

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, April 24, 2013

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, Tom Nelson, Elliot Mulberg, and Don Menasco
Directors Absent: None
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; and Donella Ouellette, Finance Supervisor
Associate Directors Present: Davies Ononiwu
Consultants Present: Ann Siprelle, General Counsel

1. Proclamations and Announcements

No comments were made.

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of March 27, 2013
- b. FRCD Cash Flow Worksheet – March, 2013
- c. Warrants Paid – March, 2013
- d. Active Accounts – March, 2013
- e. Bond Covenant Status for FY 2012-2013 – March, 2013
- f. Revenues and Expenses – Actual vs Budget FY 2012-2013 – March, 2013
- g. Cash Accounts – March, 2013
- h. Consultants Expenses – March, 2013

MSC (Mulberg/Dawson) to approve the Consent Calendar a - h, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

3. Operations Report – March 2013

General Manager Mark Madison presented the Operations Report – February 2013 and highlighted the following:

- Interties were added to Active Wells page in the monthly report
- Well 8 is producing extremely well
- Well 9 is producing extremely well
- Well 12 will be pulled off-line (to be abandoned at a later date)
- More production this year as compared to last year
- Well 4D is pumping well
- Well 11D rehabilitation was successful
- Well 3 high level of capacity
- Samples were all completed
- Extra samples were taken of Well 11D to make sure it was ready to be put back online
- Safety meetings exceeded OSHA requirements (5)
- 135 meters installed
- No mainline leaks
- 3 service line leaks (saddle breaks)
- 18 valves left to be exercised
- IT – spam

Mr. Madison discussed the Pedestrian Bridge Project, which we are working with the City of Elk Grove on. The Utility Department will be working on moving a water main in conjunction with the City of Elk Grove's building of the pedestrian bridge.

4. Monthly Status Report on FY 2011-12 Audit Findings

Finance Manager Dennis Coleman provided the Monthly Status Report on FY 2011-12 Audit Findings. Mr. Coleman stated that he will be putting out a Request for Proposals shortly for an accountant to assist staff in performing quarterly closings, monthly reconciliations, and year-end audit preparation. He stated that Elk Grove Chamber of Commerce is assisting with suggestions of local accountants. Mr. Coleman also discussed one item recommended by the auditors regarding capitalizing employee payroll and benefits for the Meter Retrofit Program, where the employees would have to separately report time spent on projects that will be capitalized on their timesheets. He stated staff is not in agreement with the recommendation. Mr. Coleman stated that he believes that the current system of capitalizing the employee payroll, benefits and other expenditures is more than sufficient.

Chairman Barrie Lightfoot stated that he would like the issues resolved and reported to the Board at the October 2013 Board meeting.

Director Elliot Mulberg inquired what the consequence would be for disagreeing with an auditor. Mr. Coleman, Finance Manager, responded that there is not a consequence for disagreeing with the specific item in question.

5. 2013 Water Rate Study and Proposition 218 Protest Notice

General Manager Mark Madison presented the background of the 2013 Water Rate Study process. Mr. Madison stated the two primary reasons needed for water rate increases, is to keep up with the rate of inflation and to assist the District in funding future Capital Improvement Projects. He stated that the increase to each customer will vary.

Mr. Madison held a discussion regarding the rate calculator located on the Elk Grove Water District website. He also stated if the Board of Directors approves the 2013 Rate Study, Proposition 218 requirements will be followed.

Director Mulberg inquired if the rate calculator on the website would give the customer the ability to input residential and meter size. Mr. Madison responded that the May bill insert provides details of the rate calculator available on the District website and if they do not have access to the District website, to contact the office with any questions. He also stated that staff can update the rate calculator and guide the customer on how to find the size of their service on their bill.

Director Mullberg inquired about the protest proceedings and if the notice would be mailed with an additional form that the customer completes and returns. Ms. Siprelle replied that customers will not receive an additional form; however the notice will have very specific instructions on what the written protest needs to include. Mr. Mullberg inquired if the protests will be verified. Mr. Madison replied that each protest will be verified.

Public Comments and Questions included:

- Mr. Bob Gray stated the rate study was well done, with the exception of the monthly charge for private hydrants. It is not justified in his opinion.
- Ms. Annette Fisher concerned about rates being increased and meter charges. She also suggested letters in separate cover and not be included with bills.
 - Mr. Madison indicated that protest notices will be mailed out separately.
- Ms. Wanda Calava discussed her concerns with rates and paying for past debt.

- Mr. Madison and the Board of Directors responded and addressed Ms. Calava's questions. Mr. Madison stated relative to Proposition 218, should 50% plus one protests be received, the Board of Directors would be prohibited from proceeding.

MSC (Lightfoot/Nelson) to approve the 2013 Water Rate Study to the receipt and consideration of any protests and comments received before and during the public hearing conducted and compliance with Proposition 218, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

MSC (Nelson/Dawson) to direct Staff to initiate the Proposition 218 compliance process, including the mailing of a notice of the public hearing for the consideration of the proposed water rates to the record owners of property proposed to be subject to the water service fees and any tenants who are directly liable for the payment of water service fees, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

6. 2013 Water Connection Fee Study

General Manager Mark Madison presented the 2013 Water Connection Fee Study.

Chairman Barrie Lightfoot inquired if the Building Industry Association (BIA) had contacted the District. Mr. Madison no, he stated they have not contacted the District, but that individuals from the BIA have attended previous meetings.

MSC (Dawson/Nelson) to approve the 2013 Water Connection Fee Study, subject to consideration of public comments received at the public hearing on May 22, 2013, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

7. California Public Records Act Request Policy

Management Analyst Ellen Carlson presented the California Public Records Act Request Policy to the Board of Directors. She informed them that General Counsel Ann Siprelle reviewed the policy.

Director Elliot Mulberg inquired whether emails were chargeable. Ms. Siprelle replied that the District can only charge for the direct cost of duplication. Mr. Mulberg inquired if the same applied to recordings. Ms. Siprelle replied that they can only be charged for the direct cost of duplication and materials.

8. Application for the Parcel Split of APN 125-0253-002

General Manager Mark Madison briefed the Board of Directors on the application for the parcel split of APN 125-0253-002, stating that the FRCD owns the parcel, which is the site of the EGWD's School Street Well and the old water tower. He stated that the FRCD intends to split the parcel so that the School Street Well and the old water tower are on separate parcels.

MSC (Dawson/Nelson) to adopt Resolution 04.24.13.02 authorizing the General Manager to apply for and make all submittals relevant to a parcel split of APN 125-0253-002, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

9. Legislative Update

Management Analyst Ellen Carlson presented the Legislative Update to the Board of Directors. The primary item discussed included letters of support for ACA 8 and SCA 11, constitutional amendments regarding voter thresholds for local special taxes. She discussed AB 5, Homeless Person's Bill of Rights and Fairness Act, which was passed and the bill is moving forward, and staff will continue to monitor. Ms. Carlson also discussed that AB 453 does not have a direct impact on the District. She stated that AB 194, the Brown Act amendment will be readdressed.

Director Elliot Mulberg requested that Staff monitor AB 1235.

Ms. Carlson requested direction on letters of support for ACA 8 and SCA 11. Vice-Chairman Chuck Dawson stated that he will not support any bill to further increase taxes for the State of California. Chairman Barrie Lightfoot stated that he does not support increasing taxes.

10. Committee Meeting(s) Update

Director Elliot Mulberg and Director Tom Nelson discussed the Infrastructure Committee Meeting. Mr. Mulberg stated that the HVAC for the Administration Building is a high priority. He also commented that any priority one through four projects will move forward this year, however priority five would be unfunded. Mr. Nelson stated that some of the priority five projects will be held off for a few years and will conduct studies down the road before considering the project.

11. Directors Comments and Information

Director Chuck Dawson thanked the community for attending the Board meeting.

Director Elliot Mulberg stated that he appreciated the comments from the community and their time in attendance.

Director Tom Nelson spoke about the Elk Grove Unified School District's Service Learning Steering Committee; he has sat on the committee for a several years. The Steering Committee is a group of citizens who help identify opportunities for students and approve applications for funding submitted by teachers who want to do a Service Learning project. Mr. Nelson stated "the District must tie-in with learning." Director Don Menasco will be taking over a seat on the committee.

12. Closed Session

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Sec. 54956.8)

Property: APN# 134-0050-074 (south portion)

Agency negotiator: General Manager Mark J. Madison

Negotiating parties: Florin Resource Conservation District and Robin Whiting

Under negotiation: Price and terms of payment

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary