

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

Wednesday, March 21, 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, Amber Parker, Administrative Assistant II (Confidential)
Staff Absent: None
Associate Directors Present: Shahid Chaudhry, Kenneth Strom
General Counsel Present: Ruthann G. Ziegler, Meyers Nave
Consultants Present: None

Public Comment

Mr. Reinold Rau commented on water rates, asking if the water tiers could be adjusted to give a break on price of water consumption. He stated that he conserves water as much as possible with a drip system, but with his large lot he still has a high bill. General Manager, Mark Madison asked Mr. Rau to discuss the matter in the morning. He also informed Mr. Rau about the Community Advisory Committee (CAC) meeting and Finance Committee meetings that would be taking place the following day on Thursday, March 22, 2018 and invited him to attend.

Mr. Jim Hollinsworth voiced his concerns about increasing rates and wanted to know why the rates have not been readjusted since the drought ended. Vice-Chairperson Bob Gray informed Mr. Hollinsworth that the District did not have a drought rate adjustment. Mr. Madison reiterated the meeting dates on Thursday and suggested that he attend the meetings.

Director Sophia Scherman would like to close the meeting in memory of John Zehnder Sr. and Roy Herburger.

1. Proclamations and Announcements

Mr. Madison presented the Board and the District with a Certificate of Achievement from the Government Finance Officers Association (GFOA). The Certificate of Achievement was for Excellence in Financial Reporting. He read the news release on the achievement and mentioned that the Elk Grove Water District (EGWD) has received this achievement 8 years running. Mr. Madison complimented staff, the Districts auditor and consultants.

2. Consent Calendar

- a. Regular Board Meeting Minutes of February, 2018
- b. FRCD Cash Flow Worksheet – February, 2018
- c. Warrants Paid – February, 2018
- d. Active Accounts – February, 2018
- e. Bond Covenant Status – February, 2018
- f. Revenues and Expenses – February, 2018
- g. Cash Accounts – February, 2018

- h. Consultants Expenses – February, 2018
- i. Major Capital Improvement Projects – February, 2018

Mr. Madison pulled item a. to discuss the minutes dated February 21, 2018.

Mr. Hollinsworth asked about items e and f. Much discussion occurred regarding the water rates, elections and matters unrelated to the Consent Calendar. Mr. Madison again encouraged Mr. Hollinsworth to attend the meetings on Thursday.

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

Director Jeanne Sabin stated she would like to correct the wording on page 10 of Minutes dated February 21, 2018 to read “Center for Land-based Learning (CLBL) requested Bank of America come out to the Student and Landowner Education and Watershed Stewardship (SLEWS) day for a photo op and present a check to CLBL and a Board member expressed to FRCD staff that they did not approve”.

Mr. Madison stated he would like to correct the wording on page 6 of Minutes dated February 21, 2018 to read “as a mechanism to purchase the building through the issuance of bonds”.

MSC (Sabin/Medina) to approve FRCD Consent Calendar items a. with noted revision. 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) CAC meetings in the month of February, as well as one (1) Finance Committee Meeting. The first CAC meeting took place on February 12, 2018. The second CAC meeting and the Finance Committee Meeting took place on February 15, 2018.

A few unsubstantive needed revisions were noted.

MSC (Scherman/Sabin) to accept the minutes with revisions of the Community Advisory Committee Meeting held on Monday, February 12, 2018 and the Community Advisory Committee Meeting and Finance Committee Meeting held on Thursday, February 15, 2018. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

4. Elk Grove Water District Operations Report – February 2018

Mr. Madison presented the Elk Grove Water District Operations Report – February 2018 to the Board.

Summary Points:

- Door tags and shutoffs (314 & 40, respectively) were back to normal which was expected for February.
- There were two pressure complaints, both of which were unconfirmed.
- There were no water quality complaints.
- 191 hydrants checked. The District’s hydrant maintenance target is set at 135 per month (ea. hydrant once per year).
- 182 valves exercised. The District’s valve exercising target is set at 120 per month (every valve once per 3 years).
- Well 1D is back online and running well.
- Well 8 remained offline and is going to be refurbished this spring.

- Wells 1D, 11D, 14D, and 9 were the main sources of supply for Service Area 1. Hampton (13) did not run except for sampling and maintenance.
- Production for Service Area 1 remained about the same compared to last month.
- Total customer usage for EGWD (SA1 and SA2) down by 17.3% compared to February 2013. Compared to other agencies in our region, EGWD's reduction is about average.
- The Static and Pumping Water level charts have new data – 1st quarter results. Static water levels are up in all wells compared to two years ago.
- All required sampling was performed with no anomalies.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures.
- Backflow prevention program. As of the end of February, we had only 1 delinquent customer. This is good!
- We had 3 formal safety meetings and it has been 761 days since we have had a lost time injury.
- No main line leaks and only 1 service line leak (Gasket on a meter setter).
- Service Line Replacements – 10 service lines were replaced in February – all on Meadow Grove.
- Pressures in Service Area 1 stable in the 60 psi range. Pressures in Service Area 2 are down a little bit which is good.

5. Outside Agency Meeting Report

Mr. Madison and staff presented reports on Outside Agency Meetings.

Mr. Madison gave a report on the Sacramento County Water Agency (SCWA) meeting that he attended with Bruce Kamilos, Assistant General Manager. The meeting consisted of talking about water transfers and about transferring more water to the EGWD. Mr. Madison mentioned the way the SCWA was talking made it seem like they really just wanted to sell more water to the District, but it is not for sure. If the District were to take more water from the SCWA there are two issues: SCWA fluorinates their water supply and the price. Mr. Madison will report back if there is more development

Program Manager, Sarah Jones mentioned that the Government Affairs symposium and the Lobby subscription will be talked about during the legislative report.

Ms. Jones reported on the Public Outreach Committee Water Efficiency Program by the Regional Water Association (RWA). In this meeting, the members talked about marketing and messaging for water conservation. This year's message is to have people check their lawns to see that they are not moist before watering.

Chairperson Tom Nelson reported on the RWA meeting he attended with Mr. Kamilos. He informed the Board about two (2) mentionable items that were talked about at the meeting: 1) Members of the RWA have been kicking in a huge amount of money per year and this is the last year for that. The RWA has enough funding now to start the science center and 2) The District has been one of the 13 members that pay for the legislative subscription. As of January 2019 the Legislative Subscription dues will be split by all RWA members, which will reduce the District's costs. Mr. Madison explained how the subscription program works.

Ms. Jones reported on the California Governor's Office of Emergency Services (Cal OES) workshop. In summary, the District will be updating its emergency response plan this year and this workshop went over basics of emergency management.

Mr. Madison reported on the Sacramento County Groundwater Authority (SCGA) Board Meeting. He discussed that the SCGA claimed that they did not find out from the Department of Water Resources (DWR) that they had a Water Annual Report due April 1st. This report is a pivotal report as it relates to the state approving or denying the alternative submittal that faces the SCGA. Mr. Madison will be reporting back in the next couple months. He also talked about the SCGA's audit and how they completed their audit in 2 weeks. Mr. Madison commented that he questioned SCGA on how it got done so quickly and they now will be coming back next month with a more detailed report on their audit.

Mr. Kamilos talked about RWA working on a fantastic program that could be very instrumental in providing reliable regional water. The RWA has a grant from the Bureau of Reclamation to regionally explore how the region can more reliably utilize our water. Hoping this will lead to a groundwater bank for our region that allows us to improve our water supply. Vice-Chairperson Bob Gray questioned if this would be hard to do as long as Sacramento County is fluoridating its water supply. Mr. Madison responded that yes, it is very complicated.

Ms. Jones commented that she was not able to make the Safe Drinking Water Symposium, but will be attending the Safe and Affordable Drinking Water Symposium on April 5th.

Mr. Kamilos reported on the SCGA Budget Subcommittee, which is a subcommittee that presents to the SCGA Board on how to proceed with money. In summary, this meeting had two (2) scenarios that were being looked at: 1) if the alternative plan is approved, how much will it cost the SCGA Board and 2) if the alternative plan is denied by DWR then everyone will have to embark on a Groundwater Sustainability Plan (GSP), which will be a lot more money and will cost the SCGA Board a lot more money to pursue. Mr. Kamilos stated the FRCD Board will be hearing more, because if the District stays with the SCGA it will have to pay its fair share.

Mr. Madison also presented a discussion that occurred at the SCGA Budget Subcommittee regarding the cost potentially involved in legally appealing the State's possible decision to deny the alternative submittal. Mr. Madison's problem with that is that any discussion of an appeal should not be kicked around at a budget subcommittee meeting without being vetted and discussed with the whole SCGA Board.

Ms. Sabin asked as to what extent was the appeal process talked about. Mr. Kamilos mentioned it was not talked about for most of the meeting, but he was surprised and that it was the first time he had ever heard about it. He mentioned to the subcommittee that if the appeal was denied the FRCD Board would definitely want to move on with the grant money available that's already been awarded to us to take the GSP route and not get mired with litigation and the costs associated with that. Mr. Madison reiterated to the board that the state has already told the SCGA that they have \$960,000 in grants to use towards the GSP, if the SCGA chooses to go with the alternative they don't get that money.

A discussion ensued on alternative submittals.

Ms. Jones reported on the RWA Water Spot Screening, which was an offshoot of the outreach education program. In summary, at the screening short films created by high school and middle school students were viewed. The films were submitted for a region-wide contest that had the students submit a short film with the theme of H2O Heroes; the winner gets their film in movie theatres in Sacramento region ahead of the movies. Director Sophia Scherman recommended having the winner come to the Board Meeting and we can play their winning short film.

6. Florin Resource Conservation District Election

Ms. Phillips provided information on the FRCD Election. Every two (2) years the District has an election; this year there are three (3) seats to fill. The Resolution recommended to be adopted by the FRCD Board of Directors is to request consolidation with the November 6, 2018 statewide election. The resolution also includes a volunteer candidate statement to be paid for at the registrar of voters' office, this statement is limited to 200 words. Lastly, the resolution mentions that the District will reimburse the registrar of voters' for all costs of the election.

Ms. Phillips informed the board of the changes to the voting process, which were enacted by the California Voters Choice Act. These changes include: allowing for three (3) methods for casting the ballot – mail, drop off at drop box that various people can host, and vote centers (which means voters are not limited to a certain precinct). The voters have 11 days just prior to the election to go in to vote. If the ballot is being mailed in, it has to be postmarked by the date of the election. The last change is that the California Voters Choice Act extended the register voter date to the date of the election, meaning that people can register to vote the same day that they vote.

MSC (Scherman/Sabin) Adopt Resolution No. 03.21.18.01 of the Florin Resource Conservation District Board of Directors calling the general election and requesting consolidation with the November 6, 2018 statewide election. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

7. California Special Districts Association Board of Directors Call For Nominations – Sierra Network Seat A

Ms. Phillips informed the FRCD Board of Directors that the California Special Districts Association Board of Directors is calling for nominations regarding Sierra Network Seat A. Ms. Phillips informed the Board of the duties required by the position.

Discussion occurred regarding the position and the questions was asked of what the District has to gain from this position. Mr. Madison responded that in his opinion there is not much to gain.

The Board decided not to participate.

8. 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.

Regarding SB623 – the Water Tax Bill, Ms. Jones mentioned that the District submitted opposition letters to an assembly member and a senator. Ms. Jones mentioned that almost all Districts in the state are against this bill. Discussion ensued on the bill.

Ms. Jones also mentioned AB3206, in which the state would put forward protocols for meter accuracy testing. In summary, most local agencies already have programs for testing; the meters normally run slow if they are not working properly and with that not benefiting water agencies, the agencies try to keep their meters up to par to charge rate payers the correct amounts. The RWA mentioned that this bill is not needed. Most water agencies already follow the American Water Works Association's (AWWA) M36 Manual protocols for accurate meter testing.

Ms. Jones also brought up SB966, which describes how utilities must process water shutoffs. Mr. Madison mentioned the District is watching this bill very closely. This bill could be financially devastating to the District because it decreases incentive for customers to pay their bill; if customers do not pay their bill and the District still has to provide them water, why pay it?

Discussion continued regarding SB966 and past bills similar to SB966.

Ms. Sabin asked if SB966 has drawn any attention from the Association of California Water Agencies (ACWA). Ms. Jones responded that she is not sure if ACWA has noticed this, she received this information from the RWA.

9. Directors Comments

Nothing to Report.

Chairperson Tom Nelson adjourned from Open Session to Closed Session.

10. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)—one case

b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: APN# 134-0072-016-0000

Agency negotiator: Mark Madison

Negotiating parties: Cabrera Family Trust

Under negotiation: Price and terms of payment

Property: APN# 134-0110-073-0000

Agency negotiator: Mark Madison

Negotiating parties: Johan/Anne Otto Trust

Under negotiation: Price and terms of payment

Property: APN# 127-0170-003-0000

Agency negotiator: Mark Madison

Negotiating parties: Harcrow Elk Grove Irrev Trust

Under negotiation: Price and terms of payment

Property: APN# 134-0110-065-0000

Agency negotiator: Mark Madison

Negotiating parties: Raymond/Gloria Melavic Family Trust

Under negotiation: Price and terms of payment

Property: APN# 134-0050-055-0000

Agency negotiator: Mark Madison

Negotiating parties: Faziola, Hilda Emily and Faziola, Richard John

Under negotiation: Price and terms of payment

Property: APN# 134-0050-057-0000

Agency negotiator: Mark Madison

Negotiating parties: Matney 1991 Revocable Trust

Under negotiation: Price and terms of payment

c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)
Title: General Manager

No reportable action was taken.

Adjourn to regular meeting on April 18, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary