

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

Wednesday, January 17, 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, Lisa Medina, Tom Nelson, Sophia Scherman, Jeanne Sabin
Directors Absent: None
Staff Present: Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Finance Manager; Donella Murillo, Finance Supervisor; and Sarah Jones, Program Manager
Staff Absent: Mark J. Madison, General Manager
Associate Directors Present: Shahid Chaudhry, Kenneth Strom
General Counsel Present: Ruthann G. Ziegler, Meyers Nave
Consultants Present: Thomas Dainat, IT Consultant

Public Comment

None

1. Proclamations and Announcements

Chairperson Tom Nelson announced General Manager Mark J. Madison was ill and unable to attend the night's meeting.

2. Consent Calendar

- a. Regular Board Meeting Minutes of December, 2017
- b. FRCD Cash Flow Worksheet – December, 2017
- c. Warrants Paid – December, 2017
- d. Active Accounts – December, 2017
- e. Bond Covenant Status for FY 2017-18 – December, 2017
- f. Revenues and Expenses – Actual vs Budget FY 2017– December, 2017
- g. Cash Accounts – December, 2017
- h. Consultants Expenses – December, 2017
- i. Major Capital Improvement Projects – December, 2017

MSC (Scherman/Sabin) to approve FRCD Consent Calendar items a-i. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

3. Florin Resource Conservation District 2018 Election of Officers

Director Jeanne Sabin asked if Chairperson Tom Nelson and Vice-Chairperson Bob Gray were interested in serving the Calendar year 2018 again. They each replied they would like to serve again. Ms. Sabin stated that she felt the last year was ran smoothly.

MSC (Medina/Sabin) to elect Tom Nelson as Chairperson and Bob Gray as Vice-Chairperson for the 2018 calendar year. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

4. Florin Resource Conservation District 2018 Committee Appointments and Outside Agency Representation

Chairperson Tom Nelson stated that the Planning Committee has been inactive for a long time.

A discussion regarding the need for the Planning Committee occurred.

The Board agreed to eliminate the Planning Committee because other committees can serve in place of the Planning Committee and Ad-hoc Committees can be appointed for short-term assignments.

A discussion occurred regarding the Economic Development Corporation (EDC). A question was asked regarding whether the EDC was developed for the building or for the bonds. General Counsel Ruthann Ziegler will look into it and provide feedback at the February Regular Board Meeting.

A discussion occurred regarding how a majority of the Board should not comprise a committee in most cases.

A discussion regarding the Conservation Committee occurred. Ms. Scherman stated she would like to be an alternate.

A discussion occurred regarding Sacramento Local Agency Formation Commission (LAFCo) and Ms. Scherman expressed she was no longer interested in serving on the Special District Advisory Committee (SDAC). The Board directed staff to write a letter to LAFCo to inform them that the District would no longer be participating with SDAC.

A discussion occurred regarding ACWA/JPIA representation.

The following questions were asked: how many representatives can there be; how many alternates can there be, what the voting rights are for alternates.

A discussion occurred regarding Sacramento County Groundwater Authority (SCGA) and the Board asked how many alternates can there be. General Counsel Ruthann Ziegler replied multiple alternates are permitted for SCGA.

Ms. Sabin expressed she thought it would be wise to start succession planning because there are no directors that have a great level of understanding of SCGA aside from Chairperson Tom Nelson.

A brief discussion occurred regarding Regional Water Authority (RWA) representatives. The Board members inquired how many alternates can there be.

Vice-Chairperson Bob Gray stated he has doubts and has raised the question with General Manager Mark Madison as to whether the District should continue as members of SCGA and whether we are getting value for our membership. Mr. Kamilos replied that it is too soon to make that determination.

A lengthy discussion occurred regarding the lack of information that has been conveyed regarding the SCGA. Director Lisa Medina stated she would like to take a field trip.

Ms. Scherman stated that she was interested in obtaining more information regarding ACWA/JPIA, SCGA, and RWA.

Program Manager Sarah Jones asked if the Board members were interested in attending the RWA meetings.

The Board directed staff to bring back a summary of outside agency representation, including alternates and what the representatives do to the February Regular Board Meeting.

MSC (Scherman/Medina) to appoint the entire FRCD Board of Directors as the Finance Committee; Directors Tom Nelson and Jeanne Sabin to the Conservation Committee and Lisa Medina and Sophia Scherman as Alternates; and Directors Bob Gray and Lisa Medina to the Infrastructure Committee. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

5. Committee Meetings

There were no committee meetings held in the month of December.

6. Elk Grove Water District Operations Report – December 2017

Assistant General Manager Bruce Kamilos presented the Elk Grove Water District Operations Report – December 2017 to the Board.

Summary Points:

- Door tags and shutoffs (13 & 0, respectively). District practice is not to shutoff customers over the Christmas holiday.
- 4 pressure complaints in December (2 in Service Area 1, 2 in Service Area 2). All were unsubstantiated, 1 due to water softener problem.
- No water quality complaints.
- 150 hydrants checked. Hydrant maintenance target set at 133 per month (ea. hydrant once per year).
- 165 valves exercised. Valve exercising target set at 120 per month (every valve once per 3 years).
- Well 1D is back on line after rehabbing and converting to water lube. Dec. production number shown on chart is for flushing post-rehab.
- Well 13 (Hampton) ran predominantly through the 1st half of Dec., then Wells 4D and 11D were main sources of supply the remainder of Dec. Well 9 also operated some.
- Production for Service Area 1 up by about 14% compared to same month last year.
- Total customer usage for EGWD (SA1 and SA2) down by 28% compared to December 2013. Compared to other agencies in our region, EGWD's reduction is about average.
- No new static and pumping water level data except for Well 1D, p. 17.
- All required bacti sampling performed with no positive results. We conducted 3 additional water quality tests related to project work.
- EGWD is now conducting fluoridation monitoring (p. 37) in Service Area 2 as part of our amended permit requirements.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures.
- Backflow prevention program. As of December, we have 9 delinquent customers.
- We had 3 formal safety meetings and it has been 698 days since we have had an injury with lost time.
- No main line leaks and 2 service line leaks (1 pinhole, 1 due to cracked PVC elbow).
- Service Line Replacements – No service lines replaced in December as Utility Crew is finishing up the Kent St. Water Main project.
- Pressures in Service Area 1 stable in the 60 psi range. Pressures in Service Area 2 running high (70 psi +) a substantial portion of time.

Mr. Kamilos explained that the raw water at Hampton Water Treatment Facility has been tested for arsenic and the data point is at 15 parts per billion (ppb). They shut it down during the month of December. He stated currently it is being monitored closely.

Mr. Nelson's inquired if there is a benefit to running that well only half of the time. He stated maybe the District should collect more information on the pattern of the data points. Mr. Kamilos replied that he made a great point.

Mr. Kamilos informed the Board that staff has been in touch with the County of Sacramento regarding the Monthly Fluoridation Monitoring Report for Service Area 2. Staff is trying to decipher what is being reported and why.

Director Lisa Medina inquired the outcome of the building for the field crew. Mr. Kamilos responded that an "oops" happened with the color of the building. He informed the Board that there will not be an open house. Mr. Kamilos stated that he would be happy to bring the Board through when the building is completed.

7. Professional Services Agreement for Information Technology Services

Assistant General Manager Bruce Kamilos presented agenda item Professional Services Agreement for Information Technology Services. In summary, In August 2017, the FRCD/EGWD completed a security review of its information technology services and systems for the EGWD. One of the recommendations in that study included additional IT support. This proposed agreement with Infinite IT Solutions, Inc. is recommended and intended to provide the required level of support identified from the IT security review.

Mr. Kamilos stated that one important quality that Infinite IT Solutions has is Wonderware experience, which is the software program that runs the Supervisory Control and Data Acquisition (SCADA) system.

Director Jeanne Sabin inquired if the District ran the second interview with Infinite IT Solutions. Mr. Kamilos replied no. He continued, staff felt that the process should be expedited because additional help was needed.

A lengthy discussion occurred regarding the process of advancing a new Professional Services Agreement for Information Technology Services. Concern was raised by Director Sophia Scherman regarding the lack of communication in regard to the status of the IT Services Agreement. She expressed that perhaps in the future, the motion or resolution could have language that gives the General Manager discretion to make changes in the agreement that serve the Boards intent. Ms. Sabin explained she would have preferred a staff or Board member to have helped in vetting the services of the additional IT organization. Thomas Dainat, IT Consultant explained the agreement has a probationary, 30-day clause, which would allow the District to discontinue services if the arrangement does not work out.

MSC (Sabin/Medina) to approve a motion authorizing the General Manager to execute a professional services agreement with Infinite IT Solutions, Inc. in an amount not-to-exceed \$250,000 to provide information technology services; and appropriate \$45,000 from Elk Grove Water District Operating Reserves to contract services (5520-700) for unbudgeted IT support services to be incurred during the remainder of FY 2017-18.

8. Elk Grove Water District Fiscal Year 2017-18 Quarterly Operating Budget Status Report

Finance Manager Patrick Lee presented agenda item Elk Grove Water District Fiscal Year 2018-18 Quarterly Operating Budget Status Report. In summary, staff is presenting the

quarterly budget status report through the second quarter of Fiscal Year 2017-18. This report is to keep the Board and the public informed on the financial status of the EGWD.

Mr. Lee highlighted the following:

- Collected revenues for the second quarter total \$7,784,124
- Total operational expenses were \$4,551,763
- Personnel expenditures for the second quarter were \$1,739,000
- Seminars, conventions, and travel expenditures total \$14,914
- Office and Operational expenditures total \$509,300
- Estimated Purchased Water costs total \$1,654,472
- Outside Services expenditures total \$439,815
- Equipment Rent, Taxes and Utilities expenditures total \$194,262

9. Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserve Status Report

Finance Manager Patrick Lee presented agenda item Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserve Status Report. In summary, the total amount available at July 1, 2017 was \$12,871,285. Based on Board policy adopted August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of expenses), then to the Fiscal Year 2017-18 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and capital replacements in the ratio of 75:25. Through the second quarter of Fiscal Year 2017-18, the District expended \$648,736 for capital projects leaving a remaining total reserve balance at December 31, 2017 of \$12,222,549.

EGWD has appropriated Reserve Funds for FY 2017-18 as follows:

• Operations Reserves (120 days)	\$4,700,729
• FY 2017/18 Capital Improvement Fund	\$1,130,000
• FY 2017/18 Capital Replacement Fund	\$ 626,000
• Elections and Special Studies	\$ 120,000
• Future Capital Improvements	\$4,720,917
• Future Capital Replacements	<u>\$1,573,639</u>
	<u>\$12,871,285</u>

Chairperson Tom Nelson questioned if the District spends as much as what is budgeted for in Capital in a particular year and then it is picked up the next year. Assistant General Manager Bruce Kamilos responded that is true, projects are starting sooner, sometimes they lag and then we have to play catch up in the second part of the year. For example, the backyard water mains will be a three-year project.

10. Florin Resource Conservation District Activities Report

Program Manager Sarah Jones presented agenda item Florin Resource Conservation District Activities Report. In summary, the Community Conservation Program is off to a great start with two (2) Community Conservation Education workshops completed and two (2) Student and Landowner Education and Watershed Stewardship (SLEWS) Program field days completed. The first quarterly grant invoice and report were submitted in October 2017 and were approved by the California Department of Conservation. The first grant reimbursement was received in December 2017. The next quarterly grant report and invoice is due January 30, 2018.

Director Lisa Medina inquired if there was enough funds for lunches to feed the students for the scheduled activity days. Ms. Jones replied a grant through Sacramento Municipal Utility District (SMUD) is funding the lunches for the rest of the scheduled activity days.

11. Legislative Update

Program Manager Sarah Jones presented agenda item Legislative Update. She highlighted AB746 – lead testing. Ms. Jones commented that the District is in compliance with this bill. She stated that SB623 – water tax, has three (3) components: 1) Need to develop a fee collection system; 2) Needs assessment; and 3) Map of high risk aquifers for unregulated water systems. SB623 would require a 2/3 vote to pass and this appears to be a way to get a similar outcome with a budget trailer bill. AB401 which directed the State Water Board to put forth a framework for Low Income Rate Assistance was not mentioned in the budget proposal. There is speculation that this was put on the slow track awaiting the outcome of the budget. ACWA and RWA are actively following this “hot button,” issue.

Ms. Jones stated there have been several resignations of the Assembly. The Democrats are down to 51 members due to recent resignations. The seats will be filled after a special edition election in June and will most likely stay with the Democrat party.

Ms. Jones also mentioned that Senator Hertzberg who is an author of SB606 – one of the water conservation bills, has recently been under scrutiny for being “too huggy” with people. How this will affect the long-term water conservation bills is uncertain.

12. Directors Comments and Information

Director Sophia Scherman commented that an HR Laws Update will be hosted by the Elk Grove Chamber of Commerce on January 26, 2018 during the chamber luncheon and she thought that someone from the District should attend. She also mentioned there will also be promotional tables for chamber members to display their organizations before the chamber meetings in January and February.

13. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)
Title: General Counsel
- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)
Title: General Manager

No reportable action was taken.

Adjourn to regular meeting on February 21, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary