

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

Wednesday, October 17, 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, Tom Nelson, Lisa Medina, Sophia Scherman, Jeanne Sabin
Directors Absent: None
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Treasurer; Donella Murillo, Finance Supervisor
Staff Absent: Sarah Jones, Program Manager
Associate Directors Present: Shahid Chaudhry
Associate Directors Absent: None
General Counsel Present: Ren Nosky, Nosky Legal Group;
Consultants Present: Ahmed Badawi, Badawi & Associates; Tom Bacon, Bacon Commercial Real Estate

Public Comment

1. Proclamations and Announcements

Human Resources Administrator Stefani Phillips announced Elk Grove Water District (EGWD) was awarded a Wellness Grant by Association of California Water Agencies Joint Power Insurance Authority's (ACWA/JPIA).

Tony Tillman from Natural Resources Conservation Services (NRCS) mentioned NRCS is developing their fiscal year (FY) 2019 programs. He provided equipment deadlines and identified timelines and activities. Mr. Tillman asked if there were any projects that NRCS could partner with Florin Resource Conservation District (FRCD) on. General Manager Mark Madison asked to meet with Mr. Tillman to discuss.

2. Consent Calendar

- a. Regular Board Meeting Minutes of September 18, 2018
- b. Warrants Paid – September, 2018
- c. Active Accounts – September, 2018
- d. Bond Covenant Status – September, 2018
- e. Revenues and Expenses – September, 2018
- f. Cash Accounts – September, 2018
- g. Consultants Expenses – September, 2018
- h. Major Capital Improvement Projects – September, 2018

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

3. Committee Meetings

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

4. Fiscal Year 2017-18 Comprehensive Annual Financial Report

Finance Manager Patrick Lee introduced Ahmed Badawi, Badawi & Associates to present the Comprehensive Annual Financial Report (CAFR).

Mr. Badawi presented the results of the CAFR, as well as gave information on the team and process. Overall, the opinion was clean and the financial statements were fairly presented in all material respects.

Director Sophia Scherman asked if Badawi & Associates give certificates for a good audit. She stated she was impressed and feels the rate payers should hear the news. Mr. Badawi informed her that they do not put anything in writing.

Mr. Madison commented that Mr. Lee and Finance Supervisor Donella Murillo deserve credit for the work of the audit. He thanked Badawi & Associates and mentioned if EGWD receives the Award of Excellence from the Government Finance Officers Association (GFOA) he would like to have the audit touted publicly in a state-wide press release through ACWA. This would make it the 10th year in a row EGWD has received the award.

Associate Director Shahid Chaudhry asked Mr. Badawi if the District should contribute more to unfunded liability. Mr. Badawi informed him the auditors are not financial advisors and cannot advise about that, but he can give information on what other clients are doing.

Mr. Chaudhry asked if the auditors reviewed the District's asset inventory. Mr. Badawi mentioned the auditors are provided the District's information at the beginning of the year along with supporting documentation.

MSC (Medina/Scherman) to accept the Fiscal Year 2017-18 Comprehensive Annual Financial Report. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

5. Elk Grove Water District Operations Report – September 2018

General Manager Mark Madison presented the EGWD Operations Report – September 2018 to the Florin Resource Conservation District Board of Directors (Board).

Summary:

- Door tags and shutoffs remained very high in September at 693 & 83, respectively.
- There was one pressure complaint in Service Area 2 and this was unsubstantiated.
- There were four water quality complaints in September. One was in SA1 and this was unconfirmed. There were three in SA2 and these were legitimate. Brown water occurred in a localized area due to a broken fire hydrant. The area was flushed.
- 165 hydrants were checked. The District's hydrant maintenance target is set at 135 per month (each hydrant is checked once per year).
- 150 valves were exercised. The District's valve exercising target is set at 120 per month (every valve is checked once per 3 years).
- Wells 4D, 11D, 8, 9, and 13 were used as the main sources of supply for Service Area 1. Wells 1D and 14D were hardly used and Well 3 was offline.
- Production for Service Area 1 remained dropped by about 24 million gallons from September and was nearly the same as it was in September of last year.
- Total customer usage for EGWD (SA1 and SA2) also dropped by about 30 million gallons from last month and was also about the same compared to September of last year.
- The Static and Pumping Water level charts have no new data. The 4th quarter measurements were taken last week and presented to you at our regular meeting.
- All required sampling was performed with no anomalies.

- All required regulatory reports were submitted on time and there were no excursions of any regulatory requirements. These included quarterly reports to the State for THHM's and HAA5.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures.
- Backflow prevention program. As of the end of September, we had 9 delinquent customers.
- We had 3 formal safety meetings in September.
- Service Line Replacements – 20 service lines were replaced in September and 191 remain.
- There was 1 service line leak in September and this was a pinhole leak.
- Pressures in Service Area 1 continued to remain stable in the 60 psi range. Pressures in Service Area 2 were also about the same.

There was a healthy discussion regarding improvements to well pumps. Mr. Madison mentioned the District brought in a consultant to help improve the system so there were no more pressure dips. He mentioned there is still some improvements in the future. Discussion continued on future improvements.

6. Elk Grove Water District Backflow and Cross-Connection Control Ordinance

Assistant General Manager Bruce Kamilos provided background and necessity of the Backflow and Cross-Connection Control ordinance to the Board.

In summary, the new ordinance separated the specific details and requirements of the cross-connection control program by referencing a new document staff developed called the Elk Grove Water District Cross-Connection Control Program (CCCP). The CCCP describes the specific details of the cross-connection control program and is intended to be a “living” document that can be revised under the General Manager’s authority to stay current with changing regulations.

Mr. Madison discussed Section 5 of the ordinance – Appeals. He mentioned that it has been presented that the general manager makes the final decision, but could be changed if the Board desires.

A discussion followed regarding amending the ordinance to change the appeal process.

General Counsel Ren Nosky highly recommended that a Board member not be the decision maker for the appeal process because it taints their involvement in the future.

Mr. Nelson asked for the Board to be notified of changes made to the CCCP.

The Board commented on what a good product the ordinance is.

Director Jeanne Sabin mentioned there were language inconsistencies between the ordinance and the CCCP in relation to enforcement. Mr. Madison informed Ms. Sabin that the CCCP is not final and staff will make sure there are no incongruities between the ordinance and CCCP.

A discussion occurred regarding termination of service.

MSC (Sabin/Scherman) to adopt Ordinance No 10.17.18.01, repealing Ordinance No. 12.11.13.01 and establishing backflow and cross-connection control requirements for the Elk Grove Water District. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

7. Elk Grove Water District Fiscal Year 2018-19 Quarterly Operating Budget Status Report

Mr. Lee presented the Fiscal Year (FY) 2018-19 Quarterly Capital Reserve Status Report to the Board.

In summary, at the end of the first quarter revenues collected were \$4,156,976, 28.05% of the annual budget of \$14,821,253.

8. Elk Grove Water District Fiscal Year 2018-19 Quarterly Capital Reserve Status Report

Mr. Lee presented the FY 2018-19 Quarterly Capital Reserve Status Report to the Board.

In summary, at the end of the first quarter the District expended \$107,423 for capital projects leaving a remaining reserve balance on September 30, 2018 of \$14,031,909. The total amount expended includes \$80,632 of expenditures related to projects carrying over from prior year, but not budgeted for in the FY 2018-19 Capital Improvement Program (CIP).

9. Online Bill Payment Processing

Mr. Lee presented the online bill payment processing item to the Board.

Director Lisa Medina asked if the costs were just estimates. Patrick responded yes, a request for proposal (RFP) will determine the actual costs.

Mrs. Scherman asked if after the RFP, the proposals will provide the District with how many non-sufficient funds (NSF) will be received and how they will be dealt with. Patrick gave background to Mrs. Scherman, informing her the reason for the analysis is that currently the District is contracted with iPay. When a customer who has an account with an associated bank pays online, iPay sends the payment to the District using automated clearing house (ACH); the banks not associated with iPay mail a written check to the District. The goal is to look into other companies that are associated with a wider variety of banks to decrease the amount of mailed checks and increase ACH payments. Finding a company that can provide more ACH funds means the District will incur less NSF because through ACH payment is not pulled unless there are sufficient funds in the account.

Mr. Madison mentioned the District will bring back RFPs in a by March 2019.

10. Record Retention Policy and Schedule

Ms. Phillips presented the Record Retention Policy and Schedule to the Board.

In summary, the proposed Records Retention Policy and Schedule was developed in 2017 by legal counsel and had been thoroughly reviewed and vetted by staff and two members of the Board. The proposed policy had also been updated to ensure compliance with regulatory and legal retention requirements as prescribed by the applicable governing codes.

MSC (Sabin/Medina) to adopt Resolution 10.17.18.01, repealing and replacing Resolution 04.28.10.01, the Records Retention Policy and Schedule with revisions. 5/0: Ayes: Gray, Nelson, Medina, Sabin and Scherman.

11. Outside Agency Meetings Report

Mr. Madison presented the item. No discussions on this item.

12. Legislative Report

Mr. Madison presented the legislative report to the Board.

In summary, SB 998 (Dodd) was passed on October 1, 2018. The District will learn more about this bill at the ACWA/JPIA conference in November.

There was much discussion on SB 998. Mr. Madison mentioned staff will monitor the bill and report back as necessary.

Mr. Madison covered additional bills that were signed by the governor.

13. Directors Comments

Chairperson Tom Nelson asked if the District is trying to coordinate with SMUD on time-of-use billing. Mr. Kamilos responded that SMUD's billing is pertinent to residential customers not commercial customers.

Mr. Madison discussed the administration of the Oath of Office.

It was mentioned that November 14, 2018 at 6:30pm there will be a Special Board Meeting to adopt procurement policies.

14. Closed Session

a. No reportable action was taken.

Adjourn to Special Board Meeting on November 14, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP