

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

Tuesday, August 15, 2023

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Chair Tom Nelson at 9829 Waterman Road, Elk Grove, CA.

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

Directors Present: Tom Nelson, Paul Lindsay, Elliot Mulberg, Sophia Scherman
Directors Absent: Lisa Medina
Staff Present: Bruce Kamilos, General Manager; Patrick Lee, Finance Manager/
Treasurer; Stefani Phillips, Human Resources Administrator/Board
Secretary; Travis Franklin, Program Manager; Donella Murillo, Finance
Supervisor; Ben Voelz, Associate Engineer; Amber Kavert, Human
Resources Technician
Staff Absent: None
Associate Directors Present: Kim Martin, Robert Stresak
Associate Directors Absent: None
General Counsel Present: Andrew Ramos, Bartkiewicz, Kronick & Shanahan
Public Present: Lynn Wheat

Public Comment

No comment.

1. Proclamations and Announcements

Nothing to report.

2. Consent Calendar

- a. Minutes of Regular Board Meeting of July 18, 2023
- b. Accounts Payable Check History – July 2023
- c. Board and Employee Expense/Reimbursements – July 2023
- d. Active Accounts – July 2023
- e. Bond Covenant Status for FY 2023-24 – July 2023
- f. CASH - Detail Schedule of Investments– July 2023
- g. Consultants Expenses – July 2023
- h. Major Capital Improvement Projects – July 2023

Items b and e were pulled for questions.

There was a discussion by the Board to have staff provide an update on Fiscal Year (FY) 2022-23 operating budget final numbers. Staff will bring a report of the FY 2022-23 operating budget and major capital improvement program numbers as of the cut-off date August 16, 2023, for invoices, to the September meeting for the Florin Resource Conservation District (District) Board of Directors (Board) to review.

MSC (Mulberg/Lindsay) to approve Florin Resource Conservation District Consent Calendar items a-h with amendments. 4/0: Ayes: Lindsay, Nelson, Mulberg, and Scherman

3. Year to Date Revenues and Expenses Compared to Budget – July 2023

Finance Manager Patrick Lee provided an update on the Year-to-Date Revenue and Expenses Compared to Budget for the month of July to the Board.

4. Rosenberg's Rules of Order – Amendment to the Bylaws of the Florin Resource Conservation District

General Manager Bruce Kamilos introduced Rosenberg's Rules of Order (Rosenberg's Rules) to the Board before handing it over to General Counsel Andrew Ramos for a PowerPoint presentation.

MSC (Lindsay/Nelson) to adopt Resolution No. 08.15.23.01, amending the Bylaws of the Florin Resource Conservation District section 8.2 (a) to refer to Rosenberg's Rules of Order in place of Robert's Rules of Order. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman.

5. Fiscal Year 2023-24 Operating Budget Amendment – Sacramento Regional Water Bank Participation

Mr. Kamilos presented the item to the Board.

In summary, on July 14, 2023, staff received a memorandum from Regional Water Authority that summarized the funding status of the Sacramento Regional Water Bank (Water Bank). The Water Bank is being developed in phases. Phase 1 work began in 2019 and the agreement included a budget to cover the cost of Water Bank committee meetings, working group and public meetings, outreach, and water modeling analysis. This District's share of the cost was an amount not-to-exceed \$18,000. The District was billed for, and paid, \$15,000 in fiscal year 2019, leaving a remaining balance of \$3,000. The Phase 2 work agreement, developed in 2021, includes a budget to cover technical analysis, environmental activities, governance, and public outreach. The District's share of the cost for the Phase 2 work agreement is \$25,000. As work on the Water Bank proceeded, District staff had concerns about the basic operating principles of the Water Bank. On January 27, 2021, staff sent an email expressing those concerns to Rob Swartz, former RWA Technical Services Manager, and Jim Peifer, RWA Executive Director. The email stated that the District would not execute a payment for the Phase 2 Agreement at the time and asked 10 fundamental questions about the Water Bank. Those questions and concerns were addressed, and staff recommended to the Board they adopt Resolution No. 08.15.23.02, amending the FY 2023-24 Operating Budget to appropriate an additional \$28,000 from operating reserves to fund expenditures in excess of revenues for FY 2023-24 to support the District's participation in the development of the Sacramento Regional Water Bank.

There was a lengthy discussion on how the water bank works and how the District would benefit from it.

Public member Lynn Wheat spoke in support of participating in the Water Bank and would like to see the terms legally codified.

Director Elliot Mulberg motioned for the District to not participate this year. Director Sophia Scherman seconded the motion.

Vice-chair Paul Lindsay motioned to approve the recommendation and pay the invoice. More discussion ensued.

Vice-chair Lindsay offered a substitution motion to table the item until November. Chair Tom Nelson seconded the motion.

MSC (Lindsay/Nelson) to table the matter until the November meeting. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman.

6. **Acceptance of Developer-Installed Infrastructure**

Mr. Lee presented the item to the Board.

In summary, as part of the continued growth and development within the Elk Grove Water District (EGWD) service area, developers are building new subdivisions and installing new infrastructure to supply the new subdivisions with the necessary utility services. One such utility service is water service, which is connected to, and with water supplied by, the EGWD or Sacramento County Water Agency (SCWA). Developers are responsible for the cost and installation of water mains and associated water infrastructure in accordance with the District's Standard Construction Specifications and Standard Detail Drawings. Once development is completed to the satisfaction of District staff, the District will issue a Letter of Completion formally accepting the donated assets. During FY 2021-22 financial statement audit, it was recommended by the District's independent auditors that the District develop a process to identify and formally accept these donated assets annually. This process will assist the District in strengthening its internal controls over financial reporting and accounting for its assets. Further discussions with the auditors identified an industry standard practice of Board approval on the acceptance of developer installed infrastructure.

MSC (Lindsay/Scherman) to approve the acceptance of developer installed infrastructure that were donated to the District in Fiscal Year 2022-23 as District-owned and operated assets. 4/0: Ayes: Lindsay, Nelson, Mulberg, and Scherman.

7. **Professional Services Agreement with SoftResources for Enterprise Resource Planning System Selection Consulting Services**

Mr. Lee presented the agreement to the Board.

In summary, in January 2021, the District entered into a professional services agreement with consulting firm SoftResources to conduct a Financial System Needs Assessment (Assessment). The Assessment reviewed the District's current financial system and provided software solution recommendations to meet the operational needs of the District. The Assessment included a review of the District software systems with the goal of providing recommendations to improve both the use and cost effectiveness of IT systems at the District through either optimizing the current solutions or replacements. As part of the District's FY 2023-24 Operating Budget, staff has identified selecting and implementing a new Enterprise Resource Planning (ERP) system as a specific key objective. Using the recommendations made in the Assessment, the District would move forward with an upgrade to its software systems and bring as many software systems as possible under the same platform. The District sole sourced the proposed professional services agreement to SoftResources based on criteria in the District's Professional and Consultant Services Agreements Policy. SoftResources was the firm that completed the Assessment in 2021 that identified the areas where the District could achieve operational efficiencies. SoftResources also assisted the District with the completion of the preliminary key system requirements. This work identified specific key system requirements that would be required from software vendors based on the operational and systematic needs of the District. The Assessment previously completed by SoftResources provides an in-depth understanding of the District's current systems. The in-depth understanding will help SoftResources suggest a software vendor that will best meet the needs of the District.

MSC (Lindsay/Mulberg) to authorize the general manager to execute a professional services agreement with SoftResources for an amount not-to-exceed \$67,900 for Enterprise Resource Planning system selection consulting services. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman.

8. Election for Sacramento Local Agency Formation Commission Special District Commissioner

Board Secretary Stefani Phillips presented the item to the Board.

In summary, the Sacramento Local Agency Formation Commission (LAFCo) solicited nominations for one (1) Special District Commissioner for Office No. 7 for the term beginning January 1, 2024, through December 31, 2027. The election will be conducted by the Special District Committee. There is one (1) seat open and a LAFCo Representative nominee must receive more than fifty percent of the submitted votes to fill the seat for Office No. 7. The election ends on September 30, 2023, at 5:00PM or until a quorum of Special District ballots is received, whichever occurs later. At the June meeting, the Board nominated Vice-Chair Paul Lindsay for Special District Commissioner.

MSC (Mulberg/Scherman) to elect Vice-Chair Paul Lindsay for Special District Commissioner for Office No. 7 on the Sacramento Local Agency Formation Commission. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman.

9. Association of California Water Agencies Board Officer's Election

Mr. Kamilos presented the item to the Board.

In summary, the Association of California Water Agencies (ACWA) requested the Board select candidates for ACWA President and Vice President. Every two (2) years, ACWA holds an election among its membership for ACWA President and Vice President. Cathy Green is running for her first term as President for years 2024 to 2025 after serving as Vice President from 2022 to 2023. Two (2) candidates are running for Vice Chair, Ernesto "Ernie" Avila and Michael Saunders. On July 19, 2023, Chair Tom Nelson, Vice Chair Paul Lindsay, and General Manager Bruce Kamilos attended a virtual Town Hall for ACWA President and Vice President candidates. Based on the Vice President candidates' responses, it was agreed that Ernesto Avila was the best choice for ACWA Vice President.

MSC (Scherman/Lindsay) to 1. Elect Cathy Green and Ernesto Avila, respectively, for President and Vice President of the Association of California Water Agencies and 2. Elect to perform electronic voting in the future. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman.

10. Association of California Water Agencies Region 4 Board of Directors Election

Mr. Kamilos presented the item to the Board.

In summary, ACWA requested the Board to elect Chair, Vice Chair, and Board of Directors for Region 4. Region 4's Nominating Committee has selected a slate of individuals to serve in their capacity as board members and officers of the board. Staff recommended the Board elect ACWA Region 4 Nominating Committee's recommended slate.

MSC (Lindsay/Scherman) to elect Association of California Water Agencies Region 4 nominating committee's recommended slate. 3/1: Ayes: Lindsay, Nelson, and Scherman Noes: Mulberg

11. General Manager's Report

Mr. Kamilos presented the item to the Board. He explained, the District received a letter on August 7, 2023, from the S&P Global Ratings Public Finance Department. They reviewed the District's financial projections and based on their review, S&P Global Ratings raised its long-term rating and underlying rating on the District's 2014A water revenue refunding bonds to "A+" from "A-".

12. Elk Grove Water District Operations Report – July 2023

Mr. Kamilos presented the EGWD Operations Report – July 2023 to the Board.

Mr. Kamilos acknowledged the field staff's good work on two sheer breaks during the hot weather weekend of August 4th and 5th.

13. Directors Comments

Nothing to report.

Adjourn to Regular Board Meeting on September 19, 2023.

Respectfully submitted,



Stefani Phillips, Board Secretary

AK/SP