

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

Tuesday, January 21, 2020

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

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

Directors Present: Tom Nelson, Bob Gray, Lisa Medina, Elliot Mulberg, Sophia Scherman
Directors Absent: None
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Patrick Lee, Finance Manager/Treasurer; Stefani Phillips, Board Secretary; Jeff Ramos, Interim Program Manager; Sean Hinton, Water Distribution Supervisor; Alan Aragon, Water Distribution Supervisor
Staff Absent: Donella Murillo, Finance Supervisor
Associate Directors Present: Paul Lindsay,
Associate Directors Absent: Shahid Chaudhry
General Counsel Present: Ren Nosky, JRG Attorneys at Law

Public Comment

A member of the public spoke on behalf of the community citizen's concerns about the streets and rehabilitation of two (2) brick buildings, specifically on where the water drainage is going to end up. Staff thanked the member for their comments and added that the project is under the City of Elk Grove's jurisdiction and not the Florin Resource Conservation District (FRCD).

1. Proclamations and Announcements

Nothing to report.

2. Consent Calendar

- a. Minutes of Regular Board Meeting of December 17, 2019
- b. Warrants Paid – December, 2019
- c. Board and Employee Expense/Reimbursements – December, 2019
- d. Active Accounts – December, 2019
- e. Bond Covenant Status for FY 2019-20 – December, 2019
- f. Revenues and Expenses – Actual vs Budget FY 2019-20 – December, 2019
- g. Cash Accounts – December, 2019
- h. Consultants Expenses – December, 2019
- i. Major Capital Improvement Projects – December, 2019

MSC (Scherman/Medina) to approve Florin Resource Conservation District Consent Calendar items a-i. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

3. Committee Meetings

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

4. Florin Resource Conservation District Election of Officers – 2020

Board Secretary Stefani Phillips presented the item to the Board. In summary, each year a Chair and Vice-Chair are elected by the Board to serve as officers of the FRCD.

Director Sophia Scherman thanked Chair Tom Nelson and Vice-Chair Bob Gray for taking the positions once again and for their attributive work.

MSC (Medina/Scherman) to nominate Tom Nelson as Chair. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

MSC (Scherman/Medina) to nominate Bob Gray as Vice-Chair. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

5. Florin Resource Conservation District 2020 Committee Appointments and Outside Agency Representation

Ms. Phillips presented the item to the Board, providing the various committees and various outside agency representation.

The new committees are as shown:

<i>Finance – FRCD/EDC/EGWD:</i>	<i>All Board Members</i>
<i>Conservation Committee – FRCD:</i>	<i>Lisa Medina Tom Nelson Sophia Scherman</i>
<i>Infrastructure Committee – EGWD:</i>	<i>Bob Gray Lisa Medina Paul Lindsay</i>

MSC (Scherman/Medina) to appoint Directors to sit on the Finance, Conservation and Infrastructure Committees of the Florin Resource Conservation District as follows: The full Board was appointed to sit on the Finance Committee; Chair Tom Nelson, Director Lisa Medina, and Director Sophia Scherman were appointed to sit on the Conservation Committee; Vice-Chair Bob Gray, Director Medina, and Associate Director Paul Lindsay were appointed to sit on the Infrastructure Committee. 5:0 Ayes: Gray, Medina, Mulberg, Nelson, and Scherman

The outside agency representation are as shown:

<i>Association of California Water Agency/Joint Powers Insurance Authority (ACWA/JPIA) – Representative of Elk Grove Water District (EGWD)</i>	<i>Tom Nelson</i>
<i>California Special District Association (CSDA)</i>	<i>Elliot Mulberg</i>
<i>Sacramento Local Agency Formation Commission (LAFCO)</i>	<i>Elliot Mulberg</i>
<i>Regional Water Authority (RWA) Board of Directors</i>	<i>Tom Nelson (Primary) Mark Madison (Primary) Bruce Kamilos (Alternate)</i>
<i>Sacramento Central Groundwater Authority (SCGA)</i>	<i>Mark Madison (Primary) Bruce Kamilos (Alternate)</i>

