

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

Wednesday, June 24, 2015

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

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

Directors Present: Chuck Dawson, Elliot Mulberg, Tom Nelson, and Jeanne Sabin  
Directors Absent: Bob Gray  
Staff Present: Mark J. Madison, General Manager; Jim Malberg, Finance Manager; Donella Murrillo, Finance Supervisor; Stefani Phillips, Secretary; Bruce Kamilos, Associate Civil Engineer; Ellen Carlson, Management; Aaron Hewitt, Water Treatment Operator III; Steve Shaw, Water Treatment Foreman  
Associate Directors Present: Mike Schmitz and Davies Ononiwu  
Consultants Present: Ann Siprelle, Best Best & Krieger (BB&K)

## Public Comment

No comments were made.

## 1. Proclamations and Announcements

Recognition of Aaron Hewitt for five years of service.

## 2. Consent Calendar

- a. Minutes of the Regular Board Meeting of May 27, 2015
- b. FRCD Cash Flow Worksheet – May, 2015
- c. Warrants Paid – May, 2015
- d. Active Accounts – May, 2015
- e. Bond Covenant Status for FY 2014-15 – May, 2015
- f. Revenues and Expenses – Actual vs Budget FY 2014-15 – May, 2015
- g. Cash Accounts – May, 2015
- h. Consultants Expenses – May, 2015

MSC (Mulberg/Sabin) to approve Consent Calendar items a-h 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## 3. Committee Meetings

- a. Conservation Committee Meeting – March 4, 2015
- b. Conservation Committee Meeting – March 17, 2015
- c. Finance Committee Meeting – May 13, 2015
- d. Infrastructure Committee Meeting – May 13, 2015
- e. Conservation Committee Meeting – May 27, 2015

Vice-Chairman Tom Nelson inquired if a motion was needed on the committee meetings minutes. Director Elliot Mulberg responded that he was not sure if a motion was needed since the FRCD Board Members are spread throughout the committees. Mr. Mulberg then asked how a board member can vote to approve the minutes if they were not in attendance.

Stefani Phillips, Board Secretary, provided background on how the committee meeting minutes were approved in the past.

Mr. Mulberg suggested going down the list of committee meetings one by one and getting them approved by the committee members who were in attendance at that particular meeting. Ms. Phillips inquired how the minutes would be approved if there were only two (2) board members present because there wouldn't be a quorum vote. Ann Siprelle, Legal Counsel, responded to Ms. Phillips, "That is correct and you would not have approved minutes." Ms. Siprelle stated that there is no requirement to approved minutes and the Board of Directors can just accept the minutes.

The FRCD Board of Directors accepted the Committee Meeting items a-e.

#### **4. Florin Resource Conservation District Conservation Activities**

Ellen Carlson, Management Analyst, presented the Florin Resource Conservation District Conservation Activities to the Board of Directors. Ms. Carlson spoke about Range Camp and the two students who were sponsored by FRCD from Elk Grove High School, Annabiel Saelee and Dana Mastro.

Director Jeanne Sabin inquired if the Range Camp sponsorship was built into the budget and what was the cost. Ms. Carlson responded stating it was \$400 per student and this only covers the student's time at camp. Mark Madison, General Manager, stated that the District had \$2000 budgeted in the FRCD budget and the money for Range Camp came out of the \$2000 budget.

#### **5. Elk Grove Water District Conservation Activities**

Ellen Carlson, Management Analyst, presented the Elk Grove Water District Conservation Activities to the Board of Directors. Ms. Carlson spoke about the efforts EGWD is taking to achieve the 28% water use reduction. She stated there are two EGWD employees that provide coverage for water waste patrols throughout the week.

Director Elliot Mulberg inquired if the State Water Resource Control Board is enforcing their targets. Mark Madison, General Manager, responded not yet.

Ms. Carlson spoke about the Elk Grove Family Fest, which is sponsored by the Elk Grove Chamber of Commerce. Ms. Carlson stated, she will be attending this event at the end of July and will be doing a water activity with kids.

Ms. Carlson stated, she attended the American Water Works Association (AWWA) Conference and she co-presented with the conservationist from Sac Suburban. She stated that by attending the conference it presented a unified front for water conservation between other water agencies and organizations in Elk Grove.

Ms. Carlson informed the Board of Directors that Chairman Chuck Dawson, Vice-Chairman Tom Nelson and General Manager Mark Madison, attended the Association of California Water Agency (ACWA) Drought Workshop that was hosted by the El Dorado Irrigation District.

#### **6. Appointment of Associate Directors to the Florin Resource Conservation District**

Stefani Phillips, Board Secretary, presented the Appointment of Associate Directors to the Florin Resource Conservation District to the Board of Directors. In summary, the Florin Resource Conservation District (FRCD) solicited applications for up to three Associate Director Positions. Associate Directors Davies Ononiwu and Mike Schmitz have responded indicating their interest in continuing in the role as Associate Directors to the FRCD.

Chairman Chuck Dawson commended the involvement Davies Ononiwu and Mike Schmitz has brought to the FRCD as Associates.

MSC (Nelson/Mulberg) the re-appointment of Associate Directors Davies Ononiwu and Mike Schmitz to the Florin Resource Conservation District Board of Directors 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## 7. Operations Report – May 2015

Mark J. Madison, General Manager, presented the highlights of the Operations Report – May, 2015:

- Door Hangers and Shut-offs are up for the month
- 119 USA Locates
- Customer Complaints
  - 1 pressure complaint – measurements were taken at the house valve and it measured 70 psi
  - 2 water quality complaints – came from the customers water softeners
- Distribution Work Orders
  - 44 Hydrant Maintenance
  - 124 Valve Exercising – metric is 113 per month
- Utility Work Orders
  - 26 Service Line Replacements – good progress considering the Utility crew has been diverted to the Railroad Corridor Pipeline project
- Well Production
  - Well 1D – no relative change from the past month
  - Well 4D – produced more than last month
  - Well 11D – down a little from the last month
  - Well 14D – up a little from the last month
  - Well 3 – down a little from the last month
  - Well 8 – the district is not running right now as it has sand problems
  - Well 9 – ran 24/7 for the month
- Combined Total Production - production is down 39% from May 2013
- Total Demand/Production – trying to figure out why there is a difference in the R-GPCD numbers per service
- Static and Pumping levels – there is no new data for the month but the layout was switched over to a calendar year
- Sampling – did a number of re-samplings for the month
- No discharge for the month
- All preventative maintenance activities were performed on time and per the standard operating procedure (SOP)
- Backflow Prevention Program
  - Has increased from the previous month and is now at 17 outstanding delinquents
  - Since this program has been solidified and the district will be leveling out the number of notices that are issued per month so it is balanced throughout the year
- 5 Safety Meeting for the month
- 26 Service Line Replacements
- 2 Service Line Leaks due to pinholes
- Pressure
  - Service Area 2 – pressure has dropped
  - Service Area 1 – no complaints on pressure reduction

Director Elliot Mulberg inquired when the next reading for the Static and Pumping levels will be taken. Mr. Madison responded, in July.

## **8. Nomination of Florin Resource Conservation District/Elk Grove Water District Representatives for Appointment to the Sacramento Central Groundwater Authority Board of Directors**

Mark Madison, General Manager, presented the Nomination of Florin Resource Conservation District/Elk Grove Water District Representatives for Appointment to the Sacramento Central Groundwater Authority Board of Directors to the Board of Directors. In summary, the Florin Resource Conservation District/Elk Grove Water District is a member of the Sacramento Central Groundwater Authority (SCGA). The SCGA Board of Directors is comprised of sixteen individuals, one of whom is represented by the FRCD/EGWD. Mr. Madison stated that the FRCD/EGWD needs to nominate a primary representative and an alternate representative to represent the District and the City of Elk Grove will appoint their nominations.

Director Jeanne Sabin inquired why the City of Elk Grove has to approve the Districts nomination. Mr. Madison responded stating that he doesn't know exactly why the City of Elk Grove approves the nomination, but it is prescribed in the SCGA Joint Powers Agreement. A discussion followed on the history.

MSC (Mulberg/Nelson) to nominate Vice-Chairman Tom Nelson as the primary representative and Director Elliot Mulberg as the alternate representative of the Florin Resource Conservation District/Elk Grove Water District Board of Directors, for appointment to the Sacramento Central Groundwater Authority Board of Directors; 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **9. Truck Purchase for Replacement of Truck #107**

Bruce Kamilos, Associate Civil Engineer, presented the Truck Purchase Replacement for Truck #107 to the Board of Directors. In summary, the replacement of Truck #107 was approved in the Fiscal Year Capital Improvement Program (FY 2014-15 CIP). Per the Florin Resource Conservation Districts (FRCD) Policy No. 3 (Purchases of Goods and Services from Outside Vendors), a competitive bidding process was used to acquire four (4) bids for a 1-ton truck with a utility box and crane. The lowest prices, qualified, responsible bidder is Elk Grove Ford with a bid amount of \$56,984.

Director Elliot Mulberg inquired if staff looked into other vehicle brands besides Ford. Mark Madison, General Manager responded stating that it is easier on staff to standardize the vehicles that are out in the field.

Director Jeanne Sabin inquired if the maintenance on the District's vehicles is done in-house vs. out. Mr. Madison responded that minor maintenance can be done in-house but major maintenance is performed by the dealership.

Associate Director Mike Schmitz inquired what will happened to the old vehicle. Mr. Madison stated that the old vehicle is sold in an auction and the money goes back to the reserves.

MSC (Mulberg/Sabin) to approve a motion authorizing the General Manager to execute a purchase order, in the amount \$56,984 (plus tax and license), with Elk Grove Ford to purchase a 1-ton truck to replace Truck #107, and appropriate \$30,000 of unused capital improvement funds from the Water Meter Replacement Program toward the truck purchase 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **10. Enforcement Procedure for Violations of the Water Shortage Contingency Plan**

Mark Madison, General Manager, presented the Enforcement Procedure for Violations of the Water Shortage Contingency Plan. In summary, the District is proposing an ordinance to establish a procedure to enforce violations of the mandatory measures contained in the District's Water Shortage Contingency Plan. The ordinance would set forth a process to allow customers to appeal administrative citations (fines) and grant the Board Chairman authority to designate a hearing officer to entertain appeals.

Director Elliot Mulberg inquired who the Clerk is for the District. Stefani Philips, Board Secretary, responded, she is the Clerk.

Mr. Mulberg made a comment that the appeals person should have experience. He also made a suggestion to amend the current policy so that the District has a list of experienced potential hearing officers.

Vice-Chairman Tom Nelson inquired as to what kind of training the hearing officer will have.

Director Jeanne Sabin suggested having legal conduct a Standard Operating Procedure (SOP) for the hearing officer.

Mr. Madison commented that Director Bob Gray was interested in becoming a hearing officer. He also stated that the hearing officer would receive training on how to conduct a hearing by BB&K.

Chairman Chuck Dawson suggested having someone, besides an FRCD Board Member, on the list to conduct hearings. He then stated it would benefit the district to have two (2) hearing officers. Mr. Madison suggested establishing a list of hearing officers to conduct hearings.

Ms. Sabin inquired if it was acceptable for FRCD Board Members to become hearing officers. Ann Siprelle, Legal Counsel with BB&K, responded yes and also stated that EGWD Staff Members can also become hearing officers.

Associate Director Davies Ononiwu inquired at which step the appeals process take place does. Ms. Siprelle responded that the customer can appeal on their third violation. Discussion followed.

Mark Madison commented that Ellen Carlson, Management Analyst, is looking at a potential avenue for the customer to avoid the third violation, by offering Water School. He stated that the details are still being worked out, but wanted to let the Board of Directors know that staff is working on this.

MSC (Mulberg/Sabin) to adopt Ordinance No. 06.24.15.01 adopting an enforcement procedure for violations of the Water Shortage Contingency Plan; direct staff to provide a list of potential hearing officers to the Board Chairman; and develop a hearing officer training program. 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **11. Florin Resource Conservation District Fiscal Year 2015-16 Budget**

Jim Malberg, Finance Manager, presented the Florin Resource Conservation District Fiscal Year 2015-16 Budget to the Board of Directors. He stated that the salary and benefits allocation was removed as suggested at the previous Finance Committee meeting.

Director Elliot Mulberg commented that the consultant expense of \$24,000 from Fiscal Year (FY) 2014-15 was not used and suggested putting it in the FY2015-16 Budget. Mr. Malberg responded that he will roll over the \$24,000 into the FRCD Budget.

Mr. Mulberg suggested to roll over the conference expenditures \$1,320 into the contracted services expenditures.

A discussion followed.

MSC (Mulberg/Sabin) to adopt Resolution No. 06.24.15.01 approving the Florin Resource Conservation District Fiscal Year 2015-16 Budget with amendments to reflect rolling over allocations of \$24,000 for contracted services from Fiscal Year 2014-15 Budget; and eliminating allocations of \$1320 for travel expenses 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **12. Economic Development Corporation Fiscal Year 2015-16 Budget**

Jim Malberg, Finance Manager, presented the Economic Development Corporation Fiscal Year 2015-16 Budget to the Board of Directors. He stated that the budget was unchanged since the Finance Committee met on June 12, 2015.

Ann Siprelle, Legal Counsel, stated that the EDC could be dissolved fairly soon.

MSC (Mulberg/Nelson) to adopt Resolution No. 06.24.15.02 approving the proposed Economic Development Corporation Fiscal Year 2015-16 Budget 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **13. Elk Grove Water District Fiscal Year 2016-20 Capital Improvement Program**

Bruce Kamilos, Associate Civil Engineer, presented the Elk Grove Water District Fiscal Year 2016-20 Capital Improvement Program (CIP) to the Board of Directors. He stated the Infrastructure Committee agreed with the CIP as presented by staff and also agreed to reduce the scope of one of the projects and as a result, an estimated savings of \$200,000 will be achieved.

Vice-Chairman Tom Nelson spoke on behalf of the Infrastructure Committee.

Director Elliot Mulberg commended Vice-Chairman Tom Nelson and Director Bob Gray for their involvement as the committee.

Mark Madison, General Manager, commended Bruce Kamilos on the outstanding job overseeing the CIP. The Board second the sentiment.

MSC (Mulberg/Nelson) to adopt Resolution No. 06.24.15.03 adopting the Elk Grove Water District Fiscal Year 2016-20 Capital Improvement Program and approving an appropriation of \$2,325,000 from designated reserve funds to the Fiscal Year 2015-16 Capital Improvement Program budget 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin.

## **14. Elk Grove Water District Fiscal Year 2015-16 Operating Budget**

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2015-16 Operating Budget to the Board of Directors. He stated that the budget is structurally balanced due to an increase contribution of \$12,000 from excess operating reserves.

Other changes made to the budget since the May 27, 2015 meeting:

- Revised Salary & Benefits – error in step for one employee resulted in an increase to Salary & Benefits of \$6,268
- Revised Worker's Compensation Insurance amount – increase of \$7,758 based on updated MOD rate (inflation rate)
- Revised General Liability Insurance amount – decrease of \$2,000 which was allocated \$1,500 to FRCD & \$500 (excess liability) to the EDC
- Updated the Water Rate Model with actual FY 2013-14 audited numbers, the adopted FY 2014-15 budget and the proposed FY 2015-16 budget
- Updated consumption data based on actual calendar year 2014 consumption totals
- Habib & Gregg at Raftelis QA/QC the updated model and they have confirmed revenue projections considering additional conservation goals in 2015

Chairman Chuck Dawson commended staff on their efforts on the Budget.

MSC (Nelson/Sabin) to adopt Resolution No. 06.24.15.04 approving the Elk Grove Water District Fiscal Year 2015-16 Operating Budget 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin

### **15. Investment Policy Guidelines Fiscal Year 2015-16**

Jim Malberg, Finance Manager, presented the Investment Policy Guidelines Fiscal Year 2015-16 to the Board of Directors. In summary, no changes were made to the policy. The Investment Policy Guidelines Fiscal Year 2015-16 was brought to the FRCD Board of Directors to align with the Fiscal Year.

MSC (Dawson/Nelson) to adopt Resolution No. 06.24.15.05 adopting the Fiscal Year 2015-16 Investment Policy Guidelines of the Florin Resource Conservation District 4/0: Ayes: Dawson, Mulberg, Nelson, and Sabin

### **16. Legislative Update**

Ellen Carlson, Management Analyst, presented the Legislative Update to the Board of Directors.

Mark Madison, General Manager, spoke about the Trailer Bills that were passed (Water Consolidation Budget SB 115 and SB 88). He stated that he mailed opposition letters and made numerous phone calls to the offices of Assemblymember Jim Cooper, Senator Richard Pan and Assemblymember Ken Cooley to make the Districts position on the Trailer Bills known. A discussion followed.

Chairman Chuck Dawson commented about the lobbyist groups stating that obviously the clout is not there. Mr. Madison and Director Elliot Mulberg responded stating not on this Bill. Mr. Mulberg then stated that the stakeholders made some noteworthy changes such as to disadvantaged communities.

Ms. Carlson commented that ACWA is accepting Legislative Proposals for the next year. She stated that proposals need to be submitted by September 4, 2015.

### **17. Directors Comments and Information**

Director Elliot Mulberg suggested having elections divided by districts instead of as an at-large election and he would like the Board of Directors to direct staff to look into this. Mark, Madison, General Manager, suggested having District staff come back to the Board of Directors in a couple of months with the pros and cons.

Director Jeanne Sabin commented that in light of the recent Trailer Bills being passed, if the FRCD and EGWD were to spilt it would make it a lot easier for Sacramento County to absorb the EGWD.

Vice Chairman Tom Nelson requested to have the water usage figures for the month of June sent to the Board of Directors.

Adjourn to Regular Meeting on Wednesday, July 29, 2015 at 6:30 p.m.

Respectfully submitted,

*Stefani Phillips*

Stefani Phillips, Secretary  
SP/CR