

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

Tuesday, April 27, 2021

The special meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:00 p.m. by Sophia Scherman, Chair, by zoom conference.

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

Directors Present: Bob Gray, Tom Nelson, Elliot Mulberg, Lisa Medina, Sophia Scherman
Directors Absent: None
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Patrick Lee, 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: Paul Lindsay
Associate Directors Absent: None
General Counsel Present: Ren Nosky, JRG Attorneys at Law

Public Comment

Nothing to report.

1. Backyard Water Mains Replacement Project – Sara Street Bid

Assistant General Manager Bruce Kamilos introduced the item to the Florin Resource Conservation District (FRCD) Board of Directors (Board).

In summary, the Elk Grove Water District (District) received bids for the Backyard Water Mains Replacement Project – Sara Street on April 13, 2021. Eight (8) contractors submitted bids for the project. California Trenchless Inc. provided the low bid of \$604,932. However, California Trenchless Inc. only acknowledged receipt of Addenda Nos. 1 through 4 in their bid and did not acknowledge receipt of Addendum No. 5. It is staff's position that because Addendum No. 5 was not acknowledged, the bid from California Trenchless contains a material discrepancy. Subsequent to staff's review of this matter, other irregularities were discovered in the bid documents. The bid documents, as well as the District's Public Works Construction Contracts policy, clearly state that the District reserves the right to reject any or all bids received in the bidding process. Because of the material discrepancy associated with the low bid, as well as the irregularities later discovered in the District-provided bid documents, staff recommended that all bids be rejected and that the project be re-bid.

Mr. Kamilos mentioned if the Board decides to reject all bids and re-bid, the Capital Improvement Program (CIP) will be impacted and money approved for the project for this fiscal year will be carried over to Fiscal Year (FY) 2021-22 instead. He mentioned that this decision would require an additional \$265,000 to be requested when the CIP is brought back to the Board at the regular board meeting in May for adoption.

There was a question regarding the reason behind rejecting all bids. General Manager Mark Madison explained the District has three (3) options: 1) accept the low bid and declare their omission was not material, 2) reject the low bid and declare the omission was material and therefore not a complete bid, or 3) reject all bids and re-bid the project. He mentioned that options 1 and 2 may result in protests from the second low bidder and the lowest bidder, respectively. Mr. Madison mentioned option 3 would negate any protests and the project could move forward.

Mr. Kamilos explained the District will provide a resolution to the bidders and let them know the District will be re-bidding the project.

MSC (Medina/Gray) to reject all bids for the Backyard Water Mains Replacement Project – Sara Street. Ayes: 5/0: Gray, Medina, Mulberg, Nelson, and Scherman.

2. Draft Budget Worksheet and Departmental Goals and Objectives for the Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2021-22 Operating Budget

Finance Manager Patrick Lee presented the item to the Board.

In summary, the District operates on a fiscal year that runs from July 1 to June 30. Staff completed the preparation of the District's FY 2021-22 operating budget worksheet and the departmental goals and objectives to bring both to the Finance Committee for review and discussion. The preparation of the budget incorporated multiple Finance Committee and Board of Director reviews with public participation encouraged.

The District's budget for FY 2021-22 projects total operating revenues of approximately \$15.716 million and total expenditures of approximately \$19.436 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$4.767 million. The projected expenditures in excess of revenues are approximately \$3.720 million, which will be funded from operating reserves carried over from prior years. Despite many non-discretionary cost increases, staff undertook efforts to find cost reductions as well as minimize increases and these are reflected in the FY 2021-22 budget. The budget has a decrease in total expenditures of \$590,986 (13.71%) from the adopted budget for FY 2020-21.

Director Bob Gray asked why the GIS Data Collection Tool, worth \$25,000 was expensed and not capitalized. Mr. Lee let him know that was a good catch and he will work with Mr. Kamilos on capitalizing it in the CIP.

Mr. Lee went over the FY 2021-22 CIP and explained the \$265,000 adjustment mentioned in agenda item 1 will have to be added into the budget.

Adjourn to Regular Board Meeting on May 18, 2021 at 6:00 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP