

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

Tuesday, October 15, 2019

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, Elliot Mulberg, Sophia Scherman
Directors Absent:	Bob Gray, Lisa Medina
Staff Present:	Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager;; Donella Murillo, Finance Supervisor; Sarah Jones, Program Manager; Patrick Lee, Treasurer; Amber Kavert, Administrative Assistant II (Confidential); Cindy Robertson, Utility Billing Specialist
Staff Absent:	Stefani Phillips, Board Secretary
Associate Directors Present:	Paul Lindsay
Associate Directors Absent:	Shahid Chaudhry
General Counsel Present:	Ren Nosky, JRG Attorneys at Law
Consultants Present:	Mitesh Desai, Badawi & Associates

Public Comment

Nothing to report.

1. Proclamations and Announcements

General Manager Mark Madison recognized Utility Billing Specialist, Cindy Robertson for her five (5) years of service.

Mr. Madison announced that the Economic Development Corporation has been formally and fully dissolved.

2. Consent Calendar

- a. Minutes of Regular Board Meeting of September 18, 2019
- b. Minutes of Special Board Meeting of September 24, 2019
- c. Minutes of Special Board Meeting of October 2, 2019
- d. Warrants Paid – September, 2019
- e. Board and Employee Expense/Reimbursements – September, 2019
- f. Active Accounts – September, 2019
- g. Bond Covenant Status for FY 2019-20 – September, 2019
- h. Revenues and Expenses – Actual vs Budget FY 2019-20 – September, 2019
- i. Cash Accounts – September, 2019
- j. Consultants Expenses – September, 2019
- k. Major Capital Improvement Projects – September, 2019

Item e was pulled.

MSC (Mulberg/Scherman) to approve Florin Resource Conservation District Consent Calendar items a-d, f-k. 3/0: Ayes: Mulberg, Nelson, and Scherman.

Staff informed the Florin Resource Conservation District (FRCD) Board of Directors (Board) that item e had been reformatted for better transparency.

MSC (Scherman/Nelson) to approve Florin Resource Conservation District Consent Calendar item e. 3/0: Ayes: Mulberg, Nelson, and Scherman.

3. Committee Meetings

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

4. Elk Grove Water District Operations Report – September 2019

Mr. Madison presented an overview of the Elk Grove Water District (EGWD) Operations Report – September 2019 to the Board.

There was a discussion regarding the static and pumping water levels.

Associate Board Member Paul Lindsay complimented staff on the Operations Report and recommended it be posted to the website as a standalone report. The Board directed staff to add the Operations Report as a standalone report on the website for a six (6) month trial period. The Board asked staff to report back after six (6) months to determine how many views the Operations Report receives. The Board will decide if it will stay as a standalone item on the website at that time.

5. Fiscal Year 2018-19 Comprehensive Annual Financial Report

Finance Manager Patrick Lee presented the item and directed the Board to Mitesh Desai with Badawi & Associates to discuss the Fiscal Year 2018-19 Comprehensive Annual Financial Report (CAFR).

In summary, the auditor's report showed an unmodified opinion with the explanation that the financial statements were fairly presented in all material respects, significant accounting policies had been consistently applied, estimates were reasonable, and disclosures were properly reflected in the financial statements. Mr. Desai mentioned there were no difficulties encountered during the audit, including no disagreements with management. He stated there were no significant audit adjustments and management recorded all proposed audit adjustments. He concluded there were no significant risks or exposures identified and there were no material weaknesses identified.

Staff will provide Statement of Auditing Standards (SAS) 114 and SAS 115 letters along with the CAFR in the board packets for future years.

Mr. Lindsay asked for standard charts in the CAFR, in place of the pie charts. Staff will look into using standard charts in future CAFRs.

MSC (Mulberg/Scherman) to accept the Fiscal Year 2018-19 Comprehensive Annual Financial Report. 3/0: Ayes: Mulberg, Nelson, and Scherman.

Mr. Madison informed the Board that the five (5) year contract with Badawi & Associates is up after this year and Mr. Lee will be sending out a Request for Proposal in December to obtain a new auditor.

6. 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 first quarter of the fiscal year total \$4,939,783, which is 32.56% of the \$15,172,244 annual budget. Total Operational Expenses

were \$2,443,978 through the first quarter and 24.74% of the annual budget. Total Operational expenses are divided up by Personnel expenditures, Seminars, Conventions and Travel expenditures, Office and Operational expenditures, Estimated Purchased Water costs, Outside Services expenditures and Equipment Rent, Taxes, and Utility expenditures. Overall, the District is right in line with the 25% benchmark for the first quarter.

7. Elk Grove Water District Fiscal Year 2019-20 Quarterly Capital Reserve Status Report

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 Fiscal Year (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 first quarter of FY 2019-20, the District expended \$240,263 for capital projects leaving a remaining total reserve balance at September 30, 2019 of \$15,842,394. Total amount expended of \$240,263 includes \$1,145 of expenditures related to projects carrying over from the prior year, but not budgeted for in the FY 2019-20 CIP program.

8. First Amended and Restated Bylaws of the Florin Resource Conservation District

The Board requested this item be brought back at a later board meeting when the full Board is present. The Board also requested staff to provide the Public Resources Code Section 9352 when the Bylaws are presented again.

9. Selection of Sacramento Local Agency Formation Commission Special District Commissioner and Alternate Special District Commissioner

The Board discussed who they would be voting for as Sacramento Local Agency Formation Commission (LAFCo) Special District Commissioner and Alternate Special District Commissioner.

The Board chose Director Elliot Mulberg for LAFCo Special District Commissioner and Lindsey Liebig, with the Herald Fire Protection District, as LAFCo Alternate Special District Commissioner.

MSC (Scherman/Mulberg) to select Director Elliot Mulberg to serve as a Sacramento Local Agency Formation Commission Special District Commissioner and Lindsey Liebig with the Herald Fire Protection District as Alternate Special District Commissioner. 3/0: Ayes: Mulberg, Nelson, and Scherman.

10. 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 responses.

The District is in line to complete all recommendations on time.

There was a lengthy discussion regarding using the term “interim” in a contract policy.

11. Outside Agency Meetings Report

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

12. Legislative Update

Program Manager Sarah Jones provided the Legislative Update to the Board.

In summary, Senate Bill (SB) 13 – Accessory Dwelling Units passed, SB 1 – California Environmental, Public Health, and Workers Defense act of 2019 was vetoed, Assembly Bill (AB) 1184 – Public Records: Writing Transmitted by Electron Mail: Retention was vetoed, and AB 1486 – Surplus Land passed.

13. Directors Comments

Director Sophia Scherman expressed her concern on evacuation preparedness. She also thanked everyone who purchased a ticket for the tri-tip fundraiser, explaining the money raised will go directly to children in the Elk Grove community.

Mr. Madison expressed congratulations to Rebecca Davis, a veteran educator of Elk Grove, for winning Elk Grove Citizen of the year.

The Board was informed that Ms. Jones will be leaving the District. She thanked the Board and staff for a wonderful three (3) years.

Adjourn to Regular Board Meeting on November 19, 2019.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP