

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee
Thursday, February 16, 2017

Call to Order

Director Schild called the meeting to order at 4:04 p.m.

Roll Call

Directors Present: Neil Schild and Dave Jones.

Directors Absent: None.

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

Public Present: William Eubanks.

Public Comment

None.

Announcements

None.

Consent Items

1. Minutes of the January 20, 2017 Facilities and Operations Committee Meeting

Director Schild requested a change to the minutes to add the word “letter” on page one, in the last paragraph, so that the sentence reads; 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.

Director Schild moved to approve Item 1 with the recommended change; Director Jones seconded. The motion passed by unanimous vote.

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| AYES: | Schild and Jones. | ABSTAINED: | |
| NOES: | | RECUSED: | |
| ABSENT: | | | |

Items for Discussion and Action

2. Facilities and Operations Committee Mission Statement and Charter

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

General Manager Rob Roscoe (GM Roscoe) stated that the Facilities and Operations (F&O) Committee is the one Standing Committee that has spending authority without going back to the full Board.

Director Schild stated that he wanted to be certain that the full Board understands the spending authority and the responsibility that the F&O Committee has, especially given the change in Board members in the past two years. Director Schild suggested that this topic, as well as all other standing committee Charters, be an Action Item to the full Board in the near future.

GM Roscoe stated that these Charters will be put into one Action Item to the full Board in the March or April time frame, so that the new Water Quality Committee has time to meet and consider their Mission Statement and Charter.

Director Schild agreed with GM Roscoe and recommends that this goes to the full Board in April.

William Eubanks (Mr. Eubanks) stated there seems to be too many sub-committees and ultimately all committee agenda items end up going to the full Board because the two committee members can't make a decision. The agenda items are repetitive if they go to the committee level to ultimately have to go to the full Board because the committee level never seems to make a decision. Mr. Eubanks recommends eliminating all the committees and take everything to the full Board moving forward.

Director Jones stated that the committee level is where Directors can get into greater detail on the agenda items so that when it goes to the full Board it can help expedite how much time is being spent on the topic at the full Board meeting level.

GM Roscoe stated that all three of the Standing Committee Charters will be an Action Item at the April regular Board meeting.

Director Jones inquired how much authority the F&O Committee has.

GM Roscoe stated that the authority that the F&O Committee has is what is granted from the full Board.

Director Schild stated that there needs to be some changes to the F&O Mission Statement when it goes to the full Board in April. On page one, the third bullet, under Mission Statement A, add a semicolon after the word "need" and delete the text; so that an adequate reserve fund can be maintained. The next bullet point change the sentence to read, "Coordination with Finance and Audit Committee and Water Quality Committee as necessary." On page 2, under A. Purpose and Authority paragraph, delete the sentence that read "In addition, the Committee is established to review and allocation alternatives." On the same page, first bullet point paragraph, change the \$100,000.00 figure to \$50,000.00.

Mr. Eubanks stated that there are Boards that have committees that meet monthly that operate differently. Their full Board takes the committee's recommendations and vote on it, there is no need to go over the agenda item again. If this District is going to have the committee system, then it should be utilized like other Boards do. Mr. Eubanks complemented that this District is very open and does a good job in being transparent.

3. McClellan Business Park and Operations Agreement Update

AGM York presented the staff report.

Director Schild inquired if a list from each party has been made on what everyone is looking for in the agreement.

AGM York stated that at the next meeting they intend on compiling a list to determine how far apart we are from agreeing on a compromise.

Director Jones inquired if the cleanup activities at McClellan are going to affect this conversation.

AGM York stated there are some restrictions for new development on new areas, but to his knowledge, he is not aware of cleanup activities affecting the discussions.

Director Schild expressed that the District should be negotiating with Sacramento County (County) versus McClellan Business Park (MBP).

GM Roscoe stated that technically the contract is with County and the County would like MBP in the room for the negotiations. There are three parties in the room, County, MBP and the District and excluding MBP will delay the process.

Director Schild inquired why Northridge Water District made a list of specific upgrades or improvements.

GM Roscoe stated that the proposed list is being interpreted differently and that is why the District is in this position today, and the basis of the disagreement.

GM Roscoe stated that he has read the contract and he cannot find a place where he interprets it the way MBP is.

Mr. Eubanks expressed his opinion that he thinks the District should terminate the contract with MBP. He recommends that the District step back and take a different look at this issue.

Director Schild stated that he agreed with Mr. Eubanks statements and inquired when the next technical meeting is being held.

AGM York clarified that the next meeting is an Executive Team meeting, not a Technical Team meeting, and that it is scheduled for Tuesday, February 21, 2017.

Director Schild stated that maybe it would be best to cancel the February 21st Executive Team meeting and then bring it to the upcoming February 27, 2017 regular Board meeting, or call a Special Board meeting prior to the already scheduled February 21, 2017 Executive Team meeting with MBP.

Director Jones is interested to hear from legal counsel on what, if any, ramifications could come of terminating the contract.

GM Roscoe stated that he thinks that in the best interest of the District rate payers, is to proceed with scheduled meetings with the County and MBP to hopefully come to an agreement to avoid litigation.

GM Roscoe stated that he would like to have a discussion with Legal Counsel on this in hopes that staff can have this in the next board packet.

GM Roscoe stated that he does not intend to cancel or postpone the scheduled meeting with the County and MBP on Tuesday, February 21st.

Director Schild stated that the Committee has a split decision on how staff should proceed with further discussions with MBP.

GM Roscoe stated that until he seeks legal counsel advice, he is unsure if future meetings on this topic will be held in open or closed session.

Director Schild recommends that the District bring this as an Action Item for discussion at the February 27th regular Board meeting and have special counsel review this to determine if the District can terminate contract.

4. McClellan Park Reservoir Tank Property

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

Director Schild inquired if the District really needs the reservoir and pumping plant and questioned if MBP will give the District a different or another piece of property if needed.

Mr. Dion stated that he believes that MBP would be willing to allow the District to purchase property and hold fee simple title at the new proposed location.

Director Schild thinks the District should do the due diligence on the potential properties, but not on negotiations of the purchase of the property.

Director Schild inquired where staff is at with the easement surveys.

Mr. Dion stated that they are putting teams together to gather this information and the surveys are currently in the works.

Mr. Eubanks inquired why the District has to pursue the tank property now. If there is no urgent need to do this then he thinks the District should hold off.

Mr. Dion stated that there is no sense of urgency. Staff will proceed with the due diligence review which takes time.

5. Operations and Maintenance Cost Accounting

AGM York presented the staff report and introduced Dan Bills (Mr. Bills) to go over the burden rates.

Director Schild stated that he believes there is a certain amount of overhead that the District may not be accounting for when invoicing work performed by staff.

Mr. Bills explained the current process and fees being utilized by the District and will reach out to his counterpart at San Juan Water District and inquire what costs are included in their CIP fees and overhead fees and report back to the Committee his findings.

6. Howe Park River-Friendly Demonstration Garden

Greg Bundesen (Mr. Bundesen) presented the staff report.

Director Schild inquired if this is in the water conservation budget.

Mr. Bundesen stated that this is in the CY2017 conservation budget.

Director Jones inquired that in the past the District has done demonstration gardens with an agreement that it will be maintained and the garden at William Pond Park does not look like it is being maintained.

Mr. Bundesen reminded the Committee that Fulton El Camino Recreation and Park District will maintain the gardens as part of the agreement.

Mr. Bundesen reminded the Committee that the \$60,000 was for the amount it would have cost the District for the pipeline easement at Howe Park.

Director Jones asked if the \$60,000 pipeline easement cost was for Howe Park or also Seely Park.

Mr. Bundesen informed the Committee that he would report back on that topic.

GM Roscoe stated that the District will have to update the agreement with the Park District so that we ensure that they agree to maintain the additional garden if the Committee decides to expand the project and add the fifth garden.

Director Schild stated the District should hold off and proceed with the original contract. Director Jones suggested it be brought to the full Board for discussion.

Adjournment

Director Schild adjourned the meeting at 5:57 p.m.

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