

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, May 27, 2015

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

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

Directors Present: Chuck Dawson, Bob Gray, Elliot Mulberg, Tom Nelson, and Jeanne Sabin
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Jim Malberg, Finance Manager; Donella Murrillo, Finance Supervisor; Stefani Phillips, Secretary; Bruce Kamilos, Associate Civil Engineer; Ellen Carlson, Management
Associate Directors Present: Mike Schmitz
Consultants Present: Ann Siprelle, Best Best & Krieger (BB&K)

Public Comment

No comments were made.

1. Proclamations and Announcements

This item was pulled.

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of April 22, 2015
- b. Minutes of Special Meeting of May 13, 2015
- c. Minutes of the Infrastructure Committee Meetings February 18 and April 23, 2015
- d. FRCD Cash Flow Worksheet – April, 2015
- e. Warrants Paid – April, 2015
- f. Active Accounts – April, 2015
- g. Bond Covenant Status for FY 2014-15 – April, 2015
- h. Revenues and Expenses – Actual vs Budget FY 2014-15 – April, 2015
- i. Cash Accounts – April, 2015
- j. Consultants Expenses – April, 2015

Director Bob Gray pulled items e and h.

MSC (Mulberg/Nelson) to approve Consent Calendar items a-d, f-g, and i-j 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

Mr. Gray inquired on a number of different warrants that were paid in the month of April (item e). He then proceeded to tell District staff that he found a footnote that was left on the Revenue and Expenses – Actual vs Budget FY 2014-15 page from March (footnote (3)).

MSC (Nelson/Gray) to approve Consent Calendar items e and h 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

3. Conservation Activities

Ellen Carlson, Management Analyst, presented the Conservation Activities to the Board of Directors. In summary, a number of different events were held for the month which included the Stone Lakes Natural Wildlife Refuge Annual Nature Bowl where staff judged the Nature Relay. The EGWD hosted a booth at the Western Festival. The District had a display illustrating the average indoor and outdoor daily use of water, the rubber duck race, and

had the opportunity to talk to EGWD customers and provide the customers with drought information. The annual Walk on the Wildside at Sacramento Regional County Sanitation District Bufferlands. Director Jeanne Sabin participated at the Walk on the Wildside and was caught holding a Grayhorned Owl.

Director Elliot Mulberg thanked the FRCD for supporting the Elk Grove Western Festival. Mark J. Madison also thanked staff for their participation at the Elk Grove Western Festival.

4. Operations Report – March 2015

Mark J. Madison, General Manager, presented the highlights of the Operations Report – March, 2015:

- Door Hangers and Shut-offs are down for the month – looking for a pattern to get ideas to help customers pay their bills
- Customer Complaints
 - 1 pressure complaint – measurements were taken from inside and outside the house and it measured 78 psi.
- Distribution Work Orders
 - 59 Hydrant Maintenance
 - 143 Valve Exercising – new metric is 106 and will be reaching that number going forward
- Utility Work Orders
 - 36 Service Line Replacements – good progress
- Well Production
 - No relative change from the past month in production from the wells – wells are running smooth
- Combined Total Production - production is up a little from the previous month
- Total Demand/Production – production is up a little from the previous month
- Static and Pumping levels have dropped compared to 2nd quarter of 2014 (8-10 ft.)
- Sampling – re-sampled for UCMR 3 as the lab had problems – the lab paid for the re-samples
- Very little discharge –all was good
- All preventative maintenance activities were performed on time and per the standard operating procedure (SOP)
- Backflow Prevention Program has had a significant decline and is now down to 9 outstanding delinquents
- Safety Meeting were fine
- 2 Service Line Leaks due to pinholes
- Pressure
 - Service Area 2 – pressure has dropped
 - Service Area 1 – no complaints on pressure reduction

Director Tom Nelson made a comment to include the service area number to the Combined Total Production chart.

5. Draft Fiscal Year 2015-16 Elk Grove Water District Operating Budget

Jim Malberg, Finance Manager/Treasurer, presented the Draft Fiscal Year 2015-16 Elk Grove Water District Operating Budget to the Board of Directors. Mr. Malberg distributed a revised Budgeted Revenues and Expenditure by Category page (14) due to purchased water missing from the draft document.

Some key points include:

- The COLA has been set at 0.60% to reflect the April to April average of the All Cities CPI-W, the Western CIP-W, and the San Francisco/Oakland/San Jose CPI-W numbers recently issued by the United States Bureau of Labor Statistics.
- Purchased Water has been separated from Office and Operational and is now shown as its own category.
- General district wide activities, such as revenue and debt service, are now shown as "Admin" and are no longer included in the Finance department.
- SDRMA quotes came in higher than estimated and staff is looking into this which might increase Workman's Comp and General Liability.

