

## Minutes

Sacramento Suburban Water District  
**Special Board Workshop**  
Monday, October 12, 2020

### Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #817 6796 6458

### Call to Order – Videoconference/Audioconference Meeting

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

### 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, Lynn Pham, and Cassie Crittenden.

Public Present: William Eubanks.

### Announcements

General Manager Dan York (GM York) announced:

- Water Forum Virtual 20th Anniversary Climate Symposium and Reception on Wednesday, October 14, from 1:00 p.m. to 5:00 p.m.

### Public Comment

None.

### Items for Discussion and Action

#### 1. First Draft 2021 Budget

Jeff Ott (Mr. Ott) presented the staff report and PowerPoint presentation on the 2021 budget and answered several clarifying questions.

GM York expressed he would discuss with the City of Sacramento the option of extending the current 6,500 acre feet of surface water to be delivered to the District in 2021 as part of the groundwater transfer arrangement and purchase additional surface water at the reduced rate of \$120 per acre feet.

Director Locke expressed he believe the 1.8% increase in construction costs was inaccurate.

Director Jones inquired if the 1.7% rate for 2020 was correct.

Mr. Ott expressed he would look at the ENR Index to confirm.

William Eubanks (Mr. Eubanks) inquired what the Water Loss Percent was, how it related to the budget and what the associated numbers were with it.

Mr. Ott answered it was the difference between what production and sales were and that it tied into the budget from a cost standpoint.

Mr. Eubanks inquired if the numbers in the Projected Actual Budget could be shown in dollars with the totals, as opposed to percentages.

Mr. Ott expressed he could include additional columns to display the dollar amount as well as percentages.

Director Wichert inquired in the 2020 Projected Results if the numbers presented were before the losses or after the losses.

Mr. Ott expressed he would find out.

Discussion ensued on reserve funding.

Director McPherson pointed out that if there was extra revenue, the Board should consider either minimally funding the reserve or reducing planned rate increases.

Mr. Eubanks inquired why the Operating Reserve Balance slide included CEPS.

Mr. Ott expressed it was a mistake and he would correct it.

Director Locke requested staff overlay the initial anticipated amount projected for the CIP projects based off the Master Plan, and what was identified when the studies were done to show how much money we should be spending versus how much was actually spent.

Mr. Ott expressed he would overlay the rate study amounts versus the projected amounts from the Master Plan.

Mr. Eubanks expressed he endorsed Director Locke's suggestion.

Director Locke requested to replace the "X's" with the actual dollar amounts in the CIP Project Detail slides.

Mr. Ott expressed he would replace the "X's" with the amounts.

Discussion ensued on design and construction as well as condition assessment.

Mr. Ott continued with the PowerPoint presentation, and pointed out the new Full Time Production Operator position request.

Director's Locke and Wichert endorsed the position.

Director Locke requested staff update the O&M Expense Detail, COLA and Merit slides, as he felt they did not accurately display what happened in 2019.

Mr. Ott expressed he would either divide the salary expense by the number of employees, or show the average salary increases per employee.

Director Wichert requested a net present valuation on the OPEB to determine if it was more cost effective to fund now versus later.

Mr. Ott will request for the actuaries to calculate it.

Director Wichert requested to break out full time employees percentages versus contracted employees percentages, and have them in their own column in the O&M Expense Detail slide.

Director McPherson requested additional information on the unfilled position such as how long was it unfilled, and what the plan was for that position.

GM York thanked staff for all of their hard work on the budget.

The Board suggested staff postpone the Finance Report in the October regular Board meeting in order to focus staff efforts on preparing an updated budget presentation.

### **Adjournment**

President Thomas adjourned the meeting at 7:48 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District