

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

Wednesday, April 18, 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:	Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Finance Manager; Donella Murillo, Finance Supervisor; and Sarah Jones, Program Manager, Alan Aragon, Water Distribution Operator III; Sean Hinton, Water Distribution Operator III; Richard Salas, Water Distribution Supervisor
Staff Absent:	None
Associate Directors Present:	Kenneth Strom
General Counsel Present:	Ruthann G. Ziegler, Meyers Nave
Consultants Present:	None

Public Comment

Nothing to Report.

1. Proclamations and Announcements

General Manager, Mark Madison recognized Alan Aragon, Water Distribution Operator III for his five (5) years of service.

2. Consent Calendar

- a. Regular Board Meeting Minutes of March, 2018
- b. FRCD Cash Flow Worksheet – March, 2018
- c. Warrants Paid – March, 2018
- d. Active Accounts – March, 2018
- e. Bond Covenant Status – March, 2018
- f. Revenues and Expenses – March, 2018
- g. Cash Accounts – March, 2018
- h. Consultants Expenses – March, 2018
- i. Major Capital Improvement Projects – March, 2018

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

3. Committee Meetings

Stefani Phillips, Board Secretary, presented the Committee Meetings to the Board. There were two (2) committee meetings in the month of March. The Community Advisory Committee (CAC) and the Finance Committee (FC) both met on March 22, 2018 to discuss the 2018-2022 Water Rate and Connection Fee Study.

MSC (Gray/Medina) to accept the minutes of the Community Advisory Committee Meeting and Finance Committee Meeting held on Thursday, March 22, 2018. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

4. **Elk Grove Water District Operations Report – March 2018**

Mr. Madison presented the Elk Grove Water District (EGWD) Operations Report – March 2018 to the Board.

Summary:

- Door tags and shutoffs (409 & 49, respectively) were at a level to be expected for March.
- There was one pressure complaint, and this was unconfirmed.
- There were no water quality complaints.
- 167 hydrants checked. The District's hydrant maintenance target is set at 135 per month (ea. hydrant once per year).
- 153 valves exercised. The District's valve exercising target is set at 120 per month (every valve once per 3 years).
- Wells 1D, 11D, and 13 were the main sources of supply for Service Area 1.
- Well 8 remained offline while it is being refurbished.
- Production for Service Area 1 remained about the same compared to last month.
- Total customer usage for EGWD (SA1 and SA2) down by 37.5% compared to March 2013.
- The Static and Pumping Water level charts have no new data – 1st quarter results.
- All required sampling was performed with no anomalies.
- All required regulatory reports were submitted on time and there were no excursions of any regulatory requirements.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures except we missed one check of Well 14D at the Railroad Plant. That check is now complete.
- Backflow prevention program. As of the end of February, we had 16 delinquent customers. Staff is working with these customers to bring them into compliance.
- We had 3 formal safety meetings and it has been 790 days since we have had a lost time injury.
- There was one main line leaks and one service line leak in March.
- Service Line Replacements – No service lines were replaced in March as our Utility crew was working on the water main realignments required as part of the City's storm drain projects.
- Pressures in Service Area 1 stable in the 60 psi range. Pressures in Service Area 2 dropped, notably at Sample Station #8.

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

Finance Manager, Patrick Lee presented the EGWD Fiscal Year (FY) 2017-18 Quarterly Operating Budget Status Report. This report is to keep the Board and the public informed on the financial status of the EGWD.

Mr. Lee went over a few expenses in the report that were trending higher than normal.

Mr. Madison commented on the Repairs and Maintenance Equipment, one of the expenses higher than normal, adding that he was the one that did not estimate enough. He mentioned the Repairs and Maintenance Equipment expense is a difficult number to guess, but he has upped the number in the budget for the next fiscal year. Director Jeanne Sabin asked if the pumps fall under Repairs and Maintenance Equipment. Mr. Madison explained that it depends on the nature of the repair; if it is a relatively small repair than it would be included in Repairs and Maintenance Equipment.

Mr. Lee talked about Contracted Services trending higher due to a payout to SeNet for an Information Technology (IT) Audit. Chairperson Tom Nelson inquired if SeNet was the organization that completed the audit on the Districts IT efforts to ensure they are being done

the right way. Mr. Madison responded that it was and the District budgeted for the IT Audit in the preceding year, but Operating Budgets do not roll over like Capital Budgets do. Mr. Nelson commented that the District will need to discuss whether the accounting software can accommodate encumbrances.

Overall, Mr. Lee mentioned that with total Operating Expenses, the District is at 73.42%, which is good.

6. Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserves Status Report

Finance Manager, Patrick Lee presented the EGWD Fiscal Year (FY) 2017-18 Quarterly Capital Reserves Status Report.

Mr. Lee informed the Board of how much the District has expended of the reserves as of the third quarter of FY 2017-18. He went into detail about the different projects and which reserve funds the money came from.

Vice-chairperson Bob Gray commented that the Railroad Water Treatment Facility (RRWTF) Modular IT Center is not a modular. Mr. Madison responded that it is not a modular, the name was just carried on from the FY 2018-2022 Capital Improvement Program document.

Mr. Madison pointed out that the Fiber Optic Cable will cost more than originally thought. The cable was damaged, which means it will have to be removed and a new line put in. He mentioned the District has elected to bid the work out instead of using internal labor.

A questions and answer period occurred regarding the move into the new building.

Ratepayer Mike Guttridge questioned how the Fiber Optic Cable was damaged. Mr. Madison responded that he did not have an answer other than, it may have been from not having experience in laying the fiber optic cable. Mr. Kamilos added that some of the staff may not have realized that they could not kink the wire and kinks happened causing the cable to be damaged.

Ms. Sabin inquired if in the bid, could the District seek expert advice on how error of installation could have occurred. General Counsel, Ruthann Ziegler responded that would not be part of the bid. Discussion continued.

7. Florin Resource Conservation District Financial Challenges and Potential Remedies

Mr. Madison presented the Florin Resource Conservation District (FRCD) Financial Challenges and Potential Remedies. He presented the chronology of the FRCD's challenges to the Board and members of the public.

1. Chronology of Tonight's Item

- This has been a long journey.
- The FRCD has been searching for its identity and a stable source of revenue for many years.
- On March 16, 1961, the FRCD jointly purchased property on Elk-Grove Florin Road. This was jointly purchased with the Sloughouse Resource Conservation District and the Lower Cosumnes Resource Conservation District.

- The lease on that property only brought in about \$6,000 per year.
- The FRCD bought the Susie Gaines Mitchell Build back in 1998.
- The lease on that building became a major financial liability.
- The FRCD then bought the Elk Grove Water Works (EGWW) in 1999 and made it a Department of the FRCD. It was initially referred to as Elk Grove Water Service.
- Around 2008, we changed the water department's name from the Elk Grove Water Service to the Elk Grove Water District. It should be noted that this change did not actually make it a water district. It remained simply a Department of the FRCD.
- This Department operates as an enterprise and the law does not allow the comingling of funds between that enterprise and the FRCD.
- Since that time, the FRCD has really just focused on water related matters.
- Prior to my arrival in 2011, the District began talking about other things that the FRCD could do, specifically those that would yield a long-term source of revenue to the FRCD.
- In 2012, we completed the FRCD/EGWD Strategic Plan to set forth the mission and goals of the FRCD and EGWD.
- In 2012-14, we expended efforts to seek grant opportunities which yielded nothing.
- In 2014, we were successful at selling off the property on Elk-Grove Florin Road. This averted major risk to the FRCD.
- In 2015, we sold off the Susie Gaines Mitchell Building which also averted major financial liability to the District.
- In 2015, we also initiated open public discussions about how to deal with the plummeting reserves of the FRCD. Pursuant to those discussions, staff was directed to perform a Needs Assessment to explore what revenue producing activities may be available for the FRCD to pursue.
- The Needs Assessment included three public workshops and numerous focus group meetings to engage the public on this matter. The Needs Assessment was ultimately completed, and then accepted and filed by the Board in the Board's open public meeting in March 2016. The report found no activities that could create a stable financial future for the FRCD.
- In September 2016, the Board had an open session discussion about preparing a new Strategic Plan for the FRCD/EGWD. It was decided to proceed with a new plan addressing the issues associated with the FRCD. The Board later decided to wait on this matter until the financial issues associated with the FRCD were resolved.
- On September 6, 2017, the Board held an open session Special Board Meeting to discuss the goals and challenges of the FRCD. Six options were presented to the Board on how the FRCD's financial difficulties could be dealt with and these options were narrowed down to four.
- On October 4, the Board held a second open session Special Board Meeting to discuss the goals and challenges of the FRCD. At this meeting, the options were narrowed to three and staff and legal counsel were instructed to conduct additional research on Options 2 and 3.
- On March 7, 2018, the Board held a third open session Special Board Meeting and staff recommended Option 2 based on the additional research completed. At the conclusion of that meeting, a consensus of the Board directed staff to bring back a package regarding Option 2 as soon as possible. Tonight's item is offered in compliance with the Board's request.

2. Potential Remedy Options

Option 1 is to do nothing.

- This option is what we have been doing and is not recommended.
- The FRCD currently has about \$21,000 in cash and will likely run out of money early next year.
- If this happens, the FRCD will not be able to pay for its fair share of the election costs, the audit, or any legal costs which it should pay for.
- Consequently, in part, new Board Members beginning in 2021 would likely have to be appointed by the Sacramento County Board of Supervisors.

Option 2 is to declare that all future activities performed by the Florin Resource Conservation District be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers, effective July 1, 2018.

- This option essentially merges the funds of the FRCD and the EGWD.
- This option preserves the current governance structure.
- This option preserves the District's ability to conduct its own elections.
- This option is the lowest cost option and would only increase the EGWD budget by about \$10,000 per year.
- Please note that there is an error on the staff report. The staff report indicates that the elections cost to be borne by the EGWD is \$150,000/year which is incorrect. Because this cost is incurred every other year, the correct number is \$75,000.
- With this option, the FRCD would preserve its current jurisdictional boundary.
- Perhaps most importantly, this option would limit what activities the FRCD could do.
- The FRCD would be limited to providing water related activities only, and only those activities that provide a benefit to Elk Grove Water District ratepayers, becoming effective on July 1, 2018.
- This option has no effect on our bonds or outstanding debt.
- This option also has no effect on the District's current employees.
- This option would require the Board to determine how it wants to deal with the FRCD's only active non-water related program and its associated grant, although that issue does not need to be resolved this evening.

Option 3 is to split the FRCD and EGWD through the formation of a new water district

- This option would attempt to create a new water district, perhaps in the form of a community services district (CSD).
- Considering that this would be a second CSD in Elk Grove, it would be important to make sure that there is no duplication of services within Elk Grove.
- The FRCD would likely need to be dissolved once its funds are depleted, unless some sort of revenue is found.
- If that happens, this present Board would no longer exist.
- In contrast, a proposed new water district would require a new Board and a new governance structure.
- The proposed new water district would also require, at a minimum, voter approval and approval by Local agency Formation Commission (LAFCO).

