

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, August 17, 2015

Call to Order

President Schild called the meeting to order at 6:32 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, Heather Hernandez-Fort, James Arenz, Greg Bundesen, David Espinoza, Dave Jones, John Valdes, Annette O'Leary and Lynne Yost.

Public Present: Ted Costa, William Eubanks and Avery Wiseman.

Announcements

- Friday, August 21, 2015 at 4:00 p.m., Government Affairs Committee Meeting
- Friday, August 28, 2015 at 3:00 p.m., Finance and Audit Committee Meeting
- Thursday, September 3, 2015 at 5:00 p.m., Facilities and Operations Committee Meeting
- Monday, September 7, 2015 Labor Day – Office is closed due to Holiday
- Thursday, August 20, 2015 CSDA training session on understanding the Brown Act “Beyond the Basics”

Public Comment

None.

Consent Items

1. Minutes of the July 20, 2015 Regular Board Meeting
2. Catastrophic Leave Policy (PL - HR 008)
3. Resolution No. 15-16 Accepting Grant of Easement and Right of Way for 737 Treehouse Lane
4. Resolution No. 15-17 Accepting Grant of Easement and Right of Way for 1020 Jonas Avenue
5. Resolution No. 15-18 Accepting Grant of Easement and Right of Way for 2135 Butano Drive

6. Resolution No. 15-19 and 15-20 Accepting Two Grants of Easement and Rights of Way at 4845 Fair Oaks Boulevard and Rescinding Resolution 15-14

President Schild requested Item’s 1 through 5 be pulled from the Consent calendar.

Director Thomas moved to accept Item number 6; Craig Locke seconded. The motion carried by unanimous vote.

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

Regarding Item 1, President Schild noted Jim Stalder’s name was incorrect under Item 7 in the July 20, 2015 Board Minutes. Staff noted to correct this mistake.

Director Wichert mentioned that he previously requested to see the Northrop Enterprise Intertie sketch. Assistant General Manager York (AGM York) clarified to him that the sketch will be at the next Facilities & Operations (F&O) meeting on September 3, 2015. In addition, Director Locke requested to see the sketch.

Director Wichert made a motion to accept Agenda Item 1 as amended; Director Locke seconded. The motion carried by unanimous vote.

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

Regarding Item 2, President Schild commented on the Catastrophic Leave Policy, noting that the option to transfer floating holiday hours is not stated in the policy, as it is offered on the Catastrophic Leave Pledge Form. General Manager Robert Roscoe (GM Roscoe) clarified for the Board what a floating holiday is. Director Locke stated that it appears to be comparable to vacation hours, therefore, should remain as an option on the form. Director Wichert moved to strike the Floating Holiday option from the policy. President Schild seconded the motion. The motion carried by 4/1 vote (Locke opposed).

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

Regarding Item 3, President Schild inquired about the existing County right of way. Mr. Dave Jones replied that the District does have the right on a public right of way; however, this particular easement ends at the County line, where the private roadway begins.

Director Locke inquired about the adjacent property easements. Mr. Jones responded that the two adjacent property easements have already been acquired at no cost to the District.

Director Thomas made a motion to accept 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 commented on the proposed 10 foot easement, noting that this easement has been previously brought before the Board. GM Roscoe stated that the available property for this easement is larger than what staff expected at the time this easement was initially presented to the Board. GM Roscoe further stated that the existing change to the easement was presented to the F&O Committee, who directed staff to present it to the full Board with a recommendation of approval.

President Schild expressed that he believed it would cost more to maintain this property than others in the District and that the District should not have agreed to serve water to this small property.

GM Roscoe further explained that there is a 5 foot easement on the adjacent property, which combined makes for a total of a 15 foot easement.

Director Wichert reminded the Board that this person is also a customer of the District. He expressed that any grant of easement is basically taking land use from the customer. He further stated that the General Manager believes this easement is adequate; therefore, he supported adopting the resolution.

Director Gayle made a motion to accept the subject easement; Director Locke seconded the motion. The motion carried by 4/1 vote (Schild opposed).

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

Regarding Item 5, President Schild expressed that he didn't agree with the 10 foot easement, declaring he believed it would not be adequate. Staff expressed that with the proposed 10 foot easement for this property, added to the proposed 20 foot easement at the adjacent property, the combined easement width would be 30 feet.

Director Locke made a motion to accept the subject easement; Director Wichert seconded the motion. The motion carried by 4/1 vote (Schild opposed).

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

Items for Discussion and Action

7. **Resolution No. 15-21 Supporting the Nomination of Kathleen Tiegs for President of the Association of California Water Agencies (ACWA) Board of Directors**

A written report was provided.

Director Gayle made a motion to support the nomination of Kathleen Teigs for President of ACWA; Director Locke seconded. The motion carried by unanimous vote.

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

8. **ACWA Region 4 Election**

Director Thomas moved to nominate the recommended slate. President Schild expressed his disapproval of Pam Tobin. Director Thomas withdrew his motion. Director Wichert agreed to not support the slate.

President Schild designated himself as the ACWA voting delegate.

President Schild proceeded to review the slate one by one. A non-substantive discussion ensued regarding the voting process, as well as discussion on the individual candidates.

The Board agreed to select the following individual candidates:

GM Roscoe as Chair, Glen Grant as Vice Chair, then Mike Hardesty, Thomas McGurk, John Mesinger, Tim O’Halloran and Robert Roscoe for the individual Board candidates.

Director Thomas made a motion to support the nomination of amended slate; Director Locke seconded. The motion carried by unanimous vote.

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

9. **Resolution No. 15-22 Fixing the Employer Contribution Under the Public Employees’ Medical and Hospital Care Act, and Resolution No. 15-23 Fixing the Employer Contribution Under Section 22893 of the Public Employees’ Medical and Hospital Care Act**

Finance Director Dan Bills introduced the report. GM Roscoe added that the District offers a minimum of one PPO plan, and one HMO plan with a cap on the District’s contribution. Mr. Bills explained that there is a 2.67% increase this year. President Schild suggested considering other providers such as JPIA. GM Roscoe reminded the

Board that if you leave CalPERS, there is a 5 year period in which you are unable to rejoin. Director Wichert commented that CalPERS appears to be the most reasonable choice, however, requested having a presentation by an alternate provider for next year so that the Board can better understand the benefits of their services.

Mr. William Eubanks commented on the subject of a supplemental plan.

Director Thomas made a motion to adopt the subject resolution; Director Locke seconded the motion. The motion carried by 4/1 vote (Schild opposed).

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

10. Resolution No. 15-24 Supporting the Nomination of a Candidate for Vice President of the Association of California Water Agencies (ACWA) Board of Directors

President Schild introduced the report. GM Roscoe clarified all of the options. Director Locke inquired if there was a disadvantage in supporting Mr. Bill George. Director Thomas noted that he is a part of RWA which would be supporting the District's region.

Director Locke made a motion to support Mr. George as the Vice Chair for ACWA; Director Thomas seconded. The motion carried by unanimous vote.

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

11. Update on Reorganization Discussions

GM Roscoe presented the staff report including a brief history of the topic. Director Wichert recommended assembling a meeting to discuss how this can move forward, line out any issues, and figure out how to resolve those issues. Director Thomas agreed.

Director Gayle suggested the District's Board President have a discussion with the Board President of San Juan Water District (SJWD) exclusively.

Mr. Eubanks inquired why the document produced by the Consultant, the Brenda Davis Law Group, was private. Director Wichert indicated that it was still a draft.

Mr. Eubanks stated his comments regarding the reorganization discussion. He also suggested that the District hire outside consultants instead of spending staff's time. Director Wichert responded that he would rather staff spend the time on working with the Districts neighbor agencies, than blindly proceeding with a possible merger.

