

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

Wednesday, December 19, 2018

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

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

Directors Present: Bob Gray, Tom Nelson, Lisa Medina, Elliot Mulberg, Sophia Scherman
Directors Absent: None
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Treasurer; Donella Murillo, Finance Supervisor
Staff Absent: Sarah Jones, Program Manager
Associate Directors Present: Shahid Chaudhry
Associate Directors Absent: None
General Counsel Present: None

Chairperson Tom Nelson placed agenda item 2) Oath of Office before Public Comment.

2. Oath of Office

Board Secretary Stefani Phillips administered the oath of office for the newly appointed directors, thereby, swearing in Tom Nelson, Bob Gray, and Elliot Mulberg.

Public Comment

Tony Tillman, National Resources Conservation Service (NRCS) provided current conservation activity information to the Florin Resource Conservation District (FRCD) Board of Directors (Board).

1. Proclamations and Announcements

General Manager Mark Madison proudly stated the District received the President's Special Recognition Award at the Association of California Water Agencies (ACWA) 2018 Fall Conference in November. The award was received for achieving a loss ratio of less than 20% in all insurance categories over a three (3) year period.

3. Consent Calendar

- a. Minutes of Regular Board Meeting of October 17, 2018
- b. Minutes of Special Board Meeting of November 14, 2018
- c. Warrants Paid – October, 2018
- d. Warrants Paid – November, 2018
- e. Active Accounts – October, 2018
- f. Active Accounts – November, 2018
- g. Bond Covenant Status for FY 2018-19 – October, 2018
- h. Bond Covenant Status for FY 2018-19 – November, 2018
- i. Revenues and Expenses – Actual vs Budget FY 2018-19 – October, 2018
- j. Revenues and Expenses – Actual vs Budget FY 2018-19 – November, 2018
- k. Cash Accounts – October, 2018
- l. Cash Accounts – November, 2018
- m. Consultants Expenses – October, 2018
- n. Consultants Expenses – November, 2018
- o. Major Capital Improvement Projects – October, 2018
- p. Major Capital Improvement Projects – November, 2018

MSC (Scherman/Medina) to approve FRCD Consent Calendar items a-p with revisions. 4/1: Ayes: Gray, Medina, Nelson, and Scherman. Abstain: Mulberg

4. Committee Meetings

There were no committee meetings held in the months of October or November.

5. Elk Grove Water District Operations Report – October and November 2018

Mr. Madison presented the Elk Grove Water District (EGWD) Operations Report – October and November 2018 to the Board.

Summary:

- Door tags and shutoffs remained high in both months at 813 & 119 and 689 & 57, respectively.
- There were five pressure complaints; two in Service Area 1 and three in Service Area 2. All of these complaints were unsubstantiated.
- There was one water quality complaint in SA2 and this may have been legitimate.
- In October and November, 176 & 153 hydrants were checked, respectively. The District's hydrant maintenance target is set at 135 per month (each hydrant is checked once per year).
- In October and November, 150 & 153 valves were exercised, respectively. The District's valve exercising target is set at 120 per month (every valve once per 3 years).
- Wells 4D, 11D, 14D, 8, 9, and 13 were used on a rotational basis as the main sources of supply for Service Area 1. Well 1D was hardly used and Well 3 remained offline.
- Production for Service Area 1 dropped by about 53 million gallons over the two month period.
- Total customer usage for EGWD (SA1 and SA2) dropped by about 85 million gallons over the two month period. The November usage, however, was moderately higher than November of 2017 and that increase appears to have been driven by a higher usage in SA2 rather than SA1.
- The October report included the RWA 2018 Data Summary. The RWA report was not included in the November summary because it had not yet been received when the Operational Reports were assembled.
- The Static and Pumping Water level charts had the new 4th quarter data. All wells showed an increase in the static water levels over the past two years.
- All required sampling was performed with no anomalies. There were a lot of extra bacteriological sampling in November associated with new development.
- All required regulatory reports were submitted on time and there were no excursions of any regulatory requirements.
- All preventative maintenance activities were performed in compliance with our Standard Operating Procedures.
- Relative to our backflow prevention program, as of the end of October, we had 8 delinquent customers. As of the end of November, we had 9 separate customers that were delinquent.
- We had 7 formal safety meetings over the past two months.
- Service Line Replacements – 5 service lines were replaced in October and 10 were replaced in November. 181 remain.
- There were 6 service line leaks since September and most of these were caused by old saddles. There was one main line leak on Waterman Avenue and this was caused by a tree root.
- Pressures in both Service Area 1 and Service Area 2 continued to remain stable in the 60 psi range. These are very consistent with what we have seen in previous months.

6. Acquisition of Real Property Policy

Finance Manager Patrick Lee presented the Acquisition of Real Property Policy to the Board.

In summary, this new policy will provide guidance and governance over 1) the acquisition of real property with District funds; 2) acquisition of real property through grants, donations, gifts, dedications and property exchanges; and 3) the acquisition of real property through real property rents and leases. This policy will allow staff to maintain strict financial control, while balancing administrative and operational efficiency by establishing the Board as the sole authoritative body to approve the acquisition of real property.

Director Elliot Mulberg inquired how \$25,000 became the threshold for appraisals. Mr. Lee informed Mr. Mulberg \$25,000 was decided after reaching out to other professionals around the area to see what their thresholds were.

A discussion occurred regarding increasing the appraisal threshold to \$50,000. No decision was made to increase the threshold from \$25,000 to \$50,000.

MSC (Scherman/Mulberg) to adopt Resolution No. 12.19.18.01, establishing a new Acquisition of Real Property Policy. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

7. Amendment to the Florin Resource Conservation District/Elk Grove Water District Water Ordinance Schedule of Charges, Rates, Fees and Deposits

Mr. Lee presented the agenda item to the Board.

In summary, the District's current Schedule of Charges, Rates, Fees and Deposits Ordinance includes a delinquent shut-off fee. Staff is recommending the Board amend and replace Exhibit A of the ordinance, changing the verbiage from a delinquent shut-off fee to a late payment penalty. With the amendment, staff could prevent shutting off customers who have already paid the late charge.

A discussion occurred regarding different methods to assist the customers before turning them off.

Mr. Mulberg asked what the difference was between a fee and a penalty. Mr. Madison responded a fee is tied to a service, while a penalty is not. For example, with the current verbiage being a shut-off fee, the District has to shut-off a customer's water service, even if they already paid the late charge, because that was the service the customer paid for.

Associate Board Member Shahid Chaudhry suggested the District informally add one day before shutting services off. He was provided the reasons as to why the shut-off day is held on a particular day.

MSC (Medina/Gray) to adopt Ordinance No. 12.19.18.01, amending and replacing Ordinance No. 07.18.18.01, Exhibit A, Florin Resource Conservation District/Elk Grove Water District Water Ordinance Schedule of Charges, Rates, Fee and Deposits. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

8. Backyard Water Mains Replacement Project – Elk Way Contract

Assistant General Manager Bruce Kamilos introduced the agenda item to the Board.

In summary, EGWD's utility crews are presently working on a different capital improvement project, the Service Line Replacements project. The project is taking longer than originally

scheduled, and the length of the project is impacting other capital improvement work planned for the year. Consequently, EGWD staff had to bid out the Elk Way portion of the Backyard Water Main Replacements project. Staff received and opened eleven (11) bids on December 6, 2018 at 2:00 pm. Lund Construction Co. was the lowest responsive, responsible bidder for the project. The lowest responsive, responsible bid of \$436,999.80 was a competitive bid and not far from what EGWD would spend on the project using its own utility crews. However, the bid and EGWD's own material and equipment costs indicate that costs are continuing to rise in the current construction climate, and the overall project estimate will most likely have to be adjusted upward for the next fiscal year. Staff recommended the Board authorize the General Manager to execute a contract in the amount of \$436,999.80 with Lund Construction Co. for the Backyard Water Mains Replacement Project – Elk Way.

MSC (Scherman/Medina) to authorize the General Manager to execute a construction contract in the amount of \$436,999.80 with Lund Construction Co. for the Backyard Water Mains Replacement Project – Elk Way. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

9. Nominations for Membership on Sacramento Local Agency Formation Commission Special District Advisory Committee

Ms. Phillips explained, Sacramento Local Agency Formation Commission (LAFCo) Special District Advisory Committee (SDAC) currently has seven (7) vacant seats open to nominations for Office "B", which will serve the two (2) year term from January 2019 through December 2020, if anyone from the Board wanted to be nominated.

Mr. Nelson asked Mr. Mulberg if he would like to be on the SDAC. Mr. Mulberg responded, yes. The Board nominated Mr. Mulberg to the SDAC.

MSC (Scherman/Medina) nominated Director Elliot Mulberg to the Sacramento Local Agency Formation Commission Special District Advisory Committee. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

10. Outside Agency Meetings Report

Mr. Madison presented the agenda item to the Board.

Program Manager Sarah Jones provided information on the meetings she attended.

11/1/2018 – Regional Water Authority (RWA) Lobbyist Meeting. In summary, this was a meet and greet with the new legislative regulatory affairs program manager.

11/6/2018 – RWA Public Outreach Meeting. In summary, there were meetings in both October and November to develop the winter marketing campaign, which will be presented soon.

11/13/2018 – RWEFAC Meeting. In summary, this was a quarterly meeting in which all the water efficiency specialists from around the region got together to inform each other of what they have been doing.

Mr. Madison mentioned two (2) Sacramento Central Groundwater Authority (SCGA) meetings took place since the last regular board meeting, 11/14/18 and 12/12/18. He mentioned a full report will be presented at the January 16, 2019 regular board meeting.

Ms. Phillips informed the Board of the RWA Assistants Support Connection Group that she participates in. In summary, this is a fairly new and informative group of local water agency's

board secretaries and/or administrative assistants that will meet quarterly to cover a large variety of topics.

The attendees of the ACWA 2018 fall conference provided some highlights of the sessions they attended.

11. Legislative Update

Ms. Jones presented the legislative update to the Board.

In summary, Ms. Jones commented, there is a possibility that the definition of navigable waters will be changing. Also, SB 998 passed, which means the District needs to plan in the upcoming FY 2019-20 fiscal budget how to implement and comply with the new law. A discussion ensued on SB 998. Mr. Madison stated, he will keep the Board informed.

12. Directors Comments

Ms. Phillips reminded the Board of the Christmas Luncheon.

13. Closed Session

No reportable action was taken.

14. Amendment To Professional Services Agreement For Interim General Counsel Services Between The Florin Resource Conservation District And The Nosky Legal Group

Mr. Madison presented the agenda item to the Board.

In summary, Mr. Madison recommended two (2) changes in the amendment to the professional services agreement between the FRCD and Nosky Legal Group: 1) An extension of 6 months, and 2) An evergreen clause that would allow the agreement to automatically renew for another 6 month extension.

Director Mulberg suggested a one year agreement and mentioned that he did not like the idea of an automatic renewal.

Vice-chairperson Bob Gray mentioned that he was in agreement with Mr. Mulberg.

The Board's consensus was to amend the agreement for one year without automatic renewal.

MSC (Mulberg/Medina) to authorize the General Manager to execute an amendment to the Professional Services Agreement, between the Florin Resource Conservation District and Nosky Legal Group, for Interim General Counsel Services to be provided to the Florin Resource Conservation District and Elk Grove Water District, with revisions. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

Adjourn to Regular Board Meeting on January 16, 2019 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
SP/AK