

## **Minutes**

### **Sacramento Suburban Water District Regular Board Meeting Monday, September 21, 2020**

#### **Location:**

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #852 9442 1281

#### **Call to Order – Videoconference/Audioconference Meeting**

General Manager Dan York (GM York) stated President Thomas would not be attending the meeting.

Vice President Wichert (VP Wichert) called the meeting to order at 6:00 p.m.

#### **Pledge of Allegiance**

VP Wichert led the Pledge of Allegiance.

#### **Roll Call**

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

Directors Absent: Kevin Thomas.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Mitchell McCarthy, David Espinoza, Matt Underwood, Julie Nemitz, James Arenz, and Cassie Crittenden.

Public Present: William Eubanks, Jim Peifer, David Alvey, Andy Fecko, Alan Driscoll, Adam Coyan, John Lenahan, and Paul Helliker.

#### **Announcements**

GM York announced:

- The new Owl recording system for the boardroom was being used,
- Water Forum Virtual 20th Anniversary Climate Symposium and Reception, Wednesday, October 14, from 1:00 to 5:00 p.m.,
- AWWA Virtual Annual Fall Conference and Exposition, October 26-29, 2020,
- ACWA Virtual Fall Conference, December 1-4, 2020.

#### **Public Comment**

None.

#### **Consent Items**

1. **Minutes of the August 17, 2020, Regular Board Meeting**
2. **Resolution No. 20-10 Amending District Conflict of Interest Code**

3. **Driver Record and Insurance Review Policy (PL - HR 006)**
4. **Procurement Policy (PL - Fin 005)**
5. **Public Works Contracting Policy (PL - Eng 002)**
6. **Transmission Main Asset Management Plan**

Director Jones moved to approve all Consent Items; Director Locke seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

7. **Sacramento Groundwater Authority/Sacramento County Groundwater Authority Presentation**

VP Wichert introduced Jim Peifer (Mr. Peifer), Executive Director of the Regional Water Authority (RWA) and Sacramento Groundwater Authority (SGA), who provided a presentation to the Board explaining the status of the SGA/Sacramento Central Groundwater Authority (SCGA).

Mr. Peifer provided a history on the 3x3 committee and expressed that neither RWA nor SGA had the administrative or technical bandwidth to staff SCGA to allow for efficiencies in operations. He expressed they were still working on a staffing plan and answered several clarifying questions.

VP Wichert expressed he was not in favor of having three agencies, which potentially provided the same support preserving the groundwater basin.

Director McPherson expressed she was interested in finding out how much the District’s membership was for each of the three organizations, and deciding as a Board to go with the one that they thought represented them best.

VP Wichert requested staff to provide a more thorough briefing on the three agencies.

Director McPherson added to include an analysis of the District’s benefit of being members of all three agencies.

Mr. Peifer expressed that the District was not a member of SCGA and further provided an explanation of the different agencies.

Director Jones agreed for staff to provide a brief presentation on the benefits of the three agencies.

William Eubanks (Mr. Eubanks) inquired what the benefit was to the ratepayers of the District to be involved.

8. **Regional Water Authority – Major Projects Management Subscription Program**  
GM York provided a summary of the Item.

Mr. Peifer explained the benefits of the RWA Major Projects Management Subscription Program and encouraged the District to join. He additionally explained what the new Management position would be responsible for, and answered clarifying questions.

VP Wichert inquired what the justification would be for raising rates to support the program.

GM York expressed rates would not be directly impacted and provided a brief explanation of the benefits of joining the program.

Mr. Peifer explained that the program would protect the water supplies by being involved with the Water Quality Control Plan and expressed the agencies in the region were getting together to resource the project. He further expressed that the Resilience Program was another way of ensuring and protecting the water supply through cooperative relationships, and assisting with improving the management of the Folsom Reservoir as well as working to assist with receiving grant funding for the region.

Discussion ensued over the cost of the programs and what other agencies were involved.

VP Wichert expressed he was not interested in raising rates.

Director McPherson expressed she did not want to be the first agency involved.