Director Wichert made a motion that SSWD convene a stakeholder advisory committee to include one elected official from each of the following organizations; SJWD,

Carmichael Water District, Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water District, Del Paso Manor Water District and City of Folsom; Director Thomas seconded the motion. The motion carried by 3/2 vote. (Gayle and Schild opposed)

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

12. Main Replacement Program Project Substitution

GM Roscoe introduced the report.

Director Wichert asked why staff chose the Barcelona project. Mr. Jones pointed out that this project was actually scheduled to be constructed in 2014, but was postponed due to a County asphalt project. He explained that this project is already pre-designed and fits within the approved budget. Discussion ensued regarding budgeting for Asset Management Plans. GM Roscoe explained that this is an example of substituting a project that was not specifically approved at budget time.

Mr. Eubanks commented that the Asset Management Plan should be a guide for decisions made by the General Manager, and that the Board should only be responsible for the budgeting of this Plan.

Director Locke made a motion to authorize the Barcelona Water Meter Replacement Project for the 2015 budget; Director Thomas seconded. The motion carried by unanimous vote.

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

13. Surface Water Supply of Former Northridge Water District

A written report was provided. President Schild suggested looking beyond Area D. GM Roscoe exhibited Area D on the map and gave a brief history of the Area D water rights contract.

Mr. Eubanks withdrew his comment.

Director Wichert made a motion authorizing staff to direct District legal counsel to arrange for a meeting with the City of Sacramento legal counsel to investigate the validity of surface water supply of the former Northridge Water District; Director Locke seconded the motion. The motion carried by unanimous vote.

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

14. **Joint Defense and Cost Sharing Agreement to Preserve and Protect American River Water Supplies**

President Schild presented the report and expressed his opinion against the Joint Defense Agreement. He believes that the District will not get to a reasonable end result and that this is not economical.

Director Wichert inquired what staff’s expectations are of this Agreement. GM Roscoe replied that this Agreement would allow the District to provide technical comments, as well as preserve the District’s position. He further clarified what the Agreement is, and explained the benefits to the District.

Director Wichert echoed the clarification from GM Roscoe, stating that this is a way to allow experts to testify or lobby on the District’s behalf. Further stating that it is an effort to exert our influence over governmental entities which may take away things that the District believes are necessary. GM Roscoe added that it is also preserving the District’s legal rights.

Director Wichert made a motion to approve the Joint Defense and Cost Sharing Agreement; Director Gayle seconded the motion. The motion carried by 3/2 vote (Locke and Schild opposed).

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

15. **Strategic Plan (PL – BOD 001)**

A written report was provided. The Board agreed to have staff try to schedule a special meeting.

Mr. Eubanks withdrew his comment. Mr. Avery Wiseman commented that he was in favor of a workshop.

16. **Rescheduling the Date for September 2015 Regular Board Meeting**

A written report was provided. The Board agreed to keep the meeting the at the regular date and time.

Information Items

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

A written report was provided. Mr. Greg Bundesen presented the staff report.

a. *Drought Report*

A written report was provided.

b. *Summary of Activities to Date*

A written report was provided.

c. *Water Conservation Program and Results*

A written report was provided. Mr. Eubanks expressed his opinion on the cash for grass rebate program.

d. *Upcoming Events*

A written report was provided.

18. **District Activity Reports**

A written report was provided.

a. *Water Operations and Exceptions Report*

A written report was provided.

b. *Customer Service Report*

A written report was provided.

c. *Community Outreach Report*

A written report was provided.

AGM York announced that Sacramento Metropolitan Fire District complimented District staff on their response time during a recent water main leak.

19. **Engineering Report**

A written report was provided.

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.

20. **Financial Report**

A written report was provided.

Mr. Eubanks commented on payment garnishments.

- a. *Financial Statements – July 2015*
A written report was provided.
- b. *Investments Outstanding and Activity – July 2015*
A written report was provided.
- c. *Cash Expenditures – July 2015*
A written report was provided.
- d. *Credit Card Expenditures – July 2015*
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through July 2015*
A written report was provided.
- f. *Market Report Yields – January 2010 through July 2015*
A written report was provided.
- g. *District Reserve Balances – July 2015*
A written report was provided.
- h. *Information Required by Bond Agreement*
A written report was provided.

21. **General Manager’s Report**

A written report was provided.

Mr. Wiseman commented about the Comprehensive Water Rate Study conducted by HDR Engineering, Inc.

- a. *Sacramento River Water Reliability Study Update*
A written report was provided.
- b. *Newly Adopted Model Landscape Ordinance*
A written report was provided.
- c. *2016 Medical Insurance Rate Analysis*
A written report was provided.
- d. *San Juan Capistrano Tiered Rates Update*
A written report was provided.
- e. *2015 Flexible Benefit Plan Discrimination Testing Results*
A written report was provided.

22. **2016 CSDA Committee & Expert Feedback Team Participation**

A written report was provided.

23. **Call for Committee Assignments for the Association of California Water Agencies**

President Schild presented the report. He expressed his desire to remain on the Federal Affairs Committee and the Groundwater Committee.

Director Locke expressed his desire to be on the Groundwater Committee, as well as the Energy Committee.

Director Wichert expressed his desire to be on the Water Quality Committee.

Director Thomas expressed his desire to continue to be on the Outreach Committee and the Local Government Committee. He also expressed his desire to be on the Energy Committee.

GM Roscoe expressed his desire to remain on the Water Resources Committee and the Groundwater Committee.

24. **2016 Budget Preparation Schedule**

Mr. Bills presented the staff report. President Schild suggested holding the meeting on Monday, October 5, 2015 at 3:00 pm. The Board agreed.

25. **Order for Technical Report – Central Valley Regional Water Quality Control Board**

A written report was provided.

26. **ACWA Water Transfers Work Group**

A written report was provided.

27. **Legislative and Regulatory Update**

A written report was provided.

28. **Upcoming Policy Review**

a. *Impaired Capital Asset Policy (PL - Fin 008)*

A written report was provided. Directors' comments are due by September 1, 2015.

b. *Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003)*

A written report was provided. Directors' comments are due by September 1, 2015.

Committee Reports

29. a. *Facilities and Operations Committee (Director Wichert)*

Notes from July 23, 2015 meeting were provided. Director Wichert requested a briefing to the full Board on the status of the Water Master Plan and the 2015 Urban

Water Management Plan. He also requested an update to the notes from the Facilities and Operations Committee to include the language where he requested for GM Roscoe to have discussions with Carmichael Water District regarding resource sharing.

- b. *Finance and Audit Committee (Director Locke)*
No report.
- c. *Government Affairs Committee (Director Wichert)*
Agenda for the August 21, 2015 meeting were provided.
- d. *Ad Hoc Water Banking and Transfer Committee (Director Locke)*
No report.
- e. *Ad Hoc Water Rights Review Committee (Director Schild)*
Agenda from the July 27, 2015 meeting were provided.

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

- 30. a. *Regional Water Authority (Director Thomas)*
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
No report.
- b. *Sacramento Groundwater Authority (Director Schild)*
Director Schild provided an oral report regarding the August 13, 2015 Sacramento Groundwater Authority meeting.
- c. *Water Forum Successor Effort (Assistant General Manager York)*
GM Roscoe provided an oral report regarding the July 21, 2015 Carryover Storage Working Group meeting.

The Agenda for the July 29, 2015 Water Forum Dry Year Conference meeting was provided.

GM Roscoe provided an oral report regarding the August 12, 2015 Water Caucus meeting.
- d. *Other Reports*

Miscellaneous Correspondence and General Information

- 1. Certain correspondence received by the District was provided.
- 2. 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 9:36 p.m.

1. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Return to Open Session

The Board convened in open session at 10:08 p.m. There was no reportable action.

Adjournment

President Schild adjourned the meeting at 10:09 p.m.

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