

## Minutes

### Sacramento Suburban Water District Strategic Plan Workshop Friday, February 19, 2016

#### Call to Order

President Thomas called the meeting to order at 4:00 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, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Lynne Yost and Mitch Dion.

Public Present: Avery Wiseman and William Eubanks.

#### Public Comment

None.

#### Items for Discussion and Action

1. **Review of the District's Strategic Plan (PL – BOD 001)**

General Manager Robert Roscoe (GM Roscoe) introduced the staff report.

Director Schild communicated customer comments that he received. One comment recommended including in specific actions and anticipated outcomes into the Strategic Plan. He conveyed another comment suggesting including indicators for each goal and principle of the Strategic Plan

President Thomas recommended starting at the top and going through each section of the Strategic Plan.

President Thomas commented that the phrase “at a reasonable price” in the mission statement was something that he wanted to review. He suggested replacing it with the phrase “at best price as possible,” or something similar.

Director Wichert agreed that the phrase needed review and suggested using the phrase “lowest price”. He stated that a goal should have something to measure and that the word “reasonable” is unmeasurable, further stating that the sentence was not quantifiable.

GM Roscoe commented that a measurement would not necessarily be in the mission statement but rather in the content of the document.

Director's Schild and Locke expressed their satisfaction with the original phrase.

Director Schild commented that he didn't want to use the word lowest, as he believed it gave the wrong impression.

Director Gayle stated that he didn't have any changes to the Strategic Plan and that he believed it covered everything sufficiently.

Avery Wiseman (Mr. Wiseman) commented regarding rates, the rate structure, and expressed his displeasure in rate increases.

Director Locke moved to leave the mission statement it the way it was. Director Gayle seconded.

Director Locke expressed that he didn't have a lot of changes to the Strategic Plan and suggested that the each Director express if they did have any changes.

A brief discussion among Directors ensued, and Director Locke withdrew his motion.

Director Wichert expressed that the statement "at a reasonable price" gave the staff and the District the ability to charge anything at any time; he further stated that the Board should focus on low rates, as that phrase gives direction.

GM Roscoe clarified that the Board sets rates. He stated that the purpose of the mission statement on the Strategic Plan is to direct staff activity.

President Thomas clarified that he was looking for stronger language. He suggested the language "best value" or "best cost."

Dan Bills (Mr. Bills) indicated that low is a relative term.

Director Locke suggested using the term "lowest responsible rate," stating that responsible sounds better than reasonable.

The Board agreed to change the term in the mission statement to "lowest responsible water rate."

Director Schild suggested changing letter B under the Finance section, to reflect the new language as changed in the mission statement.

Director Wichert clarified that letter B under the Finance section should say "Establish the lowest responsible rates and connections fees, reflect the cost of service, encourage

conservation, are simple to understand, and meet the District's revenue requirements, including bond covenants.”

The Board unanimously agreed with this suggestion.

Director Wichert recommended including another letter into the Finance section, to include the phrase “set a goal to produce a yearly balanced budget.”

Director Locke expressed that he didn't entirely agree with that, noting that he agreed to have expenses match revenues however not necessarily on an annual basis. He further noted that to place that in the Strategic Plan could potentially impede future Boards. He also stated that the District still has a \$90 million dollar debt and not to rely on the reserves.

GM Roscoe reminded the Board that the District has a Reserve Policy that would encompass further details about the budget, and that the Strategic Plan is an overarching higher level document.

Mr. Wiseman expressed his opinion of the District's budget.

Director Wichert restated the he supports including the term balanced budget into the Finance section. Director Schild expressed his support.

President Thomas stated that he believed the Strategic Plan is a higher level document and that it should be left out. Director Locke echoed President Thomas.

Director Gayle expressed his support in including the phrase stating that the goal is to have an annual balanced budget.

President Thomas stated that the Board's direction is to include a letter J. in the Finance section with the phrase “Produce a balanced budget.”

Director Wichert suggested including something regarding forensic analysis of pipelines for prediction of life expectancy.

Director Locke noted that letter D under Facilities and Operations already addressed that. He further suggested to remove the word “protective” and add the phrase “and analysis” into that sentence.

GM Roscoe restated the new edited D under Facilities and Operations as “Manage assets by implementing preventive and predictive maintenance and analysis programs on all District assets to extend their life and reduce service interruptions.  
The Board unanimously agreed.

Director Wichert recommended editing letter A under Facilities and Operations to the phrase “The District will utilize appropriate planning tools, identify financial resources

necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.”

The Board unanimously agreed.

President Thomas noted that he had no further changes. Directors Locke and Gayle echoed President Thomas.

Director Schild expressed that he had additional comments that he would submit to staff.

GM Roscoe reaffirmed all of the changes noting that the draft Strategic Plan will be presented in redline strikethrough version as an Action Item at the March regular Board meeting.

William Eubanks withdrew his comments.

President Thomas suggested presenting two documents, the first would be the draft version of the changes suggested at the workshop, and the second would be a redline strikethrough version of Director Schild suggested changes.

### **Adjournment**

President Thomas adjourned the meeting at 4:54 p.m.

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