

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, August 21, 2013

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 9257 Elk Grove Blvd, Elk Grove CA.

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

Directors Present: Barrie Lightfoot, Chuck Dawson, Tom Nelson, Elliot Mulberg, and Don Menasco
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Dennis Coleman, Finance Manager; Stefani Phillips, Secretary/Human Resource Specialist; Bruce Kamilos, Associate Civil Engineer; Donella Ouellette, Finance Supervisor; and Ellen Carlson, Management Analyst
Associate Directors Present: Mike Schmitz
Consultants Present: Ann Siprelle, General Counsel

Public Comment

Ray Cunningham, member of the public, commented on his concerns regarding the upcoming rate increase.

A discussion occurred regarding the background of the water rate increase.

1. Proclamations and Announcements

None

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of July 24, 2013 and Special Meeting of August 7, 2013
- b. FRCD Cash Flow Worksheet – July, 2013
- c. Warrants Paid – July, 2013
- d. Active Accounts – July, 2013
- e. Bond Covenant Status for FY 2012-2013 – June, 2013
- f. Bond Covenant Status for FY 2013-2014 – July, 2013
- g. Revenues and Expenses – Actual vs Budget FY 2012-2013 – June, 2013
- h. Revenues and Expenses – Actual vs Budget FY 2013-2014 – July, 2013
- i. Cash Accounts – July, 2013
- j. Consultants Expenses – July, 2013
- k. Conservation Activities – July, 2013

Chairman Barrie Lightfoot requested that Secretary Stefani Phillips change the action for Consent Calendar from Approve EGWD Consent Calendar to Approve FRCD Consent Calendar.

MSC (M/D) to approve the Consent Calendar a, d, e, f, g, i, j, and k, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

The Board requested that the FRCD Cash Flow Worksheet (b) identify all costs borne by the FRCD or split by the FRCD/EGWD. General Manager Mark Madison suggested a 90/10 split, which is the method used for the election costs.

A lengthy discussion occurred.

The Board felt that there should be a clear delineation between funds for the FRCD and the EGWD.

The Board requested staff to determine the cost of coverage for errors and omissions through Special District Risk Management Authority (SDRMA) and report back.

The Board requested General Manager Mark Madison to provide a viable cost split for the FRCD and the EGWD for services that pertain to both entities.

Director Tom Nelson questioned the Revenues and Expenses – Actual vs Budget FY 2013-2014 – July, 2013 (h) inquiring why the expenses were so high for the Office and Operations. Finance Manager Dennis Coleman replied they were expenses that were front loaded, e.g. Insurance premiums for the year, etc.

Chairman Barrie Lightfoot commented on the Conservation Committee (k) suggesting that the full Board sit on the committee moving forward.

3. Operations Report – July 2013

General Manager Mark Madison presented the highlights of the Operations Report for June 2013:

- Activities have been separated under the Divisions
- Wharf replacement in the CIP is underway – very successful to date
- Well 1D – low production (last on and first off related to deep wells)
- Well 4D – major producer and very efficient
- Well 11D – produced a lot in July - pretty efficient
- Well 14D – less efficient
- Well 3 – our most efficient well (first on and last off)
- Well 8 – steady producer
- Well 9 – not steady
- No supplemental water purchased from the Sacramento County
- Combined total production down
 - Saving District money
- Standardized static and pumping – will report quarterly
- Sampling – taken on time (none were missed)
 - Some extra samples taken
- Regulatory reports – signed and on time
- Backflow prevention – program amplified
- Safety Meetings
 - Staff is amplifying the Safety Program
- 130 meters installed through July
 - All meters will be done this FY including commercial
 - Utility Department was diverted to projects in coordination with City of Elk Grove
- 3 service leaks and no mainline leak
- County of Sacramento's water pressure is low – made contact with the county staff and adjustments have been made
- IT – a lot of viruses trying to enter the system

Chairman Barrie Lightfoot complimented the crew for doing an excellent job on the resurfacing of the grounds of the Water Treatment and Storage Facility.

General Manager Mark Madison stated that the City of Elk Grove has paved a pathway in front of the EGWD building for pedestrians in efforts with the District.

4. Florin Resource Conservation District Conservation Foundation

Chairman Barrie Lightfoot stated that a foundation would give the FRCD Board a means to make money for conservation activities.

Director Elliot Mulberg stated that through a 501 3C, the foundation is able to receive donations that are tax deductible for the organization that gifts the funding.

General Manager Mark Madison stated that starting a foundation would range in cost from \$5,000 - \$10,000 for the legal fees.

A discussion occurred regarding the purpose of a foundation and the costs involved in forming it.

The FRCD Board felt that it might be better to form a different Board for the foundation.

Director Elliot Mulberg requested General Manager Mark Madison to determine the cost related to forming a foundation.

The Board requested Secretary Stefani Phillips to coordinate a Special Meeting to further discuss the formation of a foundation.

5. Monthly Status Report on FY 2011-12 Audit Findings

Finance Manager Dennis Coleman presented the Monthly Status Report on FY 2011-12 Audit Findings.

- CPA is on board
- September reconciliations are underway for FY' 2012-13
- Starting to close reconciliations for general ledger

6. Legislative Update – July 2013

Management Analyst Ellen Carlson presented the Legislative Update.

- AB227 – passed to senate floor – no significant financial impact
- AB145 – held in suspense in appropriations
- SB1 – Passed committee in appropriations
- SB 42 - \$5.6 billion – sitting in committee
 - \$1.5 billion on safe drinking water project
 - \$1.8 billion on water quality and watershed project
 - \$1.3 billion on flood control
 - \$1 billion on water system operations improvements

7. Conservation Committee Meeting Update

No comments were made.

8. Directors Comments and Information

Director Elliot Mulberg thanked General Manager Mark Madison for the business cards that were provided to the Board of Directors.

Management Analyst Ellen Carlson informed the Board that she participated in an informal water tasting test through the Regional Water Efficiency Program and the District came in third. She stated bottled water had also been placed in the test and the District came in ahead of the bottled water.

General Manager Mark Madison recommended that the Board should have John Woodling from the Regional Water Authority come and speak at a Board meeting. The Board agreed.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary