

## **Minutes**

Sacramento Suburban Water District

### **Regular Board Meeting**

Monday, August 20, 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: Craig Locke, Dave Jones, Kevin Thomas and Robert Wichert.

Directors Absent: Kathleen McPherson.

Staff Present: General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Assistant General Manager Mike Huot, Dana Dean, Matt Underwood, Jim Arenz, Annette O’Leary, Lynne Yost and Legal Counsel Ryan Bezerra.

Public Present: William Eubanks and Avery Wiseman.

#### **Announcements**

General Manager Dan York (GM York) announced:

- Director McPherson had a prior engagement scheduled for this date and will not be attending the meeting;
- The SGA appointments of Director Thomas as representative and Director McPherson as alternate representative for SSWD have been approved and adopted by the City of Sacramento City Council at their July 24, 2018 meeting;
- On July 31, 2018, Moody’s Investor Services issued a press release reaffirming the District’s long-term credit rating of “Aa1” on the variable-rate 2009A COP. The rating is comprised of a stand-alone rating of Sumitomo Mitsui Banking Corporation of “A1” and the District’s stand-alone rating of “Aa2;”
- The California Special Districts Association will be conducting its 2018 Sierra Network Tour on August 23, 2018, and will be visiting SSWD facilities, the Fulton – El Camino Recreation & Park District, and the Sacramento-Yolo Mosquito & Vector Control District;
- The SJWD/SSWD Water Management/Re-Organization Committee Meeting (2x2) is set for Wednesday, October 3, 2018, at 4:30 p.m. at the Marconi Office, and;

- All 4 Directors up for election are running unopposed, therefore an election for our District will not be held in November.

**Public Comment**

None.

**Consent Items**

1. **Minutes of the July 16, 2018, Regular Board Meeting**
2. **Return to Work Policy (PL – HR 007)**
3. **Investment Policy (PL – Fin 003)**
4. **Reserve Policy (PL – Fin 04)**
5. **GIS Database Tool for Well Site Selection Planning**

Director Wichert moved to approve the consent Items; Director Jones seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

6. **Resolution No. 18-13 Approving a Long Term Warren Act Contract For a Period of Twenty-Seven Years (2018 - 2045) Between the Sacramento Suburban Water District and the United States Bureau of Reclamation and Authorizing Execution of the Contract**

GM York presented the staff report.

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

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

7. **Resolution No. 18-14 A Resolution of the Board of Directors of the Sacramento Suburban Water District Recognizing Water Professionals Appreciation Week**  
Assistant General Manager Mike Huot (AGM Huot) presented the staff report.

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

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

8. **Directors Out of State Travel Request**

GM York presented the staff report.

William Eubanks (Mr. Eubanks) expressed that he believed the Conference was a waste of ratepayer’s money as the Conference flyer primarily highlighted non-business related events.

President Locke expressed that he was interested in the groundwater courses.

Director Thomas stated that most Conferences offered additional events, but that most times Directors did not attend them.

Director Thomas moved to approve the Item; President Locke seconded. The motion passed by a 3/1 vote. Director Wichert opposed.

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

**General Manager’s Report**

9. **General Manager’s Report**

GM York presented the staff report.

a. *McClellan Business Park Successor Agreement Update*

GM York presented the staff report.

b. *City of Sacramento Wholesale Agreement*

GM York presented the staff report.

c. *Meter Reading Issues Update*

GM York presented the staff report.

Director Thomas inquired if there was a timeline of when it would be completed.

Matt Underwood (Mr. Underwood) expressed that staff was trying to come to an agreement soon.

Mr. Underwood further explained details of the terms of the agreement.

d. *Public Outreach Meeting on Main Replacement Projects*

GM York presented the staff report.

Director Thomas expressed that he attended the Outreach Meeting and that there was a lot of good feedback and good questions from customers.

- e. *Grant of Easement and Right of Way at 4000 Edison Avenue*  
GM York presented the staff report.
- f. *2018 Water Transfer*  
GM York presented the staff report.

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

- 10. a. Regional Water Authority (Director Wichert)  
No report.

