

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, January 25, 2012

The regular meeting of the Board of Directors of the Florin Resource Conservation District was called to order at 6:30 p.m. by Barrie Lightfoot, Chair, at 8820 Elk Grove Blvd, Elk Grove CA.

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

Directors Present: Barrie Lightfoot, Chuck Dawson, Elliot Mulberg, Tom Nelson and Tony Perez
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Ann Sipelle, General Counsel; Dennis Coleman, Finance Manager; Stefani Phillips, Secretary/Human Resource Specialist; Ellen Carlson, Management Analyst; Donella Ouellette, Finance Supervisor; Bruce Kamilos, Associate Civil Engineer; Jose' Mendoza, Water Distribution Operator in Training; and Jose' Carrillo, Water Distribution Foreman
Associate Directors Present: Donald Menasco and Davies Ononiwu
Associate Directors Absent: None
Consultants Present: Brian Nash and Scott Steincliff, Richardson and Co.; and Rick Robinson, BB&K
Public Present: Roy Herburger, Mendoza family

Public Comment

Mark Madison, General Manager, recognized three individuals of EGWD for achieving various levels of the State of California Water Distribution Operators Certificate Program (Jose Mendoza, D1, Michael Montiel, D2, and Darren Sissom, D3). Mr. Madison recognized each of the individuals separately and congratulated them on their achievement.

1. Consent Calendar

- a. Approve Regular Meeting minutes for December 7, 2011
- b. FRCD Cash Flow Worksheet – November and December, 2011
- c. Warrants Paid – November and December, 2011
- d. Active Accounts – November and December, 2011
- e. Bond Covenant Requirements for FY 2011-2012
- f. Revenues and Expenses – Actual vs Budget
- g. Cash Accounts
- h. Consultants Expenses

The Board requested that Consent Calendar item (h) be pulled for discussion.

MSC (Mulberg/Perez) to approve the Consent Calendar items a – g, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

Tom Nelson, Director, voiced his concerns regarding the legal expenses.

MSC (Nelson/Dawson) to approve the Consent Calendar item (h), 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

2. Presentation FY' 10-11 Annual Audit

Brian Nash and Scott Steincliff, Richardson and Company, reported that they were able to provide a clean opinion on the FY' 10-11 Annual Audit. Mr. Nash reported that the Comprehensive Annual Financial Report (CAFR) was not completed and will be presented at the February Board Meeting. Mr. Nash covered highlights, which included significant issues that were disclosed in the financial statements, the management letter, audit adjustments and closing entries.

MSC (Lightfoot/Dawson) to accept the Fiscal Year 2010-2011 Audited Financial Statements, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

3. Election of Officers – Florin Resource Conservation District

Barrie Lightfoot, Chair, opened the floor for nominations of Chair and Vice-Chair.

MSC (Nelson/Dawson) to nominate Barrie Lightfoot as Chair and Elliot Mulberg as Vice-Chair, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

4. Consider Appointment of Dennis Coleman as Treasurer of the FRCD

The Treasurer of the FRCD has been served by the Finance Manager since 2002. The recommendation to the Board was to consider the appointment of Dennis Coleman, Finance Manager, as the Treasurer of the FRCD.

MSC (Mulberg/Perez) to appoint Dennis Coleman as Treasurer of the FRCD, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

5. Associate Directors Policy

Stefani Phillips, Secretary, presented the Associate Directors Policy, as amended. At the December Board Meeting, staff proposed that the Associate Directors Policy be revised to specify the process of renewing an Associate Directors term. The Board requested that the policy be amended to include "District staff shall contact each Associate Director no later than May 1st prior to the expiration of his or her two-year term to ascertain whether the Associate Director wishes to serve another term. At the next meeting of the Board of Directors held in June, the Board shall consider reappointing any Associate Director who has stated a desire to serve another two-year term."

MSC (Mulberg/Dawson) Adopt Resolution No. 01.25.12.01 of the Board of Directors of the Florin Resource Conservation District adopting an amended and restated policy regarding Associate Directors, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

6. Associate Directors Re-Appointment

Ms. Phillips recommended that Donald Menasco and Davies Ononiwu be considered for re-appointment as Associate Directors of the FRCD.

At the December Board Meeting, staff brought the Associate Director Policy to the Board for needed revisions. The staff had determined that the terms for the Associate Directors were up and therefore needed to be renewed. As a result, the Board requested the Associate Directors to forward an email or letter to the Board Secretary to be considered for re-appointment at the January Board meeting.

MSC (Mulberg/Perez) to re-appoint Donald Menasco and Davies Ononiwu as Associate Directors of the Florin Resource Conservation District, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

7. Appointment of Directors to Committees

Ms. Phillips presented the Committees that had previously been established by the Board of Directors. The committees are as follows: Finance Committee, Conservation, Infrastructure, and Planning. The Board elected to keep the committees and the Board of Directors and Associate Directors who comprise the committees "as is."

MSC (Dawson/Perez) to re-appoint the same Board of Directors and Associate Directors to the Finance, Conservation, Infrastructure, and Planning Committees, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

8. Economic Development Corporation

Mark Madison, General Manager, held the Annual Meeting of the Economic Development Corporation.

Mr. Madison stated that the Bylaws require that an annual meeting be conducted every year and to include the election of officers. Mr. Madison stated that the primary officers to be elected are President, Secretary and Chief Financial Officer (CFO). Mr. Madison stated that according to the EDC Bylaws, the Board of Directors could appoint different individuals as officers to the EDC Board than those already seated as Chair, Vice-Chair, Secretary, and Treasurer of the FRCD. He stated that the Board could elect to appoint one or more Vice-President, Secretary, and any such officers that the Board may choose.

MSC (Mulberg/Perez) to appoint Barrie Lightfoot as President, all Directors as Vice-President, Stefani Phillips, as Secretary, and Dennis Coleman as Chief Financial Officer, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

9. Water Rate Study Contract

Dennis Coleman, Finance Manager, requested the Board of Directors to authorize the General Manager to execute a contract with Willdan Financial Services to complete the 2012 Water Rate Study for EGWD not to exceed \$65,000.

Mr. Coleman provided the Board with details on the Request for Proposal and selection process for the 2012 Water Rate Study.

Mr. Coleman stated that the Willdan Financial Services proposal included a five year financial plan, a cost of service study and an AB 1600 Nexus Study, and two stakeholder meetings in the amount of \$53,945. He stated that staff anticipates that four public outreach meetings (\$1200 per meeting) will be necessary in keeping with past practice, along with unforeseen tasks and items (\$6,255), and therefore recommended adding an additional \$11,055 to the contract amount.

Mr. Lightfoot stated that he wanted to hear input from Elliot Mulberg, Vice-Chair, and Chuck Dawson, Director, who were on the ad-hoc committee for selecting the firm to perform the Water Rate Study.

Elliot Mulberg, Vice-Chair, stated that after reviewing the four proposals his initial inclination was Willdan Financial Services, because they seemed to have the best understanding of what the District needs. Mr. Mulberg stated that after the interviews, he felt that either of the firms could do the job admirably. He stated that he did not want to spend more than was needed. Mr. Mulberg stated he felt that selecting the firm with the lowest bid was important and fortunately it was Willdan Financial Services.

Chuck Dawson, Director, stated he agreed with Mr. Mulberg regarding the selection and the firm. He stated he did feel that the District needed to add in the costs for the four public outreach meetings. He stated that the Community Advisory Meetings would allow the community to provide input.

Mr. Madison asked the Board to consider whether they wanted to build in costs to the contract for additional meetings for public outreach or have staff bring change orders to the Board at a later date.

A brief discussion occurred regarding the necessity of additional meetings and the associated costs. The Board elected to add two meetings to the Willdan Financial Services contract for public outreach purposes in the amount of \$1200 each, bringing the total contract price to \$56,345.

MSC (Nelson/Dawson) to authorize the General Manager to execute an amended contract with Willdan Financial Services, in the amount of \$56,345, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

10. Supplemental Meter Retrofit Contract

Bruce Kamilos, Associate Civil Engineer, brought the Supplemental Meter Retrofit Contract to the Board with a recommendation to authorize the General Manager to execute the contract with Flowline Contractors Inc. not to exceed \$215,117.

Mr. Kamilos explained the bid and selection process for the supplemental meter retrofit project. He provided a breakdown of the funding; stating that approximately \$15,000 of the Proposition 50 grant had been spent on engineering and design services related to the supplemental meter retrofit project. An additional \$5,000 will be spent on labor compliance. Mr. Kamilos stated that \$180,000 of the grant funding will be allocated to the project; however, an additional \$35,117 will be required to fund the contract.

A discussion followed.

MSC (Mulberg/Dawson) to adopt Resolution No. 01.25.12.02 of the Board of Directors of the Florin Resource Conservation District determining that the Supplemental Water Meter Retrofit is categorically exempt from CEQA, authorizing the use of reserve funds to assist in financing the project, and authorizing the General Manager to execute a contract with Flowline Contractors, Inc., 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

11. Legislative Update

Ellen Carlson, Management Analyst, presented the Legislative Update. She highlighted three measures: 1) HR 1340 – End Unnecessary Costs Caused by Report Mailing Act of 2011. HR 1340, if passed, would help the District save costs for items such as the Consumer Confidence Report (printing and postage), because it could be placed online; 2) AB 19 – Water Meter in multi-unit structures. AB 19 raises several questions such as who will be responsible for the upkeep of the individual meters, who will read each meter, etc.; 3) SB 200 – State Water Facilities: Sacramento-San Joaquin Delta. SB 200 has recently been reviewed (second hearing) by the Environmental Quality Committee and was furthered to its third hearing.

12. Committee Meeting(s) Update

No comments were made.

13. Operations Reports

- a. November 2011
- b. December 2011

Mr. Madison presented the following highlights:

- Leak numbers are down
- 160 meters were installed in November
- 113 meters were installed in December
- 657 meters through December

Mr. Madison noted that the District is currently ahead of schedule with meter installations. He also mentioned there have been 65,620 security threats against the Districts network, however, the firewall is guarding against the intrusions.

14. Directors Comments and Information

No comments were made.

15. Closed Session

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Section 54956.8:
Property: 2450 Florin Rd.
Agency Negotiator: Mark J. Madison, General Manager and Dennis Coleman, Finance Manager
Negotiating parties: Florin Resource Conservation District and County of Sacramento
Under negotiations: Price and Terms of payment
- b. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Gov't. Code Section 54956.9(a))
Name of case: FRCD v. JBK Finance LLC, et al., Yolo County Superior Court Case No. CV08-974
- c. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)
Name of case: J.B. Jones v. FRCD, EGWS, et al, Sacramento Superior Court Case No. 34-2009-00046310

No reportable action was taken.

Respectfully submitted,

Stefani Phillips, Secretary