

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

Wednesday, September 6, 2017

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:00 p.m. by Tom Nelson, Chairperson, at 9257 Elk Grove Blvd., Elk Grove, CA.

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

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| Directors Present: | Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman, Jeanne Sabin |
| Directors Absent: | None |
| Staff Present: | Mark J. Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Donella Murillo, Finance Supervisor; Sarah Jones, Program Manager; Steve Shaw, Water Treatment Supervisor |
| Associate Directors Present: | Shahid Chaudhry, Kenneth Strom |
| General Counsel Present: | Ruthann G. Ziegler, Meyers Nave |
| Consultants Present: | Mike Zeglarski, Partner with HRT Associates; Curtis Tarver, USDA NRCS |

Public Comment

No comments were made.

Prior to the meeting starting, Chairperson Tom Nelson provided the meeting protocol.

Mark Madison, General Manager provided background of the Florin Resource Conservation District (FRCD)/Elk Grove Water District (EGWD).

Mr. Madison provided recommended options to the Board on what to do with the challenges facing the FRCD and EGWD.

Mr. Madison provided to the Board questions for discussion during open session.

The Board adjourned to closed session at 6:25PM.

1. Closed Session

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Section 54956.9 (d) (2) – one case

The Board adjourned to open session at 7:33PM.

No reportable action was taken.

2. Florin Resource Conservation District Goals and Challenges

Chairperson Tom Nelson introduced facilitator Mike Zeglarski, Partner with HRT Associates.

Mr. Zeglarski stated the goal of the meeting is to refine/eliminate options and provide direction to staff.

Mr. Zeglarski covered a list of questions, which was provided by Mr. Madison at the beginning of the meeting.

Comments and inquiries from the posed questions include:

General Questions:

- Question no. 1, the Board would like to defer this question until more information becomes available.

Financial Issues section include:

- Question no. 2, Mr. Madison spoke about the FRCD Needs Assessment.
 - Director Jeanne Sabin inquired what the past activities were that generated revenue for the FRCD.
 - Director Sabin asked questions regarding grants.
 - Mr. Zeglarski commented that despite research to find financial sustainable activities (revenue generating), none have been identified yet.
 - Director Sabin inquired if the FRCD can purchase property for the purpose of generating revenue. Ruthanne Ziegler, General Counsel, will research this.
 - Chairperson Nelson recommended to look into water recharge as an FRCD activity to generate revenue.
- Question no. 3, Director Sophia Scherman commented that she expressed concern about keeping the FRCD alive solely with grant monies.
 - Vice-Chairperson Bob Gray commented that most grants require matching funds and the FRCD may not have the funds to match.
 - Director Sabin commented about keeping the FRCD alive solely through grant funding, and stated that grants can be a supplement to generate funds for the FRCD.
 - The consensus of the board is to have grants as one element of revenue versus keeping the FRCD alive solely through grant opportunities.
- Question no. 4, this item will be deferred until more information becomes available.
- Question no. 5, Director Lisa Medina commented that the FRCD might not be able to pay for various costs such as annual audits, elections and legal fees if the FRCD ran out of money.
 - Director Scherman inquired how much money the FRCD spent on election costs, audit, and other activity expenses. Mr. Madison responded stating that the FRCD is expected to spend \$20,000-\$25,000.00 a year.
- Question no. 6, Chairperson Nelson suggested on deferring this until more information becomes available. Ms. Ziegler will look into this matter further and report back her findings to the General Manager.
- Question no. 6a, this item will be deferred until more information becomes available. Ms. Ziegler will look into this matter further and report her findings to the General Manager.
- Curtis Tarver, representative from USDA NRCS, provided a brief history of RCD's and stated the NRCS supports RCD's and will continue to support the FRCD.
- Associate Director Shahid Chaudhry commented that he would like to have more information and develop some type of living document that contains goals and objectives.
- Associate Director Ken Strom suggested to obtain an entrepreneur that will focus on the RCD. Associate Director Strom then inquired what would change for EGWD if the FRCD goes away.
- Director Medina inquired if Mr. Tarver could give a presentation on RCD activities at a Regular Board Meeting. Mr. Tarver responded stating that he can do this for the Board on behalf of the NRCS but would also like to invite Karen Buhr, Executive

Director with CA RCD, for the presentation. The Board agreed to have this presentation held at a regular board meeting at a later time.

- Director Scherman commented that she would like to get answers to the financial questions before addressing the options.
- Director Sabin commented that she would like legal opinion particularly on question no. 3 and 4.
- Mr. Madison suggested to the Board to also consider option no. 1.
- The Board's consensus is to modify and redefine option 1 , and also have General Counsel gather more data and provide a legal determination for options 2, 3 and 4. All options are still open for consideration but four (4) out of the five (5) options available are being reviewed.
- Vice-Director Gray commented that he would like to eliminate option 1 from the list.

The Board adjourned to closed session at 9:00PM.

The Board adjourned to open session 9:16PM.

No reportable action was taken.

Adjourn to Regular Board Meeting to September 20, 2017 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary

SP/CR