

## **Minutes**

Sacramento Suburban Water District  
**Regular Board Meeting**  
Monday, January 22, 2018

### **Call to Order**

President Locke called the meeting to order at 6:00 p.m.

### **Pledge of Allegiance**

President Locke led the Pledge of Allegiance.

### **Roll Call**

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

Directors Absent: None.

Staff Present: General Manager Dan York, Finance Director Dan Bills, District Legal Counsel Josh Horowitz, Heather Hernandez-Fort, Robert Roscoe, Dana Dean, Matt Underwood, Jim Arenz, Lynne Yost, David Espinoza and David Morrow.

Public Present: William Eubanks, Avery Wiseman, Jim DeHart, Ken Payne, Keith Durkin and Marty Hanneman.

### **Oath of Office**

President Locke administered the oath of office to General Manager Dan York (GM York).

### **Election of District Officers**

#### **1. Election of District Officer – Vice President**

President Locke introduced the Item.

Director Wichert nominated Director Schild as Vice President.

Director Jones nominated himself as Vice President.

Director Schild seconded the nomination for himself as Vice President.

President Locke seconded Director Jones nomination for Vice President.

Director Thomas requested for both nominee's to express why they would like to be the Vice President.

Director Schild expressed that he's served on the Finance and Audit Committee, as well as the Facilities and Operations Committee for a number of years. He further expressed that he represents the District at a number of functions and that he has been on the

Board for 13 years, explaining that he has a lot of experience in the water industry business. He expressed that he believed that he could do an adequate job at being the Vice President.

Director Jones expressed that he too believed that he had a lot of experience, not just as a Director, but also as an employee. He expressed that he had extensive knowledge on how the District runs and that he had been to almost every Board meeting over the last 13 years.

Director Thomas expressed that he was going to support Director Schild, but that he would support Director Jones if he decided to run again for Vice President next year.

William Eubanks (Mr. Eubanks) expressed his support for Director Jones. He stated that he had concerns with Director Schild being the Vice President as he believed Director Schild had a contempt for voting, and that Director Schild was very disruptive and had poor and unprofessional behavior. He further expressed that Director Jones demonstrated that he is very professional and conducts himself in the way that he believed an elected official should. He ended by expressing his support for Director Jones as Vice President.

Director Thomas thanked Mr. Eubanks and again conveyed his support for Director Schild.

The Board voted to nominate Director Schild as Vice President. The motion passed by a 3/2 vote.

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

### **Announcements**

GM York announced:

- Reminder of the RWA Making Safe, Clean, Affordable and Accessible Water a Reality symposium coming up on March 15, 2018 with Daryl Steinberg. RSVP'S are due by March 9th.
- Former General Manager Rob Roscoe would be receiving another award from ASCE – Region 9 Lifetime Achievement which represents all of California. Award to be given March 23rd in San Francisco.
- Cap-to-Cap trip, which two Directors and the General Manager are planning to attend, was scheduled for the third Monday of the Month of April, therefore, the April Board Meeting would be on the next Agenda to reschedule.

## **Public Comment**

Mr. Eubanks commented that the return envelope that is sent in with the billing statement has a bad odor and doesn't stay sealed when the glue was activated. He further commented that the brown color is not very appealing. He requested that the District send out better return envelopes.

Annette O'Leary (Ms. O'Leary) expressed that the District was saving money by using 100% recycled paper for the envelopes.

Mr. Eubanks inquired what the price difference was.

Ms. O'Leary expressed that she would provide that information to him.

Mr. Eubanks further expressed his displeasure with the former General Manager's contract, conveying his disapproval with the terms and conditions regarding the ability to build vacation hours with no limit.

Mr. Eubanks further inquired about security auditing on the IT functions.

Dan Bills (Mr. Bills) explained how the District has performed auditing on IT functions.

Marty Hanneman, the President of the Board of Directors for San Juan Water District, introduced himself to the Board. He expressed the he was interested in future opportunities of working together with the District.

Ken Payne, Chairman with the Auburn Dam Council, introduced himself to the Board. He informed the Board of their attempts at a new JPA to try to finish the Auburn Dam. He provided the Board with a draft agreement, a concept paper listing the public benefits of the project and a letter from the Army Corp of Engineers which provided information on the chances of Sacramento flooding. He expressed that he was hopeful to speak to the Board with further details about the JPIA. He expressed that their meetings were on the first Friday of each month at 7:00 a.m. at the Black Bear Diner off Madison and Sunrise.

Mr. Payne expressed he would email the third document as he didn't have one with him.

The Board requested for staff to provide the documents to them by email.

## **Consent Items**

2. **Minutes of the December 15, 2017 Special Board Meeting**
3. **Minutes of the December 18, 2017 Regular Board Meeting**
4. **Employee Standards of Conduct and Discipline Policy (PL - HR 011)**

Director Schild moved the Consent Items; Director Wichert seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

**5. Committee and Liaison Appointments for 2018**

GM York presented the staff report.

President Locke began by removing the Ad Hoc Process Committee, the Ad Hoc Selection Committee and the Ad Hoc Compensation Committee.

He continued with combining both the Government Affairs Committee and the Water Quality Committee into the Facilities and Operations Committee.

Director Schild expressed that he appreciated the Water Quality Committee. He suggested to combine the Government Affairs Committee with the Water Quality Committee.

Director Jones expressed that the Water Quality report could be converted to a General Managers report item on the agenda.

President Locke decided to put the Water Quality into a report form for the Board and if the Board felt that they wanted more information, they could reevaluate it at a later time.

GM York commented that the Water Quality Committee report could be included in the Operations Activity report.

He further stated to move the Government Affairs information in the legislative report that already exists on the agenda.

President Locke stated to remove all Ad Hoc Committee's.

President Locke assigned the following Directors to each Committee:

Facilities and Operations Committee ..... Dave Jones, Chair  
..... Bob Wichert  
..... Staff Contact: Dan York

Finance and Audit Committee..... Neil Schild, Chair  
..... Kevin Thomas  
..... Staff Contact: Dan Bills

ACWA/JPIA..... Director: Neil Schild  
..... Staff Position: Dan York

ACWA General Election Voting Delegate .....	Neil Schild
ACWA Groundwater Committee .....	Dave Jones
.....	Neil Schild
.....	Kevin Thomas
.....	Craig Locke
.....	Dan York
.....	Robert Roscoe
ACWA Water Quality Committee .....	Bob Wichert
.....	Dave Jones
ACWA Energy Committee .....	Kevin Thomas
ACWA Communications Committee.....	Kevin Thomas
ACWA Legal Affairs Committee.....	Ryan Bezerra
California Special Districts Association.....	Kevin Thomas
.....	Dave Jones
CSDA Transparency and Formation Expert Feedback Teams.....	Kevin Thomas
CSDA Fiscal and Education Committees .....	Dave Jones
LAFCo Special District Advisory Committee .....	None
Regional Water Authority .....	Bob Wichert
.....	Dan York
Regional Water Authority Executive Committee .....	Staff Rep: Dan York
Sacramento Groundwater Authority .....	Neil Schild, Board Rep.
.....	Dan York, Staff Rep.
.....	Kevin Thomas, Alternate
.....	Bob Wichert, Alternate
.....	Craig Locke, Alternate
.....	Dave Jones, Alternate
Sacramento Water Forum Successor Effort .....	Staff Rep: Dan York
.....	Kevin Thomas
.....	Craig Locke, Alternate
.....	Neil Schild, Alternate
.....	Bob Wichert, Alternate
.....	Dave Jones, Alternate

6. **Resolution No. 18-01 A Resolution of the Board of Directors of the Sacramento Suburban Water District Authorizing Bank Account Signatories**

Mr. Bills presented the staff report.

Director Thomas moved to approve the item, Director Schild seconded.

Director Wichert requested to remove the Assistant General Manager’s line item on the resolution, as the position was currently vacant.

Director Thomas amended his motion to include Director Wichert’s suggestion.

The motion passed by unanimous vote.

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

7. **Robert Roscoe Retirement Event**

GM York presented the staff report.

Mr. Eubanks expressed his disapproval with the staff recommendation.

Josh Horowitz confirmed that it was a temporary appropriation of funds that would be paid back, which was the intention of the policy, therefore he stated, it was appropriate.

GM York expressed that if an employee attended the event that their ticket would be paid by the Employee Morale Fund.

Director Wichert moved the staff recommendation.

Mr. Bills suggested for Director Wichert to add to his motion for staff to bring back an update to this report, Director Wichert agreed with that suggestion.

Director Thomas seconded the motion. The motion passed by unanimous vote.

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

**Information Items**

8. **Antelope Transmission Pipeline Leak**

A written report was provided, Matt Underwood (Mr. Underwood) provided a brief summary of the staff report.

Director Wichert inquired if there were additional valves in the District that were known to be inoperable.

Mr. Underwood clarified that all valves in the District have been tested as part of the preventative maintenance program and are in working order.

Director Wichert inquired why the bolts failed.

Mr. Underwood expressed that staff believed that the steel well casing riser was in contact with the bolts causing the failure.

Director Wichert requested to see the bolts.

Mr. Underwood expressed that he would locate them for his review.

