

Minutes

Sacramento Suburban Water District Special Board Meeting Friday, September 16, 2016

Call to Order

President Thomas called the meeting to order at 2:02 p.m.

Roll Call

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

Directors Absent: Robert Wichert.

Staff Present: Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, James Arenz, Lynn Pham, Annette O'Leary, Lynne Yost, Amy Bullock, Dave Jones and Mitch Dion.

Public Present: William Eubanks and Avery Wiseman.

Announcements

President Thomas announced that Director Wichert was unable to attend the Workshop.

Assistant General Manager Dan York (AGM York) announced that General Manager Rob Roscoe was out of the town and also unable to attend the Workshop.

Public Comment

None.

Item for Discussion and Action

1. **Proposed Staffing Additions 2017/18**

AGM York presented the staff report.

Director Gayle commented that the District was understaffed.

Director Locke expressed that the Facilities and Operations Committee (F&O Committee) was unanimous in supporting staff to present the item to the full Board.

Director Schild expressed that the Board should review the topic on a budget level, not specific positions.

Director Gayle stated that the General Manager should be able to incorporate the amount needed in the budget and that staff was explaining the justification to the Board for specific positions, which he supported. He further noted that he supported the staff recommendation.

AGM York expressed that the proposed positions have specific salary ranges which is why staff wanted to clarify the positions to the Board, rather than just have a budget item.

William Eubanks (Mr. Eubanks) expressed that the staff report was thorough and expressed his support for the proposed staffing positions.

Director Gayle suggested considering an Industrial Engineer on staff.

President Thomas inquired about the Customer Service report.

Annette O’Leary (Ms. O’Leary) explained the Customer Service report.

Director Locke expressed his support with the staff report noting that the figures confirm the need for the positions.

Mr. Eubanks expressed that the staff report describes the statistics expressing the need for the position.

Director Schild expressed his support for the Cross Connection Specialist and the Administrative Assistant position noting that it would be a cost savings to the District.

Mr. Eubanks expressed his displeasure in how the process of this item was being conducted.

Director Locke moved to approve the staff recommendation to add the four positions to the budget; Director Gayle seconded. The motion passed by a 3-0-1 vote, Director Schild abstained.

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

2. **2017 Budget and 2018 Forecast – First Draft and Reserve Policy (PL – Fin 004)**

Dan Bills (Mr. Bills) presented the staff report.

Mr. Bills explained in detail the Operations and Maintenance Budget (O&M), the Capital Improvement Program Budget (CIP), the Operating Capital Budget (OCB) and Debt Service Forecast.

Avery Wiseman (Mr. Wiseman) inquired about budgeting one project for multiple years.

Mr. Bills expressed that staff is proposing to budget for the amount needed for a project, in the year needed, then to inform the Board of the expected amount for the same project in the following year.

Mr. Wiseman commented that he doesn't believe that the District's revenue have matched expenses for years and further noted that the District has a very large reserve and has not used it wisely. He further commented that he didn't believe that the District cut back on anything.

Mr. Bills explained the 4 options to produce a balanced budget.

Discussion ensued regarding certain clarification questions.

James Arenz (Mr. Arenz) presented the O&M budget on Water Costs.

Mr. Bills presented the O&M budget on Salaries.

Director Gayle commented that if the District salaries are not competitive, than the District becomes a training ground.

Ms. O'Leary presented the O&M budget on Public Outreach and Conservation efforts.

Director Schild commented that there has been a lot of effort put into conservation outreach when the effort has been duplicated by RWA and ACWA.

Mr. Eubanks commented that this District still needs to continue to encourage water conservation to its ratepayers.

Discussion ensued regarding the Districts conservation efforts and the proposed upgrade to the District's website.

Director Locke requested to see a breakdown at a future presentation of what makes up the figures.

Mitch Dion (Mr. Dion) presented the budget on CIP.

Mr. Bills presented the OCB budget.

Mr. Bills made the Board aware of the proposed improvements to the boardroom equipment. Director Schild agreed that there was a need for some improvements.

Mr. Arenz presented the OCB budget on some Project Details, Maintenance and Project Costs.

Mr. Bills concluded the budget presentation restating the four options to produce a balanced budget.

Director Schild suggested staff to bring back all of the options to the full Board at the next regular Board meeting.

Director Thomas recommended increasing the morale budget for the employees from \$150 per employee to \$250 per employee. He also commented that he would like to have a report back on what staff has come up with to replace the “hats off” award for staff.

Director Schild commented that the morale budget should be part of the merit pay budget. He further requested that the topic be brought to the next regular Board meeting to discuss.

Mr. Wiseman commended Mr. Bills and staff on a superb job presenting the details on the proposed budget. He further expressed his disapproval toward the rate increase, noting that he didn’t believe that the District could justify the expenses.

Opposite of Mr. Wiseman’s comments, Mr. Eubanks supported staff noting that all of the expenses of the District have been very transparent.

Adjournment

President Thomas adjourned the meeting at 4:32 p.m.

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