

## Minutes

### Sacramento Suburban Water District Regular Board Meeting Monday, May 18, 2015

#### Call to Order

President Schild called the meeting to order at 6:30 p.m.

#### Roll Call

Directors Present: Frederick Gayle, Craig Locke, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Greg Bundesen, David Espinoza, Dave Jones, Annette O'Leary, Matt Underwood and John Valdes.

Public Present: Richard Beck, Ted Costa, Brenda Washington-Davis, Patricia Gayman, Glenn Jorgensen, William Eubanks, Rayne Highstreet, Ellen Letl, Marsha Prillwitz, Jim Stalder, Paul Stanbrough, Laura Valoppi, and Avery Wiseman.

#### Announcements

- Staff received word regarding the status of claims made against the District and the District's financing corporation by Ms. Verga. Neither entity owes any further recompense on the Plaintiff's two separate claims for each of her properties.
- The District will be hosting an Outreach Implementation Workshop for the New Statewide NPDES Permit for Drinking Water System Discharges. It will be held at the Antelope Corp Yard on Friday, June 5 from 10 a.m. to noon.
- There will be a McClellan RAB meeting Thursday, May 21 at 6:30 p.m.
- There will be a Facilities & Operations Committee meeting on Thursday, May 21 at 5 p.m.
- The District will be closed on Monday, May 25<sup>th</sup> in observance of Memorial Day.
- Staff is still trying to set up the Joint Board meeting. All of the Board members of the SJWD Board, the Consultants, key staff members and four of the five SSWD Board members indicate Thursday, June 25, 2015 at 6 p.m. provides the greatest number of participants.

#### Public Comment

Ted Costa, Board President of San Juan Water District, stated his Board was able to commit to a June 25, 2015 joint Board meeting date and requested President Schild's commitment to the date. President Schild stated had not been able to check his calendar and was unable to commit.

Richard Beck stated he wished to receive more information regarding the District's compliance with the Governor's drought mandates. Mr. Beck noted the variations of compliance within his

own neighborhood, whereby some landscapes were dead or dying while others were lush and green. He stated he wished to see a more pro-active approach requiring all ratepayers to conserve equally. President Schild suggested Mr. Beck might be interested in agenda item 7 which was regarding this topic.

Laura Vallopi provided a brief background of her employment in the field of water. Ms. Vallopi suggested more rebate programs including a Cash-for-Grass program, to accelerate installation of meters, various contest ideas, and more water efficient landscape workshops. Ms. Vallopi promoted finding more positive and fun ways to encourage customers to convert to water efficient landscapes.

William Eubanks stated his feeling that the District is too severe in its restrictions on ratepayers. Mr. Eubanks noted the state has restricted outdoor irrigation to two days per week and questioned why staff would recommend the Board limit watering to one day per week. Mr. Eubanks voiced his frustration for the high rates the District has charged in order to bank water for drought times and the SWRCB has now taken that water without benefit to the ratepayers.

**Consent Items**

1. Minutes of the April 20, 2015 Regular Board Meeting
2. Resolution No. 15-07 Accepting Grant of Easement and Right of Way for 721 Treehouse Lane
3. Agreement to Grant Easement to SMUD for Marconi Office Arc Flash Improvements Project
4. Legislative Response Policy (PL - Adm 004)
5. Employee Compensation Policy (PL - HR 002)
6. Electronic Mail, Internet and Computer Use Policy (PL - IT 005)

Director Thomas requested Item 3 be pulled from Consent. President Schild requested Items 4 and 5 be pulled. Director Wichert requested Item 1 be pulled.

Director Locke made a motion to approve Items 2 and 6; Director Thomas seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding Item 1, Director Wichert directed attention to page 2015-32, first sentence of the last paragraph and directed staff to insert the word “not” so the sentence reads “...now believes GM Roscoe is not the appropriate person to continue leading the District”. Director Wichert then directed attention to page 2015-30, Item 31 and

requested the record include “Director Wichert asked staff if a JPA had been investigated and received no response”.

Director Thomas made a motion to approve the minutes with amendments; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding Item 3, Director Thomas noted the report indicated there was no fiscal impact to the easement. Staff confirmed no fiscal impact with regard to the easement but there would be a fiscal impact with modifications to the building. Director Thomas requested additional information on those costs.

Director Thomas made a motion to grant the subject easement; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding Item 4, President Schild questioned if staff had removed the language related to the taking of Regional Water Authority’s position automatically. Staff confirmed the language was removed.

Director Thomas made a motion to approve the subject policy; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding Item 5, President Schild questioned the reasoning behind the words “and assistants” in the last sentence under section 100.00 Purpose of the Policy. GM Roscoe responded the words were a direct quote from the Water Code.

Director Thomas made a motion to approve the subject policy; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

## Items for Discussion and Action

### 7. **Overview and Follow-up from May 14, 2015 Special Board Workshop/2015 Water Conservation Stage Declaration**

This item was placed on the agenda as a placeholder to complete any business not completed at the May 14, 2015 Special Board Workshop. GM Roscoe provided a summary of the Special Board Workshop regarding a proposed revised 2015 Water Conservation Stage which included:

- State Water Resources Control Board (SWRCB) Emergency Regulations and the SWRCB's current mandate for the District to conserve water by 36%.
- SWRCB Comment Letters whereby the District requested various consideration and staff's expectation of a reduction of the SWRCB's mandate to 32%.
- Overview of the Water Conservation Customer Water Efficiency Assistance Programs which were approved for a total of \$477,000.
- Adoption of Resolution No. 15-06 Amending Regulation No. 15 of the Regulations Governing Water Service which amended the District's Regulation No. 15 to align with Regional Water Authority's declaration stages.
- 2015 Water Conservation Stage Declaration which failed on a 2/2 vote and is back before the Board, including the \$205,000 budget augmentation.
- The 2015 Budget Update was tabled. Staff was directed to bring it back before the Board during the present meeting.

Finance Director Dan Bills provided a presentation on the budget to show the Board how staff intends to fund the \$682,000 requested by staff to support the conservation effort. The \$477,000 for the Customer Water Efficiency Assistance Programs was approved by the Board at the May 14, 2015 Special Board Workshop; the additional \$205,000 being requested tonight is for outreach activities and events, as well as two part-time Water Conservation Representatives and handout materials.

Water Conservation Supervisor Greg Bundesen also provided a presentation on the water conservation program and staff's recommended changes to coincide with the newly adopted Regulation No. 15.

Ellen Letl provided a description of her fixed income and the details of her property and its use in growing all her own food. Ms. Letl stated watering less than two days per week would kill all her trees.

Marsha Prillawitz provided her background with the Department of Water Resources. Ms. Prillawitz requested staff add her to the email notification list for the District's meetings. She stated she believes the District is moving in the right direction to conserve the 32% mandated water reduction. She suggests accelerating the meter install program. She stated she has also submitted comments on the Phase 2A Study which she currently does not support.

Brenda Washington-Davis endorses the water conservation program. Ms. Washington-Davis encourages a more friendly approach to the conservation program rather than going straight to a notice of violation.

Jim Stalder commented that most other water districts are moving to a two day per week watering schedule. Mr. Stalder also questioned if there will be legal ramifications against the state for the ratepayer's loss of use of the District's banked water.

Avery Wiseman echoed the comments of overly aggressive actions by the Board and also suggests a more positive approach to conservation. Mr. Wiseman supports more than one day a week watering schedule.

Laura Vallopi noted the description of the budget augmentation didn't include potential fines and penalties the District may face. Ms. Vallopi suggested including data on billing with regard to how well the customer is conserving, as well as accelerating the installation of meters. Ms. Vallopi also suggested, with regard to the Cash-for-Grass program, having customers let their lawns die and then plant in the fall rather than the summer. She also suggested letting customers determine for themselves how they will conserve.

William Eubanks suggested a two day per week watering schedule which is in line with SWRCB recommendations. Mr. Eubanks feels the amount of money being requested for outreach is small and could be doubled and used for outreach. Mr. Eubanks suggested sending out a letter to neighboring water purveyors to make a notification the District will not provide emergency water. Mr. Eubanks commented on the Cal-Fire operations at McClellan and states the District ratepayers are currently subsidizing fire protection for the state and suggested sending a bill or requesting credit for that water.

Richard Beck complimented Mr. Bills on his presentation. Mr. Beck would like to see some sort of exemption for those ratepayers that grow their own food. Mr. Beck commented that it will cost more for two part-time Water Conservations Reps and costs for notifications than what the District would collect in fines for those ratepayers that continue to overwater.

Staff requested a 5 minute recess. The Board adjourned for recess at 8:37 and reconvened at 8:44 p.m.

GM Roscoe stated, after hearing many good comments from the public, staff wished to modify the recommendation. Director Wichert stated he believed it was up to the Board at this point.

Director Wichert made a motion to add an exemption for food crops for personal consumption; President Schild seconded. The motion passed by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Directors Locke and Thomas questioned staff on the amended recommendation. GM Roscoe recommended a modified Stage 3 – Water Crisis with the following modifications:

- Outdoor watering will be limited to 2 day per week excepting watering of food crops for personal consumption which will not have a watering day limitation.
- Odd numbered addresses water on Tuesdays and Saturdays.
- Even numbered addresses water on Wednesdays and Sundays.
- Watering is prohibited on Mondays, Thursdays and Fridays.
- Planting of new or expanded landscape is prohibited, unless it is demonstrated that the new landscaping will result in a decrease in water use by 32% or 36% (dependent upon SWRCB obligations) or greater. New or expanded landscapes requests are subject to the review and approval by the General Manager.
- General Manager has authority to make exceptions to the Water Crisis stage enforcement to allow and consider extenuating circumstance on a case-by-case basis.
- District staff recommends that measurable rainfall be defined as 1/8 of an inch measured at the Sacramento Regional Airport.
- Under Warning Notice of Violation – staff recommends striking the statement “Staff is recommending suspending Regulation No. 15 Notice of Violation and moving straight to the Warning Notice of Violation”.

