

Minutes

Sacramento Suburban Water District **Regular Board Meeting** Monday, July 20, 2020

Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #830 7827 5651

Call to Order – Videoconference/Audioconference Meeting

President Thomas called the meeting to order at 6:00 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

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

Directors Absent: Dave Jones.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Matt Underwood, Julie Nemitz, Jim Arenz, Greg Bundesen, Cassie Crittenden, and Todd Artrip.

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

Announcements

General Manager Dan York (GM York) announced:

- Director of Divisions 1 and 2 Candidate Filing began on Monday, July 13th and runs through August 7, 2020.
- Tap Talk Live is this Friday at 12:00 noon.
- ACWA Virtual Conference is next week.
- Director Jones had a family emergency and is absent.

Public Comment

None.

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

President Thomas requested to table the Closed Session item, as Director Jones was not present at the meeting, and he wanted to be present to discuss the topic.

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); significant exposure to litigation involving one case.

Consent Items

2. **Minutes of the June 15, 2020, Regular Board Meeting**
3. **Return to Work Policy (PL - HR 007)**
4. **Environmental Sustainability Policy (PL - Adm 005)**

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

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

Regarding Item 2, Director Wichert requested to pull the Item to point out that it was noted that there would be two separate action items, one to vote to prospectively require all new employees in the classic retirement plan to begin paying their EPMC, and two, to review hiring a consultant or special legal counsel to review SSWD options. He inquired why the second action item was not on the July agenda as requested.

Director McPherson expressed it was not on the current agenda as she believed GM York and Director Locke spoke and decided it was not needed based on an email she received from GM York.

Director Locke noted that was untrue and that he did not recall the email.

GM York expressed that the second item requested in the last meeting was listed as the Closed Session Item 1.

Director Wichert commented that Agenda Item 1 was not very transparent by the title, then moved to approve Item 2; Director Locke seconded. The motion passed by unanimous vote.

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

Items for Discussion and/or Action

5. **State Water Loss Management Reporting Update**
Greg Bundesen (Mr. Bundesen) presented the staff report and PowerPoint presentation and answered clarifying questions.

Paul Helliker complimented Mr. Bundesen on a great presentation and the excellent work SSWD has done on its conservation measures.

6. **Contract Services Agreement Amendment Between Sacramento Suburban Water District and Del Paso Manor Water District**

GM York presented the staff report.

President Thomas expressed that he didn't think Del Paso Manor Water District (DPMWD) was interested in merging with Sacramento Suburban Water District (District) at this time. He further expressed that he was ok with extending the contract another three months, and complimented District staff on assisting with DMPWD's Consumer Confidence Report.

Director McPherson agreed with President Thomas noting she didn't think DPMWD was interested in merging at this time either unless LAFCo encouraged it.

GM York expressed he was merely intending to bring it up for discussion.

Director Wichert stated he was not in favor of discussing merger. He expressed he was interested in extending the contract another month

Director Locke noted DPMWD can hire private consultants to do the support work they were asking of the District, and was not very interested in extending the contract much further.

Director Wichert moved to approve a one month extension to the contract, contingent upon another meeting to discuss terms. He noted that he was interested in a longer term agreement so the District would have the opportunity to hire staff to assist longer term.

President Thomas seconded.

Paul Olmstead (Mr. Olmstead) inquired if District staff had an opportunity to discuss contract extentions with the new General Manager at DPMWD, to see if they were even interested in it.

GM York expressed he had met twice with the new General Manager of DPMWD, and that their GM had expressed that he was interested in extending it.

The motion passed by unanimous vote.

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

7. **Annual Fraud Prevention Presentation**

Jeff Ott (Mr. Ott) presented the staff report and PowerPoint presentation.

8. **Resolution No. 20-08 CalPERS Pension – Employer Paid Member Contribution**

President Thomas requested to table this item, as Director Jones was not present at the meeting, and he wanted to be present to discuss the topic.

9. **2021 Budget Preparation Timeline**

Mr. Ott presented the staff report and answered clarifying questions.

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

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

10. **2X2 SSWD/SJWD Water Management/Re-organization Committee**

GM York presented the staff report.

President Thomas moved to reactivate the SSWD/SJWD 2x2 Committee.

William Eubanks (Mr. Eubanks) inquired why this topic was being brought up, as the Board decided to have the committee remain in dormant status until the Raftelis report was released with resource sharing findings and recommendations. He believed it was premature to reactivate the committee.

Mr. Olmstead disagreed with Mr. Eubanks and commented that it was a good effort and postponing the committee wouldn't do any good for anyone.

