

## MINUTES OF THE REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

**Wednesday, October 18, 2017**

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Tom Nelson, Chairperson, at 9257 Elk Grove Blvd., Elk Grove, CA.

### **Call to Order, Roll Call, and Pledge of Allegiance.**

Directors Present: Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman, Jeanne Sabin  
 Directors Absent: None  
 Staff Present: Mark J. Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Finance Manager; Sarah Jones, Program Manager; Steve Shaw, Water Treatment Supervisor  
 Associate Directors Present: Shahid Chaudhry, Kenneth Strom  
 General Counsel Present: Ruthann G. Ziegler, Meyers Nave  
 Consultants Present: Thomas Dainat, BG Solutions; Dwayne Coffey, Natural Resources Conservation Service District Conservationist

### **Public Comment**

None

### **1. Proclamations and Announcements**

Mark Madison, General Manager, recognized John Vance, Water Distribution Operator I, for his ten years of service (2007-2017) with the District.

Mr. Madison recognized Steve Shaw, Water Treatment Supervisor, for his ten years of service (2007-2017) with the District.

### **2. Consent Calendar**

- a. Minutes of the Regular Board Meeting of September 20, 2017
- b. Minutes of the Special Board Meeting of October 4, 2017
- c. FRCD Cash Flow Worksheet – September, 2017
- d. Warrants Paid – September, 2017
- e. Active Accounts – September, 2017
- f. Bond Covenant Status for FY 2017-18 – September, 2017
- g. Revenues and Expenses – Actual vs Budget FY 2017-18 – September, 2017
- h. Cash Accounts – September, 2017
- i. Consultants Expenses – September, 2017
- j. Major Capital Improvement Projects – September, 2017

MSC (Scherman/Medina) to approve FRCD Consent Calendar items a. – j. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

### **3. Natural Resources Conservation Services**

Sarah Jones, Program Manager, introduced Dwayne Coffey to the Board.

Mr. Coffey announced his leave from the Natural Resources Conservation Service (NRCS) as the District Conservationist. Mr. Coffey commented that Chris Davis will be taking over in the capacity of District Conservationist.

#### 4. Committee Meetings

There were no committee meetings held in the month of September.

#### 5. Elk Grove Water District Operations Report – September 2017

Mr. Madison presented the Elk Grove Water District Operations Report – September 2017 to the Board.

##### Summary Points:

- Door tags (749) and shutoffs (82) were much higher than normal and is believed to be caused by elevated usage.
- The District has continued to do a lot of hydrant maintenance and valve exercising.
- The District had seven (7) pressure complaints for the month. All were unconfirmed.
- The District had two (2) water quality complaints. One (1) was confirmed and the other one (1) was unconfirmed.
- Well 1D remains down – the pump should go back online next week.
- Wells 11D, 14D, 3, 9, and 13 were the main sources of supply for Service Area 1. Hampton is performing exceptionally well.
- Production for Service Area 1 is slightly down from August. Production is up from last year which is interesting considering that last year was significantly cooler.
- Total customer usage for Elk Grove Water District (EGWD) (SA1 and SA2) was slightly down compared to September of 2013 at about 7.69%.
- No new static and pumping water level data. The data shown is from the 3rd quarter measurements.
- On page 27, additional sampling was conducted for lead in all of the schools. Lead, above the action level, was found at 4 locations. Upon flushing and retest, no samples exceeded the action level for lead.
- The District has a new water quality report, for the Hampton Treatment Plant, required by the State and this is shown on page 31.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures.
- Backflow prevention program - there were (11) delinquent customers at the end of September. This is down from (73) at the end of August.
- The District had (5) formal safety meetings and it has been (607) days since the District has had loss time due to an injury.
- Service Line Replacements – One (1) service line was replaced in September as the Utility Crew worked on the Kent Street Water Main project.
- The District had three (3) main line leaks and eight (8) service line leaks.
- Pressures in both Service Areas have remained almost identical to August. Pressures remain strong and stable.

Ms. Jones announced to the Board that AB 746 – Lead in Schools, was passed by legislation. Since the District performed lead testing at schools, the District is ahead of the game.

Shahid Chaudhry, Associate Director, requested a visit to the Railroad Treatment Plant.

## 6. Elk Grove Water District Fiscal Year 2017-18 Quarterly Operating Budget Status Report

Patrick Lee, Finance Manager, presented the Elk Grove Water District Fiscal Year 2017-18 Quarterly Operating Budget Status Report.

Comments and inquiries include:

- On page 35, Account No. 4200, Meter Fees/Plan Check/Water Capacity, at 331.48 percent year-to-date due to a payment in September for \$71,000 for Artisan Homes in Service Area 1.
- On page 37, Account No. 5425, Licenses, Certifications, Fees, the District received an invoice from Sacramento County for \$6,000 for Radio Services that was incorrectly posted to Account No. 5425. The invoice was budgeted under Account No. 5480 and will be transferred to the correct account.

## 7. Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserve Status Report

Mr. Lee presented the Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserve Status Report to the Board. In summary, the total amount available reserves at July 1, 2017 was \$12,871,285. Based on Board policy adopted on August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of expenses), then to the Fiscal Year 2017-18 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and capital replacements in the ratio of 75:25, respectively. During the first quarter of FY 2017-18, the District utilized \$238,156 for capital projects leaving a remaining total reserve balance at September 30, 2017 of \$12,633,132.

A discussion on ribbon cutting was held regarding the new building at the Water Treatment Plant. This discussion was tabled for a later time.

## 8. Professional Services Agreement for Preparation of the 2017 Connection Fee and Water Rate Study

Mr. Lee presented the Professional Services Agreement for Preparation of the 2017 Connection Fee and Water Rate Study. In summary, staff issued a Request for Proposals (RFP) for a Connection Fee and Water Rate Services study to determine the District's revenue and expenditure needs for the next five fiscal years.

Proposals from the following firms were received:

- FCS Group
- HDR Engineering, Inc.
- Hansford Economic Consulting
- Willdan Financial Services
- NBS Utility Rate Group
- Tuckfield & Associates
- Raftelis Financial Consultants, Inc.

Staff reviewed the proposals and interviewed three firms and selected HDR Engineering, Inc. as the firm to provide the District with a five-year financial plan, a cost of service study and an AB 1600 Nexus Study. The five-year financial plan will give recommendations to the District on future water rates needed for operations, capital and debt expenditures over the next five years. The cost of service study will recommend the future water rates and rate structure for the District's customer service types, which primarily include residential, commercial, and fire service. The AB 1600 Nexus Study will make recommendations to the District for water connection fees that reflect the cost of adding new customers to the District's

water system based on their related costs of additional facilities and capacity needed to service them.

A discussion occurred regarding a Citizens Advisory Committee (CAC) for the Water Rate Study. The Board agreed to form a CAC and allow ten (10) committee members total, which would include both Associate Directors, Shahid Chaudhry and Kenneth Strom.

MSC (Scherman/Sabin) to approve a motion authorizing the General Manager to execute a professional services agreement with HDR Engineering, Inc. in an amount not-to-exceed \$77,370 for the preparation of the 2017 Connection Fee and Water Rate Study for the Elk Grove Water District (District); and Authorize staff to proceed with forming a Citizens Advisory Committee and appointing one or more of the Associate Board Members to lead the Citizens Advisory Committee 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

## **9. Electronic Billing Status Update**

Mr. Madison presented the Electronic Billing Status Update to the Board. In summary, staff is proceeding with the implementation of electronic billing to provide an additional resource for customers and to minimize costs to EGWD.

The project generally consists of three basic changes:

1. Modifications to the District's billing software.
2. Modifications to the District's website to allow customers to use electronic billing.
3. Process changes with the District's billing service provider to send out and track electronic billing usage.

Vice-Chairman Bob Gray inquired how the District is going to send out bill inserts and notifications if a customer has signed up for electronic billing (paperless billing). Thomas Dainat, BG Solutions Consultant, responded stating that the customer will be provided with a link to the electronic version of the bill insert in their e-mail notification.

## **10. Electronic Communication Policy – Use of District Email Addresses**

Mr. Madison introduced the Electronic Communication Policy – Use of District Email Addresses to the Board. In summary, the Electronic Communication Policy would require all District officials and staff to use an established District e-mail address exclusively for District electronic communications.

Ruthann G. Ziegler, General Counsel with Meyers Nave, provided background on non-compliance of a California Public Records Act request. She stated that the District would have mandatory awards of attorney's fees against the District, which means that the District would have to pay the attorney fees of the petitioner. She explained that the District's general fund would be at risk.

A lengthy discussion on the Electronic Communication Policy occurred.

Director Sophia Scherman commented that when the District order new business cards, the District e-mail addresses should be included.

## **11. Legislative Update**

Ms. Jones presented the Legislative update to the board. In summary, the California Legislature is in recess at this time and the bill that was sign was AB 746 – Lead in Schools.

A few bills that the District is following and could potentially have impact are:

- HR1068 – Safe Drinking Water Act Amendments of 2017
- HR1579 – Secure and Resilient Water Systems Act
- HR417 – To amend the Safe Drinking Water Act to require the improvement of consumer confidence reports, and for other purposes
- S1464 – Water Conservation Tax Parity Act

## 12. Directors Comments and Information

Ms. Jones commented that the Worm Composting event will be held on Saturday, October 21, 2017.

Chairperson Tom Nelson commented that he received his first training for the SLEWS Program on Tuesday, October 17, 2017.

Mr. Madison stated that there is a need for money for student lunches for each field day – about \$300. Director Scherman asked for information on the logistics of the needs for lunch.

Chairperson Nelson inquired if any other Board members would like to attend the Managed Groundwater Recharge to Support Sustainable Water Management Public Meeting at the Sacramento Convention Center on November 8, 2017 from 8:30 a.m. to 4:30 p.m. Bruce Kamilos, Assistant General Manager, will distribute the information to the board members to see who would like to attend.

Adjourn to regular meeting on November 15, 2017 at 6:30 p.m.

Respectfully submitted,

*Stefani Phillips*

Stefani Phillips, Board Secretary

SP/CR