

## **Minutes**

### **Sacramento Suburban Water District Special Board Workshop Thursday, May 14, 2015**

#### **Call to Order**

President Schild called the meeting to order at 6:01 p.m. Director Wichert was absent.

#### **Roll Call**

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

Directors Absent: Robert Wichert.

Staff Present: General Manager Robert Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Todd Artrip, Greg Bundesen, Annette O'Leary, Vicki Sprague, Matt Underwood and John Valdes.

Public Present: Dave Bolland, Brenda Washington-Davis, Mark Emmerson, Glenn Jorgensen, William Eubanks, Lance Salisbury Jim Skinner and Amy Talbot.

#### **Announcements**

- Staff has begun receiving comments on the Phase 2A Study. Some are addressed to staff, some to the Board and some to both. Staff will accumulate all Phase 2A Study comments for consideration after the close of the comment period of June 5, 2015, unless directed otherwise.
- 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.
- The regular May Board meeting will be Monday, May 18 at 6:30 p.m.
- There are additional handouts at the dais and public copies counter. The handouts are printouts of two presentations being given tonight:
  - Sacramento Suburban Water District Water Conservation Program
  - 2015 Budget Update
- 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.
- General Manager Roscoe announced Mark Emmerson of the State Water Resources Control Board (SWRCB), Amy Talbot of Regional Water Authority (RWA) and Dave Bolland of Association of California Water Agencies (ACWA) were in attendance.

## **Public Comment**

Mark Emmerson, Research Scientist for SWRCB, is also a board member for Carmichael Water District. Mr. Emmerson spoke regarding the current drought conditions and explained SWRCB's need to plan for a worst case scenario and added that if the SWRCB is able to assist agencies with their drought measures they will. Director Thomas questioned whether the SWRCB was considering the over 600 comments received regarding the conservation mandates. Mr. Emmerson replied they were going to consider those comments but, given time constraints and the need to conserve water during the summer season, SWRCB had moved forward with the current mandates. Work groups will be developed to consider those comments.

Director Gayle asked if the District was using the same methodology in strategic planning. Mr. Emmerson stated he was not aware of what methodologies other districts were using. Director Gayle stated he would like to see SSWD involved in the SWRCB work groups.

William Eubanks questioned, should it rain and the drought ended, would SWRCB cease all control. Mr. Eubanks does not believe that, once the SWRCB gains control of all water, that they will give up that control under any circumstances. Mr. Eubanks explained that District ratepayers had paid a great deal in rates for the purpose of banking water as a hedge against drought conditions and expressed his displeasure with SWRCB for stepping in and taking control of the ratepayers' water. Mr. Emmerson stated he did not share Mr. Eubanks' views.

Glenn Jorgensen noted that various water districts were using various formulas for calculating residential gallons per day and that the SWRCB did not specify a formula for uniformity. Mr. Emmerson responded there was a formula posted on the SWRCB website. Mr. Jorgensen commented that the formula posted could be different from what another agency uses and ultimately reports. Mr. Emmerson stated SWRCB takes information provided by the agencies and uses the posted formula to compare.

Lance Salisbury stated his belief that many ratepayers are happy to be moving towards higher water conservation measures. Mr. Salisbury believes that most water is used in outdoor irrigation and that measures to minimize outdoor irrigation will be useful. Mr. Salisbury thanked Mr. Emmerson for joining the meeting.

Amy Talbot commented that regional conservation was at 20% and now must be almost doubled. Ms. Talbot stated her belief the District's conservation plan is a solid plan and thanked the District for aligning its conservation stages with the RWA conservation stages.

Dave Bolland stated ACWA has been working on these issues and is working with the various agencies and districts. Mr. Bolland announced ACWA has a flyer for tools for water conservation and will be hosting another workshop on regulatory issues and record keeping.

Jim Skinner stated that the jet stream has shifted and the drought is the new normal. Mr. Skinner would like to explore digging out the Folsom Lake lakebed to create additional storage capacity. Mr. Skinner commented that people in the region must give up having lawns.

## **Items for Discussion and Action**

Water Conservation Supervisor Greg Bundesen thanked all in attendance and provided a presentation on the items being presented as well as the goals sought during the workshop.

### **1. State Water Resources Control Board Emergency Regulations**

GM Roscoe summarized the report and advised the Board that water utilities not meeting their assigned tier reduction could face penalties from the state which could result in the state mandating further water conservations actions and/or financial penalties assessed to a water utility for each day the utility is out of compliance. Financial penalties could be as severe as \$10,000 for each day a water utility is out of compliance. The District's current tier is 36%. Mr. Emmerson stated the SWRCB will be looking at the possibility of tier revisions on May 31, 2015. Some tiers will be reduced, none will be increased. GM Roscoe stated the District is anticipating a tier reduction to 32%.

Director Thomas noted the Governor's mandate was for a 25% reduction and suggested that if there are a great number of comments requesting consideration for lower tier reductions, it would not be likely the District will be successful in its request.

Mr. Eubanks questioned if the District had been on track to meet the previous 25% mandate with the conservation programs already in place. GM Roscoe stated the District was not on track to meet that goal. President Schild stated the District was at a 20-21% reduction. Mr. Eubanks asked if the new programs being sought would get the District to its 36% goal. GM Roscoe stated the District didn't want to spend any more money than necessary and if the programs being recommended achieved the reductions the District is mandated to reach, the District could scale back. Mr. Eubanks stated the 36% reduction is impossible to reach. The statewide water system is oversubscribed and was designed to support 20 million and not the current 39 million.

### **2. State Water Resources Control Board – Comment Letters**

GM Roscoe provided a summary of the report. GM Roscoe stated he expects to see more extremes in climate and also stated his belief that the SWRCB should have made certain considerations before making its mandates. Those considerations included the following:

- climate (coastal vs. inland)
- population densities (urban vs. suburban/larger lots)
- amount of water taken from the area of origin
- the need to measure surface water from the point of diversion (not incentivizing agencies for loss of water due to leaks in transmission systems)
- credit for return flows (water taken from river is returned to the river to meet Delta flow requirements and downstream diversion needs)
- ignoring state law AB 32 - Greenhouse Gas Emissions (cutting back on water sources that cause the greatest amount of greenhouse gases)

Director Gayle stated the comment letters were brilliant. Mr. Eubanks commended staff, particularly GM Roscoe, on the comment letters submitted to the SWRCB. Mr.

Eubanks voiced his belief that, once the SWRCB gains control of the water, they will not give control back.

3. **Water Conservation Customer Water Efficiency Assistance Program**

President Schild announced staff's recommendations which were:

1. Approve and fund Customer Water Use Efficiency Assistance Rebate Programs
2. Approve additional funding for Public Outreach for the additional programs
3. Approve additional Water Conservation Technician I position
4. Approve funding for all Alternate Water Conservation Programs

GM Roscoe stated he wished to revise recommendation 3 to "Approve funding for outside consulting firm" rather than hiring a permanent full-time position.

President Schild stated recirculating hot water pumps are not cost-effective but does prefer a Cash-for-Grass program. Mr. Bundesen provided an overview of the Cash-for-Grass program process. Director Thomas stated the program is the least cost-effective. GM Roscoe responded the Cash-for-Grass program is the most requested program. GM Roscoe stated the City of Folsom announced its Cash-for-Grass program and the program sold out in 1 hour and the agency received over 1000 calls in 1 day. Mr. Emmerson stated he sees it as a long-term program and suggested adding a caveat to the program whereby the recipient is to let the lawn die then plant in winter. Director Gayle commented that he intends to use bark which he can receive free from SMUD. Ms. Talbot stated she believes the program menu provides a good diversity. Mr. Eubanks agrees with Mr. Emmerson's idea of allowing lawns to die as part of the Cash-for-Grass program. Lance Salisbury stated he was excited about the Cash-for-Grass program and recommends a quality assurance process. Mr. Salisbury stated that door-to-door messaging is a good start. Mr. Salisbury also suggested checking with the Department of Water Resources (DWR) as a source of potential funding for the lawn replacement program.

Director Thomas asked Mr. Emmerson about the success of the Carmichael Water District's (CWD) staff walking neighborhoods and talking about conservation. Mr. Emmerson stated it was a productive endeavor and water sales did fall. Mr. Emmerson suggested the most water savings will be achieved by reducing the watering of turf.

Mr. Jorgensen suggested a modification factor for a 90% rebate for drought landscaping and 100% rebate for complete removal of all landscaping and zero water use.

Mr. Bolland offered "Save Our Water" and various tools on the RWA website. Mr. Bolland encouraged toilet rebates, providing low flow shower heads, hose nozzles and buckets in the shower for watering plants. Mr. Bolland also encouraged the Board to approve all of the programs suggested so that ratepayers have diversity of programs to conserve water. Mr. Bolland suggested the District contact the top 10 water users to offer ideas and support to conserve water.

Director Gayle made a motion to approve the item; the motion died for lack of a second.

President Schild made a motion to concentrate on the Cash-for-Grass, Irrigation Efficiency Upgrades and Rain Sensors programs. The motion died for lack of a second.

Mr. Emmerson stated that CWD approved a pot of money rather than approving each program. Mr. Bolland, speaking as a ratepayer, stated the big issue is to reduce water use; suggesting that although fiscal prudence is important, reduce water use first and then determine which program was most successful and cost-effective.

Director Gayle made a motion to authorize the expenditure of \$477,000 for the amended water conservation efforts listed in agenda Item 3, including leak detection and AMI; Director Thomas seconded. The motion carried by 3/1/1 vote.

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

4. **Resolution No. 15-06 Amending Regulation No. 15 of the Regulations Governing Water Service**

GM Roscoe stated the subject resolution included some cleanup language but was largely meant to align with RWA’s definition of the various conservation stages.

In the interest of time, Mr. Eubanks withdrew his comment.

Director Thomas made a motion to adopt the subject resolution; Director Gayle seconded. The motion carried by 3/1/1 vote.

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

5. **2015 Water Conservation Stage Declaration**

GM Roscoe presented the report. Staff recommended a modified Stage 3 – Water Crisis.

Director Thomas noted that other districts allow for a 2 days per week watering schedule. Ms. Talbot commented that SSWD has to meet a 36% reduction and reducing water during the summer would go a long ways towards meeting that goal. Mr. Bundesen stated it would take too long to go back to the Board for approval and then re-market should a 2 day per week schedule not provide the needed reductions.

Mr. Eubanks lobbied for 2 days per week and stated that he would be looking for reimbursement for his loss of assets, should his trees not survive a 1 day per week watering schedule. Mr. Eubanks also questioned why the 1 day per week schedule requires watering on either a Saturday or Sunday. Mr. Bundesen responded weekends were believed best as most people are home on the weekends and able to monitor their watering.

Mr. Eubanks stated \$120 million was spent on banking water and questioned whether the District intended to stand up legally against the state. Mr. Emmerson stated that the Division of Drinking Water (DDW) cannot take away a water use permit for conservation use. Mr. Emmerson also stated issues such as these will be dealt with in the SWRCB workgroups. Mr. Bills echoed Mr. Eubanks' concern. President Schild asked for Mr. Emmerson's thoughts on whether the District is likely to get credit for all their effort in banking water. Mr. Emmerson stated "only time will tell" and that currently the SWRCB is only looking at the next four months. Mr. Bolland commented that other agencies are in the same boat but, due to the banked water, the District is in great shape as far as the State Groundwater Management Act (SGMA). GM Roscoe questioned when the workgroups will be formed. Mr. Bolland stated an individual from the SWRCB told him it would be around August. Director Gayle stated he would like to see SSWD in a leadership role in those workgroups.

Director Thomas made a motion to declare a modified Stage 3 – Water Crisis; Director Gayle seconded. The motion failed on a 2/2 vote.

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

**6. 2015 Budget Update**

Mr. Bills summarized the item due to the lateness of the hour and stated the Board had just authorized spending nearly \$500,000 but had not determined how to fund it with another approximately \$200,000 being voted on at the May Regular Board meeting. Mr. Bills stated that since the additional \$200,000 has been deferred to the next Board meeting, he can bring this item back before the Board at that time.

Director Thomas made a motion to table the discussion until the May Regular Board meeting, Director Schild seconded. The motion carried by unanimous vote.

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

President Schild thanked the public, Mr. Emmerson, Mr. Bolland and Ms. Talbot for attending the meeting.

**Adjournment**

President Schild adjourned the meeting at 8:32 p.m.

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