MSC (Scherman/Medina) to appoint representatives for outside agency participation as follows: Chair Nelson to be the representative to the ACWA/JPIA, representing EGWD; Director Elliot Mulberg to be a representative to the CSDA; Director Mulberg to be a representative to the Advisory Committee to the Sacramento LAFCO; Chair Nelson and Mr. Madison to be primary representatives to the RWA Board of Directors and Assistant General Manager Bruce Kamilos to be an alternate; and Mr. Madison to be a representative to the SCGA and Mr. Kamilos to be an alternate. 5:0 Ayes: Gray, Medina, Mulberg, Nelson, and Scherman

6. Elk Grove Water District Operations Report – December 2019

Mr. Madison presented an overview of the EGWD Operations Report – December 2019. He provided the summary points to the Board.

Director Mulberg asked that the axis on page 16 of the Operations Report be labeled for future reports. Mr. Madison stated staff will label the axis.

There was a discussion regarding Perfluorooctanoic Acid (PFAS) in relation to the Cosumnes Community Services District (CCSD) Fire Department. Mr. Madison stated the District will be meeting with the CCSD Fire Chief soon on the subject.

Mr. Madison thanked Water Distribution Supervisor Sean Hinton, Water Distribution Supervisor Alan Aragon, and Geographic Information System (GIS) Technician I Travis Franklin for carrying out the safety program during the vacancy of the Program Manager position. The Board thanked the gentlemen for their help.

7. Elk Grove water District Fiscal Year 2019-20 Quarterly Operating Budget Status Report

Financial Manager Patrick Lee presented the Fiscal Year (FY) 2019-20 Quarterly Capital Reserve Status Report to the Board.

In summary, the revenues collected through the second quarter of the fiscal year total \$9,027,635, which is 59.50% of the \$15,172,243 annual budget. The revenues are \$545,759 or 6.43% above the same quarter of the prior year. This is due mainly to an overall increase in water consumption in FY 2019-20, as compared to FY 2018-19, as well as an increase in development, resulting in more water capacity/plan check fees.

There was a discussion about covering expenditures in excess of revenues.

8. Elk Grove water District Fiscal Year 2019-20 Quarterly Capital Reserve Status Report

Mr. Lee presented the FY 2019-20 Quarterly Capital Reserve Status Report to the Board.

In summary, through the second quarter of FY 2019-20, the district expended \$383,587 for capital projects leaving a remaining total reserve balance at December 31, 2019 of \$15,699,070. Total amount expended of \$383,587 includes \$1,145 of expenditures related to projects carrying over from prior year, but not budgeted for in the FY 2019-20 Capital Improvement Program (CIP).

9. Professional Services Agreement with Badawi & Associates for Professional Auditing Services

Mr. Lee presented an overview of the item to the Board.

In summary, a Request for Proposals (RFP) for Professional Auditing Services were sent to seven (7) local Certified Public Accountant (CPA) firms, resulting in four (4) total proposals. A Board Working Group (BWG) reviewed the proposals and, after discussion, were ready to recommend to the Board the firm of Badawi & Associates, Certified Public Accountants. The evaluation considered the firm's technical approach, including project understanding, scope of work, overall project team, staff-hour allocation per task and fee schedule. The proposals were also evaluated based on relevant experience, including that of the Audit Manager, key team members including sub-consultants, and experience of the firm.

Director Mulberg asked for the proposal costs and a discussion followed. Mr. Mulberg then requested that future staff reports include the cost of proposals. Mr. Madison asked for the Board's direction on the matter. Director Medina asked for the legal response to the addition of the cost of proposals to the staff report. General Counsel Ren Nosky stated price was one (1) of the factors of selecting a proposal and can be added to the staff report with the right context. Discussion followed.

Mr. Madison requested the item be returned at the February Regular Board Meeting with the contract, etc.

10. Amended and Restated Bylaws of the Florin Resource Conservation District

Mr. Madison presented the Amended and Restated Bylaws of the FRCD to the Board. He informed the Board of the changes made to Article IV of the bylaws regarding the authority of the Board to create and appoint committees.

Director Mulberg requested that Article XI be changed to read that the bylaws need a vote of three (3) to be amended, instead of the current language stating there needs to be a two-thirds vote to amend the bylaws. The rest of the Board members did not support the request.

Mr. Mulberg motioned to change the language. With lack of a second, the motion failed.

MSC (Gray/Scherman) to adopt Resolution No. 01.21.20.01, approving the Amended and Restated Bylaws of the Florin Resource Conservation District. 4/1: Ayes: Gray, Medina, Nelson, and Scherman. Noes: Mulberg

11. Florin Resource Conservation District/Elk Grove Water District 2020-2025 Strategic Plan

Mr. Madison introduced the FRCD/EGWD 2020-2025 Strategic Plan to the Board and Mr. Lee shared background and some nuances about it, including the addition of Transparency to the core values. Mr. Madison shared staff's belief about transparency, mentioning the value is held very high and is practiced daily.

The Board held a productive review of the strategic plan. The Board requested an annual review be added to the strategic plan, along with the addition of a 7th goal titled "Good Governance", in which awards and certificates to achieve are added under.

During the review, Mr. Madison mentioned "We are people who help people", which prompted Associate Director Paul Lindsay to suggest including that language into the strategic plan. The Board agreed with Mr. Lindsay.

Mr. Madison complimented Mr. Lee on his work with the Strategic Plan and mentioned staff will come back in February with information as to how the goals will be tackled, etc.

12. Selection of Sacramento Local Agency Formation Commission Special District Commissioner and Alternate Commissioner Run-off

Board Secretary Stefani Phillips presented the item to the Board.

The Board passed on making a selection.

13. Water Theft Legislation

Interim Program Manager Jeff Ramos presented the Water Theft Legislation to the Board.

In summary, Government Code Section 36900 limits the maximum allowable fines for water theft to \$100, \$200 and \$500 for the first, second and third offense, respectively, in a 12-month period. These amounts are not a sufficient deterrent for water theft and new legislation is needed to provide water agencies the flexibility to increase fine amounts. It is imperative that the fines/penalties associated with water theft be increased in order to deter and punish those who illegally obtain water from the District's system. To that end, the District has drafted proposed legislation as follows: 1) Notwithstanding section 36900 (b), the legislative body of a "local agency" as defined in section 54951, may by ordinance make any violation of any ordinance enacted on water theft by the local agency subject to an administrative fine or penalty, 2) Where a violation is determined to be an infraction, it is punishable by \$1000, \$2000 and \$5000 for the first, second and third offense, respectively, in a 12-month period, and 3) Water theft means an action to divert, tamper, or reconnect water utility services as defined in Penal Code Section 498. It is important to note that the fine amounts are a not to exceed amount. This will give flexibility to water providers within the state to determine a fine amount appropriate for their agency.

MSC (Medina/Scherman) to 1) adopt Resolution No. 01.21.20.02, supporting new legislation to enable water providers and local agencies to increase fines and penalties for water theft; and 2) direct staff to move forward with pursuing the new legislation. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

14. Status Update on Action Items Following the 2019 Grand Jury Report – The Florin Resource Conservation District – A Case of Mistaken Identity?

Mr. Madison provided an update on the Grand Jury Report action items that have not yet been completed.

In summary, Recommendation R2 – Strategic Plan, is on its way to being completed on time following the discussion that took place earlier in the meeting.

For Recommendation R11 – Outreach to Ratepayers, is ongoing and staff will be meeting to discuss what the District can do over the next year to achieve outreach.

Mr. Kamilos gave an update on Recommendation R7 – Flowmeter Installation, stating four (4) of the five (5) iHydrants had been deployed and with the Pilot test, the District found that during the simulation of water main breaks no changes of pressure were detected, but during the loss of a booster pump at the Railroad Water Treatment Plant the iHydrants did as advertised and sent an email. The District is not moving forward with installing any more iHydrants at this time.

15. Outside Agency Meetings Report

Staff and Board members spoke regarding the meetings they attended since the last Regular Board Meeting.

16. Directors Comments

Nothing to report.

Adjourn to Regular Board Meeting on January 21, 2020.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP