

Agenda Item: 1

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, February 22, 2010

Call to Order

President Fellenz called the meeting to order at 6:31 p.m.

Roll Call

Directors Present: Ken Decio, Thomas Fellenz, Frederick Gayle, Stephen Hanson and Neil Schild.
Directors Absent: None.
Staff Present: General Manager Robert Roscoe, Todd Artrip, Dan Bills, Ed Formosa, Jan Gentry, Dave Jones, Warren Jung, Annette O'Leary, John Valdes, Dan York and Lynne Yost.
Public Present: William Eubanks and Avery Wiseman.

Announcements

The following items were announced:

- A strategic planning workshop is scheduled for March 8, 2010 at 6:00 pm in the Board Room.
- As noted in Agenda Item 3, Divisions 3, 4 and 5 will be on the November ballot. The nomination period for the November 2, 2010 election is July 12 through August 6.

Public Comment

William Eubanks commented on the rate study, timeline and the 218 process.

Avery Wiseman voiced his appreciation for the information District staff has provided to him. He has concerns regarding the water rates and advocated for the Board returning unspent budgeted moneys directly to the ratepayers.

Consent Items

1. Minutes of the January 19, 2010 Special Board Meeting
2. Minutes of the January 25, 2010 Regular Board Meeting
3. Resolution No. 10-06 Calling the November 2, 2010 District Election, Requesting Consolidation of Elections and Designating Payment for Publication of Statements of Qualifications

MSC¹ (Hanson/Decio) that the Board of Directors approve Consent Items 1, 2 and 3 by unanimous vote.

Items for Discussion and Action

4. **Sacramento Groundwater Authority Groundwater Accounting Framework Presentation**

General Manager Roscoe introduced SGA Executive Director John Woodling and SGA Senior Project Manager Rob Swartz. At the January regular Board meeting, the Board requested staff to arrange a presentation on the SGA groundwater accounting framework (WAF).

Mr. Woodling and Mr. Swartz made the presentation, which included:

- A definition of conjunctive use.
- A graph showing the local water agencies and surface versus groundwater supply.
- Reasons why the WAF is important to SSWD (e.g. health of groundwater basin and Water Forum Agreement).
- History of organizations such as ARBCA (American River Basin Cooperating Agencies) and SGA.
- The cone of depression in SSWD's service area.
- Basin extractions and contamination (e.g. Aerojet plume).
- Principles of the WAF.
- Each water agency's conjunctive use goal, which is non-enforceable.
- Elements of the model groundwater bank.
- The integrated groundwater and surface water model and stream-aquifer interaction graph.
- The methodology and two model scenarios developed by SGA.
- What the WAF means to SSWD.
- Next steps (e.g. quantify banking losses). SGA workshop on Phase 3 is March 16, 2010. The WAF is scheduled for the April SGA Board meeting.

The Board thanked Mr. Woodling and Mr. Swartz for the presentation.

5. **Resolution No. 10-07 Approving the 2010-2011 Water Year Warren Act Contract Between the District and the United States Bureau of Reclamation**

General Manager Roscoe presented the staff report. The contract is to convey non-project water through Bureau facilities into San Juan Water District's (SJWD) Peterson Treatment Plant near Folsom Reservoir. The water will be treated and delivered to SSWD through the SJWD Cooperative Transmission Pipeline and the SSWD's Antelope Transmission Pipeline. Executing the agreement is required for SSWD to transport raw water purchased from PCWA through the Bureau facilities at Folsom Reservoir.

The Bureau of Reclamation prepared a new draft 2010-2011 contract agreement for Conveyance of Non-Project Water. Since a proposed long-term agreement has not

¹Motion, Second, Carried.

yet been approved and executed by the Bureau, and the SSWD present short-term agreement will expire on February 28, 2010, a new short-term agreement is required until the long-term agreement is finalized and executed.

Discussion ensued and included:

- The Bureau's total cost of service for conveyance in this agreement is \$16.29 which is less than the 2009-2010 rate of \$17.71 per acre-foot (AF).
- A 12 month schedule will be provided to the Bureau with the signed agreement.

There was no public comment.