Mr. Peifer expressed that he was pretty confident that the other agencies were going to participate.

Andy Fecko (Mr. Fecko) General Manager of the Placer County Water Agency expressed that their Board supported the program and explained how important it was for the region to advocate for a sustainable water supply that is reliable and affordable. He further noted that this was one of the most important programs in the region to defend this area's water resources for the future economic development and also for the future of the sustainability programs and ecosystems. He encouraged the Board to support the program.

VP Wichert stated he was not against supporting the program, but requested a more thorough presentation from staff including impacts to the budget.

Director Jones stated he was in favor of continuing to move forward with the program and moved to approve the staff recommendation.

The motion failed by a lack of a second.

9. **Skip's Music Rent Relief Request**

Jeff Ott (Mr. Ott) presented the staff report.

Director Locke moved to approve the staff recommendation, Director McPherson seconded.

Mr. Eubanks expressed he felt this was a gift of public funds.

VP Wichert expressed he was not in favor of removing the rate increase that was already negotiated to being in August, but that he was in favor of forgiving the March, April, and May rent in the amount of \$17,505.

Director Jones inquired if it was a gift of public funds.

Director McPherson expressed she was in favor of forgiving the March, April, and May rent, and that she was suggesting deferring the rent increase to when the pandemic was over, or when Skips was back to business as somewhat usual.

VP Wichert expressed he was no longer in favor of either of the staff recommended options, as he was only willing to defer the March, April, and May's rent, as he was afraid it might be a gift of public funds.

GM York expressed he checked with legal counsel and that providing relief of the March, April, and May's rent was not a gift of public funds.

VP Wichert expressed allowing Skips to use the space for free felt like a gift of public resources of some sorts.

Director McPherson expressed that he was a member of the community and the pandemic was definitely extenuating circumstances and that under normal circumstances, the District would not normally consider this. She expressed that she felt it would be a community service and she was in favor of it.

Director Jones still felt it was a gift of public funds and that he was interested in getting legal counsel's opinion.

Director Locke agreed with Director Jones.

10. **CalPERS Pension – Employer Paid Member Contribution**

VP Wichert presented the staff report and commented that he would accept a motion.

Director Jones moved to approve the staff recommendation.

Director McPherson requested clarification why they were voting on the Item.

VP Wichert expressed that he recalled that the only option that saved money, and saved so little, that it was not worth alienating the staff.

Director McPherson expressed she didn't feel it was alienating the staff, but that it was about achieving some kind of equitability with staff.

Director Jones expressed it was an integrity issue, noting that integrity is one of the Values of the Strategic Plan of the District. He further expressed not having integrity went against his way of doing business.

Director Locke expressed we were the only District in the region that pays the entire share and expressed he was against it.

VP Wichert noted there was not a consensus among the Board, and requested staff bring back the original options to a future Board meeting to discuss.

Mr. Eubanks expressed that the issue was discussed abundantly and that he did not have any interest in it anymore.

11. **New Auditing Firm**

Mr. Ott presented the staff report.

Director Locke moved to approve the staff recommendation, Director Jones seconded.

Mr. Eubanks expressed that Richardson and Co. was ranked at the top of the rating; however, the Committee chose to not use them, noting getting "a fresh perspective" was not one of the criteria.

Discussion ensued over why the Committee selected Maze & Associates.

VP Wichert additionally seconded the motion. The motion passed by unanimous vote.

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

12. **Exchange Inactive Well 12 for Property at Seely Park Adjacent to Well 7**

Dana Dean (Mr. Dean) presented the staff report and answered clarifying questions.

Discussion ensued regarding the double detector check valve at the new property and who would be responsible for relocating it.

Mr. Dean expressed they would try to build that into the deal with Fulton El Camino Park and Recreation District.

Director Locke stated to be sure to check any pipes that we connect to, as they are very old.

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

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

**13. Fleet Asset Management Plan**

Jim Arenz (Mr. Arenz) presented the staff report and answered clarifying questions.

Director McPherson moved to approve the staff recommendation, Director Jones seconded.

