

## **Minutes**

Sacramento Suburban Water District  
**Regular Board Meeting**  
Monday, September 17, 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, Kathleen McPherson and Kevin Thomas.

Directors Absent: Robert Wichert.

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

Public Present: William Eubanks and Avery Wiseman.

### **Announcements**

General Manager Dan York (GM York) announced:

- Wednesday, October 3, 2018, at 4:30 p.m., San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee Meeting;
- Carmichael Founders Day, September 22, 2018 10:00 a.m. to 3:00 p.m.;
- September 26, 2018 ACWA Region 4 Program - Folsom Dam Presentation and Tour Antelope/Folsom, CA; and
- Congratulations to President Locke for officially being appointed as Public Works Director for the City of Woodland.

### **Public Comment**

None.

### **Consent Items**

1. **Minutes of the August 20, 2018 Regular Board Meeting**
2. **Minutes of the September 10, 2018 Special Board Workshop**
3. **General Manager and Directors Out of State Travel Request**

4. **Resolution No. 18-15 Amending District Conflict of Interest Code**
5. **Public Works Contracting Policy (PL – Eng 002)**
6. **Procurement Policy (PL – Fin 005)**

President Locke pulled Items 4, 5 and 6.

Director Thomas moved to approve the consent Items except Items 4, 5 and 6; Director Jones seconded. The motion passed by unanimous vote.

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

Regarding Item 4, William Eubanks (Mr. Eubanks) inquired if it was still the policy of the District to provide a copy of Form 700 upon request.

Staff indicated that there was an electronic file of each Director’s Form 700 available upon request.

Mr. Eubanks inquired if anything changed in the Brown Act.

Staff informed Mr. Eubanks that it was more of a legal question and they would get back to him.

Director Thomas moved to approve Item 4, Director Jones seconded. The motion passed by unanimous vote.

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

Regarding Item 5, President Locke requested to pull the Item and pointed out in the Public Works Contracting Policy, on page 2 of 3, section 3.00 Procedure; there was nothing listed about the California Public Contract Code. He wanted to be sure that it was understood that the District was bound by the Public Contract Code, and wanted State language included in the Policy.

He requested to table the Item, and bring it back to the October Regular Board Meeting including the changes he directed.

Regarding Item 6, President Locke requested to pull the Item and pointed out that in the Procurement Policy, on page 2 of 4, section 200.20 Purchase of Materials and Trade Services; he wanted to have clarification added to the cumulative cost section.

He recommended to change the language from “for non-emergency, purchases or other encumbrances up to \$100,000 per annum,” to include the following language at the end: “with any particular vendor.”

Director Jones added that when a contractor purchased materials for main replacement projects, those materials were over the listed \$100,000. Once the change was made to purchase the materials in-house, the items should have been separated in the policy.

The Board agreed to table the Item to permit staff to add further clarification and bring it back to the October Regular Board Meeting.

**Items for Discussion and/or Action**

**7. Resolution No. 18-16 Amending Regulation No. 3 of the Regulations Governing Water Service**

Dan Bills (Mr. Bills) presented the staff report.

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

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

**8. Electronic Board Packet Options**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report.

Avery Wiseman (Mr. Wiseman) expressed that he wanted to be sure that the District remained transparent and provided paper copies for the public.

Director Thomas reiterated that the public copies would still remain.

Mr. Eubanks echoed Mr. Wiseman’s comment, expressing that he wanted to be sure the District remained transparent. He also inquired what the plan was to ensure that any District provided laptops to Directors weren’t misused.

GM York expressed that there would be guidelines in place with any District provided laptops.

Director McPherson expressed her support, noting that it was not just about the time it took staff to produce the binders, but it was also about going green and being more friendly with the environment.

GM York expressed that it was also one of the goals of the General Manager from the Board to review the board packets.

President Locke expressed that he preferred a hard copy, but would use a laptop if that was the preferred method of the Board.

Director Jones expressed that it did take a lot of staff time to produce paper copies.

Director Thomas noted that going electronic would save time and money and he was in support of it.

Mr. Bills reminded the Board any District business used on personal equipment could be discoverable. He noted that is another reason to consider using District provided equipment when conducting District business.

Director McPherson expressed she was in favor of having access to her District email when responding to constituents. She stated she was also willing to adapt to technology in an effort to be friendlier with the environment.

President Locke expressed the Board was interested in going electronic, and that he would like for staff to bring the Item back with additional details on cost and functionality of the equipment provided. He also recommended that there be no changes to the paper copies provided to the public. He noted that once the information was provided to the Board, they can make a decision on what they would like to do.

9. **2019 Revised Budget Preparation Timeline**

Mr. Bills presented the staff report.

President Locke noted that he was concerned about CIP projects being completed in the year they were budgeted for. He further wanted to be sure that CIP reserves were not being used to fund Operations and Maintenance reserves or expenses.

Mr. Bills expressed that funding would be coming from the rate stabilization fund portion of District reserves.

President Locke noted that property costs were increasing, and that there was still a liability with McClellan Business Park, so he wanted to be sure that reserves were not diminishing to pay for these unfunded liabilities.

Mr. Bills inquired if the Board was interested in having the rate study completed before the adoption of the budget.

President Locke noted that he was interested in seeing a global solution.

Director McPherson expressed that she didn't want to rush the rate study, but that she also understood what President Locke's concerns were.

President Locke reiterated that he wanted to be sure that the CIP budget matched the anticipated projects over the next 5 years, and that he believed a rate study as well as the Master Plan were all important factors in that.

Mr. Bills expressed that staff would bring the rate study to the Board as soon as it was completed.

Director Thomas moved to approve the new proposed calendar; Director Jones seconded. The motion passed by a 3/1 vote.

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

**General Manager’s Report**

**10. General Manager’s Report**

GM York presented the staff report.

- a. *City of Sacramento Wholesale Agreement*  
GM York presented the staff report.

Mr. Eubanks requested clarification on the City of Sacramento’s original agreement with Arcade Water District.

Mr. Bills provided some of the history of the agreement and responded to his questions.

- b. *2018 Water Transfer Update*  
GM York presented the staff report.

- c. *Strategic Plan Workshop*  
GM York presented the staff report and discussed that staff decided to hire Strategy Driver, Inc. to provide support with the review of the Strategic Plan.

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

- 11. a. Regional Water Authority (Director Wichert)  
The agenda from the September 13, 2018 Meeting was provided.

Regional Water Authority Executive Committee (General Manager York)  
The agenda from the August 22, 2018 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Thomas)  
No report.

- c. Water Caucus Meeting (General Manager York)  
The agenda from the September 12, 2018 Meeting was provided.
- d. Water Forum Successor Effort (General Manager York)  
No report.
- e. Other Reports – AB1234  
Director McPherson provided an oral report on the meeting she had with the General Manager on June 28, 2018.

Director Jones provided an oral report on the meetings he had with the General Manager on July 31, 2018 and August 18, 2018.

Director Thomas provided an oral report on certain meetings he attended.

### Committee Reports

- 12. a. Facilities and Operations Committee (Director Jones)  
The agenda for the September 13, 2018 Meeting was provided.  
  
Director Jones provided an oral report of the meeting.
- b. Finance and Audit Committee (Director Thomas)  
No report.

### Information Items

- 13. **Fixing the 2018 Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act Follow Up**  
A written report was provided.  
  
President Locke requested for this Item to be presented to the Finance and Audit Committee, and to be brought back to the full Board only if that Committee wished to do so.
- 14. **2018 Water Rate Study Update**  
A written report was provided.
- 15. **2018 Employee Compensation Study Update**  
A written report was provided.
- 16. **Legislative and Regulatory Update**  
A written report was provided.

17. **Upcoming Water Industry Events**  
A written report was provided.

**Department/Staff Reports**

18. **Financial Report**  
A written report was provided.
- a. *Financial Highlights – August 2018*  
A written report was provided.
  - b. *Financial Statements – August 2018*  
A written report was provided.
  - c. *Investments Outstanding and Activity*  
A written report was provided.
  - d. *Cash Expenditures – August 2018*  
A written report was provided.
  - e. *Credit Card Expenditures – August 2018*  
A written report was provided.
  - f. *District Reserve Balances – August 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.
19. **District Activity Report**  
A written report was provided.

President Locke noted the Preventative Maintenance program numbers were low compared to the numbers at City of Woodland and further expressed that the City of Woodland had additional staff assigned to the Preventative Maintenance program.

- 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.

20. 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**

21. Correspondence received by the District  
A written report was provided, GM York highlighted the correspondence received.

#### **Director's Comments/Staff Statements and Requests**

None.

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

None.

#### **Adjournment**

President Locke adjourned the meeting at 7:29 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District