

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

Tuesday, June 21, 2022

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:00 p.m. by Chair Sophia Scherman via Zoom.

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

Directors Present: Sophia Scherman, Tom Nelson, Paul Lindsay, Lisa Medina, Elliot Mulberg
Directors Absent: None
Staff Present: Bruce Kamilos, General Manager; Patrick Lee, Finance Manager/Treasurer; Stefani Phillips, Human Resources Administrator/Board Secretary; Donella Murillo, Finance Supervisor; Ben Voelz, Associate Engineer; Travis Franklin, Program Manager; Amber Kavert, Administrative Assistant II (Confidential)
Staff Absent: None
Associate Directors Present: None
Associate Directors Absent: None
General Counsel Present: Ren Nosky, JRG Attorneys at Law

Public Comment

No comment.

1. Future Florin Resource Conservation District Board Meeting by Teleconference

Board Secretary Stefani Phillips presented the item to the Florin Resource Conservation District (District) Board of Directors (Board).

In summary, the Board has conducted board meetings by teleconference since April 21, 2020. On September 30, 2021, Executive Order No. N-29-20, which allows for board meetings to be conducted by teleconference expired. On September 15, 2021, the Governor passed Assembly Bill (AB) 361 extending the allowance of public board meetings to be conducted by teleconference effective October 1, 2021, through December 31, 2023. At the September regular board meeting, the Board concurred that meetings continue to be conducted by teleconference in accordance with AB-361. To meet by teleconference under AB-361, local agency boards must include an initial agenda item to consider finding that the circumstances allowing a teleconference meeting under AB-361 exist. After the initial meeting, if 30 days or less have elapsed since the last meeting, an agenda item should be included to renew the determination that meeting in person presents health risks. However, if more than 30 days have passed, an initial agenda item must be included to re-authorize meeting by teleconference under AB-361.

By unanimous consent, the Board found a majority vote under Gov. Code § 54953, subd. (e)(1)(B) that as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees; and (ii) the meeting is authorized to be held by teleconference pursuant to Gov. Code § 54953, subd. (e)(1)(C). 5/0: Ayes: Lindsay, Medina, Mulberg, Nelson and Scherman.

2. Proclamations and Announcements

Nothing to report.

3. Consent Calendar

- a. Minutes of Regular Board Meeting of May 17, 2022
- b. Minutes of Special Board Meeting of June 9, 2022
- c. Accounts Payable Check History – May 2022
- d. Board and Employee Expense/Reimbursements – May 2022
- e. Active Accounts – May 2022
- f. Bond Covenant Status for FY 2021-22 – May 2022
- g. CASH - Detail Schedule of Investments – May 2022
- h. Consultants Expenses – May 2022
- i. Major Capital Improvement Projects – May 2022

Vice Chair Tom Nelson asked that item c. Accounts Payable Check History – May 2022 be pulled to seek clarification for a few checks issued.

MSC (Lindsay/Medina) to approve Florin Resource Conservation District Consent Calendar items a-i. 5/0: Ayes: Lindsay, Medina, Mulberg, Nelson and Scherman.

4. Year to Date Revenues and Expenses Compared to Budget – May 2022

Finance Manager Patrick Lee presented the item to the Board.

5. Elk Grove Water District Fiscal Year 2023-27 Capital Improvement Program

Associate Engineer Ben Voelz presented the item to the Board.

In summary, the Fiscal Year (FY) 2023-27 Capital Improvement Program (CIP) describes capital improvement projects planned by Elk Grove Water District (EGWD) over the next five (5) fiscal years. The CIP serves as a plan to improve, rehabilitate, and replace EGWD's water system infrastructure, and other facilities owned and operated by the EGWD. Staff presented the FY 2023-27 CIP to the Infrastructure Committee on April 5, 2022. Revisions to the CIP have been made based on comments from that meeting. The notable change made to this year's CIP is that approximately 80% of the FY 2023-27 CIP budget is allocated to water main replacements over the next five (5) years compared to roughly 60% of the FY 2022-2026 CIP budget. This year's CIP will be focusing on multiple areas within Service Area 1 where sections of the distribution system are meeting the end of useful life.

MSC (Lindsay/Mulberg) to adopt Resolution No. 06.21.22.01, approving the Elk Grove Water District Fiscal Year 2023-27 Capital Improvement Program and the appropriation of \$1,684,000 from designated reserve funds to the Fiscal Year 2022-23 Capital Improvement Program budget. 5/0: Ayes: Lindsay, Medina, Mulberg, Nelson and Scherman.

6. Elk Grove Water District Employee Policy Manual Amendment

Ms. Stefani Phillips presented the item to the Board.

In summary, the EGWD Employee Policy Manual prescribes that the Cost-of-Living Adjustment (COLA) may be made annually at the determination and discretion of the Board. The COLA is currently calculated by averaging the All Cities CPI-W, Western CPI-W, and San Francisco CPI-W. For the past four (4) years, staff inadvertently used the CPI-U instead of the CPI-W when determining COLAs. In researching the differences between CPI-W and CPI-U, staff has learned that the CPI-W is an old index that is mostly used for calculating social security COLAs. Conversely, the CPI-U is used more broadly throughout government applications. At the June 9, 2022 Special Board Meeting, the Board directed staff to return with a policy amendment at the next regular board meeting to use the CPI-U index instead of the CPI-W index when calculating District COLAs for all future years.

MSC (Nelson/Medina) to adopt Resolution No. 06.21.22.02, amending the 2019 Elk Grove Water District Employee Policy Manual, Section 4.2.5, Cost of Living Adjustment. 4/1: Ayes: Lindsay, Medina, Mulberg and Nelson Noes: Scherman.

7. Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2022-23 Operating Budget

Mr. Lee provided background on the Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2022-23 Operating Budget (Budget).

In summary, the District has a fiscal year that runs from July 1 to June 30. Staff initiated a process in April to prepare the Budget which should be adopted by June 30 of each fiscal year. The District held a public meeting on April 26, 2022 with the Board to review a proposed Budget development worksheet. Staff incorporated comments received from that public meeting into the Budget development worksheet and presented it to the Board at the May 17, 2022 regular board meeting. The Board directed staff to return with additional updates to the Budget development worksheets at a special board meeting on June 9, 2022. At the June 9, 2022 special board meeting, the Board approved for inclusion into the Budget a 2.0% revenue rate increase effective January 1, 2023, and a 7.20% COLA based on the average of the April 2022 All Cities CPI-U, Western CPI-U and San Francisco CPI-U indices effective July 1, 2022.

Director Paul Lindsay asked that there be a future discussion on incorporating “comprehensive compensation study” into Strategic Goal 6 of the District’s 2020-2025 Strategic Plan.

MSC (Nelson/Medina) to adopt Resolution No. 06.21.22.03, approving the proposed Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2022-23 Operating Budget projecting revenues of \$15.873 million and expenses of \$16.433 million and appropriating \$0.560 million from operating reserves to fund expenses in excess of revenues for Fiscal Year 2022-23. 3/2: Ayes: Lindsay, Medina, and Nelson Noes: Mulberg, Scherman.

8. Fiscal Year 2022-23 Investment Policy Guidelines

Mr. Lee presented the item to the Board.

In summary, the District’s Investment Policy Guidelines requires the annual readoption and delegation of investment authority. California Government Code sections 53600 – 53610 establishes the guidelines for the investment of public funds including the types of allowable investments and maximum amounts of each type of investment. Staff has reviewed the policy for compliance with applicable government codes and is not recommending any changes to the Investment Policy Guidelines at this time. California Government Code section 53607 et. seq., allows the authority of the Board of Directors to invest or to reinvest funds of the District, or to sell or exchange securities so purchased, to be delegated for a one-year period by the Board to the Treasurer of the District, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

The Board requested that staff bring the investment broker, who works with the District, in for a presentation where the Board can ask questions.

MSC (Lindsay/Nelson) to adopt Resolution No. 06.21.22.04, approving the Fiscal Year 2022-23 Investment Policy Guidelines of the Florin Resource Conservation District and delegating investment authority to the Finance Manager/Board Treasurer. 5/0: Ayes: Lindsay, Medina, Mulberg Nelson and Scherman.

9. Legislative Matters and Potential Direction to Staff

Program Manager Travis Franklin presented the item to the Board.

10. General Managers Report

Mr. Kamilos presented the item to the Board.

In summary, Mr. Kamilos gave an update on the Administrative Office Tenant Improvements Project. Chair Sophia Scherman would like a tour of the new Administrative Office.

He also explained that the District had a confidential cybersecurity assessment conducted and have received the results. The Board asked that there be a closed session on the outcome of the assessment. Staff will work with general counsel.

Mr. Kamilos briefly went over the Groundwater Recharge Pilot Program, which will be the subject of his Groundwater Workshop at the August Meeting, and he gave an update on the State Water Boards emergency water conservation regulations, which ask urban water suppliers to implement Stage 2 of their water shortage contingency plans.

11. Elk Grove Water District Operations Report – May 2022

Mr. Kamilos presented the EGWD Operations Report – May 2022 to the Board.

After a short discussion, the Board asked staff to include a column showing the monthly percent change to the EGWD Water Usage page of the Operations Report.

12. Directors Comments

Director Elliot Mulberg asked if the recommended action language could be changed to be more descriptive as to whether it is an action or information only item. Legal Counsel Ren Nosky will work with the Board Secretary to make suggested change.

13. Closed Session

Nothing to report.

Adjourn to Regular Board Meeting on July 19, 2022.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary

AK/SP