- The bonds and outstanding water related debt of the FRCD would have to be transferred over to the newly created water district. It is unknown how the financial community and the bond rating agencies would perceive such a transfer.
- The implementation cost of this option is extremely high. I estimate that this option would cost the EGWD ratepayers at least half a million dollars.
- It is important to note that even after spending this money, most of which would be to lawyers and consultants, approval of this option is not assured.
- The EGWD could afford such an expenditure next fiscal year, although it would deplete the liquid cash that is presently available to the District. In fact, we would not have a sufficient amount of liquid cash to go forth with the implementation of this option until January 1, 2019.
- This option would (potentially) save the EGWD ratepayers approximately \$65,000 per year in elections costs. I say “potentially” because if an election is not required because the number of candidates does not exceed the number of seats open on the Board, then there is no election and consequently there is no savings.
- Option 3 would require a transfer of our current employees to the newly created water district and they will incur serious harm. Because it would be a new district, CalPERS would require that the new district’s employees follow a 2@62 plan instead of their current 2@55 plan.
- For this reason, I expect to experience employee flight. In other words, I expect numerous employees to leave within the first 6 months of the creation of a new district so they can join another agency and continue to be grandfathered in with a 2@55 plan.
- If that happens, the District could lose significant corporate knowledge (and skills) and our customer service would likely decline.

3. Staff’s Recommendation – My Recommendation

- My strong recommendation is to approve Option 2 for the reasons mentioned above.
- Option 1, which is what we have been doing, just continues to kick the can down the road. Frankly, we have discussed this and the other ideas for so long, and for so long publically, we no longer have the time.
- I cannot recommend Option 3 for three basic reasons:
 - o Option 3 will harm the employees, our customers, and the water utility as a whole
 - o Option 3 will require a huge outlay of money initially, and
 - o Option 3 may be denied by the voters or other parties.
- Conversely, I recommend Option 2 for three basic reasons:
 - o Option 2 preserves the FRCD and keeps us whole
 - o Option 2 is by far the least costly and easiest to implement, and
 - o Option 2 takes care of our people and the people we serve.
- I also feel so strongly about Option 2 that I recommend that you adopt a second resolution tonight.
- This second resolution requires that any future departure from Option 2 require a 2/3rds approval by the full Board. This means four out of five.
- That is not to say that you are tying the hands of future Boards. They can undo this resolution much as they could the first one.
- The importance of this second resolution is that it sends a strong message to future Boards that you have seriously entertained this matter, after many open session

discussions and deliberations, and that you are indirectly sending them a message that if they want undo this action, they should do the same.

- Lastly, it should be noted that I recommend Option 2 because it preserves that flexibility in the future. With Option 2, you could still decide to implement Option 3 down the road. You could also attempt to achieve essentially the same result as Option 3 by adjusting the boundaries of the FRCD to match the EGWD service area, although I do not recommend that at this time.

Mr. Nelson added that the FRCD did not want to lose a locally controlled water district and that is why the FRCD bought the EGWW. If the EGWW was purchased by an outside commercial agency, the District ratepayers would have no say on the quality of their water or the prices. He mentioned it was a big bite for the FRCD to take on when they purchased the EGWW, which has led to 90% of the time being focused on the water district and has taken away from the efforts of what the RCD did before. He restated that the RCD itself, given its boundaries, has a lot of influence on things that happen related to water in the area and that by keeping it the way it is allow the District to have a huge impact on things that affect water.

Director Lisa Medina thanked the staff for a concise report on Option 2.

Director Sophia Scherman commented that there have been enough open session meetings for the public to attend to help discuss and bring new ideas or thoughts on this subject. She mentioned that she has been hearing about the FRCD challenges for years, so this is not something that we just opened the door and looked down to see. She stated that she does not like the idea of the Sacramento County Board of Supervisors (Sacramento County Board) appointing the FRCD Board. She said she believes that the people involved that are concerned about the water in the Elk Grove community will lose control of it; the Sacramento County Board would be able to elect people from wherever, does not have to live in the EGWD boundaries. The people that could be elected would have no buy in to it and would not care about the water. She stated, she does not want Elk Grove to lose having their own water district because once it is gone, Elk Grove cannot get it back. She stated she votes to go with Option 2, declaring it is time to make a decision.

Ms. Medina stated that she agreed with Mrs. Scherman. She feels the current Board has a vested interest to the Elk Grove community, the EGWD employees, and customer service and the Board needs to maintain that. Ms. Medina mentioned she is supporting Option 2.

Vice Chairperson Bob Gray stated he is in favor of Option 3 for several reasons. Mr. Gray mentioned he does not want to throw the employees to the wolves, he just believes that changes can be made to protect them. He mentioned that Option 2 worries him because voting control of the FRCD Board does not lie with just the ratepayers. He mentioned other people would be choosing the Board and then what is the Board going to do, bringing up a past board's decisions. He mentioned that he would be open to Option 2 with the stipulation that within two (2) years, the District moves forward with Option three (3).

Mr. Nelson disagreed with Mr. Gray, stating losing the FRCD is a huge risk to the employees in regards to California Public Employees' Retirements System (CalPERS) and he is not willing to take that risk. He also mentioned that Option 2 allows the Board to explore and do what the Board needs to do in the future.

Discussion occurred regarding the differences between options.

Ms. Sabin commented this issue has been worked on for hundreds of thousands of hours and initially it was like opening a door into darkness trying to figure out what to do. She mentioned after the hundreds of hours spent by the Board and management team, it is like the staff has lit up the darkness and found us a path; that path leads to nothing but a cliff. She stated that the Board has financially hit that cliff and although she is willing to stay in the darkness, she is not going to push the employees off that cliff and put the organization in jeopardy of being run by the County of Sacramento or a private company. She mentioned all that Option 2 does is codify what the FRCD already is. Ms. Sabin stated that the FRCDs time is 99.98% on the EGWD and she supports Option 2.

Mr. Gray stated that he has serious doubts that Option 2 is legal in regards to Proposition 218 and that the District will be subject to someone going down to the courthouse to complain. Discussion followed.

General Counsel Ruthann Ziegler commented that Proposition 218 does not explicitly cover the current District issue, it talks about basics: fees cannot exceed the cost of the service provided, voter approval in certain circumstances related to certain taxes and assessments, and what amount of voter approval had to be given for certain taxes and assessments or if the fee did exceed the cost of the service provided. She mentioned that Option 2 is getting the District to focus on what services and benefits the ratepayers, and therefore, the fees and rates to those customers would not exceed cost of service provided. Ms. Ziegler stated that to a certain extent, it is not clear what is valid until someone comes along. Anyone can file a lawsuit on any given day. When balancing the risk of Option 3, the uncertainty with CalPERS and its effect on employees coupled with LAFCO discretion plus voter approval, the District might spend a fair amount of effort and money just to have either LAFCO or voters not approve.

Associate Director Ken Strom commented that the discussion was very interesting and impressive as usual. Given the respect he has for everyone around the table and listening to the opinions provided, he knows the Board will do the right thing.

Ratepayer Suzanne Pecci spoke first informing the Board that she is very involved in the Sustainable Ground Water Act and has been to multiple different RCD meetings including a few of the FRCD meetings. She stated that she agrees with Mr. Nelson on the value of the FRCDs boundaries. She mentioned that Option 2 is the safe option. There are a lot of agriculture residents in the FRCD boundaries that have a water interest, even if they aren't EGWD ratepayers. She asked if the FRCD/EGWD was getting any funding from the agriculture residents, which Mr. Nelson responded no.

Ratepayer Gerald Kilbert recommended that the Board revise the voting process for making this decision, because based on the comments, he can hear where the vote is. He stated, he believes that the public should have an opportunity to speak before the Board makes their decision. He stated he is against Option 2, mentioning that he has been paying the EGWD for over 40 years while the water rates have been increasing and he questions why they are so high. He commented that the RCD was created to help agriculture and to tell people how to conserve water and since that is not being done anymore it does not make sense to keep the RCD alive. He stated that there is nowhere in the language that guarantees that future projects will only be for the EGWD ratepayers. He also talked about

CalPERS and that it seems that the District has done no research and does not know the outcome; he mentioned that CalPERS has made agreements with many companies before.

Ms. Ziegler provided background on the CalPERS issue that could potentially effect the employees with Option 3 – She provided background stating in 2013, Public Employees' Pension Reform Act (PEPRA) legislation was put into place and all new public sector employees hired after January 2013 would have a less beneficial formula to use towards retirement. PEPRA legislation also states that new entities and its employees are subject to using the new formula. The issue is, would existing EGWD employees who have the classic formula be subject to use the new formula?

Ms. Ziegler mentioned that a similar question was brought to the California Public Employee Retirement System (CalPERS) and from that question legislation was created stating that Joint Powers Agencies (JPA) formed after PEPRA could still use the classic formula for its employees that migrated over, but the legislation does not provide information on any other entities. She mentioned that the District can possibly get a written opinion from CalPERS stating that the employees with the classic formula can keep what they currently have, but in her experience it may not stop CalPERS from going back on their position at a later date.

Ms. Sabin spoke to Mr. Kilbert thanking him for his comments and letting him know that the Board does consider his opinions and apologized for appearing already set in their position.

Mr. Nelson replied to Mr. Kilbert's comment regarding the language of Option 2, stating that Option 2 would mean that any future projects would have to benefit the ratepayers before they are implemented.

Ms. Pecci voiced her concerns regarding whether there would be benefits to the entire FRCD boundaries. She inquired if EGWD could do projects within the FRCD boundaries. Mr. Nelson responded that it would have to benefit both the EGWD and the FRCD.

Mr. Gray asked if it is essential that FRCD have power over the area where they are trying to put water in the aquifer; does it matter if that is in our jurisdiction or not? Mr. Nelson replied that it matters because we are a part of that area, giving the District more influence than if just the EGWD. He stated, there is a meeting next week with 20 people from all over the county talking about groundwater, and we have a bigger voice than we would if we were just the EGWD.

Ratepayer Ken Pierson asked how many fulltime employees the FRCD/EGWD has. Mr. Nelson commented there are 29 EGWD employees. Mr. Pierson stated they are doing double duty with both organizations basically. He said that he does not understand why there is the FRCD if they have the EGWD. Mr. Nelson informed Mr. Pierson that the FRCD is a parent organization to the EGWD. Mr. Pierson feels the FRCD does not do anything and then went on to ask "why there are two organizations when we only need one".

MSC (Sabin/Medina) to adopt Resolution No. 04.18.18.01, declaring that all future activities performed by the Florin Resource Conservation District be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers, effective July 1, 2018. 4/1: Ayes: Medina, Nelson, Sabin and Scherman. Nays: Gray

MSC (Scherman/Sabin) to adopt Resolution No. 04.18.18.02, requiring that any recession or modification of Resolution No. 04.18.18.01 require a two-thirds vote of the full Florin Resource Conservation District Board of Directors. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

8. Outside Agency Meetings Report

Mr. Nelson provided background of what the Outside Agency Meetings Report is.

Program Manager Sarah Jones started by informing the Board that she talks about the Regional Water Authority (RWA) Lobbyist Subscription Program meeting in the legislative report.

Ms. Jones then informed the Board of the RWA Water Efficiency Program. In summary, this was an annual meeting that talked about marketing strategies from the previous year and what to do moving forward. There was also a presentation by the Association of California Water Agencies (ACWA) on Save Our Water, where they provided tool kits and things the District can use on websites and in marketing.

Mr. Madison discussed the meeting that Don Nottoli hosted on April 3rd. In summary, this meeting was intended to find common ground between the Sacramento County Groundwater Authority (SCGA), the Suisun Resource Conservation District (SRCD), and the Omochumne-Hartnell Water District (OHWD) related to the Sustainable Groundwater Management Act (SGMA) matters and conflicts on who is going to govern the areas. Mr. Madison brought up the alternative submittal that was submitted to the State and informed the members, the real question of the meeting is how will the alternative plan being approved or denied affect them. Supervisors are trying to find a common ground.

Mrs. Scherman asked Mr. Madison what Mr. Nottoli's stance was on the matter. Mr. Madison responded that Mr. Nottoli is always trying to be the nice guy; he felt he pinned him down because the county has laid claim to managing the areas that are overlapping with other districts. He believes the questioning that he posed provoked an admission of their actions and that Mr. Nottoli watered it down trying to infer that it is a temporary arrangement. Mrs. Scherman also asked who Mr. Nottoli has supporting him? Mr. Madison explained he does not know the answer to that question.

Mr. Gray asked what the alternative submittal plan does and what kind of plan it is.

To answer Mr. Gray's question, Mr. Madison talked about the SCGA Board Meeting. In summary, last week's meeting was pretty rocky. He brought up the SCGA Audit during the meeting and pointed out some issues that the auditor present at the meeting couldn't answer. He then went on to answer why the alternative plan is good or not so good, saying that originally it was provided that the alternative plan was all about the money. Mr. Madison and Mr. Nelson learned later it was because the SCGA staff wanted to use 2005 baseline conditions instead of 2015 baseline conditions in respect to the depth of the water. The water has come up since 2005 and now looking on a basin-wide basis, the 2005 baseline conditions were worse than the 2015 baseline conditions. This brings into question the validity of why they submitted an alternative submittal, even though they are saying it is all about the money.

Ms. Jones discussed the California Financing Coordinating Committee, Funding fair. In summary, this meeting included several different agency PowerPoint presentations regarding opportunities, some of which would be relevant to the District. She mentioned that she did get information on Proposition 1 and the Department of Water Resources (DWR).

Ms. Jones mentioned that she discusses the Water Affordability Symposium in the legislative report.

Ms. Jones discussed the RWA Water Efficiency Program Committee meeting. In summary, the committee is still working on choosing a winner for the Water Spots contest; the contest is down to 10 videos and they have been sent out for the public to vote. The staff will send the link to the videos to the Board so that they can vote.

Legislative Update

Ms. Jones presented the Legislative Update to the Board. She presented a summary of some of the bills moving through the legislation right now.

Ms. Jones informed the Board that the water conservation legislation AB1668 and SB606 have been amended by the author. She mentioned that the RWA's position on the bill still stands "Oppose Unless Amended" and it is the same for ACWA. These two (2) bills are currently on the backburner while the State tries to get the budget passed.

Ms. Jones brought up SB623, the Water Tax Bill stating it is held in committee to see if it makes it in the budget; the RWA and ACWA are both opposed to it.

Ms. Jones went to a Water Affordability Symposium put on by the State Water Resources Control Board (Water Board) that was basically to discuss the need for affordable and safe drinking water and to get it out into the public. There were two (2) presenters from Detroit and Philadelphia who explained how they implemented their Low-Income Rate Assistance Program. She mentioned AB410, which is a bill explaining a Low-Income Rate Assistance Program, was supposed to be out in February and the Water Board failed to get it out in time; she believes they are waiting to see if SB623 passes before putting it out there.

9. Directors Comments

Mr. Nelson called Rob Swartz, RWA asking for the names of some people doing research on ancient rivers. As he understands, the American River used to flow through Elk Grove and he believes this would be a great place to put water back into the ground. He wants to set up a meeting to find out if this could be done.

10. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)
Title: General Manager
- b. CONFERENCE WITH LABOR NEGOTIATORS (Section 54957.6)
Agency designated representative: Board of Directors
Unrepresented employee: General Manager

No reportable action was taken.

Adjourn to regular meeting on May 16, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP