

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

Wednesday, January 27, 2016

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; Stefani Phillips, Secretary
Associate Directors Present: Lisa Medina, Davies Ononiwu, Mike Schmitz
General Counsel Present: Ann Siprelle, Best Best & Krieger (BB&K)
Consultants Present: Ken Dieker, Del Rio Advisors, LLC

Public Comment

No comments were made.

1. Proclamations and Announcements

No comments were made.

2. Florin Resource Conservation District Election of Officers – 2016

Director Elliot Mulberg proposed a rotational option for the Board members to take turns as Board officers in order to make board members better.

Discussion among the Board followed.

The Board agreed to make an informal two-year term for board officer positions and conjoin the terms to the election years.

MSC (Nelson/Sabin) to nominate Chuck Dawson as Chairman 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

MSC (Sabin/Mulberg) to nominate Tom Nelson as Vice-Chairman 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

3. Consent Calendar

- a. Regular Meeting Minutes – December 16 and December 30, 2015
- b. FRCD Cash Flow Worksheet – December, 2015
- c. Warrants Paid – December, 2015
- d. Active Accounts – December, 2015
- e. Bond Covenant Status for FY 2015-16 – December, 2015
- f. Revenues and Expenses – Actual vs Budget FY 2015-16 – December, 2015
- g. Cash Accounts – December, 2015
- h. Consultants Expenses – December, 2015

Director Bob Gray pulled items c and h.

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

Mr. Gray is concerned about the large credit refunds under warrants paid. Jim Malberg, Finance Manager, responded stating often times we leave a deposit and then we refund it back. Mark Madison, General Manager will have the credit refunds pulled and provide an answer to Mr. Gray.

Mr. Madison explained to the Board that staff is still working on the running total for projects that are over \$100,000 and will present the information staff found at the February Board meeting.

Mr. Gray commented that the expense figures for BBK are not matching. Mr. Madison responded stating staff will investigate and correct the inaccurate figures for BBK.

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

4. Options Related to the Potential Refunding of the Florin Resource Conservation District Debt

Jim Malberg, Finance Manager, introduced the Options Related to the Potential Refunding of the Florin Resource Conservation District Debt to the Board. In summary, staff desires to evaluate a debt refunding option that would shorten the remaining term of the outstanding debt.

Ken Dieker, Del Rio Advisors, LLC, provided information to the Board on the various options the District can pursue.

Mr. Madison covered scenario 4B. He explained to the Board that because the District is not doing Automatic Meter Infrastructure (AMI) it would allow the District to use some reserves, that were previously allocated, to pay down and shorten the term of the debt.

Tom Nelson, Vice-Chairman, would like to see how this would impact the District's Capital Improvement Plan's (CIP's). Mr. Madison responded stating this information will be presented at the February Board meeting.

Mr. Madison changed the recommendation to add "lock-in the rate with Capital One."

MSC (Sabin/Dawson) to authorize staff to lock-in the rate with Capital One and proceed with investigating scenario 4A or 4B, 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

5. Committee Meetings

There were no committee meetings held in the month of December 2015.

6. Draft Florin Resource Conservation District Needs Assessment

Mark Madison, General Manager, provided background on the Draft Florin Resource Conservation District to the Board.

Mr. Madison recommended having a special meeting in February to move through the Needs Assessment and provide any input the Board may have.

Discussion among the Board members followed.

Stefani Phillips, Board Secretary, will schedule a special meeting with the Board to discuss further details of the Needs Assessment for the Florin Resource Conservation District.

7. Elk Grove Water District Conservation Activities – December 2015

Ellen Carlson, Management Analyst, presented the Elk Grove Water District Conservation Activities – December 2015 to the Board. In summary, service area 1 reduced its water consumption by 28.56% in December in comparison to December 2013 usage. Service area 2 reduced by 44.66% for the same period. The combined reduction for both service areas was 35.57%. The cumulative reduction since June 2015 totals 36.14%.

8. Elk Grove Water District Operations Report – December 2015

Mark Madison, General Manager, presented the Elk Grove Water District Operations Report – December 2015 to the Board.

Comments and inquiries included:

- 10 Door Hangers
- 90 USA Locates
- 2 Pressure Complaints
- 2 Water Quality Complaints – due to customer water softeners
- 30 Preventative Maintenance work orders
- 26 Hydrant Maintenance
- 109 Valve Exercising
- No Utility work orders due to the weather and the work that is being performed on the water main project on Colton Avenue/Orton Street
- Monthly Production
 - Well 1D – didn't run much due to demand
 - Well 4D – normal production
 - Well 11D – normal production
 - Well 14D – didn't run much due to demand
 - Well 3 – didn't run much due to demand
 - Well 8 – ran for sampling
 - Well 9 – didn't run much due to demand
 - Well 13 – working on Arsenic level and didn't run much
- Combined Total Production – down from last year and also 2013
- Total Demand/Production – down from last year and also 2013
- Static and Pumping levels – static water levels are up and the water tables are higher
- 15 outstanding delinquents for the Backflow Prevention Program
- 2 Leaks
 - 1 Service Line leaks – crack found in the pipe
 - 1 Main Line leaks – hydrant got hit by a car
- Pressure maps – smooth and constant pressure throughout the District due to Variable Frequency Drive (VFD) that have been put in place

Director Bob Gray inquired if the hours listed on the activities summary page of the operations report are man hours. Mr. Madison responded yes.

Mr. Gray inquired if the District was still looking for valves. Mr. Madison responded yes but he will further investigate this matter and get back to Mr. Gray with a definitive answer as to why this is still happening.

9. Florin Resource Conservation District Appointment of Directors to Committees – 2016

The Board discussed the various committees. Associate Lisa Medina was added to the Infrastructure Committee.

The new committees are as shown:

| | |
|----------------------------------|--|
| Finance – FRCD/EDC/EGWD: | All Board Members |
| Conservation Committee – FRCD: | Elliot Mulberg Tom Nelson Jeanne Sabin |
| Alternate: | Michael Schmitz |
| Infrastructure Committee – EGWD: | Bob Gray Tom Nelson Lisa Medina |
| Alternate: | Davies Ononiwu |
| Planning – FRCD/EDC/EGWD: | Chuck Dawson Jeanne Sabin |
| Alternate: | Elliot Mulberg |

A discussion was held regarding Ad-Hoc Committees. Board members referred to the Board-by-Laws which state that the chair shall appoint Board members as needed.

MSC (Mulberg/Sabin) to appoint Associate Lisa Medina to be seated to the Infrastructure Committee, 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

10. Contract Amendment to Tully & Young to Evaluate Climate Change as Part of the 2015 Urban Water Management Plan

Bruce Kamilos, Associate Civil Engineer, presented the Contract Amendment to Tully & Young to Evaluate Climate Change as Part of the 2015 Urban Water Management Plan to the Board. In summary, FRCD/EGWD has contracted with Tully & Young to prepare the 2015 Urban Water Management Plan (UWMP). The professional services agreement FRCD/EGWD has executed with Tully & Young is for an amount not to exceed \$49,500. This contract amount does not include addressing the impacts of climate change on water supply and demand in the UWMP. Addressing climate change in the UWMP is an optional element and not a requirement. By amending the contract by \$5,000 to include the evaluation of climate change as part of the UWMP, and would bring the contract total to \$54,500.

Discussion among the Board members followed.

MSC (Mulberg/Sabin) to amend the professional services agreement with Tully & Young, in the amount of \$5000, to evaluate climate change to as part of the 2015 Urban Water Management Plan, 4/1: Noes: Dawson, Gray, Nelson, and Sabin. Ayes: Mulberg.

11. Sustainable Groundwater Management Act Quarterly Update

Mark Madison, General Manager, presented the Sustainable Groundwater Management Act Quarterly Update to the Board.

Mr. Madison requested that the Board provide direction on the following proposed actions:

1. Give the District authority to appoint our own representative from the District (Board member or staff member) without going through another public agency
2. Have the District be a signatory to the agreement

Much discussion carried on among the Board members.

The Board agreed on option #1 and then ask for option #2.

12. Elk Grove Water District Fiscal Year 2015-16 Quarterly Operating Budget Status Report

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2015-16 Quarterly Operating Budget Status Report to the Board.

Comments and inquiries include:

- Revenues at 50.67%
- Total Operational Expenses at 46.32%
- Salaries & Benefits at 53.28% due to paying workman's comp for a year back in July 2015 and also had a true up
- Purchased Water at 46.05% due to conservation efforts
- Equipment Rent, Taxes, Utilities at 34.11% - electricity is the driver in this category

Director Elliot Mulberg inquired if account 5425 for Licenses, Certifications, Fees was a one-time occurrence. Mr. Malberg responded yes, but he will look into this and e-mail Mr. Mulberg with an answer.

13. Elk Grove Water District Fiscal Year 2015-16 Quarterly Capital Reserve Status Report

Jim Malberg, Finance Manager, presented the Elk Grove Water Fiscal Year 2015-16 Quarterly Capital Reserve Status Report to the Board. In summary, through December 31, 2015, the District has spent \$730,466 (about 30%) on capital projects leaving a remaining total reserve balance at September 30, 2015 of \$10,769,534.

14. Legislative Update

Ellen Carlson, Management Analyst, presented the Legislative Update to the Board. In summary, Legislators reconvened on January 4, 2016 and have introduced a few new bills. Governor Brown submitted a proposed 2016-17 budget on January 7, 2016 which contains \$323 million for drought response.

Comments and inquiries include:

- AB 21 – Was a water bill but has now been amended to a medical marijuana bill and will be removed from the California Assembly report
- AB 309 – Originally proposed as a greenhouse bill but has been amended to the establishment of a grant program to support research examining ways to expand California's water portfolio
- AB 581 – Has been sent to the Senate
- AB 1555 – New bills and is in suspense waiting for review

- AB 1590 – Following this bill carefully due to this bill being associated with the State Water Resource Control Board
- SB 7 – Revived and in assembly
- SB 554 – Has been moved to assembly
- SB 814 – Drought – Excessive Water Use – will be watching for one more month and recommend to oppose bill. Will bring this bill back in the month of February.

15. Directors Comments

Director Jeanne Sabin, stated she moved from FRCD Boundaries and is a designated agent of a resident landowner with the EGWD Region.

Vice-Chairman Tom Nelson, discussed dry wells and expressed his desire for the FRCD District to do this project.

Director Bob Gray commented that he would like to have the fire service discussion at the February Board meeting.

16. Closed Session

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't. Code Section 54957)
Title: General Manager
- CONFERENCE WITH LABOR NEGOTIATORS (Gov't. Code Section 54957.6)
Agency designated representatives: Chuck Dawson
Unrepresented employees: General Manager

Adjourn to Regular Meeting on Wednesday, February 24, 2016 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/CR