

# Minutes

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
Friday, January 20, 2017

## Call to Order

Director Locke called the meeting to order at 3:02 p.m.

## Roll Call

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Rob Roscoe, Assistant General Manager Dan York, Amy Bullock, Mitch Dion, John Valdes, Dave Jones, David Espinoza, Dan Bills, Mitchell McCarthy and James Arenz.

**Public Present:** William Eubanks, Alan Hersh, Paul Selsky and Melanie Holton.

## Public Comment

None.

## Announcements

None.

## Consent Items

### 1. Minutes of the December 9, 2016 Facilities and Operations Committee Meeting

Director Locke moved to approve Item 1; Director Schild seconded. The motion passed by unanimous vote.

AYES:	Locke and Schild.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

## Items for Discussion and Action

### 2. McClellan Park Reservoir Tank Property

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

Director Schild inquired if the District has title to the land.

Mr. Dion stated that the District does not have fee simple title, but the District does have a letter agreement for the property with McClellan Business Park.

General Manager Rob Roscoe (GM Roscoe) stated that from a water systems operations standpoint the proposed site satisfies the District's needs and the District would be willing to swap the existing 2008 site on the southeast corner of Dean and Lindhurst to the one on the southwest corner of Dean and Lindhurst.

Director Schild inquired to see the agreement on the existing site on the southeast corner of Dean and Lindhurst.

Mr. Dion stated that the District has the original agreement with the County and Northridge Water District. Many of these properties could not be recorded as fee simple properties due to the cleanup of McClellan.

Director Schild stated that until any of the other issues with McClellan are resolved, he was not willing to address any other property issues.

GM Roscoe stated that the District has a desire to continue to work with McClellan Business Park and does not feel that the District should impede the orderly development of Sacramento County.

Director Locke stated that he does not see a difference in the property across the street and assumes that there is adequate infrastructure at the new proposed site.

Public comment from Alan Hersh (Mr. Hersh) with McClellan Business Park. Mr. Hersh stated that the agreement is a place holder or a claim on the infrastructure. The reason there is no fee title ownership on the property is because of the environmental conditions of the property at the time of the Northridge contract. If the District had no fee title ownership, then the District would be liable for the claims on the property. Mr. Hersh made it clear that there is no dispute about whose infrastructure is what.

Director Locke stated that it seems the District has two issues, a usage of the property issue and a location of the property issue.

GM Roscoe stated that if the District can move across the street and end up with fee title of the piece of property that is an improvement in the present situation for the District and the District should do that.

Director Locke agreed with GM Roscoe's statement.

Director Schild stated he could not support the decision to move this forward and would like to see the existing contract and language from McClellan Business Park proposal. Would like the language to clearly state what the District can or cannot use the current or new proposed site for operational uses.

Director Locke moved to table Item 2, Director Schild second the motion. Agenda Item 2 to be moved to the next month's Facilities and Operations Committee meeting.

### **3. McClellan Business Park and Operations Agreement Update**

Assistant General Manager Dan York (AGM York) presented the staff report.

Director Schild inquired what the District has tentatively agreed on.

AGM York stated that the District is in the development and drafting stages of discussion points. Both parties agree that the agreement between the District and Sacramento County needs to be amended.

Mr. Hersh suggested that both attorneys' take a potential six month pause and re-evaluate this and to also get the right engineers together. Mr. Hersh proposed getting together at a later date to resolve these issues.

GM Roscoe stated that the District is at a fork in the road and recommend that the District work with McClellan Business Park and to help avoid litigation. There will be legal fees, but the cost will be minimal if the District can avoid litigation.

Director Schild inquired why the District needs an agreement with McClellan.

GM Roscoe stated that the contract the District has adhered to is the contract of Northridge Water Districts and Sacramento County.

William Eubanks (Mr. Eubanks) stated that he would like to give the board a rate payer's perspective, does not think the District should be on the hook for McClellan Business Park's improvements, new facilities and their upgrades. McClellan Business Park seems to be getting stuff for free and the rate payers are subsidizing these improvements.

GM Roscoe stated that he is not in disagreement with anything that Mr. Eubanks stated, but the District is adhering to the Northridge contract and these are agreements Northridge agreed to. This District has a continuing obligation to adhere to the existing agreement but would like to try to come together with McClellan Business Park and proceed to try to avoid litigation.

Director Locke moved with recommended approval with periodic updates.

Director Schild seconded the motion.

### **4. Water System Master Plan Update**

Mr. Dion presented the staff report.

Melanie Holton with Brown and Caldwell (Ms. Holton) presented the first half of the PowerPoint Presentation.

Director Schild inquired when the Board will get the revised Master Plan updates.

Ms. Holton stated that the Board will have the revised version, Monday, January 23, 2017 at the regular Board meeting and it will be posted on the District website for public viewing.

Paul Selsky with Brown and Caldwell presented the second half of the Power Point Presentation.

Director Schild inquired if James Arenz was directly involved with the well sites reduction and transmission site analyses.

James Arenz (Mr. Arenz) stated that he was not directly and actively involved, but he was consulted on this and supports this 100%.

GM Roscoe stated that this item will be brought to the full Board on Monday, March 20, 2017.

**5. City of Sacramento Wholesale Water Rates and 9,023 af of Area D Water**

AGM York presented the staff report and provided an update to the Committee.

Director Schild inquired if the District comes to some sort of agreement, what is the District's plan to put it to use. Does the District have any idea what the cost is going to be.

AGM York stated it would be the same cost as the current wholesale water rate.

This is an informational item and an update to the Committee.

**6. Operations and Maintenance Cost Accounting**

Mr. Arenz presented the staff report.

Director Schild stated that this is a step in the right direction and feels the District is on the right track. Director Schild encourages staff to work with the finance department to determine the burden rate.

**Adjournment**

Director Locke adjourned the meeting at 4:42 p.m.

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