

Minutes

Sacramento Suburban Water District

Regular Board Meeting

Monday, August 15, 2016

Call to Order

President Thomas called the meeting to order at 6:35 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, David Espinoza, Annette O'Leary, Lynne Yost, James Arenz, John Valdes, David Jones, David Armand, Mitch Dion and Hannah Dunrud.

Public Present: Avery Wiseman, Jim DeHart, William Eubanks, Mark Rowlings, Cathy Medley, Ted Costa and Jim Leonard.

Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- A Customer compliment for David Jones and Veerkamp Construction at the dais.
- The Carmichael Founders Day Event September 24, 2016 from 10-3pm.
- A Groundwater Substitution Transfers Update.
- The Resignation of 2 Distribution Operators.

Public Comment

Avery Wiseman (Mr. Wiseman) requested clarity regarding a meeting schedule for Friday, August 29, 2016. President Thomas noted that there was not a meeting scheduled for that day.

Director Gayle joined the meeting at 6:39p.m.

Jim Leonard (Mr. Leonard) expressed his concern regarding the homeless problem at the Palm Well #N6A site. He noted that he, along with other neighbors, were concerned that the District has cleared an area for homeless camps and requested that the District consider additional fencing of the area and/or adding street lights.

GM Roscoe expressed that staff would look into his concerns and contact him.

Director Gayle suggested Mr. Leonard additionally contact the County Board of Supervisors regarding the homeless issues.

Consent Items

1. **Minutes of the July 18, 2016 Regular Board Meeting**
2. **Public Works Contracting Policy (PL – Eng 002)**
3. **Procurement Policy (PL – Fin 005)**

Director Wichert moved to approve all Consent Items; Director Schild seconded. The motion passed by 4/1 vote.

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

Public Hearings

4. **Public Hearing on Initial Study and Proposed Mitigated Negative Declaration for Palm Well #N6A Project**

President Thomas opened the Public Hearing. GM Roscoe provided an overview of the Public Hearing process.

Mitch Dion (Mr. Dion) provided additional information regarding the project. He noted that staff received a customer comment to review the drainage issue at the site. He expressed that staff will review all drainage options and come back with any recommended changes.

Mr. Dion also stated that the District received standard comment letters from both SMUD and the Central Valley Regional Water Quality Control Board.

President Thomas opened the floor for public comment.

Mr. Leonard expressed his concern regarding the homeless issues at the site and suggested installing a street light in the area and/or a fence. He requested to include his initial comments regarding his homeless concerns as well.

GM Roscoe expressed that staff has considered installing street lights, noting that adjacent neighbors generally have mixed opinions regarding them.

GM Roscoe expressed that staff will review options and contact Mr. Leonard regarding any recommended changes.

GM Roscoe clarified that the fencing that is included in the report, is the existing fencing that is at the property. He noted that the customer comment was to expand the fencing to cover more of the ground, and preclude other areas of the property. He further explained that lighting was not a part of the initial project.

GM Roscoe further clarified that the item was being presented regarding the two initial study items, noise and raptor nesting, noting that growth inducing was not one of them. He further noted that staff did consider moving it from 1,200 to 1,500 gpm, and final capacity will depend on final decision after drilling.

Director Wichert commented that staff should consider including some additional impact studies on land use and planning.

Mr. Dion expressed that land use and planning was not impacted, noting that staff is working with neighbors and will continue to do so.

There being no further public comments, President Thomas closed the Public Hearing.

5. Potential Adoption of an Initial Study/Mitigated Negative Declaration for the Palm Well #N6A Project

Director Locke moved to approve the staff recommendation, President Thomas seconded. The motion passed by unanimous vote.

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

6. 2016 Triennial Public Health Goal Report

President Thomas opened the Public Hearing. GM Roscoe provided an overview of the Triennial Public Health Goal Report.

GM Roscoe introduced David Armand (Mr. Armand) and Hannah Dunrud (Ms. Dunrud) who presented the PowerPoint presentation.

Director Wichert commented that he was not in favor of the mapping presented.

Mr. Armand explained the maps for further clarity.