Director Locke expressed he was not in favor of setting a 10 year criteria, expressing that a vehicle could last longer than 10 years with regular maintenance.

Mr. Arenz expressed the 10 years was just a suggested schedule as a point to evaluate, noting that it was the agency standard, but that each vehicle would be reviewed and assessed before a recommendation was made.

Mr. Dean pointed out the language to address his concern in the Fleet Asset Management Plan , on page 2-5, above table 1 “A vehicle that meets VRP replacement criteria, but is in usable condition, may be retained provided that an assessment indicates that the vehicle can be operated safely and excessive M&R costs or substantial reduction in resale value is not expected. If a vehicle has been worn or damaged beyond economical repair, the District may replace the vehicle prior to its meeting a VRP criterion.”

Director Locke expressed he was more comfortable knowing there was language addressing it.

Mr. Eubanks stated the write up didn’t accurately reflect what the Plan represented.

The motion passed by unanimous vote.

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

**General Manager’s Report**

**14. General Manager’s Report**

GM York presented the staff report.

a. *Health Resolution No. 20-08 Update*

GM York presented the staff report.

- b. *City of Sacramento Update*  
GM York presented the staff report.
- c. *Arden Park Vista Service Area*  
GM York presented the staff report.
- d. *Sacramento Area Council of Governments – Green Means Go Initiative Program*  
GM York presented the staff report. He inquired if the Board would be interested in a presentation to present further information on the Green Means Go initiative program in the next six month.

The Board agreed to a presentation.

- e. *Walnut Property Acquisition Update*  
GM York presented the staff report.
- f. *SSWD – County Change of Ownership*  
GM York presented the staff report.

### **Department/Staff Reports**

#### **15. Financial Report**

A written report was provided and answered clarifying questions.

Director McPherson inquired about the detailed analysis of the increases to the Administrative and General Fund.

Mr. Ott expressed he would provide her with that information by Wednesday, September 23, 2020.

- a. *Financial Highlights – August 2020*  
A written report was provided.
- b. *Financial Statements – August 2020*  
A written report was provided.
- c. *Investments Outstanding and Activity – August 2020*  
A written report was provided.
- d. *Cash Expenditures – August 2020*  
A written report was provided.
- e. *Credit Card Expenditures – August 2020*  
A written report was provided.

f. *District Reserve Balances – August 2020*  
A written report was provided.

g. *Information Required by Bond Agreement*  
A written report was provided.

h. *Financial Markets Report – August 2020*  
A written report was provided.

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

17. **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)**

18. a. Regional Water Authority (Director Jones)  
The agendas for the September 10, 2020, meeting and September 16, 2020, Special Board Meeting were provided.

Regional Water Authority Executive Committee (General Manager York)  
The agenda for the August 26, 2020, meeting was provided.

b. Sacramento Groundwater Authority (Director Wichert)  
None.

c. Director Reports – AB 1234  
Director Locke provided oral reports of Water Forum meetings he attended on August 4, 2020, and August 20, 2020; his meeting with the Board President on August 8, 2020; the SGA meeting he attended on August 13, 2020; the meeting with the General Manager he had on August 9, 2020; and the RWA Executive Committee meeting he attended on August 26, 2020.

Director Jones provided an oral report of the July 28, 2020, Del Paso Manor Water District Special Board Meeting that he attended.



## **Committee Reports**

19. a. Facilities and Operations Committee (Director Jones)  
Draft minutes from the September 2, 2020 meeting were provided.

## **Information Items**

20. **Correspondence received by the District**  
A written report was provided.
21. **2021 Budget Preparation Status Update**  
A written report was provided.
22. **Legislative and Regulatory Update**  
A written report was provided.
23. **Upcoming Water Industry Events**  
A written report was provided.
24. **Upcoming Policy Review**  
A written report was provided.
  - a. Employment Rules and Procedures Policy (PL - HR 001)
  - b. Employee Performance Evaluation, Merit and COLA Policy (PL - HR 003)

## **Director's Comments/Staff Statements and Requests**

None.

## **Adjournment**

VP Wichert adjourned the meeting at 8:41 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District