There were no modifications to the budget augmentation request.

Director Thomas moved to adopt a Modified Stage 3 – Water Crisis with the above modifications; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**8. Water Meter Asset Management Plan Update**

GM Roscoe summarized the report. This is a routine update. President Schild stated he would like to see the backyard main replacements accelerated.

Director Thomas made a motion to adopt the Meter Asset Management Plan; Director Gayle seconded. The motion carried by 4/1 vote.

AYES:	Gayle, Locke, Thomas and Wichert.	ABSTAINED:	
NOES:	Schild.	RECUSED:	
ABSENT:			

9. **Project Agreements with RWA for Grant Management Services for 2015 USBR CalFed Sacramento Regional Water Indoor Efficiency Retrofit Project**

Director Thomas made a motion to authorize the General Manager to execute agreements with RWA; Director Wichert seconded. The motion carried by 4/1 vote.

AYES:	Gayle, Locke, Thomas and Wichert.	ABSTAINED:	
NOES:	Schild.	RECUSED:	
ABSENT:			

10. **Resolution No. 15-08 Placing in Nomination General Manager Robert Roscoe for ACWA Region 4 Board Member and Chair**

Director Thomas stated GM Roscoe has a good chance of being involved in the ACWA workgroups. President Schild announced his interest in being nominated for ACWA Region 4 Board Member. Director Wichert questioned if both GM Roscoe and President Schild could be nominated. GM Roscoe explained the candidates recommended by Region 4 ACWA members would be reviewed by a nominating committee and a recommended slate would be proposed on the ballot. Staff will present a resolution placing in nomination President Schild at the Regular June Board meeting

Director Wichert made a motion to adopt the subject resolution; Director Gayle seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Information Items**

A written report was provided.

11. **Water Conservation and Regional Water Efficiency Program Report**

A written report was provided.

- a. *Drought Update*  
A written report was provided.
- b. *Water Conservation Program*  
A written report was provided.
- c. *Upcoming Events*  
A written report was provided.

12. **District Activity Reports**

A written report was provided.

a. *Water Operations and Exceptions Report*

A written report was provided. Mr. Eubanks withdrew his comment.

b. *Customer Service Report*

A written report was provided.

c. *Community Outreach Report*

A written report was provided.

13. **Engineering Report**

A written report was provided. Mr. Eubanks withdrew his comment.

a. *Major Capital Improvement Projects*

A written report was provided.

b. *County and City Projects/Coordination*

A written report was provided.

c. *McClellan Business Park*

A written report was provided.

d. *Groundwater Quality Projects*

A written report was provided.

e. *Developer Projects*

A written report was provided.

f. *Other*

A written report was provided.

14. **Financial Report**

A written report was provided. President Schild noted there was more in water sales.

a. *Financial Statements – April 2015*

A written report was provided.

b. *Financial Activity – April 2015*

A written report was provided.

c. *Investments Outstanding and Activity – April 2015*

A written report was provided.

- d. *Cash Expenditures – April 2015*  
A written report was provided.
- e. *Credit Card Expenditures – April 2015*  
A written report was provided.
- f. *Directors Compensation and Expense Accounting – Through April 2015*  
A written report was provided.
- g. *Market Report Yields – March 2010 through April 2015*  
A written report was provided.
- h. *District Reserve Balances – April 2015*  
A written report was provided.
- i. *Information Required by Bond Agreement*  
A written report was provided.

15. **General Manager’s Report**

- A written report was provided.
- a. *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*  
A written report was provided.
  - b. *Termination of Water Service*  
A written report was provided.
  - c. *Update on CAL-Fire Operations at McClellan Business Park*  
A written report was provided. Mr. Eubanks questioned why ratepayers are subsidizing firefighting operations for most of northern California. GM Roscoe stated a meter is being installed and they will pay for their water use and pay a connection fee.
  - d. *Implementation of AB 1522 Sick Leave Benefit*  
A written report was provided.
  - e. *CIP Projects Prioritization List*  
A written report was provided.
  - f. *California EcoRestore and California WaterFix (Alternative 4A) Proposals*  
A written report was provided.

16. **Status of Phase 2A Reorganization Study**

Mr. Jorgensen provided copies of his written comments related to the Phase 2A Study to the members of the Board. He is opposed to the merger. Mr. Jorgensen stated there was another topic he wished to discuss not included in his comments. Mr. Jorgensen

compared the financial information included in the Phase 2A Study and states SJWD is struggling financially and wants SSWD to bail them out. He urges the Board to not bail them out.

Mr. Eubanks commented on an opinion piece in the Sacramento Bee regarding the merger and questioned if the General Manager had the authority to do so. Director Thomas remarked the Boards encouraged staff to make the public aware of the merger discussions. Director Wichert stated a General Manager has the ability to express his opinion and a Board's only recourse would be to relieve him of his duties if they so choose. Mr. Eubanks questioned the Board and GM Roscoe if they were still supportive of the merger given current affairs with regard to SWRCB. Director Wichert stated he was not prepared to render an opinion at this point. President Schild stated he was never interested in more than perhaps gaining some water from SJWD, he is opposed to sending water to them as he believes pumping the groundwater could lead to water quality issues.

17. **Sustainable Groundwater Management Act**  
There was a brief non-substantive discussion. Director Locke stated he was interested in attending Sacramento Groundwater Authority meetings.
18. **Biannual Groundwater Elevations Report**  
Director Wichert stated the report was very helpful.
19. **Legislative and Regulatory Update**  
Assistant General Manager York presented the report. GM Roscoe thanked AGM York for testifying on SB 385 Chrom 6: Compliance Plan. GM Roscoe noted SB 385 doesn't change limits but allows more time for compliance.
20. **ACWA/JPIA H.R. LaBounty Safety Award**  
A written report was provided.
21. **Upcoming Policy Review – Ethics Policy (PL - BOD 004)**  
A written report was provided. Directors' comments are due by June 1, 2015.
22. **Upcoming Policy Review – Unclaimed Check Policy (PL - Fin 007)**  
A written report was provided. Directors' comments are due by June 1, 2015.
23. **Upcoming Policy Review – Engagement of Auditor Policy (PL - Fin 001)**  
A written report was provided. Directors' comments are due by June 1, 2015.
24. **Upcoming Policy Review – Amending Regulations Nos. 1 through 14, 16 and 17 of the Regulations Governing Water Service (PL – Adm 001)**  
A written report was provided. Directors' comments are due by June 1, 2015.

## **Committee Reports**

25. a. Facilities and Operations Committee (Director Wichert)  
Notes from April 20, 2015 meeting.
- b. Finance and Audit Committee (Director Locke)  
No report.
- c. Government Affairs Committee (Director Wichert)  
No report.
- d. 2x2 Water Management Ad Hoc Committee (Director Schild)  
See separate agenda item – Status of Phase 2A Reorganization Study.
- e. Ad Hoc Water Banking and Transfer Committee (Director Locke)  
Director Locke provided an oral report regarding the May 18, 2015 meeting.
- f. Ad Hoc Water Rights Review Committee (Director Schild)  
No report.

## **Director's Reports (Per AB 1234, Directors will report on their meeting activities)**

26. a. Regional Water Authority (Director Thomas)  
Agenda from May 14, 2015 meeting.  
  
Regional Water Authority Executive Committee (General Manager Roscoe)  
Agenda from April 29, 2015 meeting.
- b. Sacramento Groundwater Authority (Director Schild)  
Agenda from April 23, 2015 Regional Contamination Committee meeting.
- c. Water Forum Successor Effort (Assistant General Manager York)  
Agenda from April 30, 2015 Water Forum Dry Year Conference.
- d. San Juan Water District Executive Committee (Assistant General Manager York)  
No report.
- e. Other Reports  
Director Gayle provided oral reports regarding the April 10, 2015 Capitol-to-Capitol Orientation meeting and the April 17-22, 2015 Capitol-to-Capitol event.  
  
Director Locke provided an oral report regarding the April 20, 2015 meeting with District Legal Counsel.  
  
Director Schild provided an oral report regarding the May 4, 2015 ACWA/JPIA Conference and the May 5-8, 2015 ACWA Spring Conference.

Director Thomas provided oral reports regarding the April 23, 2015 meeting with the General Manager and the May 5-8, 2015 ACWA Spring Conference.

**Miscellaneous Correspondence and General Information**

- 27. Certain correspondence received by the District was provided.
- 28. General information related to District business was provided.

**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 10:07 p.m.

- 29. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.
- 30. Conference with Board negotiating committee (including Directors Gayle and Schild) involving the General Manager under Government Code sections 54954.5(f) and 54957.6.

**Return to Open Session**

The Board convened in open session at 11:19 p.m. There was no reportable action.

**Adjournment**

President Schild adjourned the meeting at 11:20 p.m.

---

Robert S. Roscoe  
General Manager/Secretary  
Sacramento Suburban Water District