

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, October 16, 2017

Call to Order

President Wichert called the meeting to order at 6:30 p.m.

Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

Roll Call

Directors Present: Dave Jones, Craig Locke, Kevin Thomas and Robert Wichert.

Directors Absent: Neil Schild.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Lynne Yost, Dana Dean, David Espinoza, James Arenz, David Armand, Matt Underwood and Wayne Scherffius.

Public Present: John Valdes, William Eubanks, Avery Wiseman, Paul Helliker, Jim DeHart, Lance Salisbury and Doug Brown.

Announcements

President Wichert announced the selection of Dan York (AGM York) as the new District General Manager and that the Board was working with AGM York in finalizing a contract for the General Manager position.

AGM York announced that GM Roscoe received the ASCE's Lifetime Achievement Award.

General Manager Robert Roscoe (GM Roscoe) announced:

- That at the dais, there were three HR forms to be completed by Directors;
- The RWA Legislative Process Workshop on October 27th 8:30am – 10am, at RWA;
- The District received a certificate of achievement for excellence in financial reporting for the 2016 comprehensive annual financial report from the Government Finance Officers Association;
- A Grant Reimbursement check for money from a Proposition 84 Implementation Grant was received for the Coyle and Rutland Pump Station Projects;
- The District received the 2017 Sacramento Area Sustainable Business of the Year Award.

Public Comment

Paul Helliker commented that AGM York was very helpful with assisting in San Juan Water District's strategic plan development workshop, and that he was looking forward to working with AGM York in his new position in the future.

Consent Items

1. **Minutes of the September 18, 2017 Regular Board Meeting**
2. **Minutes of the September 26, 2017 Special Board Meeting**
3. **Minutes of the September 27, 2017 Special Board Meeting**
4. **Minutes of the October 9, 2017 Special Board Workshop**
5. **Minutes of the October 10, 2017 Special Board Meeting**
6. **Records Inspection, Retention and Disposal Policy (PL - Adm 002)**
7. **Employee Performance Evaluation, Merit and COLA Policy (PL - HR 003)**
8. **2017 Audit Engagement Letter and Contract**

Director Locke moved to approve all Consent Items; Director Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and Action

9. **Resolution No. 17-15 Honoring John E. Valdes on His Retirement**
GM Roscoe presented the staff report.

President Wichert recited the Resolution.

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

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

John Valdes appreciated the Resolution and thanked the Board and staff.

10. **Resolution No. 17-13 Authorizing the Extension of a Letter of Credit in Connection with its Outstanding 2009A Certificates of Participation, and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters**
Dan Bills presented the staff report.

Doug Brown offered to answer any questions.

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

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

11. **2018 Budget and 2019 Forecast – Third Draft & Reserve Policy (PL – Fin 004)**

President Wichert recommended deferring the Item to the November regular Board meeting as Director Schild was not present.

GM Roscoe requested if Directors had any changes that they knew of so staff could include them in the report for the November regular Board meeting, to please let staff know.

President Wichert noted that he would like to see specific staff proposed projects to cut from the budget. He proposed cutting special projects including parcels for future well sites.

Director Jones expressed that he was surprised to hear President Wichert propose cutting parcel purchases as he stated that it was the first necessary step for developing new well sites and potential to tie into transmission lines.

President Wichert moved to table the Item until the November regular Board meeting; Director Thomas seconded.

William Eubanks (Mr. Eubanks) withdrew his comment.

The motion passed by unanimous vote.

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

12. **A Day in the Life of Engineering**

Dana Dean (Mr. Dean) presented the staff report.

Director Thomas inquired how the interns were working out and what projects they were working on.

Mr. Dean answered that the interns were performing well and that there were several different projects assigned to them.

President Wichert noted that there was work performed recently on his street and that all neighborhood requests were accommodated and that staff and contractors did a great job. He further noted that all was left clean, tidy, and even better than when they started.

13. Rules for Proceeding of the Board of Directors

a. Resolution No. 17-11 Amending Policy PL – BOD 002, Rules for Proceedings of the Board of Directors - Changing the Regular Board Meeting Time to 6:00p.m.

b. Rules for Proceeding of the Board of Directors Policy (PL – BOD 002)

GM Roscoe presented the staff report.

Lance Salisbury (Mr. Salisbury) expressed that he too had a great experience with the District, noting that work was performed on his street as well, and he was very happy with the results.

He further commented that he opposed the change in Board meeting time as it would be too difficult to get to the meeting earlier than 6:30 p.m.

President Wichert expressed that he was opposed to changing the time as well.

Director Locke recommended the time change and further suggested deferring particular agenda Items if a member of the public communicated in advance to staff that they would be late to the meeting and wanted to discuss that particular Item.

Mr. Salisbury expressed that the solution suggested would satisfy his concerns.

GM Roscoe noted that staff could post on the website standard language regarding the suggestion.

Director Locke moved to change the time to 6:00 p.m. effective January 2018 adding language to the website, letting members of the public know if they wish to speak on an Item at the meeting, and if they are unable to make the meeting at the start time, to contact staff with their request. He further moved to approve amending the Policy to reflect the time change; Director Thomas seconded. The motion passed by 3-1 vote.

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

14. Ethics Policy (PL – BOD 004)

AGM York presented the staff report.

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

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

15. **Sacramento LAFCo Elections of Special District Commissioner and Alternate Special District Commissioner**

GM Roscoe presented the staff report.

President Wichert moved to vote for two incumbents. The motion died for a lack of a second.

Director Thomas was opposed to voting for Gay Jones and instead inquired about Senica Gonzalez.

Director Thomas moved to vote for Paul Green and leave the other spot open; Director Locke seconded. The motion passed by unanimous vote.

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

Information Items

16. **Chromium 6 Court Complaint Update**

AGM York provided a brief summary on the status of the Item.

17. **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.

18. **Engineering Report**

A written report was provided.

Director Jones inquired on the In Hydro conduit project.

Jim Arenz expressed that staff was in discussions with both the vendor and SMUD regarding the issue.

Director Thomas expressed that he had a meeting scheduled regarding grant money for the project.

President Wichert expressed an interest in attending the meeting with Director Thomas.

a. Major Capital Improvement Projects

A written report was provided.

b. County and City Projects/Coordination

A written report was provided.

c. Developer Projects

A written report was provided.

d. Planning Studies

A written report was provided.

e. Other

A written report was provided.

19. Financial Report

Mr. Bills provided a summary of the staff report.

a. Financial Statements – September 2017

A written report was provided.

b. Investments Outstanding and Activity Quarterly Report

A written report was provided.

c. Cash Expenditures – September 2017

A written report was provided.

d. Credit Card Expenditures – September 2017

A written report was provided.

e. Directors Compensation and Expense Accounting Quarterly Report

A written report was provided.

f. Market Report Yields – January 2011 through August 2017

A written report was provided.

g. District Reserve Balances – September 2017

A written report was provided.

h. Information Required by Bond Agreement

A written report was provided.

20. Financial Markets Quarterly Report

A written report was provided; Mr. Bills provided a brief summary.

21. Year-to-Date Interest Expense Quarterly Report

A written report was provided; Mr. Bills provided a brief summary.

22. Water Rate Increase History of Surrounding Purveyors

Mr. Eubanks inquired about the variable-rate (ccf) charges for the different water purveyors. He suggested not including the charges, as it was confusing.

Mr. Bills provided clarification on how the report was calculated stating that as some districts include covering significant costs in their variable-rate pricing it is important to include such costs.

Avery Wiseman (Mr. Wiseman) expressed his dissatisfaction with the report noting that he didn't agree with the numbers presented.

President Wichert inquired how the District compared to the other water purveyors whose standard rate was based on a ¾ inch.

Mr. Bills expressed that he would bring President Wichert's request back in November.

23. McClellan Business Park Successor Agreement Update

A written report was provided; AGM York provided a brief update.

24. ACWA Region Election Results

A written report was provided.

