmstead (Mr. Olmstead) expressed he was ok with changing the time and additionally expressed he was more concerned with the impact the late workdays had on District staff.

Director Locke expressed that a 5:00 p.m. start time would be better for staff and Directors. He additionally expressed that most of the members of the public that attended the Board meetings on a regular basis were ok with changing the time to an earlier start time. He additionally expressed that moving the January and February regular Board meetings to Tuesday's would not work for his work schedule.

Director McPherson expressed that continuity was easier for the public, and that she was ok with whatever the Board decided.

Director Wichert moved to take no action, President Thomas seconded. The motion passed by 4/1 vote, Director Locke opposed.

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

General Manager's Report

5. General Manager's Report

GM York presented the staff report.

a. *Sacramento Region Collaboration/Integration Study Update*

GM York presented the staff report.

President Thomas and Director Wichert requested a copy of the questions Citrus Heights Water District submitted to the committee.

GM York stated he would send them.

Director Locke inquired about the status of the sub-committee, which included an elected official from each entity.

GM York expressed the meeting, which included an elected official from each entity was in the process of being scheduled.

b. *COVID-19 Update*

GM York presented the staff report.

Director McPherson expressed she didn't feel like she was getting enough information in regards to staff productivity while the work from home orders were in place, explaining she was concerned that staff was not functioning at the productivity level that warranted the salaries staff made. She stated that she suggested for the General Manager to provide ideas of ways staff could give back to the community, such as providing the community with donated Personal Protection Equipment. She further expressed that she didn't feel ethically comfortable supporting an entity that was not willing to provide any gestures of sacrifice for those impacted by the Coronavirus.

GM York responded that the highest priority when the pandemic struck was to ensure the safety of the staff as well as the community. He described the details of how he operated the District to ensure safety first, followed by coordinating with the management team, as well as each department to guarantee a successful transition to teleworking, in order to comply with the shelter in place order issued by the Governor. He noted that although there were minor changes to how the District operated, staff at all levels were well prepared to continue to provide District customers with the reliable and safe water supply that they are used to. He explained that the managers were monitoring the efficiency and productivity of each workgroup and that all operations were continuing as expected. He stated that in regards to Director McPherson's request for PPE to be donated to the community, the District was limited with their PPE and what inventory they had was for District staff. He stated he also encouraged staff to donate whenever possible, but that it was not the responsibility of the General Manger to implement a

donation program at the District, unless he received that direction from the full Board.

Director Wichert noted that he appreciated the communication he has received from the General Manager regarding District operations and was satisfied with the General Manager's performance. He expressed that he was unaware of any proposals from Director McPherson and recommended she provide any suggestions she had for topics on the agenda for full Board discussion.

Director McPherson stated she proposed that the District make a donation of PPE to the community. She conveyed that she was only receiving emails from the General Manager with updated information from the Governor, and said it would be more helpful to receive information on how District business was being conducted. She further noted that it would be nice for the District to have some kind of gesture of sacrifice or donation to the community given the terrible situation.

Mr. Eubanks expressed that Director McPherson's remarks were not pertaining to any item on the agenda. He additionally expressed that he had no issues with getting through to the customer service department during this time, and stated that unless there was evidence supporting her accusation of not trusting staff, she should consider other options to try to ensure staff was working.

Director Locke expressed that the day to day operations of the District and staff were the responsibility of the General Manager to monitor, and that he was in charge of making sure there was productivity among staff. He further noted that the Board's responsibility was to set policies, noting there was not a policy set that prevented staff from working from home, further stating that it was not the responsibility of the Board to manage staff.

Mr. Eubanks commented that he felt the staff and GM York were all doing a fantastic job, expressing the current circumstances were not something the District had any control over.

GM York stated he provided updates to the Directors via email between Board meetings to keep them apprised of current events and District operations.

Assistant General Manager's Report

6. Assistant General Manager's Report

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

a. 2020 Water Transfer Update

AGM Huot presented the staff report.

Director Locke requested the list of buyers for the 2020 Water Transfer and suggested to send it to all Directors.

