

**SPECIAL MEETING OF THE
FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS**

Wednesday, March 11, 2015

4:00 PM

**9257 Elk Grove Blvd.
Elk Grove, CA 95624**

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Public Comment – Please complete a Request to Speak Form if you wish to address the Board. Members of the audience may comment on matters that are not included on the agenda. Each person will be allowed three (3) minutes, or less if a large number of requests are received on a particular subject. No action may be taken on a matter raised under "Public Comment" until the matter has been specifically included on an agenda as an action item. Items listed on the agenda will be opened for public comment as they are considered by the Board of Directors.

1. Florin Resource Conservation District/Elk Grove Water District Governance

Associate Director Comment

Public Comment

Recommended Action: Direct staff to either proceed or not proceed to retain a consultant to study the idea of creating a separate legally established district for the Elk Grove Water District.

2. Approval of Joint Funding Agreement with Lower Cosumnes Resource Conservation District and Sloughhouse Conservation District to Pursue Conservation Grant Funding Under Proposition 1

Associate Director Comment

Public Comment

Recommended Action: Approve a Joint Funding Agreement between the Florin Resource Conservation District, the Lower Resource Conservation District, and the Sloughhouse Resource Conservation District, to jointly fund an agreement with the Conservation Strategy Group, in an amount not-to-exceed \$4,000 per year per district, to pursue conservation grant funding potentially available by Proposition 1.

3. Adjournment

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TO: Chairman and Directors of the Florin Resource Conservation District

FROM: Mark J. Madison, General Manager

SUBJECT: **FLORIN RESOURCE CONSERVATION DISTRICT / ELK GROVE WATER DISTRICT GOVERNANCE**

RECOMMENDATION

It is recommended that the Board direct staff to either proceed or not proceed to retain a consultant to study the idea of creating a separate legally established district for the Elk Grove Water District.

Summary

The Florin Resource Conservation District is a special district formed as a government subdivision of the State of California in accordance with Public Resources Code Division 9. The Elk Grove Water District is not a legally established district, but is a division of the Florin Resource Conservation District.

For several years, questions have been generated as to whether it would be advantageous to form a separate legal entity for the Elk Grove Water District. This action, if approved, would provide direction to staff to retain a consultant to study this idea and report back to the Florin Resource Conservation District Board of Directors with a recommendation.

DISCUSSION

Background

The Florin Resource Conservation District was originally formed as the Florin Soil Conservation District in 1953. In 1971, pursuant to the requirements provided in Division 9 of the California Resources Code, the name was changed to the Florin Resource Conservation District (FRCD) and the powers of the District were expanded.

In 1998, the FRCD purchased a building, referred to as the Susie Gaines Mitchell building on Florin Road. This building was purchased with the intent of obtaining revenue for FRCD operations through a lease with Sacramento County who continues to lease that

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building today. Unfortunately, the terms of that lease have not been favorable to the FRCD and the outstanding debt service remaining on the bonds used in its financing are in jeopardy of default.

In 1999, the FRCD purchased the Elk Grove Water Works, which was owned privately by the Jones family since 1893. During the acquisition of the water works, it was established as a division of the FRCD a separate enterprise referred to as the Elk Grove Water Service and remained exclusive from the FRCD activities. In March 2010, the Board of Directors determined that the name of the Elk Grove Water Service division should be changed to the Elk Grove Water District (EGWD) and this is what the division is referred to today.

In 2012, the FRCD Board of Directors and staff prepared a five year strategic plan for the FRCD and the EGWD. That plan was developed to clarify the missions and goals for both the FRCD and the EGWD. Since that time, however, confusion has remained about the relationship, governance, and funding of the two entities.

At the August 27, 2014 FRCD Board meeting, direction was given to staff to assemble another workshop to readdress the strategic plans that were developed in 2012. At the October 22, 2014 FRCD Board meeting, the Board decided to defer this workshop until 2015, considering that the FRCD may have new Directors subsequent to the election in early November 2014.

Since that time, several Board members have raised recent questions and concerns about FRCD activities and funding. The question has also been raised as to whether there may be advantages (or disadvantages) to establish the EGWD as its own legal entity, especially given the prospect that the Susie Gaines Mitchell building may be sold.

Present Situation

Staff is prepared to initiate the strategic planning workshop in compliance with the Board's direction last fall. Given the recent questions and concerns, Director Elliot Mulberg recommended to the Board Chair Chuck Dawson that a Special Board meeting be conducted to address these questions prior to a strategic planning session being held. Chair Dawson has agreed to this request and this item has been scheduled for discussion/action on March 11, 2015.

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The specific questions to be addressed at this meeting include:

1. What are the potential advantages and disadvantages of forming a legally established district for the water-related activities, currently performed as a division of the Florin Resource Conservation District?
2. Given the information resulting from the answer to question 1, is it the FRCD Board's desire to pursue the formation of a legally established district?
3. Given the potential of having an insufficient amount of information to decide question 2, does the FRCD Board desire to direct staff to retain a consultant and return to the Board with a recommendation at a later date?

STRATEGIC PLAN CONFORMITY

This item, and any subsequent action, potentially impacts the future planning for both the Florin Resource Conservation District and the Elk Grove Water District.

FINANCIAL SUMMARY

There is no financial expenditure requested for the Board's approval at this time. If, however, the Board directs staff to retain a consultant to study the matter, there will be expenditures related to that agreement. At this time, it is unknown as to how much such an agreement may cost, but it is anticipated that this amount would be within the General Manager's approval authority.

Respectfully Submitted,



MARK J. MADISON, P.E.
GENERAL MANAGER

MJM/ah