25. AMI/AMR Update

A written report was provided. Matt Underwood (Mr. Underwood) provided a brief summary of the report and strongly expressed staff's concerns with, among other things, change of company ownership, failure rates with both AMI and AMR systems, and factory delivery issues.

President Wichert inquired how many AMI meters were not reading.

GM Roscoe expressed that staff would report back on that number.

Mr. Underwood stated he would provide future updates on the subject issue.

26. **Maintenance Schedule for District Properties**
A written report was provided; Mr. Underwood provided a brief summary of the report.
27. **Palm Well Site Issue Update**
A written report was provided; David Espinoza provided a brief summary of the report.
28. **Well Efficiency Testing Annual Report**
A written report was provided; Mr. Underwood provided a brief summary of the report.
29. **Update on the August 2017 Unplanned Discharge to Chicken Ranch Slough**
A written report was provided; GM Roscoe provided a brief summary of the report.
30. **CIP Projects Quarterly Report**
A written report was provided; Mr. Dean provided a brief summary of the report.
31. **Human Resources and Succession Plan Quarterly Report**
A written report was provided.
32. **Legislative and Regulatory Update**
A written report was provided.
33. **General Manager's Report**
A written report was provided; GM Roscoe provided a brief summary of the report.
 - a. *City of Sacramento Wholesale Water Rates and 9,023 af of Area D Water*
A written report was provided.
 - b. *Regional Partnership – Groundwater Banking*
A written report was provided.
 - c. *Cal WaterFix Update*
A written report was provided.
 - d. *2017 Premium Only Plan (POP) Discrimination Testing Results*
A written report was provided.
 - e. *Long Term Warren Act Contract*
A written report was provided.
34. **Upcoming Policy Review**
 - a. Workplace Dishonesty Policy (PL – Adm 006)
A written report was provided. Directors' comments are due by November 6, 2017.
 - b. Training and Career Development Policy (PL – HR 004)
A written report was provided. Directors' comments are due by November 6, 2017.

35. **Upcoming Water Industry Events**

A written report was provided.

Committee Reports

- 36. a. Facilities and Operations Committee (Director Schild)
The minutes from the October 4, 2017 Meeting were provided.
- b. Finance and Audit Committee (Director Thomas)
The minutes from the October 2, 2017 Meeting were provided.
- c. Water Quality Committee (Director Wichert)
The agenda for the October 16, 2017 Meeting was provided.
- d. Government Affairs Committee (Director Locke)
No report.
- e. Ad Hoc Water Banking and Transfer Committee (Director Schild)
No report.
- f. Ad Hoc Selection Committee (Director Wichert)
No report.
- g. Ad Hoc Process Committee (Director Wichert)
No report.
- h. Ad Hoc Compensation Committee (Director Schild)
No report.

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

- 37. a. Regional Water Authority (Director Thomas)
Director Thomas and Director Jones provided oral reports of the meeting.

Regional Water Authority Executive Committee (General Manager Roscoe)
The agenda for the September 27, 2017 Meeting was provided.
- b. Sacramento Groundwater Authority (Director Schild)
The agenda for the October 12, 2017 Meeting was provided.
- c. Water Caucus Meeting
The agenda for the October 11, 2017 Meeting was provided.
- d. Water Forum Successor Effort (General Manager Roscoe)
No report.

e. **Other Reports**

Director Jones provided an oral report on his meeting with the General Manager on September 22, 2017 and on the Carmichael Founders Day Event that he attended on September 30, 2017.

Director Thomas provided oral reports on his meeting with AGM York on September 29, 2017; the Carmichael Founders Day Event that he attended on September 30, 2017; and his meeting with the Finance Director on October 6, 2017.

Miscellaneous Correspondence

38. **Correspondence received by the District was provided.**

Director's Comments/Staff Statements and Requests

None.

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

The Board did not convene into closed session to discuss the following:

- 39. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).
- 40. Conference to provide District's labor negotiator, Robert Wichert, with direction concerning changes to General Manager's compensation and benefits; Government Code sections 54954.5(f) and 54957.6.

Adjournment

President Wichert adjourned the meeting at 8:25 p.m.

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