Mr. Olmstead congratulated AGM Huot on his hard work and further recommended AGM Huot obtain something in writing from the Department of Water Resources stating that the process would go through as scheduled.

7. **Financial Report**

Mr. Ott presented the staff report.

Director Wichert inquired if Mr. Ott would provide the Board with an accounting of the current net position as impacted by the Coronavirus crisis.

Director McPherson requested to include the amount of customers defaulting compared to historical trends.

Director Wichert further requested an analysis of the financial impacts of the Coronavirus pandemic and how it has affected the District financially, noting that if the District was financially ahead, he suggested that some sort of give back to the customers would be appropriate.

Director Locke stated every time there was a drought year, there were financial impacts. He inquired how you would be able to distinguish between impacts based on this Coronavirus pandemic versus impacts based on standard variation in the weather.

GM York noted that it would be based on assumptions.

Director Locke recommended not using staff time to try to figure those assumptions out.

Director McPherson suggested to look at cost impacts to determine what we as a District could be able to give back to the ratepayers as a gesture of good faith, noting the rates should be based on the cost of delivering the water.

Director Locke suggested that if we were going to look at what Director McPherson was suggesting, then we should also look at the loss in revenue from not collecting fees from defaulted customers during this time as well.

Mr. Ott expressed the District has lost approximately \$100,000 from not assessing any collection fees during this time.

GM York expressed he would place an item on the agenda for Board consideration, and inquired what timeframe the Board wanted staff to evaluate.

Director McPherson recommended to start when the Governors orders were put into place on March 17, 2020.

a. *Financial Highlights – April 2020*

A written report was provided.

- b. *Financial Statements – April 2020*
A written report was provided.
- c. *Investments Outstanding and Activity – April 2020*
A written report was provided.
- d. *Cash Expenditures – April 2020*
A written report was provided.
- e. *Credit Card Expenditures – April 2020*
A written report was provided.
- f. *District Reserve Balances – April 2020*
A written report was provided.
- g. *Information Required by LOC Agreement*
A written report was provided.
- h. *Financial Markets Report – April 2020*
A written report was provided.

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

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

Director Locke inquired about the 6 wells up for assessment in Spring 2020, requesting an update on them at the next regular Board meeting.

- 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)

10. a. Regional Water Authority (Director Jones)
The agenda for the May 14, 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 Locke provided an oral report on the AWWA webinar he attended on May 1, 2020; the DPMWD Board meeting he attended on May 5, 2020; the Business as Usual webinar he attended on May 8, 2020; and the COVID 19 Financial Impact on Water Districts webinar he attended on May 15, 2020.

Director Thomas provided an oral report on the RWA meeting he attended on May 14, 2020; his meeting with the General Manager on April 30, 2020; and the SJWD Board meeting that he attended on April 22, 2020.

Director Jones provided an oral report on the RWA meeting he attended on May 14, 2020.

Committee Reports

- 11. a. Finance and Audit Committee (Director Thomas)
The agenda for the May 21, 2020, meeting was provided.
- b. DPMWD/SSWD 2x2 Ad Hoc Committee (Director Locke)
The Draft Notes from the May 4, 2020, meeting was provided.

GM York and Director Locke provided a summary of the meeting.

Mr. Eubanks and Mr. Olmstead additionally provided summaries of the meeting.

Information Items

- 12. **Biannual Groundwater Level Report**
Matt Underwood presented the staff report.
- 13. **Legislative and Regulatory Update**
A written report was provided.
- 14. **Upcoming Water Industry Events**
A written report was provided.

15. **Upcoming Policy Review**

A written report was provided.

- a. Discrimination and Harassment Prevention Policy (PL – HR 012)
- b. Workplace Violence Policy (PL - HR 013)

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 7:55 p.m. to discuss the following:

- 16. 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.
- 17. 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.
- 18. 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 8:10 p.m. There was no reportable action.

Adjournment

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

Dan York
General Manager/Secretary
Sacramento Suburban Water District