

# Minutes

Sacramento Suburban Water District  
**Regular Board Meeting**  
Monday, July 20, 2009

## Call to Order

President Schild called the meeting to order at 6:30 p.m.

## Roll Call

Directors Present: Ken Decio, Frederick Gayle, Stephen Hanson and Neil Schild.

Directors Absent: Thomas Fellenz.

Staff Present: General Manager Robert Roscoe, Dan Bills, Stephanie Crary, Ed Formosa, Jan Gentry, Dave Jones, Annette O'Leary, Dan York, Lynne Yost and Legal Counsel Joshua Horowitz.

Public Present: Scott Ahlstrom, Steve Ahlstrom, Noah Baygell, William Eubanks and LeRoy Munsch.

## Announcements

The following items were announced:

- The District's bond refinancing paperwork was signed on June 24, 2009.
- The District's Annual Water Quality Report was mailed to water users on June 23, 2009.
- ACWA's "Water for Tomorrow" publication is now available in the Marconi lobby.

## Public Comment

Scott Ahlstrom acknowledged his brother, Steve Ahlstrom, was in attendance with him. After the fatal accident last month, his company shut down for five days to reorganize and rehire. Mr. Ahlstrom was impressed with SSWD's presence at the funeral services for Arnold Plasencia which showed respect to the family.

General Manager Roscoe stated that staff is working with the County to review future safety controls for construction work, e.g. road closure, reset signals to 4-way flashing red lights, working during the day and on weekends rather than at night.

Noah Baygell urged the Board to take advantage of the real estate market to purchase property on Auburn Boulevard for District facility consolidation. He suggested that the Board direct staff to pursue the next level of the facility consolidation.

Bill Eubanks asked about the wording on the Board meeting agenda.

LeRoy Munsch noted that SMUD is raising its rates. He asked if the District was going to absorb the increase or pass it on to District customers. He believes there is a deflationary economy and to consider that when determining the cost of living adjustment for District employees. Mr. Munsch commended the Board for diversifying its financial portfolio.

## Consent Item

1. Minutes of the June 15, 2009 Regular Board Meeting
2. Minutes of the July 7, 2009 Special Board Meeting
3. Resolution No. 09-14 Accepting Grant of Easement and Right of Way for 3352, 3358, 3362 and 3366 Lerwick Road and 3712 East Country Club Lane
4. Agreements to Grant Easement and Conveyance of Electrical Distribution Facilities to the Sacramento Municipal Utility District

MSC<sup>1</sup> (Hanson/Decio) that the Board of Directors approve Consent Items 1 through 4, by 4/0/1 vote.

## Items for Discussion and Action

### 5. **Water System Master Plan**

General Manger Roscoe introduced the topic and introduced Paul Selsky and Melanie Holton, Brown and Caldwell. This water master plan is the first such plan for SSWD. An Ad Hoc Water Master Plan Committee was formed to make policy level decisions during the process. The full Board was kept abreast of the plan by regular reporting in the General Manager's report spanning nearly a year.

Mr. Selsky and Ms. Holton made a presentation overview of the plan which included the following:

- A water master plan is typically updated every five years.
- SSWD's water supply sources, requirements/demands and the Governor's 20x2020 plan were noted.
- The plan estimates an annual sustainable groundwater pumping target for SSWD is 32,000 to 37,000 acre feet.
- Threats from regional contamination plumes of McClellan, Aerojet and Roseville railyard.
- Surface water agreements with PCWA and the City of Sacramento and the demand limitations.
- Buildout alternatives and meeting the District's needs.
- Water quality.
- Distribution system evaluation, including fire flow, conjunctive use and velocity.
- Storage capacity evaluation for NSA and SSA.
- Analysis of McClellan's infrastructure and improvement plan.
- Additional analysis such as infrastructure reliability plan, standby power capacity, surge analysis and SCADA were included.
- Capital needs analysis and costs over 15 years.

LeRoy Munsch wants to see the NSA and the SSA systems tied together. He wants to know if the PCWA place of use water restrictions can be changed. If the District

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<sup>1</sup>Motion, Second, Carried.

sells water to the City of Folsom, SSWD should make some money on that arrangement. McClellan developers should pay for upgrades at McClellan and not ratepayers. There should be a special assessment fee for McClellan.

Bill Eubanks agrees with Mr. Munsch's ratepayer's comments. He asked about banking water and if this is real water or just on paper. He stated it was an excellent report by the consultant on the water system master plan.

MSC (Schild/Decio) that the Board of Directors adopt the Water System Master Plan, by 4/0/1 vote.

General Manager Roscoe stated this plan will be updated in 3-5 years. The plan provides staff with a tool to use for budget preparation.

6. **Resolution No. 09-15 Amending Regulation No. 15 of the Regulations Governing Water Service**

General Manager Roscoe presented the staff report. Regulation No. 15 was updated in November 2008 and then in the spring of 2009. With the change from odd/even days to watering times, customer comments have been primarily on avoiding watering between 6 a.m. to 9 a.m. SMUD does not have a higher rate in the morning hours, only in the afternoon through evening. RWA is working towards regional water purveyors having watering times aligned. Staff assembled information regarding the odd/even regulations and enforcement for the region. Considerable District community outreach, outlined in the staff report, occurred to promote the new water times in 2009.

Discussion ensued and included:

- Regional advertisement is easier and less confusing to the public if water purveyors have the same watering times.
- SSWD staff's goal is to educate the community on water conservation and not write violations.
- Efficient and effective watering is a goal of water conservation.
- The options staff is recommending closely align with other regional agencies and RWA promotions.
- Staff will work with RWA for conservation messaging and conservation stages alignment.

Bill Eubanks stated he did not like the odd/even watering schedule. He wishes to water between 6 and 9 am.

MSC (Hanson/Gayle) that the Board of Directors adopt option A of the staff report which includes the following:

- Allow outdoor watering between 6:00 a.m. and 9:00 a.m. and direct conservation staff to stop enforcing "no watering" during this timeframe.
- Do not promote the change in watering times with additional printed material and other community outreach.
- Do not update Regulation 15 until the fall 2009 annual update.

by 3/1/1 vote (Schild opposed).

7. **Electronic Documents and Litigation Discovery**

General Manager Roscoe presented the staff report. Laptop use by Sacramento Metro Fire District Directors was discussed.

MSC (Hanson/Decio) that the Board of Directors direct staff to continue with current practices as there is no change in procedure regarding electronic documents, by 4/0/1 vote.

8. **Impaired Capital Asset Policy (PL - Fin 008) Review**

Dan Bills presented the staff report. The update clarifies the policy.

MSC (Hanson/Gayle) that the Board of Directors approve the revised Impaired Capital Asset Policy (PL - Fin 008), by 4/0/1 vote.

## **Information Items**

### **Treasurer's Report**

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

Mr. Bills provided a brief report.

10. **Inter-Budget Reallocations**

Mr. Bills noted the four reallocations in the staff report.

11. **Financial Report**

Mr. Bills reviewed the O&M, CIP and operating capital budgets. Regarding the bank analysis charges, staff is obtaining proposals from two other banks for comparative purposes.

a. *Financial Statements – June 2009*

A written draft report was provided and was noted.

b. *Investments Outstanding – June 2009*

A written report was provided.

c. *Cash Expenditures – June 2009*

A written report was provided.

d. *Credit Card Expenditures – June 2009*

A written report was provided.

e. *Directors Compensation and Expense Accounting – through June 2009*

A written report was provided.

- f. *Investment Portfolios Yield Compared to LAIF Yield – through June 2009*  
A written report was provided.
- g. *Hedging Report – Yield to Rates – December 2004 through June 2009*  
A written report was provided.
- h. *Market Report Yields – September 2005 through May 2009*  
A written report was provided.

## **General Manager's Report**

### **12. District Activity Reports**

- a. *Water Operations and Exception Report*  
A written report was provided. Water production remains well below the five year average.
- b. *Customer Service Report*  
A written report was provided.
- c. *Regional Water Efficiency Program Report*  
A written report was provided.
- d. *Human Resources Report*  
A written report was provided.
- e. *Community Outreach Report*  
A written report was provided.

### **13. H.R. LaBounty Safety Awards**

A written report was provided and reviewed by General Manager Roscoe. Two District employees, Todd Artrip and Dan York, received the H.R. LaBounty Safety Award for 2009.

### **14. ACWA Call for Candidate Nominations**

A written report was provided and reviewed by General Manager Roscoe. Only if a Director informs District staff of their desire to nominate or be nominated for ACWA president or vice president, will staff place this item on the August Board agenda.

### **15. County of Sacramento Lawsuit vs. Aerojet and Boeing**

A written report was provided and reviewed by General Manager Roscoe. The lawsuit and media release were noted.

### **16. CIP Projects Quarterly Report**

A written report was provided.

17. **Preventative Maintenance Quarterly Report**  
A written report was provided and briefly reviewed by General Manager Roscoe. The preventative maintenance (PM) program has been very successful identifying and repairing problems in the District's distribution system. The use of the PM truck and trailer, purchased in April 2009, has saved the District time and money.
18. **Meter Pilot Program Quarterly Report**  
A written report was provided and briefly reviewed by General Manager Roscoe. There is still customer interest in this program. A majority of program participants would be saving money on a metered rate.
19. **Metering Multi-Family Residential Units Update**  
A written report was provided and briefly reviewed by General Manager Roscoe. This topic was discussed by the Board in 2008. This report illustrates the complexity of metering multi-family residential units.
20. **Drought Water Bank Update**  
A written report was provided and briefly reviewed by General Manager Roscoe. Assistant General Manager Formosa deserves recognition for his work on this project. The project is still moving forward but it has been a frustrating process.
21. **Legislative Update**  
A written legislative report was provided and briefly reviewed. There is no state budget yet. The water conservation legislations are still moving forward. Staff teamed with San Juan Water District, and the Cities of Sacramento Folsom and Roseville to amend SB 261 proposed language. Currently staff recommends to support SB 261 if amended, and to continue to advocate our own conservation language.
22. **Miscellaneous District Issues – General Manger's Report**  
A written report was provided. The General Manager noted the following:
  - After costs, the District received a sales tax refund of about \$23,650 for water treatment chemicals.
  - Antelope Garden is being used by the public during the week and on the second Saturday of the month.
  - Eco:Logic was selected as the consultant for Phase II of the emergency generator compliance program project. A kick-off meeting occurred on July 8, 2009.
  - The Bureau of Reclamation contacted District staff to start the process again for the Long Term Warren Act Contract.

### **General Counsel's Report**

Legal Counsel Horowitz reported on the following: 1) The protest letter was filed for the El Dorado Water & Power Authority Supplemental Water Rights Project, 2) CalPERS and the drought water bank will be discussed in closed session, 3) Still working on the Sacramento Bee customer information request. The City of Sacramento released to the Sac Bee the top 50 metered water users.

### **Committee Reports**

23. a. *Facilities and Operations Committee*  
No report.
- b. *Finance and Audit Committee*  
No report.
- c. *Ad Hoc Conjunctive Use Planning Committee*  
No report.
- d. *Ad Hoc CalPERS Committee*  
No report.
- e. *Ad Hoc Water Master Plan Committee*  
See Item 5 for report.
- f. *General Manager Performance Review Committee*  
No report.

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

24. a. *Regional Water Authority*  
No report.  
  
*Regional Water Authority Executive Committee*  
General Manger Roscoe provided an oral report on the June 24, 2009 meeting he chaired.
- b. *Sacramento Groundwater Authority*  
No report.
- c. *Water Forum Successor Effort*  
No report.
- d. *San Juan Water District Executive Committee*  
An agenda from the June 23, 2009 meeting was provided.
- e. *Sacramento River Water Reliability Study*  
No report.
- f. *Other Reports*  
Directors Decio, Hanson and Schild reported on their one-on-one meetings with General Manager Roscoe on June 22, July 8 and June 29, respectively.  
  
Director Schild reported on the bond documents signing which occurred on June 24, 2009.

### **Miscellaneous Correspondence and General Information**

25. Certain correspondence received by the District was provided.

26. General information related to District business was provided.

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

No report.

**Closed Session**

The Board convened in closed session at 9:07 p.m. to discuss the following:

- 27. a. Conference with Legal Counsel – Existing Litigation  
Government Code sections 54954.5(c) and 54956.9(a); Sacramento Suburban Water District v. California Public Employees Retirement System.
- b. Conference with Legal Counsel – Existing Litigation  
Government Code sections 54954.5(c) and 54956.9(a).  
Butte Environmental Council, et al. v. California Department of Water Resources, et al.
- c. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.  
Conference with Board negotiating committee (including Directors Schild and Decio) involving the General Manager under Government Code sections 54954.5(f) and 54957.6.

The Board reconvened in open session at 10:06 p.m. There was no reportable action.

Director Schild reported that he received a letter from the District with incorrect dates regarding when metered billing would begin. He suggested that staff pay more attention to public communication.

**Adjournment**

President Schild adjourned the meeting at 10:08 p.m.

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Robert S. Roscoe  
General Manager/Secretary