Director Gayle complimented staff, stating that they have done a tremendous amount of work and that staff was doing a great job.

Further information was provided regarding Nitrate.

Director Wichert expressed his concern about the standard EPA language that is in the Annual Water Quality Report. He suggested including language to express that they have never exceeded the state mandate. Mr. Armand stated the language was determined by EPA.

President Thomas closed the Public Hearing.

President Thomas moved to approve the staff recommendation to accept the Public Health Goal Report as Final; Director Gayle seconded the motion. The motion passed by a 4/1 vote.

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

Items for Discussion and Action

7. Master Service Agreement for Main Replacements

Mr. Dion presented the staff report.

Director Schild expressed concern over protecting the ratepayers.

Mr. Dion expressed that staff follows the policy and examines all aspects to determine the best value for the ratepayers.

Discussion ensued regarding pricing and bidding.

Director Wichert moved to approve the staff recommendation to extend the contract for one year; Director Locke seconded. The motion passed by a 4/1 vote.

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

8. Resolution No. 16-19 Fixing the 2017 Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act, and Resolution No. 16-20 Fixing the 2017 Employer Contribution Under Section 22893 of the Public Employees' Medical and Hospital Care Act

Mr. Bills presented the staff report.

Lynne Yost (Ms. Yost) further explained the resolution premium difference in detail.

Director Wichert moved to approve both Resolutions; Director Gayle seconded. The motion passed by unanimous vote.

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

9. Classify District Property as Surplus

Mr. Dion presented the staff report and PowerPoint presentation.

President Thomas moved to approve the staff recommendation, Director Locke seconded. The motion passed by unanimous vote.

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

10. Supplemental Budget Augmentation to 2016 Capital Improvement Program to Support Water Production Facilities

Mr. Dion presented the staff report and PowerPoint presentation.

Director Wichert stated that he believed this item should have gone to the Facilities and Operations Committee (F&O Committee) for review. He further inquired about the Operations and Maintenance Budget, asking if it was possible to transfer from that budget.

Mr. Bills expressed that the budget was not yet complete in order to know the balances in each budget.

Director Wichert suggested providing further details to the F&O Committee regarding the projects.

Mr. Dion provided some additional details to the Board.

Director Schild moved to approve the budget augmentation amount of \$855,000 for CIP, and directed staff to bring back to the full board at the September regular Board meeting, the estimated year end amount for O&M for the Board to consider an O&M to CIP transfer at that time.

Mr. Eubanks stated that if the Item was to be presented to the F&O Committee, that he hoped the Committee be able to recommend a Board action instead of requiring another duplicate presentation to the full Board. He further complimented staff on the quality of work staff has produced noting that it has improved exponentially.

GM Roscoe restated the motion; President Thomas seconded the motion. The motion passed by unanimous vote.

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

11. 2016 Inter-Budget Reallocation

Mr. Bills presented the staff report.

Director Schild moved to approve the staff recommendation, President Thomas seconded. The motion passed by unanimous vote.

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

Information Items

12. District Activity Report

A written report was provided.

a. Water Operations and Exceptions Report

A written report was provided.

b. Water Conservation and Regional Water Efficiency Program Report

A written report was provided.

c. Customer Service Report

A written report was provided.

d. Community Outreach Report

A written report was provided.

13. Engineering Report

A written report was provided.

Director Wichert commented on Well N15 Cabana, noting a constituent was detected above the MCL. He suggested that if the well was subsequently turned off, staff should have put that information in the staff report.

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. Planning Studies

A written report was provided.

g. Other

A written report was provided.

14. Financial Report

A written report was provided.

a. Financial Statements – July 2016

A written report was provided.

b. Investments Outstanding and Activity – July 2016

A written report was provided.

c. Cash Expenditures – July 2016

A written report was provided.

d. Credit Card Expenditures – July 2016

A written report was provided.

e. Directors Compensation and Expense Accounting – Through July 2016

A written report was provided.

f. Market Report Yields – January 2010 through July 2016

A written report was provided.

g. District Reserve Balances – July 2016

A written report was provided.

h. Information Required by Bond Agreement

A written report was provided.

15. Status of 2017/18 Budget Preparation Process

A written report was provided.

16. 2016 Budget Reallocations

Director Wichert expressed his displeasure that staff didn't report that action was taken to improve the water quality with regards to manganese treatment.

Mr. Armand expressed that there is no public health goal for manganese.

17. Annexation of Carmichael Water District Properties

A written report was provided.

18. McClellan Business Park and Operations Agreement Update

A written report was provided.

19. Update on Forensic Analysis and Testing of Pipe

A written report was provided.

- 20. Central Valley Project Restoration Fund Charges**
A written report was provided.
- 21. ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment**
A written report was provided.
- 22. General Manager's Report**
A written report was provided.
- a. *Water Transfer - Bureau of Reclamation*
A written report was provided.
 - b. *McClellan Restoration Advisory Board (RAB) Meeting*
A written report was provided.
 - c. *Drinking Water Fee Regulations Update*
A written report was provided.
 - d. *Transition to Statewide General NPDES Permit*
A written report was provided.
 - e. *County of Sacramento Proposed Paving Requirements*
A written report was provided.
 - f. *Staffing Level/Turnover Report*
A written report was provided.
 - g. *Long Term Warren Act Contract Update*
A written report was provided.
- 23. Legislative and Regulatory Update**
A written report was provided.
- 24. Upcoming Policy Review**
A written report was provided.
- a. *Water Service Charges and Rate Setting Policy (PL – Fin 009)*
A written report was provided. Directors' comments are due by Tuesday, September 6, 2016
 - b. *Driver Record and Insurance Review Policy (PL – HR 006)*
A written report was provided. Directors' comments are due by Tuesday, September 6, 2016.
- 25. Upcoming Water Industry Events**
A written Report was provided.

Committee Reports

26. a. Facilities and Operations Committee (Director Locke)
Notes from the July 22, 2016 Meeting were provided.
- b. Finance and Audit Committee (Director Thomas)
Agenda for the August 12, 2016 Meeting was provided.

Mr. Bills expressed that there was a schedule conflict with the previously scheduled September 9, 2016 meeting, and that staff would need to be reschedule for another time.

- c. Government Affairs Committee (Director Locke)
No report.
- d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)
No report.

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

27. a. Regional Water Authority (Director Thomas)
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from the July 27, 2016 Meeting was provided

- b. Sacramento Groundwater Authority (Director Schild)
Director Schild provided an oral report regarding the August 11, 2016 Meeting.
- c. Water Forum Successor Effort (General Manager Roscoe)
No report.

Carryover Storage Working Group Meetings
No report.

Water Forum Dry Year Conference Meeting
No report.

Water Caucus Meeting
Agenda from the August 10, 2016 Meeting was provided.

- d. Other Reports
President Thomas provided oral reports regarding his meeting with GM Roscoe on July 19, 2016; the Aerojet meeting on July 27, 2016, his meeting with GM Roscoe on July 29, 2016; the Delta Smelt Meeting on August 4, 2016; his meeting with

AGM York on August 8, 2016; and the meeting at San Juan Water District on August 10, 2016.

Director Gayle provided an oral report regarding the Sac Bee Forum

Director Locke provided an oral report regarding the CA Rural Water Association Conference on April 26-28, 2016, also attended by Director Gayle who concurred.

Miscellaneous Correspondence and General Information

28. Certain correspondence received by the District was provided.

29. General Information related to District business was provided.

Director's Comments/Staff Statements and Requests

Director Locke inquired about a previous meeting item regarding the customer Ms. Haggeman.

AGM York expressed that he sent several attempts to contact her, however she has not responded.

Closed Session (Closed Session Items are not opened to the public)

The Board convened in closed session at 9:03 p.m. with counsel Ryan Bezerra to discuss the following:

30. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); State Water Resources Control Board proceedings concerning Cal. WaterFix.

Return to Open Session

The Board convened in open session at 9:29 p.m. There was no reportable action.

Adjournment

President Thomas adjourned the meeting at 9:30 p.m.

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