

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, September 26, 2012

The regular meeting of the Board of Directors of the Florin Resource Conservation District was called to order at 6:30 p.m. by Barrie Lightfoot, Chair, at 8820 Elk Grove Blvd, Elk Grove CA.

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

Directors Present: Barrie Lightfoot, Chuck Dawson, and Tom Nelson
Directors Absent: Elliot Mulberg and Tony Perez
Staff Present: Mark J. Madison, General Manager; Dennis Coleman, Finance Manager; Stefani Phillips, Secretary/Human Resource Specialist; Bruce Kamilos, Associate Civil Engineer; Ellen Carlson, Management Analyst; Donella Ouellette, Finance Supervisor; Steve Shaw, Water Treatment Foreman; Jose Carrillo, Water Distribution Foreman; Richard Salas, Water Distribution Foreman; and Bryan Hutchinson, Water Distribution Operator I
Associate Directors Present: Donald Menasco
Associate Directors Absent: Davies Ononiwu
Consultants Present: Ann Sipelle, General Counsel, and William Robinson, Best, Best, & Krieger, LLP

1. Proclamations and Announcements

General Manager Mark Madison gave recognition to Water Distribution Foreman Jose Carrillo for his dedicated 10 years of service.

Mr. Madison informed the Board of Directors that Elk Grove Water District was recognized for being a member of the Elk Grove Chamber of Commerce since 1953.

Mr. Madison announced that the District will be slowing down the time line for the water rate study. He stated that the District will not impose a revenue adjustment on January 1, 2013 as previously communicated.

The Board commented that they would like to take their time with the water rate study and do it right.

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of August 22, 2012
- b. Special Board Meeting of September 10, 2012
- c. FRCD Cash Flow Worksheet – August, 2012
- d. Warrants Paid – August, 2012
- e. Active Accounts – August, 2012
- f. Bond Covenant Status for FY 2011-2012
- g. Bond Covenant Status for FY 2012-2013
- h. Revenues and Expenses – Actual vs Budget FY 2011-2012
- i. Revenues and Expenses – Actual vs Budget FY 2012-2013
- j. Cash Accounts
- k. Consultants Expenses
- l. Designation of Two Florin Resource Conservation District Board Members on the Florin Resource Conservation District/Lower Cosumnes Resource Conservation District/Sloughhouse Conservation District 2x2x2 Committee
- m. Approval of Agreements for the Municipal Bond Financing Team

MSC (Nelson/Dawson) to approve Consent Calendar items a-m, 3/0: Ayes: Dawson, Lightfoot and Nelson

3. Operations Report – August 2012

Mr. Madison presented the Operations Report for the month of August.

Highlights:

- Making changes to the Valve Exercising/Locates and Hydrant Maintenance/Flushing on the Operations Activity Report page.
- Well 9 will be placed back on line after samples are verified.
- Monthly production is stable for Wells 1D, 3, 4D, 11D, and 14D
- Well 12 was producing, but is having some issues and will need to be rehabilitated (winter)
- No purchased water from Sacramento County
- Pie chart was removed from the Combined Total Production
- 117 valves were exercised
- 10 service leaks
- 0 main leaks
- 132 meters installed

4. Elk Grove Water District 2012 Employee Policy Manual Amendment

Management Analyst Ellen Carlson presented the Elk Grove Water District 2012 Employee Policy Manual Amendment to the Board of Directors. She stated that shortly after the Board adopted the Employee Policy Manual, a District employee noticed an error in Section 4.4.4, Working on Holidays/Days Off that incorrectly stated that employees working on the holidays would be paid twice their regular rate as well as their holiday pay. Ms. Carlson stated that the correction would change the policy to reflect that an employee working on a holiday would be paid at time and a half in addition to a full day of pay for the holiday.

The Board expressed appreciation that the error was noticed and brought to attention for correction.

MSC (Nelson/Dawson) to approve the amendment to section 4.4.4 of the Elk Grove Water District 2012 Employee Manual, 3/0: Ayes: Dawson, Lightfoot and Nelson

5. Amendment to Construction Contract for Well 11D Rehabilitation Project

Associate Civil Engineer Bruce Kamilos presented an amendment to the construction contract for Well 11D rehabilitation project to the Board of Directors. He asked the Board to consider authorizing the General Manager to amend the existing contract with Roadrunner Drilling and Pump Company in the amount of \$60,077, which would be funded through the Unrestricted Reserve Funds. The contract amendment encompasses rehabilitating Well 11D with the intent to return it to a maximum yield. Mr. Kamilos stated that Well 11D was currently in operation and construction is underway to increase the pump capacity and well production. He added that the specific capacity (measure of wells efficiency) has been dropping and it is prudent to rehabilitate the well prior to bringing online the new pump, so that water can be delivered to the new pump at a rate commensurate with the pump's design parameters. Mr. Kamilos stated that rehabilitation is a cleaning process to unclog the screens, gravel pack and surrounding aquifer formation so that water flows freely into the well. He stated that when the District rehabilitated Well 14D, the project was competitively bid and the same rates would be used for Well 11D. Mr. Kamilos stated that the rehabilitation of Well 11D conforms with the Strategic Plan, which directs the District to manage its assets and maintain the water supply capacities.

MSC (Dawson/Nelson) to approve a motion authorizing the General Manager to amend the existing construction contract with Roadrunner Drilling and Pump Company in the amount of \$60,077 for the rehabilitation of Well 11D, 3/0: Ayes: Dawson, Lightfoot and Nelson

6. Legislative Update

Ms. Carlson presented the Legislative Update to the Board of Directors. She stated that there were 22 measures approved and 7 vetoed.

The highlights are as follows:

AB 232 – approved on September 19, 2012
 AB 467 – vetoed
 AB 685 – approved on September 25, 2012
 AB 750 – approved on September 25, 2012
 AB 1830 – approved on September 25, 2012
 SB 200 – approved on September 25, 2012
 AB 340 – Governor Brown signed into law.

General Counsel Ann Siprelle gave a summary on how AB 340 Pension Reform Bill will impact District employees.

AB 340 will have the following impact on current employees, effective January 1, 2013:

- Employer may, but is not required to, impose a 50% of normal cost share on current employees by resolution for unrepresented employees and pursuant to the collective bargaining process for represented employees. If the employer is not able to negotiate a cost share with represented employees, the employer may impose the requirement subject to complying with the impasse procedures. This is a permissive provision, it is not mandatory.
- If the employer contracts with CalPERS, then the standard is the greater of 50% of normal cost or the required employee contribution.
- Restrictions on employing retirees apply to all employees upon retirement.
- No one may purchase air time on or after January 1, 2013 unless an application was submitted prior to January 1, 2013.
- Employer may not change from a 3 year final compensation period to a 1 year final compensation period after December 31, 2013.
- If an employee is not already participating in a supplemental plan (except the STRS plan) or a qualified replacement plan, they may not be added on or after January 1, 2013.
- No retroactive pension enhancements.
- Forfeiture of pension benefits upon conviction of certain felonies.
- Improved industrial disability benefit.
- Equal health benefits. It's unclear how it is going to be interpreted (e.g., whether it applies to current benefits or retirement benefits) but it will apply to all employees.

AB 340 will impact new members to the pension program differently than current employees. The District will be revising section 5.6.2 in the Elk Grove Water District Employee Policy Manual to reflect the impact on new members.

7. Committee Meeting(s) Update

Mr. Madison gave a brief summary on the 2x2x2 Committee Meeting held earlier in the day on September 26, 2012. The purpose of the 2x2x2 Committee is to work on tenant and property related issues for jointly owned property at 8999 Elk Grove-Florin Rd.

8. Directors Comments and Information

Mr. Madison informed the Board that the District bid out the water meter installations to Flowline for \$100,000, who will supplement the meter retrofit program with 120 meter installations.

9. Closed Session

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: J.B. Jones v. FRCD, EGWS, et al, Sacramento Superior Court Case No. 34- 2009-00046310

No reportable action was taken.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary