

RESOLUTION NO. 04.18.18.01

A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DECLARING THAT ALL FUTURE ACTIVITIES PERFORMED BY THE FLORIN RESOURCE CONSERVATION DISTRICT BE LIMITED TO WATER RELATED ACTIVITIES THAT PROVIDE A BENEFIT TO ELK GROVE WATER DISTRICT RATEPAYERS, EFFECTIVE JULY 1, 2018

REAFFIRMING ITS FINANCIAL PRACTICES AND AUTHORIZED ACTIVITIES

WHEREAS, the Florin Resource Conservation District (“District”) was formed in 1953, and operates under the authority granted by Chapter 3, Division 9, of the Public Resources Code; and

WHEREAS, the Elk Grove Water District (“EGWD”) is a department of the District, and provides retail water service to approximately 45,000 customers within the Elk Grove region; and

WHEREAS, in 2012, the District adopted a five year strategic plan, which highlighted the financial constraints and resource limitations of the District, including the requirement that non-water related conservation projects be cost neutral, and adopted mission statements for the District and EGWD; and

WHEREAS, pursuant to California law, the District structured EGWD as an enterprise-funded department of the District, ensuring that all EGWD financial activities are separate from the non-water utility activities of the District; and

WHEREAS, the total approved operating budget for EGWD for fiscal year 2017-18 was \$14.306 million; and

WHEREAS, the District remains committed to prudent, conservative, and transparent financial practices to reduce long-term debt while continuing to provide EGWD customers with high quality, safe water; and

WHEREAS, among other enumerated powers listed in the District Board By-Laws adopted on February 24, 2010, the District Board of Directors possesses the power to formulate and approve the policies for the operation, administration, and planning of the District’s activities; and

WHEREAS, the District has engaged in a number of studies, community outreach and related activities to evaluate the future economics and feasibility of continuing certain activities of FRCD which are unrelated to serving the needs of the customers of the Elk Grove Water District (“EGWD”);

WHEREAS, despite the District’s efforts, it had not been able to identify a continuing and reliable source of funding for non-water related activities of FRCD;

WHEREAS, the District has evaluated a number of options relating to the declining revenues and limited availability of grants or other funding for activities of FRCD relating to soil conservation or similar matters unrelated to EGWD;

WHEREAS, to comply with Proposition 218 limitations on uses of EGWD revenue and in recognition of the lack of reliable funding for non-EGWD activities of FRCD,

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE FLORIN RESOURCE CONSERVATION DISTRICT DOES HEREBY RESOLVE:

SECTION 1. The Board of Directors hereby adopts the foregoing recitals as true and correct, and incorporate them herein by reference.

SECTION 2. The Board of Directors hereby reaffirms its commitment to prudent, conservative, and transparent financial practices that ensure the Florin Resource Conservation District continues to be in compliance with California law.

SECTION 3. The Board of Directors hereby declares that all future activities performed by the Florin Resource Conservation District shall be limited to water related activities that benefit, or otherwise serve, the Elk Grove Water District ratepayers, effective July 1, 2018.

SECTION 4. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

SECTION 5. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 18th day of April, 2018.



Tom Nelson, Chairperson

Attest:



Stefani Phillips, Board Secretary