

# Minutes

## Sacramento Suburban Water District Regular Board Meeting Monday, December 19, 2016

### Call to Order

President Thomas called the meeting to order at 6:33 p.m.

### Roll Call

Directors Present: 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, Greg Bundesen, David Espinoza, Annette O’Leary, Lynne Yost, James Arenz, Mitch Dion and Wayne Scherffius.

Public Present: William Eubanks, Avery Wiseman, Marian Bender, 2 high school students.

### Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- Newly Elected Director Dave Jones letter addressed to the Board President at the dais.
- New Engineer on staff.

### Election of District Officers

#### 1. Election of District Officers

President Thomas introduced the Item, GM Roscoe explained the process.

Director Schild moved to nominate Director Wichert as President; Director Locke seconded.

Director Wichert noted that he appreciated the nomination, but preferred to have the full Board present before voting.

Director Schild suggested that the election of President and Vice President commence, but that the Committee and Liaison appointments might be tabled.

The motion passed by unanimous vote.

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

Director Thomas moved to nominate Director Locke as Vice President; President Wichert seconded. The motion passed by unanimous vote.

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

**Public Comment**

None.

**Consent Items**

2. Minutes of the November 21, 2016 Special Board Meeting
3. Minutes of the November 21, 2016 Regular Board Meeting
4. Minutes of the December 5, 2016 Special Board Meeting
5. Minutes of the December 12, 2016 Special Board Meeting
6. Resolution No. 16-26 in Recognition of Dave Jones
7. Resolution No. 16-27 in Recognition of Shauna Laurence
8. Employee Recognition and Retention Expense Policy (PL – HR 005)
9. Return to Work Policy (PL – HR 007)
10. Surplus Vehicles #13, 26, 32 and 33

President Wichert requested to pull Item’s 7 and 8.

Director Locke moved all Consent Items except 7 and 8; Director Thomas seconded. The motion passed by unanimous vote.

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

President Wichert noted that there was public comment request for Item 4, therefore reopened agenda Item 4.

William Eubanks (Mr. Eubanks) commented that the Board went to great lengths to inform the public that there were closed session meetings taking place, to which the public was not able to attend, however; he noted that there was public present according to the December 5, 2016 minutes.

President Wichert noted that the only persons present were from the legal firm that was associated with the agenda item.

Director Schild moved to modify the minutes to reflect “legal firm,” not “public present;” Director Thomas seconded. The motion passed by unanimous vote.

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

President Wichert began to briefly summarize the announcement from closed session.

GM Roscoe referred back to the official announcement from closed session, noting that is what should be publicized regarding the closed session meetings.

President Wichert read the official report that came out of closed session.

President Wichert further requested that the item be brought back to the January regular Board meeting to provide further information including budget, possibility of recovery, and the contract to the ratepayers. He further requested for legal counsel to be present at the meeting to ensure appropriate discussion takes place.

Regarding Item 7, President Wichert requested for feedback on how the Board felt about the recognition Resolution.

Director Thomas noted that he was fine with it.

Director Thomas moved to approve agenda Item 7; Director Locke seconded. The motion passes by a 3/1 vote.

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

Regarding Item 8, President Wichert noted that the item was not submitted to legal counsel for review. He further inquired if it was taxable and/or treated as taxable.

GM Roscoe noted that if the funds were used to purchase a gift card, and that gift card was given to an employee, than it would be taxable income. He noted however, if the funds were used to purchase bananas, which is not a direct cash value, then it would not be taxable. He further stated that it just depends on what the funds are spent on.

Dan Bills (Mr. Bills) provided further clarification.

Director Locke moved to approve Item 8; Director Thomas seconded. The motion passed by unanimous vote.

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

**Items for Discussion and Action**

**11. Resolution No. 16-28 Honoring Frederick A. Gayle as Board Member**

GM Roscoe presented the staff report.

Mr. Gayle was not present at the meeting.

Director Thomas moved to approve the Item; Director Locke seconded. The motion passed by unanimous vote.

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

Mr. Eubanks commented that he wanted to enter some remarks into the record, and that he was hopeful that Mr. Gayle would attend another meeting to receive his Resolution.

GM Roscoe noted that staff will attempt to contact Mr. Gayle to see if he is available for the January regular Board meeting.

**12. Well 32A Landscape Transition Project Update**

Greg Bundesen (Mr. Bundesen) introduced Marian Bender (Ms. Bender) who presented the power point presentation.

President Wichert requested that staff be sure that the video presented was placed on the District website.

GM Roscoe thanked Director Thomas for attending the ribbon cutting ceremony.

Director Schild inquired how much the District contributed to this project.

Mr. Bundesen responded that the District contributed roughly \$39,000 for the 5,000 square feet.

Director Thomas noted that the ratepayers at the event were very appreciative and energized about the project.

President Wichert inquired what opportunities we have to share the technology with those that were not able to attend.

Ms. Bender noted that Eco landscape continuously offers trainings, that information is on the District website, and she noted that they can continue to offer the basic classes, along with the upcoming similar project in the spring.

**13. Committee and Liaison Appointments for 2017**

President Wichert requested to table Item 13 until the January regular Board meeting so that Director Jones was able to participate in the appointments. He further stated that those that have been assigned to the Committee’s from 2016, to continue them until the January regular Board meeting.

**14. General Manager’s Out of State Travel Requests**

GM Roscoe presented the staff report.

Director Thomas moved to approve the staff report; Director Locke seconded. The motion passed by unanimous vote.

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

**15. Director Compensation and Travel Reimbursement Policy and Reporting**

Mr. Bills presented the staff report noting the changes to the report. He further clarified the procedures.

Director Thomas moved to approve the staff report; Director Locke seconded. The motion passed by unanimous vote.

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

President Wichert noted that the swearing in of Director Schild had not been conducted yet, and he requested for that to commence.

**Swearing in Newly Elected Directors**

Secretary Roscoe administered the oath of office to Neil Schild.

**16. Parkland Estates Paving Partnership Agreement with the County of Sacramento**

Mitch Dion (Mr. Dion) presented the staff report.

Director Schild expressed his support noting that he believed it was a money saver for the District. He further commented that the ratepayers need to be notified of these type of Agreements.

Director Thomas moved to approve the staff report; Director Schild seconded. The motion passed by unanimous vote.

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

**17. State Water Resources Control Board Draft Executive Order Implementation Proposal**

GM Roscoe presented the staff report.

President Wichert, Director's Locke and Thomas all requested to get a copy of the letter.

GM Roscoe noted that the letter will also be posted to the District website.

**Information Items**

**18. 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.

**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. Planning Studies*

A written report was provided.

- g. *Other*  
A written report was provided.

**20. Financial Report**

A written report was provided.

Avery Wiseman (Mr. Wiseman) commented that the District is a couple million dollars ahead of what was predicted for the budget, noting that future rate increases should be reviewed.

Mr. Bills noted that the budget year was not over.

President Wichert inquired what the 4% increase amounts to in dollars.

Mr. Wiseman responded. 1.6 million dollars.

- a. *Financial Statements – November 2016*  
A written report was provided.
- b. *Investments Outstanding and Activity – November 2016*  
A written report was provided.
- c. *Cash Expenditures – November 2016*  
A written report was provided.
- d. *Credit Card Expenditures – November 2016*  
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through November 2016*  
A written report was provided.
- f. *Market Report Yields – January 2010 through November 2016*  
A written report was provided.
- g. *District Reserve Balances – November 2016*  
A written report was provided.
- h. *Information Required by Bond Agreement*  
A written report was provided.

**21. 2016 Leak Detection Project**

A written report was provided.

Director Schild commented that there wasn't much feedback on this, and asked what else was being done.

Mr. Bundesen expressed that there were not many leaks detected and noted that as we move thru the District and accomplish the leak detection project, we will be able to see where the areas of concern are.

Director Schild commented that there are other areas of conservation that staff could focus on.

Director Thomas inquired about permanent monitoring distribution leak systems connected through SCADA.

Mr. Bundesen expressed that would entail putting a monitoring system on every valve in the District.

**22. ACWA/JPIA President's Special Recognition Awards**

A written report was provided.

**23. Legislative and Regulatory Update**

A written report was provided.

**24. General Manager's Report**

A written report was provided.

*a. McClellan Park Improvement Issues Update*

A written report was provided.

Director Schild commented about the R.A.B. meeting noting that staff need to clarify the status on the agreement with McClellan Business Park (MBP).

AGM York provided additional information on the status of the agreement with MBP.

Director Schild further expressed his concerns regarding the agreement, expressing that he agreed with staffs current position and further noted that there was a potential for legal ramifications.

GM Roscoe noted that staff had a meeting scheduled with legal counsel to discuss it further.

*b. Water Transfers – Bureau of Reclamation Update*

A written report was provided.

*c. Long Term Warren Act Contract Update*

A written report was provided.

*d. County of Sacramento Proposed Paving Requirements*

A written report was provided.

e. *City of Sacramento – Wholesale Water Rates*  
A written report was provided.

f. *Walnut Corporation Yard Improvements*  
A written report was provided.

**25. Upcoming Policy Review**

A written report was provided.

a. *Drug and Alcohol Program Policy – (PL – HR 010)*

A written report was provided. Directors' comments are due by January 9, 2017.

**26. Upcoming Water Industry Events**

A written report was provided.

Mr. Eubanks commented on the Rate Study Workshop inquiring on the specific location of the Workshop.

**Committee Reports**

27. a. Facilities and Operations Committee (Director Locke)  
Notes from the December 9, 2016 meeting were provided.

b. Finance and Audit Committee (Director Thomas)  
No report.

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)**

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

Regional Water Authority Executive Committee (General Manager Roscoe)  
Agenda from the December 7, 2016 Meeting was provided.

b. Sacramento Groundwater Authority (Director Schild)  
Agenda from the December 8, 2016 Meeting was provided.

c. Water Forum Successor Effort (General Manager Roscoe)  
Agenda from the December 15, 2016 Meeting was provided.

Carryover Storage Working Group Meetings  
No report.

Water Forum Dry Year Conference Meeting  
No report.

Water Caucus Meeting  
Agenda from the December 14, 2016 Meeting was provided.

d. Other Reports

Director Schild provided an oral report regarding the Aerojet meeting on November 16, 2016; the December 8, 2016 SGA meeting; and the December 15, 2016 McClellan RAB meeting.

Director Thomas provided an oral report regarding his meetings with the General Manager on November 18, 2016, his meeting with the General Manager on December 6, 2016, and his meeting with the Assistant General Manager on November 14, 2016.

**Miscellaneous Correspondence and General Information**

29. Certain correspondence received by the District was provided.

30. 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 8:08 p.m. to discuss the following:

31. 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 8:49 p.m. There was no reportable action.

**Adjournment**

President Wichert adjourned the meeting at 8:50 p.m.

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