

# Minutes

## Sacramento Suburban Water District Finance and Audit Committee Monday, April 1, 2019

### Call to Order

Chair Wichert called the meeting to order at 2:00 p.m.

### Pledge of Allegiance

Chair Wichert led the Pledge of Allegiance.

### Roll Call

Directors Present: Kathleen McPherson and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Director of Finance and Administration Dan Bills, Annette O’Learly and Heather Hernandez-Fort.

Public Present: William Eubanks, Heidi McLucas, Doug Kuramoto and Ingrid Shepline.

### Announcements

None.

### Public Comment

William Eubanks (Mr. Eubanks) expressed his discontent with the Directors, stating that he was very unhappy with their accusations and conduct towards staff at the prior Finance and Audit Committee meeting.

### Consent Items

1. **Minutes of the March 22, 2019 Finance and Audit Committee Meeting**

Director McPherson moved to approve Item 1; Chair Wichert seconded. The motion passed by unanimous vote.

AYES:	McPherson and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

### Items for Discussion and/or Action

2. **2018 Comprehensive Annual Financial Report and Annual Audit Results**

Director of Finance and Administration Dan Bills (Mr. Bills) introduced Ingrid Sheipline (Ms. Sheipline) with Richardson and Company, LLP, who provided a summary of the staff report.

Ms. Sheipline provided an agenda of items she would be covering and presented details of the Independent Auditor's Report, highlights of the CAFR, and the Internal Control and Compliance report.

Ms. Sheipline introduced Doug Kuramoto (Mr. Kuramoto) who presented the Governance Letter and Management Letter.

Mr. Kuramoto pointed out that there were no material weaknesses, and no significant deficiencies noting that they agreed with the methodology (policies and procedures) that the District was using.

Mr. Kuramoto noted that there were a few expense reimbursements they reviewed that did not have detailed receipts included, but that they were not considered material weaknesses.

Mr. Bills provided a letter of staff's response to the Auditor's Management Letter, noting that staff would conduct additional reimbursement training with staff and make an upgrade to the account payable system.

The Committee recommended this item to be placed on Consent at the April 15, 2019 regular Board meeting.

3. **2018 OPEB Valuation Under GASB 75**  
Chair Wichert requested public comment.

Mr. Eubanks wanted to comment after the Committee discussed the item.

Chair Wichert expressed that after reviewing the information and speaking with staff, it appeared that the options for changing any of the benefits at this point were very limited, very risky, and not recommend by legal counsel. He noted that legal counsel did suggest that if the Board wanted to pursue looking into additional options, they could hire a benefits attorney. Chair Wichert recommended that the Board explore this option.

Director McPherson agreed, and additionally recommended for staff to gather some of the information to provide to the attorney, as well as allow the Board to provide their questions.

Chair Wichert endorsed for the Committee to recommend that staff present a report to the full Board that would review the scope and estimated costs of hiring a benefits attorney at

an upcoming regular Board meeting. He further recommended to make no changes at this time.

General Manager Dan York noted that staff could recommend the Board President appoint an Ad Hoc Committee for this recommendation.

Director McPherson agreed with a separate Ad Hoc Committee.

The Committee directed staff to present a report to the full Board that would recommend a separate Ad Hoc Committee to review the scope and estimated costs of hiring a benefits attorney at an upcoming Board meeting.

The Committee accepted the OPEB Valuation Under GASB 75 report and requested for the item to be on the Consent calendar.

Director McPherson inquired if there were ways to implement the report, without the need for a rate increase.

Mr. Bills expressed that staff was only funding what the Board approved in the 2019 budget.

Mr. Eubanks expressed that he would provide his comments to the full Board at the April 15, 2019 regular Board meeting.

### **Adjournment**

Chair Wichert adjourned the meeting at 2:59 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District