Mark J. Madison, General Manager, stated the budget is not balanced due to conservation reductions but is stable because of the rate structure that was adopted by the board.

Director Elliot Mulberg inquired if the money would be taken out of the reserves to balance it out. Mr. Madison responded, yes but it would reduce reserves. Mr. Malberg suggested taking surplus revenue and use it to balance out the budget this year. A brief discussion occurred.

Mr. Mulberg inquired about the number range for the COLA. Mr. Malberg responded the number range was from -0.8% to 2.0% and the average of the indexes equals 0.6%.

- U.S. City Average: -0.8
- West Urban (Cities population 50,000-1,500,000): 0.6
- San Francisco-Oakland-San Jose, CA: 2.0

Mr. Mulberg inquired if the Bond Covenant No. 1 would no longer be needed because of the refinancing the district is doing. Mr. Malberg responded stating the District maintained adequate reserves for a three (3) year period and Bond Covenant No. 1 and the Rate Stabilization fund was no longer required.

Mr. Mulberg commented that the way FY 14-15 is written on the bar charts should reflect FY14-15 Budget vs. FY 14-15 Actual. Staff will be correcting this error and it will be reflected in the next review of the budget document.

Mr. Mulberg suggested adding labels to the pie charts according to the legend. Mr. Gray commented that he is color blind and the legends are of no value to him.

Mr. Madison recommended to bring back the polished budget document at the next regular board meeting on June 24, 2015 vs. having a third Finance Committee Meeting. The Board of Directors agreed to the approach Mr. Madison suggested.

6. Legislative Update

Ellen Carlson, Management Analyst, presented the Legislative Update to the Board of Directors. In summary, the majority of the bills are sitting in appropriations and are waiting for the budgets to pass. The budget deadline is June 15th. The Governor has released his amendments to the budget and his request for Emergency Drought Responses. Ms. Carlson provided copies of the Emergency Drought Response to the Board of Directors. There are some grant opportunities if the amendments are accepted.

Highlights for the Legislative Update include:

- AB 78 – Ms. Carlson is keeping her eye on this bill due to the non-substantive changes to the new groundwater basin law

- AB 153 – Ms. Carlson is keeping her eye on this bill due to non-substantive change

Director Elliot Mulberg suggested separating the bills by Districts, which means including the RCD Legislation into this update. General Manager, Mark. J. Madison, stated that he didn't mind this addition, but the time spent on this would be charged to the FRCD. A brief discussion about how to handle the work followed.

7. Committee Meeting

Mark J. Madison, General Manager, spoke regarding the following committee meetings:

- Infrastructure Committee Meeting – May 13, 2015
- Finance Committee Meeting – May 13, 2015

Director Tom Nelson expressed concern on how long the committee meeting minutes approval process is. Director Elliot Mulberg suggested that the approval of the committee meeting minutes be handled during the same month's regular board meeting, in order to give the particular committee an opportunity to review the minutes and clarify any questions the board may have before approving the minutes. Discussion followed.

The FRCD Board of Directors determined that the committee minutes will be brought to the FRCD Regular Board Meeting and placed under agenda item Committee Meetings. The agenda item Committee Meetings, will be placed after Consent Calendar. This item may be moved within the agenda, if necessary, by direction from Chairman Chuck Dawson.

8. Directors Comments and Information

Director Tom Nelson made a comment on what was happening at the El Dorado Water District. He provided detail regarding the El Dorado Water District, who has a contract to take out water of the American River, and if the District does not take the water they would lose it. Mr. Nelson proceeded to say that the El Dorado Water District is going to be selling the excess water to generate money and they are asking their customers to cut back on the water usage by 28-32%.

Chairman Chuck Dawson suggested having two (2) separate water conservation reports, one for the Florin Resource Conservation District and one for the Elk Grove Water District. The Board agreed this was a good idea. Director Tom Nelson suggested having a report that shows the Board of Directors what has been reported to the state. Mr. Nelson would like to see what the District is doing to achieve reduction in usage (i.e. public outreach, reportable requirements, enforcement, etc.). Mr. Dawson suggested soliciting ideas from the customers. Associate Mike Schmitz commented having a customer suggestion area on the District's website. Mr. Madison provided a summary to the Board on a public outreach meeting, asking customers for their e-mail address to disseminate information and keep the customers informed.

Mr. Madison stated ACWA will be holding a seminar on drought related information on June 15, 2015, in Placerville, CA. He stated he will be attending and asked if any of the Board members would like to attend.

Director Bob Gray suggested updating the wording on the District's website bill section to state "view" or "pay bill". Staff will be looking into this.

Mr. Gray notified staff of an elementary school in Galt that is having to turn off their water due to high arsenic levels. Mr. Madison will research what happened and determine if this affects our district.

Adjourn to Regular Meeting on Wednesday, June 24, 2015 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/CR