MSC (Hanson/Gayle) that the Board of Directors adopt Resolution No. 10-07 Approving the 2010-2011 Water Year Warren Act Contract between the District and the United States Bureau of Reclamation; Contract No. 10-WC-20-3978 pending non-substantive revisions by legal counsel, by unanimous vote.

6. **Agreement for Water Service Improvements with County of Sacramento for Forcum and Bell Avenue Roadway Improvements Project – McClellan Park**

General Manager Roscoe presented the staff report. The County of Sacramento is proposing to perform street improvements on Forcum Avenue south of Dudley Boulevard at McClellan Park. The County requested SSWD either lower the existing water main or relocate to another location. After several discussions with the County and review of the roadway improvements plans staff decided the best solution was to relocate the water main to the west side of the street.

District staff concluded to add the project to the County's roadway plans. The agreement is for SSWD to reimbursement the County for the cost to install the new water main and appurtenances including any contract change orders as per the bid price on the Forcum Avenue Roadway Project and the responsibility to provide inspection services for the installation of the water main.

Discussion ensued and included:

- The County's schedule for the contractor and work.
- District's requirements for a 12" line in commercial zoning for fire flows.
- Revisit development standards for size of pipe.

There was no public comment.

MSC (Hanson/Decio) that the Board of Directors authorize the General Manager to execute the "Agreement for Water Service Improvements with County of Sacramento for Forcum and Bell Avenue Roadway Improvements Project" – McClellan Park subject to no substantive changes by the County, by unanimous vote.

7. **Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL - Adm 003) Review**

General Manager Roscoe presented the staff report. Staff was requested to bring back to the Board recommendations for amending the Disposal of Surplus District Real

Property, Vehicles and Large Equipment and Other Personal Property Policy that would allow the General Manager to donate to another government agency or qualified non-profit organization, prior to attempted sale, items covered under the policy that were determined to be of diminutive value. In addition, staff included the changes to the policy that were the result of Board action taken in April of 2009 related to the assessment of eligibility of vehicles and large equipment for replacement.

There was no public comment.

MSC (Gayle/Hanson) that the Board of Directors adopt the recommended changes to the Disposal of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL - Adm 003), by unanimous vote.

8. **Electronic Mail Management and Retention Policy (PL - IT 003) Review**

Staff completed the biennial review of the Electronic Mail Management and Retention Policy (PL - IT 003). Minor clarifying edits were made to update the policy.

There was no public comment.

MSC (Hanson/Decio) that the Board of Directors adopt the recommended changes to the Electronic Mail Management and Retention Policy (PL - IT 003), by unanimous vote.

9. **Information Technology/Disaster Recovery Policy (PL - IT 004) Review**

Staff completed the biennial review of the Information Technology/Disaster Recovery Policy (PL - IT 004) Policy. Minor clarifying edits were made to update the policy.

There was no public comment.

MSC (Hanson/Gayle) that the Board of Directors adopt the recommended changes to the Information Technology/Disaster Recovery Policy (PL - IT 004), by unanimous vote.

10. **Fixed Asset Policy (PL - Fin 002)**

General Manager Roscoe presented the staff report. Staff completed the biennial review of the Fixed Asset Policy (PL - Fin 002). Minor clarifying edits were made to update the policy.

There was no public comment.

MSC (Hanson/Decio) that the Board of Directors adopt the recommended changes to the Fixed Asset Policy (PL - Fin 002), by unanimous vote.

Information Items

Treasurer's Report

11. Financial Report

Mr. Bills noted the draft December income statement and the O&M budget.

Avery Wiseman was unclear about the difference between the December and February O&M budget. General Manager Roscoe invited Mr. Wiseman to meet with staff during regular District business hours to answer his questions in detail.

- a. *Draft Financial Statements – December 2009*
A written report was provided.
- b. *Investments Outstanding and Activity – January 2010*
A written report was provided.
- c. *Cash Expenditures – January 2010*
A written report was provided.
- d. *Credit Card Expenditures – January 2010*
A written report was provided.
- e. *Directors Compensation and Expense Accounting – through January 2010*
A written report was provided.
- f. *Hedging Report – Yield to Rates – December 2004 through January 2010*
A written report was provided.
- g. *Market Report Yields – August 2005 through December 2009*
A written report was provided.
- h. *Draft Information Required by Bond Agreement*
A written report was provided.

Director Hanson left the meeting at 8:18 p.m.

12. Analysis of District Banking Functions

Mr. Bills presented the staff report. The analysis of the banking functions includes more than just banking fees. Integration between the District and its bank include the billing system, accounting and information system structure, a new PO box address for customer payments are some of the issues that were identified with changing banks.

General Manager's Report

13. District Activity Reports

- a. *Water Operations and Exception Report*

A written report was provided. January water production is higher this year than last year, but below the five year average.

b. *Customer Service Report*

A written report was provided.

c. *Water Conservation and Regional Water Efficiency Program Report*

A written report was provided. Exhibit 1 showed the 20% by 2020 average monthly water production. The 10 year average used for SSWD is 1995-2004.

d. *Community Outreach Report*

A written report was provided.

14. **Fixed Network Meter Reading**

A written report was provided reviewed by General Manager Roscoe. Todd Artrip, Distribution Foreman, was present to answer questions. The current meter reading system will not work well with backyard meters. As more customers receive meters, a system to reduce the labor associated with meter reading is desirable. Staff has been conducting in field tests of different fixed network meter reading systems. The 1 watt system did not show reliable results and a 2 watt system was tested with better results. Staff is analyzing the test results. It is anticipated that a vendor will be recommended this year. The project is budgeted for 2010 and staff will continue to report to the Board on project implementation.

15. **Meter Retrofit Project, Phase 1 and 2**

A written report was provided reviewed by General Manager Roscoe. The District was successful in securing a federal grant to install more meters this year. There are stipulations with federal grant money, e.g. prevailing wages, audit requirements and buy American clauses. Sanco Pipelines was the successful low bidder. Their bonds were verified.

16. **2010 Urban Water Management Plan Consultant Selection**

A written report was provided and briefly reviewed by General Manager Roscoe.

17. **ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment**

A written report was provided and briefly reviewed by General Manager Roscoe. Staff addressed both items that were noted in the risk assessment report.

18. **ACWA/JPIA Best Practices Committee**

A written report was provided and briefly reviewed by General Manager Roscoe. District staff was invited to sit on a statewide committee that will be developing guidelines on how to reduce risks for pooled participating agencies.

19. **Request for Concurring in Nomination Resolution for ACWA/JPIA Vice President**

A written report was provided and briefly reviewed by General Manager Roscoe. Last month the Board adopted a resolution for Joseph Dion concurring in nomination

to the ACWA/JPIA executive committee. Director Schild wishes to have all requests received for concurring nominations on the March agenda for Board consideration.

20. **2010 Water Transfers**

A written report was provided and briefly reviewed by General Manager Roscoe. There is no drought water bank for 2010. Staff is looking at the possibility of direct water transfers to specific end users.

21. **Legislative Update**

A written legislative report was provided. Many bills were introduced last Friday. This report included the lobbyist's review of bills.

22. **Miscellaneous District Issues – General Manger's Report**

A written report was provided. General Manager Roscoe noted the following:

- The human resources report will now be quarterly.
- The funding application to First 5 Sacramento for the North Service Area fluoridation was submitted in January. The City of Sacramento may cease to fluoridate their system. Staff will look at the ramifications and options of not fluoridating the SSA.

General Counsel's Report

A confidential written report was provided to the Directors.

Committee Reports

23. a. *Facilities and Operations Committee*

Director Decio and General Manager Roscoe provided oral reports from the February 10, 2010 meeting.

b. *Finance and Audit Committee*

A written report from the February 4, 2010 meeting was provided.

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

An agenda from the January 27, 2010 meeting was provided. General Manager Roscoe provided an oral report.

b. *Sacramento Groundwater Authority*

An agenda from the February 11, 2010 meeting was provided. Director Schild provided an oral report. A quorum was not present at this SGA meeting.

c. *Water Forum Successor Effort*

No report.

d. *San Juan Water District Executive Committee*

An agenda from the January 26, 2010 meeting was provided. Ed Formosa provided an oral report.

e. *Sacramento River Water Reliability Study*
No report.

f. *Other Reports*
An agenda from the February 10, 2010 Water Caucus meeting was provided.

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

None.

Closed Session

There was no closed session.

Adjournment

President Fellenz adjourned the meeting at 9:02 p.m.

Robert S. Roscoe
General Manager/Secretary