9. **2017 Annual Environmental Compliance Activity Report**

A written report was provided.

10. **Garden on Eden Update**

A written report was provided.

11. **Preventive Maintenance Annual Report**

A written report was provided.

12. **Financial Markets Quarterly Report**

A written report was provided.

13. **Year-to-Date Interest Expense Quarterly Report**

A written report was provided.

14. **2017 Budget Reallocations**

A written report was provided.

Director Wichert inquired about the corrosion control.

GM York expressed that the project would be completed by 2019.

15. **Human Resources Quarterly Report**

A written report was provided.

16. **Legislative and Regulatory Update**

A written report was provided.

17. **RWA and ACWA Comment Letters to SWRCB**

A written report was provided.

18. **ACWA Committee Appointments for the 2018-19 Term**

A written report was provided.

19. **Upcoming Water Industry Events**  
A written report was provided.
20. **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.
21. **Engineering Report**  
A written report was provided.
  - a. *Major Capital Improvement Projects*  
A written report was provided.
  - b. *Other*  
A written report was provided.
22. **General Manager's Report**  
A written report was provided. GM York provided a brief summary of the report.
  - a. *Long Term Warren Act Contract Update*  
A written report was provided.
  - b. *Chromium 6 Court Complaint Update*  
A written report was provided.
  - c. *McClellan Business Park Successor Agreement Update*  
A written report was provided.
  - d. *Assistant General Manager Recruitment*  
A written report was provided.
23. **Financial Report**  
A written report was provided. Mr. Bills provided a brief summary of the report.



- a. *Draft Financial Statements – December 2017*  
A written report was provided.
- b. *Investments Outstanding and Activity Quarterly Report*  
A written report was provided.
- c. *Draft Cash Expenditures – December 2017*  
A written report was provided.
- d. *Draft Credit Card Expenditures – December 2017*  
A written report was provided.
- e. *Directors Compensation and Expense Accounting Quarterly Report*  
A written report was provided.
- f. *Market Report Yields*  
A written report was provided.
- g. *Draft District Reserve Balances – December 2017*  
A written report was provided.
- h. *Information Required by Bond Agreement*  
A written report was provided.

24. **Upcoming Policy Review**

A written report was provided.

- a. *Reasonable Accommodations and Interactive Process Policy (PL – HR 014)*  
A written report was provided, Director comments are due by February 12, 2018.

**Committee Reports**

- 25. a. Facilities and Operations Committee (Director Schild)  
No report.
- b. Finance and Audit Committee (Director Thomas)  
No report.
- c. Water Quality Committee (Director Wichert)  
The draft Minutes of the December 18, 2017 Meeting were 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)**

- 26. a. Regional Water Authority (Director Wichert)  
The agenda for the January 11, 2018 Meeting was provided.  
  
Directors’ Schild and Jones provided oral reports of the meeting.  
  
Regional Water Authority Executive Committee (General Manager Dan York)  
No report.
- b. Sacramento Groundwater Authority (Director Schild)  
No report.
- c. Water Caucus Meeting (General Manager Dan York)  
The agenda for the January 10, 2018 Meeting.
- d. Water Forum Successor Effort (General Manager Dan York)  
No report.
- e. Other Reports  
President Locke provided an oral report about his meeting with the Assistant General Manager on October 20, 2017.  
  
Directors Schild and Jones reported on the SGA Meeting they attended on December 14, 2017.

**Miscellaneous Correspondence and General Information**

- 27. **Correspondence received by the District**  
None.

**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 7:21 p.m. to discuss the following:

28. Conference with Legal Counsel – Anticipated Litigation, Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving discrimination complaint filed by Brenda Davis, DFEH No. 964520-318001; EEOC No. 37A-2018-00815-C.
29. Conference with real property negotiator involving the purchase, sale, lease or exchange of real property, Assessor’s Parcel Numbers 203-1940-121-0000 (7868 Golden Ring Way). Dan York, District negotiator, will negotiate with California American Water Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)
30. Conference with real property negotiator involving the purchase, sale, lease or exchange of real property, Assessor’s Parcel Numbers 203-0120-018-0000 (proposed Barret Ranch East Subdivision – 4855 Don Julio Boulevard). Dan York, District negotiator, will negotiate with Winn Communities Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)
31. Conference with real property negotiator involving the purchase, sale, lease or exchange of real property, Assessor’s Parcel Numbers 279-0110-070-0000 (3233 Cottage Way). Dan York, District negotiator, will negotiate with Realty ONE Group Complete Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)
32. 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 8:33 p.m. There was no reportable action.

**Adjournment**

President Locke adjourned the meeting at 8:35 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District