Mr. Eubanks remarked that SJWD would not be able to deliver any water to the South Service Area.

Mr. Olmstead expressed that merger discussions could provide many benefits to everyone long term, and recommended to look at the future of the region.

Mr. Eubanks inquired how much it would cost the District rate payers.

Director McPherson recommended to wait until the Raftelis study was presented to see if the SSWD/SJWD 2x2 Committee was still relevant.

Director Wichert agreed with Director McPherson.

GM York expressed there was a meeting on July 22nd with Raftelis and the General Managers of the Sacramento Region Water Utility Collaboration Study to review the draft report, then there was a meeting on July 28th with all participants of the Committee, which include Board and Council members.

Director Locke expressed his displeasure with the elected officials not being included in more of the discussions.

President Thomas stated he was interested in getting the SSWD/SJWD 2x2 Committee out of hibernation.

Director Wichert noted he was in agreement with Director McPherson that they should hold off until the study became public, then go from there.

President Thomas moved to reactive the SSWD/SJWD 2x2 Committee; Director Locke seconded. The motion failed on a 2/2 vote. Director Wichert and Director McPherson opposed.

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

General Manager’s Report

11. General Manager’s Report

GM York presented the staff report and answered clarifying questions.

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

GM York proposed to request Jim Peifer with the Regional Water Authority to do a presentation at the next regular Board meeting.

The Board agreed with GM York’s proposal.

Assistant General Manager’s Report

12. Assistant General Manager’s Report

Assistant General Manager Mike Huot (AGM Huot) presented the staff report and answered clarifying questions.

- a. *2020 Water Transfer Update*
AGM Huot presented the staff report.

Mr. Olmstead congratulated AGM Huot on a great job.

Department/Staff Reports

13. Financial Report

Mr. Ott presented the staff report and answered clarifying questions.

- a. *Financial Highlights – June 2020*
A written report was provided.

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

14. **District Activity Report**

A written report was provided.

15. **Engineering Report**

A written report was provided.

Director Wichert inquired why the 78 Butano/Cottage Well project was delayed and why the status was not updated.

Dana Dean (Mr. Dean) expressed he would review the projects status and if necessary include a status update in next month's report.

- 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 July 9, 2020 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)
The agenda for the June 24, 2020, meeting was provided.

- b. Sacramento Groundwater Authority (Director Wichert)
None.

- c. Director Reports – AB 1234

Director Locke provided an oral report of the RWA meetings he attended on June 4, 19, and 26, 2020; the AWWA meetings he attended on June 5, 10, and 11, 2020; the RWA Executive Committee he attended on June 24, 2020; and the meeting he had with the General Manager on June 25, 2020.

President Thomas provided an oral report of the RWA meetings he attended on June 4, and 19, 2020; the RWA Executive Committee he attended on June 24, 2020; the SGA meeting he attended on June 11, 2020; the DPMWD Board meeting he attended on June 25, 2020; and the meetings he had with the General Manager on June 22 and 25, 2020.

Committee Reports

17. a. Facilities and Operations Committee (Director Jones)
The agenda for the July 15, 2020, meeting was provided.

- b. Finance and Audit Committee (Director Thomas)
The draft notes from the June 30, 2020, meeting were provided.

Director McPherson requested a copy of the PowerPoint presentation that was presented at the meeting.

Information Items

18. **Lead Service Line Inventory**
Mr. Dean presented the staff report and answered clarifying questions.
19. **Human Resources and Succession Plan Semiannual Report**
A written report was provided.
20. **Legislative and Regulatory Update**
A written report was provided.

21. **Upcoming Water Industry Events**

A written report was provided.

22. **Upcoming Policy Review**

A written report was provided.

a. Budget Policy (PL - Fin 012)

b. Investment Policy (PL - Fin 003)

c. Employee Standards of Conduct and Discipline Policy (PL - HR 011)

d. Water Service Rates, Fees, and Charges Setting Policy (PL - Fin 009)

Miscellaneous Correspondence and General Information

23. **Correspondence received by the District was provided.**

Director's Comments/Staff Statements and Requests

Director McPherson inquired if the Board could hold a Special Board meeting, regarding item 1, prior to the August regular Board meeting.

Director Wichert agreed with Director McPherson's suggestion.

Director Locke stated there was no hurry for the item, and that a Special Board meeting was not necessary, further noting he was more interested in addressing the issue as a whole instead of piecemealing it, noting that an in-person meeting would be best.

President Thomas requested staff attempt to schedule an in-person, social distance Special Board meeting, for the item 1, as a closed session item, prior to the August regular Board meeting.

Adjournment

President Thomas adjourned the meeting at 7:53 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District