Regional Water Authority Executive Committee (General Manager York)  
The Agenda from the July 25, 2018 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Thomas)  
The Agenda from the August 9, 2018 Meeting was provided.
- c. Water Caucus Meeting (General Manager York)  
No report.
- d. Water Forum Successor Effort (General Manager York)  
No report.
- e. Director Reports (AB1234)

President Locke provided oral reports regarding the meetings he had with the General Manager on March 12 and 21, 2018.

Director Thomas provided oral reports on the Delta Smelt Seminar that he attended on July 24, 2018, the Aerojet CAG Meeting that he attended on July 25, 2018, the meeting with the Finance Director on July 31, 2018, the Flow Standard Seminar that he attended on August 1, 2018, and the Outreach Meeting that he attended on August 2, 2018.

Director Wichert asked if staff could reach out to Aerojet to see if we could obtain any information on the foam firefighting agent that they use in order to see if McClellan Business Park ever used the same foam.

**Committee Reports**

- 11. a. Facilities and Operations Committee (Director Jones)  
The Draft Minutes from the August 1, 2018, meeting were provided.

Mr. Eubanks expressed that Director Wichert had a lengthy discussion regarding if the Nitrate levels in the water represented a health hazard to pregnant woman. He noted that due to Director Wichert's emphasis of the issue in the discussion, he was left wondering if there was a health hazard that the public should be made aware of.

GM York expressed that if there was ever a well in the District that tested above the Maximum Contaminant Level (MCL) for Nitrate, the well would be shut off.

Mr. Eubanks asked if the Nitrates in the water represented a health hazard to pregnant women.

Director Wichert expressed that the District meets the state requirements but that he was unaware if it poses a health hazard to pregnant women. He further expressed that staff was working on language to provide to the Division of Drinking Water to request approval to provide more detail about Nitrates in our Consumer Confidence Report.

Mr. Eubanks expressed that he was surprised that the Board would discuss the topic without having the answers for the public.

Director Wichert expressed that the topic was scheduled to be discussed at the next Facilities and Operations Committee meeting.

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

## **Information Items**

### **12. 2018 Employee Compensation Study Update**

A written report was provided. Dan Bills (Mr. Bills) provided an update to the staff report.

### **13. 2018 Water Rate Study Update**

A written report was provided. Mr. Bills provided an update to the staff report.

Director Wichert expressed that he wanted to attend the meeting between staff and the consultant.

Mr. Bills stated that staff would get him the information for the meeting.

### **14. Legislative and Regulatory Update**

A written report was provided.

### **15. Upcoming Water Industry Events**

A written report was provided.

16. **Upcoming Policy Review**

A written report was provided.

a. Public Works Contracting Policy (PL – Eng 002)

A written report was provided. Director comments are due by August 31, 2018.

b. Procurement Policy (PL – Fin 005)

A written report was provided. Director comments are due by August 31, 2018.

**Department/Staff Reports**

17. **Financial Report**

A written report was provided.

a. *Financial Highlights – July 2018*

A written report was provided.

b. *Financial Statements – July 2018*

A written report was provided.

c. *Investments Outstanding and Activity*

A written report was provided.

d. *Cash Expenditures – July 2018*

A written report was provided.

e. *Credit Card Expenditures – July 2018*

A written report was provided.

f. *District Reserve Balances – July 2018*

A written report was provided.

g. *Information Required by Bond Agreement*

A written report was provided.

h. *Financial Markets Report*

A written report was provided.

18. **District Activity Report**

A written report was provided.

a. *Water Operations and Exceptions Report*

A written report was provided.

b. *Water Quality Report*

A written report was provided.

- c. *Water Conservation and Regional Water Efficiency Program Report*  
A written report was provided.
- d. *Customer Service Report*  
A written report was provided.
- e. *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. *Other*  
A written report was provided.

**Miscellaneous Correspondence and General Information**

- 20. Correspondence received by the District  
A written report 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 6:50 p.m. to discuss the following:

- 21. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

**Return to Open Session**

The Board convened in open session at 7:14 p.m. There was no reportable action.

**Adjournment**

President Locke adjourned the meeting at 7:15 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District