

Minutes

Sacramento Suburban Water District Regular Board Meeting February 23, 2026

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #858 7039 8261

Call to Order

President Locke called the meeting to order at 5:00 p.m.

Pledge of Allegiance

President Locke led the Pledge of Allegiance.

Roll Call

Directors Present: Jay Boatwright, Dave Jones, Craig Locke, Kevin Thomas (arrived at 5:02 p.m.), and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Jeff Ott, Heather Hernandez-Fort, Hector Segoviano, Howard Moreland, Jason Marks, Julie Nemitz, and Mike Simi.

Public Present: Legal Counsel Josh Horowitz, Jennifer Harris, J Hannum, Roy Wilson, Trish Harrington, and Emily Hathaway.

Announcements

General Manager Dan York (GM York) announced:

- Director Wichert was elected to the two-year Regular Special District Commissioner Seat for the Sacramento Local Agency Formation Commission.

Public Comment

None.

Consent Items

1. **Draft Minutes of January 13, 2026, Special Board Meeting**
2. **Draft Minutes of January 26, 2026, Regular Board Meeting**
3. **Treasurer's Report**

4. **February 2026 Legislation Update**

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

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

Items for Discussion and/or Action

5. **Resolution No. 26-02 a Resolution of the Sacramento Suburban Water District Board of Directors Amending the District’s Conflict of Interest Code**

GM York presented the staff report.

Director Thomas arrived at the meeting at 5:02 p.m.

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

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

6. **Kirby’s Pump and Mechanical Purchase Update**

GM York, Assistant General Manager Matt Underwood (AGM Underwood), and Legal Counsel Josh Horowitz (Mr. Horowitz) presented the staff report.

Director Wichert stated he did not want to increase the purchase price and suggested obtaining a second opinion from a tax attorney, or accountant, to explore any legal options regarding the tax issue.

Mr. Horowitz noted the issue was unexpected, explained the tax implications, and confirmed there would be no additional legal fees.

Director Jones suggested sharing the unexpected cost or renegotiating, while noting the deal remained favorable.

President Locke emphasized caution in committing to a number without full information and agreed that staff could continue moving forward while a second opinion was being obtained.

Director Boatwright supported Director Wichert’s suggestion, highlighting the need for an asset valuation.

Directors Wichert and Boatwright agreed that a second opinion should be sought, with staff proceeding under the current contract and the agreed-upon purchase price, and a

Special Board meeting could be called if necessary. Director Wichert further stated that he would like a tax expert to review the District's proposed acquisition to determine whether there is a more advantageous structure that would allow for capital gains treatment and minimize the overall tax liability.

Director Jones inquired if there was a cost associated with the delay.

Director Wichert expressed that a delay could increase costs, noting that the current agreement price exceeded the base purchase amount. He asked staff to quantify the potential additional cost of a one-month delay. Staff stated they would provide those numbers.

7. **Update on Acquiring Easements for Water Facilities at McClellan Business Park**
Jason Marks presented the staff report and answered clarifying questions.

8. **Upcoming New Policy, Artificial Intelligence Policy (PL – IT 006)**
Jeff Ott (Mr. Ott) presented the staff report and explained that staff would develop a procedure for employees to follow once the policy was in place.

Director Wichert stated he believed the policy was premature and not relevant to the District.

Jennifer Harris raised questions about the Artificial Intelligence (AI) policy's origins, potential implications of not adopting it, and emphasized consulting technical experts while noting ethical considerations and limited personal knowledge of AI.

Mr. Ott noted that the topic had been raised in prior meetings and was recommended as a best practice.

Director Wichert requested the references used in developing the policy.

Mr. Horowitz clarified that the policy was based on standards used by other clients and that its intent was to provide oversight for staff using AI, with a focus on confidentiality.

Director Wichert expressed concern about reliance on AI tools such as ChatGPT.

Director Thomas commented that AI policies were evolving, but implementing guardrails was a responsible approach.

Mr. Ott stated that if the Board approved, the policy would proceed through the standard policy process.

President Locke noted the policy would require annual review.

9. **Enterprise/Northrop Reservoir Project Update**

Howard Moreland presented the staff report and answered clarifying questions.

Director Wichert requested staff add the facility valves to the preventive maintenance cycle to maintain a consistent rotation.

General Manager's Report

10. **General Manager's Report**

GM York presented the staff report.

a. *Commissioning of Groundwater Wells Event*

GM York presented the staff report.

b. *Association of California Water Agencies General Manager Working Group*

GM York presented the staff report.

c. *Surface Water and Conjunctive Use Program*

GM York presented the staff report.

Del Paso Manor Service Area

11. **Del Paso Manor Service Area Updates**

Mr. Ott presented the staff report.

a. *Grant Funding*

A written report was provided.

b. *Main Replacement Design Update*

A written report was provided.

c. *Preventive Maintenance*

A written report was provided.

d. *Water Meter Update*

A written report was provided.

Department/Staff Reports

12. **Financial Report**

A written report was provided.

a. *Draft Financial Statements*

A written report was provided.

b. *Draft Financial Statement Highlights*
A written report was provided.

c. *Budgets*
A written report was provided.

13. **Groundwater Well Status Report**

Assistant General Manager Matt Underwood answered clarifying questions.

14. **Operations and Customer Service Report**

A written report was provided.

Information Items

15. **Major Capital Improvement Program Projects**

A written report was provided.

16. **Upcoming Water Industry Meetings/Conferences**

A written report was provided.

17. **Upcoming Policy Review**

A written report was provided.

a. Employee Recruitment, Hiring and Promotion Policy (PL – HR 009)

b. Reasonable Accommodation and Interactive Process Policy (PL – HR 014)

c. Electronic Communications System Management and Retention Policy (PL – IT 003)

Committee Reports

18. a. Del Paso Manor Advisory Committee

The draft Minutes from the January 28, 2026, meeting were provided.

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

19. a. Regional Water Authority (Director Wichert)

None.

b. Sacramento Groundwater Authority (Director Boatwright)

The Agenda for the February 12, 2026, meeting was provided.

c. Director Reports – AB 1234

Director Jones provided an oral report of the November 10, and December 8, 2025, meetings he had with the General Manager.

Director Thomas provided an oral report of the RWA Board meeting he attended on January 8, 2026; the SGA Special Board meeting he attended on January 15, 2026; the Delta Independent Science Board meeting he attended on January 16, 2026; the meeting he had with the General Manager on January 20, 2026; the San Juan Water District Board meeting he attended on January 21, 2026; and the AeroJet CAG meeting he attended on January 22, 2026.

Director Wichert provided an oral report of the RWA Board meeting he attended on January 8, 2026; the meeting he had with Director Locke on January 6, 2026; the Water Caucus meeting he attended on January 7, 2026; the RWA Program Committee meeting he attended on January 20, 2026; the meeting he had with the General Manager on January 21, 2026; and the Bay Delta meeting he attended January 28 through 30, 2026.

Director’s Comments/Staff Statements and Requests

President Locke announced that he would be out of town for the March and April meetings.

Adjournment

President Locke adjourned the meeting at 6:38 p.m.

Heather Hernandez-Fort
Board Secretary
Sacramento Suburban Water District