

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

Tuesday, July 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 via Zoom.

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; Donella Murillo, Finance Supervisor; Travis Franklin, Program Manager; Amber Kavert, Administrative Assistant II (Confidential)
Staff Absent:	None
Associate Directors Present:	None
Associate Directors Absent:	Paul Lindsay
General Counsel Present:	Ren Nosky, JRG Attorneys at Law
Consultant Present:	John Woodling, Regional Water Authority; Ellen Cross, Strategy Driver, Inc.

Public Comment

Nothing to report.

1. Proclamations and Announcements

Finance Manager Patrick Lee announced the Florin Resource Conservation District (District) was recognized by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) as one (1) of five (5) recipients of their Risk Control Grant Program. He explained to the District Board of Directors (Board), the District was awarded \$10,000 from the grant, which helped fund 18 backup cameras for the District's fleet vehicles.

2. Consent Calendar

- a. Minutes of Regular Board Meeting of June 16, 2020
- b. Minutes of Special Board Meeting of June 22, 2020
- c. Warrants Paid – June, 2020
- d. Board and Employee Expense/Reimbursements – June, 2020
- e. Active Accounts – June, 2020
- f. Bond Covenant Status for FY 2019-20 – June, 2020
- g. Revenues and Expenses – Actual vs Budget FY 2019-20 – June, 2020
- h. Cash Accounts – June, 2020
- i. Consultants Expenses – June, 2020
- j. Major Capital Improvement Projects – June, 2020

Chair Tom Nelson pulled item c. He questioned the janitorial service line items, to which Board Secretary Stefani Phillips informed him about the additional cleaning days the office is receiving during the COVID-19 pandemic.

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

3. **Sacramento Central Groundwater Authority Update**

General Manager Mark Madison presented the item to the Board before introducing John Woodling, Regional Water Authority (RWA) and Ellen Cross, Strategy Drivers, Inc.

Mr. Woodling presented a PowerPoint presentation to the Board regarding the South American Subbasin Groundwater Sustainability Plan (GSP). Towards the end of the presentation, Ms. Cross took over and spoke about the public engagement plan for the GSP.

Mr. Woodling briefly spoke about the potential merger of RWA, Sacramento Central Groundwater Authority and Sacramento Groundwater Authority.

4. **Elk Grove Water District Operations Report – June 2020**

Mr. Madison presented an overview of the EGWD Operations Report for June 2020.

Vice-Chair Bob Gray asked how receivables look compared to a year ago with the temporary changes of certain fees, over the last few months, during the COVID-19 crisis. Mr. Lee explained the District will bring back an overview of receivables at the August Board meeting.

5. **Elk Grove Water District Fiscal Year 2019-20 Quarterly Operating Budget Status Report**

Mr. Lee presented the item to the Board.

In summary, the revenues collected through the fourth quarter of the fiscal year total \$16,268,761, which is 107.23% of the \$15,172,244 annual budget. The revenues are \$1,132,883 or 7.48% above the same quarter of the prior year. This is due mainly to an overall increase of new accounts in Service Area 2, and an increase in water consumption during fiscal year 2019-20 as compared to fiscal year 2018-19, resulting in more water service revenues, as well as an increase in development in Service Area 2, resulting in more meter/water capacity/plan check fees.

Vice-Chair Gray commented his concerns about funds allocated in the budget that were not used, which give the appearance of a profit when they are not a profit. Mr. Lee explained the monies not spent adds to the District's bottom line and is added to the next year budget. He mentioned staff can look into it, but explained it is not uncommon to reflect capital expenditures in the budget and that other water districts reflect their capital expenditures in their budget.

Chair Nelson asked about the revenue that is still outstanding and was billed in Fiscal Year (FY) 2019-20. Mr. Lee informed him that the revenue was recognized when billed, therefore it has been reflected in FY 2019-20 even though it has not been collected.

Chair Nelson also asked about the bills that the District has yet to pay that are still being submitted. He asked if those bills, once paid, will lower the revenues that are showing in excess. Mr. Lee answered yes, stating that the numbers are all unaudited and will change accordingly.

6. **Elk Grove Water District Fiscal Year 2019-20 Quarterly Capital Reserve Status**

Mr. Lee presented the item to the Board

In summary, the total amount available for reserves at July 1, 2019 was \$16,082,657. Based on Board policy adopted August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of budgeted operating and maintenance expenses), then to the FY 2019-20 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and future capital replacements in the ratio of 75:25, respectively. Through the fourth quarter of FY 2019-20, the District expended \$1,138,639 for capital projects leaving a remaining total reserve balance at June 30, 2020 of \$14,944,018. Total amount expended of

\$1,138,639 includes \$92,734 of expenditures related to projects carrying over from prior year but not budgeted for in the FY 2019-20 Capital Improvement Program (CIP) program.

Chair Nelson asked when the Elections and Special Studies fund will reflect the new budgeted amount. Mr. Lee explained the change will take effect on July 1, 2020 and will be reflected on the first quarter update for FY 2020-21.

Vice-Chair Gray asked if the District will be able to do the projects scheduled for FY 2020-21, because of COVID-19. Mr. Madison explained he does not know, but the District wants to resume all of the field duties and will do so as soon as possible.

The Board held a discussion about the District getting back to work with the knowledge of being essential workers and other businesses back to work. Staff will be discussing returning to work and will bring a detailed report to the Board in August on where the District stands in terms of COVID-19 and physical work, as well as finances.

7. Formation of Building Improvement Guidance Committees

Mr. Madison presented an overview of both the Building Improvement Advisory Committee (Advisory Committee) and Building Improvement Standing Committee (Standing Committee) to the Board.

He explained the Advisory Committee will be the business side of what the District is going to do. In summary, the Advisory Committee would assist staff in developing a recommended delivery method used in designing and building the project. Once that method is approved by the entire Board, the Advisory Committee would assist in the development of various procurement documents such as Requests for Qualifications and Expressions of Interest, Request for Proposals, Request for Bids, etc. The specific types of documents required are not known at this time and will depend on the actual delivery method approved by the Board.

Mr. Madison then explained the Standing Committee would include the full Board working with the architect. He mentioned that it did not need to be a standing committee, but instead could be a series of special Board meetings.

Director Sophia Scherman asked to be on the Advisory Committee. The Board nominated Director Scherman and Vice-Chair Bob Gray to be the two (2) Board members on the Advisory Committee.

After discussion, the Board decided on special Board meetings in lieu of a standing committee.

MSC (Mulberg/Medina) to establish the Building Improvement Advisory Committee to work with staff consisting of Directors Sophia Scherman and Bob Gray to provide oversight of procurement activities and actions needed for architectural and construction services to complete required improvements to a new Administration Building. 5/0: Ayes: Gray, Medina, Mulberg, Nelson, and Scherman.

8. Public Outreach and Communication Strategies

Program Manager Travis Franklin presented the item to the Board.

In summary, staff proposed a number of public outreach and communication strategies, which included: 1) Continue to issue a Water Drop Newsletter twice a year, 2) Continue, but enhance, maintenance of the District's website, 3) Increase the issuance of bill inserts with a target of six (6) per year, 4) Expand the District's email database and issue email blasts on an as-needed basis, 5) Create and maintain a Facebook page, which is updated at least weekly, and 6) Create

a video that showcases the history and character of the Florin Resource Conservation District/Elk Grove Water District.

Director Elliot Mulberg suggested that bill inserts be sent out every month, to which other Board members agreed.

There was a discussion on the use of Facebook and making sure the District can be protected. Mr. Franklin explained the District can disable comment capabilities.

Chair Nelson asked if the \$120,000 is already budgeted for or will need to be added. Mr. Madison explained that some of the money is already budgeted for and some would be separate expenses.

The Board was overall pleased with the public outreach and communication strategies prepared by staff.

Vice-Chair Gray mentioned only using email when necessary.

9. Future Florin Resource Conservation District Board of Directors Meeting Protocol

Ms. Phillips presented the item to the Board.

In summary, the Board requested an agenda item be placed on the July Regular Board Meeting agenda for the Board to discuss conducting Board meetings by teleconference with video.

Chair Nelson asked if Zoom provides the ability to prevent public from using their video, as well as to mute them, to which Ms. Phillips replied it does have the capability to mute people and there is also the capability to remove people.

Director Sophia Scherman asked legal counsel if the District could legally mute and remove the public, to which legal responded yes.

The Board agreed to move forward with Board meetings by teleconference with video for Board, staff, legal counsel, and guest speakers only.

10. Outside Agency Meetings Report

Staff and Board members spoke regarding the meetings they attended since the last regular Board meeting.

Director Mulberg asked about Proposition 15 and its impact on the District. Mr. Madison mentioned staff will look into Proposition 15 and bring it back at the August Regular Board Meeting.

11. Directors Comments

Mr. Madison complimented Vice-Chair Gray for his philanthropic endeavors.

Adjourn to Regular Board Meeting on August 18, 2020.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary

AK/SP