

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, December 17, 2018

Swearing in Newly Elected Directors

District General Manager/Secretary Dan York administered the oath of office to Kathleen McPherson, Robert Wichert, Craig Locke and Kevin Thomas.

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, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Director of Finance and Administration Dan Bills, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Dana Dean, Matt Underwood, Jim Arenz, Cassie Crittenden, Annette O’Leary, David Espinoza, Greg Bundesen, Hector Segoviano, Bob Ames, Cody Scott, Shawn Chaney, Wayne Scherffius, Mark Taylor, David Morrow, Joe Crockett, Todd Artrip, Shawn Shedenhelm, Tom Fox and Mitchell McCarthy.

Public Present: William Eubanks, Avery Wiseman, Norma Ames and Shelley Artrip.

Election of District Officers

1. Election of District Officers

General Manager Dan York (GM York) presented the staff report.

President Locke nominated Director Jones for 2019 Presidency; Director Thomas seconded. The motion passed by unanimous vote.

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

President Jones presided over the remainder of the meeting.

Director Wichert nominated Director Thomas as Vice President; Director McPherson seconded. The motion passed by unanimous vote.

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

Announcements

GM York announced:

- New Human Resources Coordinator, Cassie Crittenden;
- The photo of the Board of Directors signing the Long Term Warren Act Contract on the cover of the Carmichael Times Newspaper, located at the dais;
- Happy Holidays to all.

Public Comment

Greg Bundesen expressed his gratitude and appreciation for the Board’s efforts on finalizing the 2018 Compensation Study on behalf of the staff at the District. He further stated staff recognized the challenges that both the Board and the Management team overcame during the process, and understood the degree of difficulty of ensuring that both staff, as well as the ratepayers, were considered fairly. He expressed that staff appreciated the Board’s time, deliberation and thoughtful review in ensuring a thorough evaluation in reaching a balanced result for all.

Director Thomas expressed his appreciation for staff’s patience during the process.

President Jones stated he didn’t think that any Board would ever regret investing in their staff, and that he believed it should continue.

Consent Items

2. **Minutes of the November 19, 2018 Regular Board Meeting**
3. **Minutes of the December 7, 2018 Special Board Meeting**

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

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

Items for Discussion and/or Action

4. **Resolution No. 18–19 Honoring Robert Ames on His Retirement**
GM York presented the resolution to Robert Ames (Mr. Ames).

Mr. Ames expressed his appreciation to staff and the Board for the many years of effort and hard work.

President Jones expressed that Mr. Ames was a mentor and a team player to all, and that he was proud to have worked with him.

GM York stated he assisted with the hiring of Mr. Ames 15 years ago, and that it was a very good decision, as Mr. Ames has a lot of integrity and an incredible work ethic.

5. Draft Final Budget 2019

Dan Bills (Mr. Bills) presented the staff report and PowerPoint presentation.

Mr. Bills reviewed the changes staff had made since the prior draft. Clarifying questions were asked.

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

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

6. Evaluation of the Finance and Audit Committee

Mr. Bills presented the staff report.

Discussion ensued regarding the different options.

William Eubanks (Mr. Eubanks) expressed his dissatisfaction with District committees, pointing out that staff typically provides a full presentation to a committee and then needing to re-present the same material to the Board. He suggested for the committee members to present a condensed version of the material to the full Board, including the committee's recommendation.

The Board agreed to have the Chairperson of each committee present material that was discussed at the committee level, with the exception of more lengthy items where staff would assist with presenting.

Mr. Bills expressed that the existing charter would not need to be edited.

The Board decided not to alter the existing charter, but to have the Finance and Audit Committee operate under the charter as it now exists.

7. Evaluation of the Facilities and Operations Committee

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

Director Thomas moved to approve option 2 in the staff report; “modify the Facilities and Operations Committee to act in an Advisory Role, with significant edits to the Charter.”

President Jones noted that option 2 would remove the present authority allowing the General Manager to resolve issues or disputes up to \$50,000.

President Jones moved to approve Option 1 “Status Quo, with minor updates to the Charter; Director Wichert seconded. The motion passed by unanimous vote.

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

8. **Committee and Liaison Appointments for 2019**

President Jones made the following appointments for 2019:

Committees

- Facilities and Operations Committee Dave Jones, Chair
 Craig Locke
 Staff Contact: Dan York
- Finance and Audit Committee..... Bob Wichert, Chair
 Kathleen McPherson
 Staff Contact: Dan Bills
- SJWD/SSWD Water Management/Re-organization Committee Dave Jones, Chair
 Craig Locke

Liaison Assignments

- ACWA/JPIA..... Kathleen McPherson
 Staff Position: Dan York
- ACWA General Election Voting Delegate Craig Locke
- ACWA Groundwater Committee..... Dave Jones
 Kevin Thomas
 Craig Locke
 Kathleen McPherson
 Dan York
- ACWA Water Quality Committee Kathleen McPherson
 Dave Jones
- ACWA Energy Committee Kevin Thomas

ACWA Communications Committee..... Kevin Thomas

ACWA Legal Affairs Committee..... Ryan Bezerra

California Special Districts Association..... Kathleen McPherson
..... Dave Jones

CSDA Transparency and Formation Expert Feedback Teams..... Kevin Thomas

CSDA Fiscal and Education Committees Dave Jones

LAFCo Special District Advisory Committee Kathleen McPherson

Regional Water Authority Dave Jones
..... Dan York

Regional Water Authority Executive Committee Staff Rep: Dan York

Sacramento Groundwater Authority Kevin Thomas, Board Rep.
..... Dan York, Staff Rep.
..... Bob Wichert, Alternate
..... Craig Locke, Alternate
..... Dave Jones, Alternate
..... K. McPherson, Alternate

Sacramento Water Forum Successor Effort Staff Rep: Dan York
..... Kevin Thomas
..... Craig Locke, Alternate
..... Bob Wichert, Alternate
..... Dave Jones, Alternate

9. **Distribution Main Replacement Program - Master Service Contract for Main Lines**

David Espinoza (Mr. Espinoza) presented the staff report.

President Jones asked clarifying questions.

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

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

General Manager's Report

10. General Manager's Report

GM York presented the staff report.

a. *Strategic Plan Update*

AGM Huot presented the staff report and provided an update.

Director McPherson requested to be updated on the outcome of the staff workshop.

b. *McClellan Business Park*

GM York presented the staff report.

Legal Counsel Josh Horowitz confirmed that staff and legal counsel were still working on a resolution with the County of Sacramento.

c. *Billing Error Update*

GM York presented the staff report.

Annette O'Leary explained the details of the billing error, noting that it was an isolated situation.

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

11. a. Regional Water Authority (Director Wichert)

None.

Regional Water Authority Executive Committee (General Manager York)

None.

b. Sacramento Groundwater Authority (Director Thomas)

The agenda from the December 13, 2018 Meeting was provided.

c. Water Caucus Meeting (General Manager York)

None.

d. Water Forum Successor Effort (General Manager York)

The agenda from the December 13, 2018 Meeting was provided.

e. Other Reports – AB 1234

Director Locke provided an oral report on his meetings with the General Manager on June 28 and July 6, 2018.

President Jones provided an oral report on the meeting he had with the consultant Ellen Cross on November 1, 2018, his meeting with the General Manger on November 5, 2018 and the SAWWA meeting he attended on November 14, 2018.

Director Thomas provided an oral report on the meetings he had with the General Manager on November 21, and December 5, 2018, and the Aerojet CAG meeting he attended on November 28, 2018.

Committee Reports

12. a. Facilities and Operations Committee (Director Jones)
None.
- b. Finance and Audit Committee (Director Thomas)
None.
- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Locke and Director Jones)
The agenda from the December 10, 2018 Meeting was provided.

President Jones provided an oral report of the meeting.

Information Items

13. **Moody's Annual Issuer Comment Report**
A written report was provided.
14. **Supplemental Language for 2018 Consumer Confidence Report**
A written report was provided.
15. **2018 Budget Reallocations**
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 – November 2018*
A written report was provided.

- b. *Financial Statements – November 2018*
A written report was provided.
- c. *Investments Outstanding and Activity – November 2018*
A written report was provided.
- d. *Cash Expenditures – November 2018*
A written report was provided.
- e. *Credit Card Expenditures – November 2018*
A written report was provided.
- f. *District Reserve Balances – November 2018*
A written report was provided.
- g. *Information Required by LOC Agreement*
A written report was provided.
- h. *Financial Markets Report*
A written report was provided.

19. **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.

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 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 7:38 p.m. to discuss the following:

22. 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.
23. 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 8:13 p.m. There was no reportable action.

Adjournment

President Jones adjourned the meeting at 8:14 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District