

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

Wednesday, December 16, 2015

The regular meeting of the Florin Resource Conservation District Board of Directors 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 Analyst
Associate Directors Present: Lisa Medina, Mike Schmitz
General Counsel Present: Ann Siprelle, Best Best & Krieger (BB&K)
Consultants Present: None

Public Comment

Mark Graham presented a four minute video regarding Geoengineering to the Florin Resource Conservation District Board of Directors (Board).

1. Proclamations and Announcements

No proclamations were made.

Mark Madison, General Manager, requested item 10a to be removed from today's agenda. The Board agreed to remove item 10a from the agenda.

Ann Siprelle, Legal Counsel, commented that no motion is needed but the District should adjourn to the next Regular Meeting on December 30, 2015.

2. Consent Calendar

- a. Regular Board Meeting Minutes – October 28, 2015
- b. FRCD Cash Flow Worksheet – October, 2015
- c. Warrants Paid – October, 2015
- d. Active Accounts – October, 2015
- e. Bond Covenant Status for FY 2015-16 – October, 2015
- f. Revenues and Expenses – Actual vs Budget FY 2015-16 – October, 2015
- g. Cash Accounts – October, 2015
- h. Consultants Expenses – October, 2015

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

3. Committee Meetings

No committee meetings were held between the months of November 2015.

4. Florin Resource Conservation District Conservation Activities – December 2015

Mark Madison, General Manager, presented the Florin Resource Conservation District Conservation Activities December 2015 to the Board. Mr. Madison updated the Board regarding the Needs Assessment progress. Two Stakeholders meetings were held on

October 27, 2015 and three public workshops were held November 17-19, 2015 to obtain input on activities that the FRCD might pursue.

Mr. Madison complimented Don Notolli for attending one of the meetings.

Elliot Mulberg, Director, inquired if Peter Kampa was going to contact all of the Stakeholders. Mr. Madison responded stating that Mr. Kampa was going to contact all Stakeholders.

5. Elk Grove Water District Conservation Activities – October and November 2015

Ellen Carlson, Management Analyst, presented the Elk Grove Water District Conservation Activities – October and November 2015 to the Board. In summary, service area 1 reduced its water consumption by 31.62% in October and 40.22% in November and service area 2 reduced by 22.21% in October and 34.45% in November. The cumulative reduction since June 2015, now totals 35.23%, which is above the District's target of 28%.

Ms. Carlson commented that there will be no administrative fines until after Christmas. She then stated that another Water School will be available in January to customers so that the customer will not have to pay the administrative fee.

Tom Nelson, Vice-Chairman, inquired if the District is still issuing a lot of administrative fees during this time of year. Ms. Carlson responded stating yes they are still issuing a lot of administrative fees, but violations have gone down during the colder months.

Ms. Carlson commented that Sacramento County Water Agency (SCWA) will be suspending water audits for their customer for the month of January 2016 due to an exhaustion of their budget. SCWA will be negotiating a new contract with the vendor that provides these conservation services and resume landscape irrigation audits and Water Wise house calls in February 2016. Ms. Carlson stated that landscape irrigation audits are \$175.00 per audit.

Chuck Dawson, Chairman, inquired how long does an audit take. Ms. Carlson responded stating the time at a customer's home is about an hour and that does not count the write up time.

Bob Gray, Director inquired how many water audits have been completed. Ms. Carlson responded 69.

Mark Madison, General Manager, spoke about the water savings and commented on how well the customers are doing.

Elliot Mulberg, Director, inquired why the graph on Precipitation and Temperature, Average, begins with 1998. Ms. Carlson responded that the data was provided by the Regional Water Authority (RWA) and she would contact RWA to determine why they chose 1998 as a starting point.

Lisa Medina, Associate Director, requested more detailed information about the water audit process. Ms. Carlson responded stating that the District offers two difference types of audits but the more common is the Landscape Irrigation Audit. Ms. Carlson then explained the audit process.

Mr. Madison reported to Mr. Gray that Service Area 1's water loss percentage from April 2015 to November 2015 is 5 ¼ percent which is roughly 40 million gallons.

6. Elk Grove Water District Operations Report – October and November 2015

Mark J. Madison, General Manager, presented the highlights of the Operations Report – October and November 2015 to the Board.

Comments and inquiries included:

- 547 Door Hangers – October
- 3 Door Hangers – November
- 72 Shut Offs – October
- 3 Shut Offs – November
- 161 USA Locates for October and 106 USA Locates in November due to paving work that are taking place within the City of Elk Grove
- 3 Pressure Complaints
- 2 Water Quality Complaints
 - Edna Batey Elementary School has sand in their lines and staff is researching the cause
- Preventative Maintenance
 - 54 Hydrant Maintenance
 - 124 Valve Exercising
- Utility Work Orders
 - No Service Line Replacements were completed for the months of October and November since the Utility Crew has been working on the water main project on Colton Avenue/Orton Street and also helped on the parking lot project at the District's Railroad Facility
- Monthly Production – the District has been rotating the run times on the wells
 - Well 1D – ran in October and not so much in November
 - Well 4D – dropped in October and ran a lot in November
 - Well 11D – up in October and ran little in November
 - Well 14D – up in October and down in November
 - Well 3 – kept to a minimum and ran a little in October and not so much in November
 - Well 8 – only ran for maintenance and sampling
 - Well 9 – continues to be steady
 - Well 13 – is down due to arsenic levels going up
- Combined Total Production – down from last year and also 2013
- Total Demand/Production – down from 2013
- Static and Pumping levels – nothing new to report
- Samples taken for the month of October and November are normal
- Hampton Arsenic Results – Arsenic levels have gone up and Hampton has been shut down. The goal is to have Hampton up, back and running in the summer
 - Option #1 – convert to treatment
 - Option #2 – isolate zones
- 24 outstanding delinquents for the Backflow Prevention Program
- Leaks
 - For the month of October, there were 2 Main Line Leaks and 7 Service Line Leaks
 - For the month of November, there were 5 Service Line Leaks
- No change to report on the pressure maps – has been very smooth and consistent

Jeanne, Sabin, Director, inquired if there was any way of blending the water with a water with less arsenic levels. Mark Madison, General Manager, responded yes that is a possibility, but the District would need to connect Hampton to the Railroad Water Treatment Plant.

Bob Gray, Director, inquired when the Colton/Orton project will be completed. Bruce Kamilos, Associate Civil Engineer responded stating February, unless we get a lot of rain fall.

Mark Graham, Public, commented on the BSK Lab test results from the month of October and inquired if the District would measure for Aluminum, Arium, Potassium or Titanium. Mr. Madison responded stating all samples are taken annually under Tittle 22 Suite and published in the Consumer Confidence Report (CCR).

7. Fiscal Year 2014-15 Year End Audit Status Update Report

Jim Malberg, Finance Manager, presented the Fiscal Year 2014-15 Year End Audit Status Update Report to the Board. In summary, the District entered into a Professional Services Agreement (PSA) with Badawi & Associates (Auditor) on March 2, 2015. The Auditors were on site at the District's Administrative Building in June 2015 to perform their interim audit procedures and then again in August 2015 to perform their audit field work. During that time, the implementation of Governmental Accounting Standards Board (GASB) 68 was delayed due to CalPERS not releasing their actuary report until the first week of September as opposed to the first week in July, and delaying the CalPERS auditor from finalizing their report until October 28, 2015. As a result of the completed audit field work, it was determined that the capital assets and depreciation schedules did not provide sufficient detail to support the balances. Staff developed a detailed asset and depreciation schedule of all the Districts assets using the recently completed Asset Management Plan (AMP). Final 2014-15 Year End Audits will be given and presented to the Board at the next Regular Board Meeting on December 30, 2015.

Bob Gray, Director, inquired what the net value is after the depreciation of the Districts assets. Mr. Malberg responded stating it is \$74 million.

8. Legislative Update

Ellen Carlson, Management Analyst presented the Legislative Update to the Board. The State's legislators are on recess until January 4, 2016.

Comments and inquiries include:

- HR 2898 & S 1894 continue to compete with each other

Tom Nelson, Vice-Chairman, inquired what a two-year bill is. Ellen Carlson, Management Analyst, explained that the State Legislator runs for two years beginning with an odd year and ending in an even year, right now we are at a half way point. Bills that have been submitted in 2015 have to progress to a certain point. The bill has to show progress in order to become a two-year bill. Bills that have not progress will become dead and will have to be re-written.

Elliot Mulberg, Director, thanked Ms. Carlson for the summary of bills.

Mark Graham, Public, inquired if the District responded in favor or against bills. Mark Madison, General Manager responded that there has been a few and also stated that the District participates with Regional Water Authority (RWA), who is very active in legislation.

9. Director Comments

Tom Nelson, Vice-Chairman, spoke about what he learned from the ACWA/JPIA Conference that was held in Indian Wells from November 29th to December 3rd 2015.

Mark Madison, General Manager, commented that the District is having some pushback from the Sacramento Central Groundwater Authority (SCGA) on the Joint Powers Authority (JPA). Mr. Madison then commented that he is not prepared to talk more about this, but believes the District needs to become its own GSA and would like to report back to the Board in January 2016.

Mr. Madison discussed the modular office at the Maintenance Operations Center (MOC) building and the need for Fiber Optic lines to be installed from the District's Administrative building to the MOC building. He stated the estimated cost to have the District's field crew install the line would be approximately \$120,000-\$125,000.00. Mr. Madison suggested to have an Infrastructure Committee Meeting to discuss further.

Bob Gray, Director, suggested having fees for private fire hydrants added to the January Board Meeting for a general discussion. Mr. Madison commented that the District will need time to gather information for the Board and suggested pushing this item to February or March 2016. The Board agreed.

10. Closed Session

- a. CONFERENCE WITH LABOR NEGOTIATORS (Gov't. Code Section 54957.6)
Agency designated representatives: Mark J. Madison, General Manager
Unrepresented employees: All

This item was removed from the agenda.

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

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/CR