

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

Wednesday, October 26, 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, Tom Nelson
Directors Absent:	Elliot Mulberg, Jeanne Sabin
Staff Present:	Mark J. Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Jim Malberg, Finance Manager; Donella Murrillo, Finance Manager; Sarah Jones, Program Manager
Associate Directors Present:	Mike Schmitz, Lisa Medina
General Counsel Present:	Ann Siprelle, Best Best & Krieger (BB&K)
Consultants Present:	Ahmed Badawi, Badawi & Associates CPA; Mitesh Desai, Badawi & Associates CPA

Public Comment

None

1. Proclamations and Announcements

Mark Madison, General Manager, introduced Sarah Jones, Program Manager to the Board.

Mr. Madison recognized Wilfredo Quintero, Water Treatment Operator II, for his ten years of service (2006-2016) with the District.

2. Consent Calendar

- a. Minutes of Special Meeting of September 28, 2016
- b. Minutes of Regular Board Meeting of September 28, 2016
- c. FRCD Cash Flow Worksheet – September, 2016
- d. Warrants Paid – September, 2016
- e. Active Accounts – September, 2016
- f. Bond Covenant Status for FY 2016-17 – September, 2016
- g. Revenues and Expenses – Actual vs Budget FY 2016-17 – September, 2016
- h. Cash Accounts – September, 2016
- i. Consultants Expenses – September, 2016
- j. Major Capital Improvement Projects – September, 2016

MSC (Nelson/Dawson) to approve FRCD Consent Calendar items a. - j. 3/0: Ayes: Dawson, Gray, and Nelson.

3. Fiscal Year 2015-16 Comprehensive Annual Financial Report

Jim Malberg, Finance Manager, provided background on the Fiscal Year 2015-16 Comprehensive Annual Financial (CAFR) Report to the Board. He commented that this was the smoothest audit he had ever participated in.

Ahmed Badawi, Consultant with Badawi & Associates, and Mitesh Desai, Consultant with Badawi & Associates, handed out and presented a power point covering the CAFR to the Board.

Mr. Madison stated that this is the first time the CAFR has been completed so early in the year. He thanked Mr. Malberg and Donella Murrillo, Finance Supervisor for their efforts on getting the CAFR completed on-time and ahead of schedule.

Chuck Dawson, Chairman, thanked all staff involved in the process of getting the CAFR completed. He also thanked the Board for their involvement which has positioned the District to be in the place they are today.

Lisa Medina, Associate Board Member, commented that she was impressed with the customer service staff for being so responsive to the District's customers. She stated that the District's customer service representatives are the first face customers see and being able to see the representative in action and being so responsive to the District's customers is great.

MSC (Dawson/Nelson) to approve a motion accepting the Fiscal Year 2015-16 Comprehensive Annual Financial Report 3/0: Ayes: Dawson, Gray, and Nelson.

4. Committee Meetings

Stefani Phillips, Board Secretary, presented the Committee Meetings to the Board. There was no committee meetings held in the month of September.

5. Florin Resource Conservation District Conservation Activities Report

Mr. Madison presented the Florin Resource Conservation District Conservation Activities Report to the Board. In summary, most of the work conducted for FRCD related matters involved the research of urban farming potential in Elk Grove and the research of potential grant opportunities. Mr. Madison commented that a new strategic plan is in the development stage and he will be engaging with the California Association of Resource Conservation Districts – Central Region in the development of a statewide 3-year Strategic Direction. The document is proposing to incorporate three broad goals to assist RCD's statewide. The goals include:

- Build the capacity of individual RCD's
- Increase the reach and influence of RCD's statewide
- Increase the impact and sustainability of CARCD

6. Water Usage Report

Mr. Madison presented the Water Usage Report to the Board. In summary, for the month of September, service area 1 reduced its waters consumption by 16.05% in comparison to September 2013 usage. Service area 2 reduced by 17.56% for the same period. The combined reduction for both service areas was 16.63%.

Bob Gray, Director, inquired how the R-GPCP are calculated.

A discussion followed regarding customer usage versus commercial usage.

Bruce Kamilos, Assistant General Manager, stated he will check into it and get back to Mr. Gray.

7. Elk Grove Water District Operations Report – September 2016

Mr. Madison presented summary points of the Elk Grove Water District Operations Report – September 2016 to the Board.

Comments and inquiries included:

- Door hangers and shutoffs remained high in September
- We have continued to do a lot of hydrant maintenance and valve exercising
- Wells 11D, 14D, and 3 have been the main source of supply for Service Area 1
- Total production for Service Area 1 dropped some – about 140 million gallons
- Total customer usage for EGWD (SA1 and SA2) is about the same as it was in 2014 (about 230 million gallons, and this is down about 17% from 2013)
- The static and pumping water level data includes the third quarter measurements. The statics levels still show that the water table remains stable
- There have been no problems with water quality or regulatory compliance
- There have been no wastewater discharges from either the Railroad Plant of the Hampton Well & Plant
- All preventative maintenance activities have been performed in compliance with our standard operating procedures
- We have had 5 formal safety meetings and it has been 251 days since we have had a reportable injury
- We had 1 main line leak and this was a shear break near Elk Crest Drive
- No service line replacements have been completed – our utility crews have continued to work on the CSD and Railroad water line projects
- Pressures in both Service Areas 1 and 2 have remained sufficient and balanced

Ms. Medina inquired what the last recorded arsenic level was at the Hampton Treatment Plant. Mr. Madison responded stating that last spot sample was around 8 and then provided Ms. Medina with some history of the Hampton Treatment Plant.

8. Hampton Village Water Treatment Plant Improvements Project Contract

Mr. Kamilos presented the Hampton Village Water Treatment Plant Improvements Project Contract. In summary, the Hampton Village Water Treatment Plant (WTP) improvements project adds chemical treatment to the Hampton Village WTP for the purpose of removing arsenic from its groundwater supply. The project was bid and the Elk Grove Water District (EGWD) received and opened five (5) bids on October 13, 2016. The lowest responsive, responsible bidder was Division 5-15 with a bid amount of \$252,515.

Tom Nelson, Vice-Chairman, is concerned about the cost associated with running the Hampton Village WTP. Mr. Madison responded to Mr. Nelson's concern and explained that the District's practices on how the wells are ran and he also stated that the District set aside \$100,000 in the Operations budget for chemicals and other operational needs anticipated for this well site.

Associate Director Medina inquired if there is a projected cost for maintenance at the Hampton Village WTP. Mr. Kamilos responded stating the Hampton Village WTP was placed in the Asset Management Program and media replacement are monitored by staff and projected to have a 10 year life.

Associate Director Medina inquired about the process of notifying the public regarding arsenic levels. Mr. Madison responded stating the public would be notified by the District's newsletter or through bill insert. Sophia Scherman, member of the public, commented stating when the District notifies their customers of arsenic levels, they should do it in a way that it causes no panic.

MSC (Nelson/Gray) to approve a motion authorizing the General Manager to execute a construction contract, in the amount \$252,515, with Division 5-15 for the Hampton Village Water Treatment Plant Improvements project, and transfer \$72,515 of approved FY 16/17 CIP funds from the RRWTF Tanks & Vessels Recoating project to the Hampton Village Water Treatment Improvements project 3/0: Ayes: Dawson, Gray, and Nelson.

9. Florin Resource Conservation District/Elk Grove Water District GIS Classification and Salary Study

Stefani Phillips, Human Resources Administrator, presented the Florin Resource Conservation District/Elk Grove Water District GIS Classification and Salary Study to the Board. In summary, the GIS Classification and Salary Study was initiated due to a concern that the District may be using the GIS Technician I in ways not consistent to the duties and responsibilities listed in the job description. Staff initiated the classification and salary study with CPS HR Consulting in June and they evaluated the duties being performed by the GIS Technician I and made a determination that the individual is working higher than the level of duties contained in the job description. CPR HR performed a comparison of positions from other organizations to determine the difference between the GIS Technician I and II and concluded that the duties currently being performed are consistent with a GIS Technician II.

Staff is recommended the following:

- Create a new position of GIS Technician II
- Eliminate the GIS Technician I from the Florin Resource Conservation District Organization Chart
- Modify the Florin Resource Conservation District Organization Chart to add the position of GIS Technician II
- Amend the Florin Resource Conservation District/Elk Grove Water District Salary Schedule to incorporate the GIS Technician II position

MSC (Dawson/Gray) to adopt Resolution No. 10.26.16.01 approving the Florin Resource Conservation District/Elk Grove Water District GIS Classification and Salary Study authorizing changes to the Florin Resource Conservation District's Organization Chart and the Elk Grove Water District Salary Schedule 3/0: Ayes: Dawson, Gray, and Nelson.

10. Elk Grove Water District Fiscal Year 2016-17 Quarterly Operating Budget

Mr. Malberg presented the Elk Grove Water District Fiscal Year 2016-17 Quarterly Operating Budget to the Board.

Comments and inquiries include:

- There is an error on page 280. The Net Operations percentage should be at 38% vs. 4.17%
- CalPERS Retirement benefits were paid via lump sum to save the District about 4% of this benefit
- Repairs & Maintenance and Materials percentages are a little on the high side due to replacing items used throughout the summer. Staff will be keeping a track on the Repairs & Maintenance - Automotive and Repairs & Maintenance - Computer.
- Overall the District is tracking fine.

Director Gray inquired what is included in other income. Mr. Malberg responded stating it is the salary benefit from the FRCD to EGWD.

11. Elk Grove Water District Fiscal Year 2016-17 Quarterly Capital Reserve Status

Mr. Malberg presented the Elk Grove Water District Fiscal Year 2016-17 Quarterly Capital Reserve Status to the Board. In summary, the total amount available reserves at July 1, 2016 was \$11,295,772. Based on Board policy adopted circa August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of expenses), then to the Fiscal Year 2016-17 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and capital replacements in the ratio of 75:25, respectively. During the first quarter of FY 2016-17, the District utilized \$203,443 for capital projects leaving a remaining total reserve balance at September 30, 2016 of \$11,092,329.

12. General Manager's Report

Mr. Madison presented the General Manager's Report to the Board. He reviewed the lists of FRCD activities and EGWD activities.

13. RRWTF Tanks and Vessels Recoating Project Contract

Bruce Kamilos, Assistant General Manager, presented the RRWTF Tanks and Vessels Recoating Project Contract to the Board. In summary, the RRWTF Tanks and Vessels Recoating project externally recoats the two 2 million-gallon storage tanks, the backwash tank, and six filter vessels at the Railroad Water Treatment Facility. The project was laid out for bid and EGWD received and opened seven (7) bids. The lowest bidder was River City Painting. River City Painting then mailed EGWD two letters. One indicating that they had made a clerical error in their bid and were requesting that their bid be rejected. The second letter consisted of River City Painting specifying in detail that the clerical error consisted of two transposed numbers on their bid sheet.

There was a brief discussion between staff and the Board members with questions and answers.

MSC (Dawson/Nelson) to approve a motion rejecting the low bid received from River City Painting for the recoating of the storage tanks and filter vessels at the Railroad Water Treatment Facility (RRWTF), and authorizing the General Manager to award and execute the attached construction contract to the next low bidder, Cal Sierra Construction, in the amount \$168,200 for this project 3/0: Ayes: Dawson, Gray, and Nelson.

14. Directors Comments and Information

The board agreed to adjourn to the regular board meeting on December 14, 2016.

The board agreed to schedule the Strategic Planning session after the first of the year.

Director Gray stated he would recommend a 3% rate increase versus a 3.5% rate increase come January 1, 2017. A discussion occurred regarding the affects it would propose to the District. Staff recommended to return this item to the board at the regular board meeting on December 14, 2016.

The EGWD Holiday luncheon is scheduled for Friday, December 9, 2016 at the Elk Grove Water District Water Treatment & Storage Facility (MOC Building).

Sophia Scherman thanked staff for fixing the gate at Well 6.

Adjourn to Regular Meeting on December 14, 2016.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary

SP/CR