

MINUTES OF THE FRCD/EDC/EGWS BOARD MEETING

Wednesday, July 23, 2008

The regular meeting of the Board of Directors of the Florin Resource Conservation District/Economic Development Corporation/Elk Grove Water Service was called to order at 6:37 P.M. by Chair Russell at 8820 Elk Grove Blvd., Elk Grove, CA.

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

Directors Present: Barrie Lightfoot, Tom Nelson, Tony Perez and Sandi Russell
Directors Absent: Harry Riebe
Staff Present: Ann Siprelle, General Counsel; Tom Bartlett, Treasurer; and Stefani Phillips, Secretary
Consultants Present: Richard Wilson
Public Present Include: Chuck Dawson, Associate Director; Dave Engel, Associate Director; Roy Herburger, Elk Grove Citizen; Karen Buhr, CARCD Watershed Coordinator; and Bob Gray, member of the public

Public Comment

Karen Buhr, CARCD Watershed Coordinator, gave the Board an update regarding the Cosumnes River Watershed Coordinator Grant. She stated that the grant was received and has lined up some great projects. Ms. Buhr thanked the Board for their support and welcomed ideas for projects within the next three years. The Board congratulated her on the success of the grant.

Tom Nelson, Director, recommended holding a conservation committee meeting to develop a plan.

FLORIN RESOURCE CONSERVATION DISTRICT (FRCD)

1. Consent Calendar

- a. Cash Flow Worksheet – FRCD; May & June
Tom Bartlett, Treasurer, presented the Cash Flow Worksheet to the Board.

MSC (Lightfoot/Nelson) to approve the FRCD Consent Calendar by a unanimous vote.

2. Election of Officers

Sandi Russell, Chair, stated she felt the election of officers should be postponed until the election so that the new directors could participate. Ms. Russell asked Ann Siprelle, General Counsel, whether there was a legal requirement to elect officers at the FY'. Ms. Siprelle replied there is no state law requiring that the election of officers be held at the FY', it has just been an historical practice. Mr. Nelson inquired if the Board waited until the new Board was elected would the term of office change to the calendar year. Ms. Russell replied yes. Mr. Nelson stated he felt that keeping everything on the fiscal year was cleaner. Tony Perez, Director, stated he would like to wait for the newly elected Board. Leo D. Havener, Jr., General Manager, stated the Board's bylaws should indicate that at least once a year, the Board should elect new officers.

Ms. Russell inquired if any of the Board members wanted to be the new Chair and Vice Chair. Barrie Lightfoot, Director, replied he would like to be the Chair.

MSC (Nelson/Russell) to nominate Barrie Lightfoot as the new Chair, 3/1; ayes: Lightfoot, Nelson, and Russell; abstained: Perez.

MSC (Perez/Lightfoot) to nominate Tom Nelson as the new Vice Chair by a unanimous vote.

Ms. Russell congratulated the newly nominated officers.

3. Appoint Committees

Ms. Russell inquired if any of the Board members wanted to change committees. Mr. Nelson suggested postponing the committee member selection until after the new Board members are elected. The Board agreed.

ECONOMIC DEVELOPMENT CORPORATION (EDC)

EDC OVERVIEW

Mr. Bartlett gave the Board an overview of the EDC for FY' 07-08. A brief discussion occurred.

ELK GROVE WATER SERVICE (EGWS)

1. Presentations/Announcements

FYI

Mr. Havener informed the Board that the meter retrofit meeting will be scheduled for the last week of July. Ms. Russell inquired if a thorough analysis had been completed for the meter retrofit. Mr. Havener replied that staff has been acquiring information for some time and are still in the process. Mr. Havener stated for quality control it would be best if the installation of the meters was done in house.

Ms. Russell requested Stefani Phillips, Secretary, to forward her the date of the previous meter retrofit committee meeting. Mr. Nelson confirmed that Ms. Russell was in attendance with him at the meeting. Mr. Perez inquired if there were minutes taken of the committee meetings. Mr. Havener replied there were no minutes taken of the committee meeting; however, there were individual notes taken.

Mr. Perez requested that minutes be taken of the committee meetings. Mr. Havener responded it is not common practice to take minutes of the committee meetings. Ms. Russell inquired does anyone take notes at these meetings. Mr. Havener replied we all take notes based on individual direction. Ms. Russell stated she believed that's what Mr. Perez is looking for since he sits on the Finance Committee. Mr. Perez replied since the meter retrofit is going to affect the finances he would like to know what is going on.

Mr. Nelson requested that information be provided at the meter retrofit committee meeting on how the District is or will be tracking meters. Mr. Havener responded yes. Currently, there is a minimal amount of meters kept in stock based on what has been purchased by the developer's for new construction.

Mr. Perez inquired if there was any federal or state funding for the meter retrofit. Mr. Havener replied that typically, funding that may be available is granted to small rural districts or really large metropolitan districts. He stated that staff is checking into all opportunities.

Mr. Havener informed the Board he attended a Water Education Foundation Conference for sustainability. He stated the District had a poster presentation of the TriClarity Backwash System. He stated John Ornellas selected the optimum location for the presentation and it was well received. Mr. Havener gave kudos to Rick Wilson, Sentium, for the display.

Mr. Havener responded to a request for information on solar power for the treatment facility through SMUD. Mr. Havener replied solar power is not feasible for the District. In order to produce the kind of electricity needed to run the District's treatment facility, it would take acres of solar panels. The District has no facilities designed to hold solar panels. Mr. Havener stated that staff checked into retrofitting to solar and the average cost would increase a monthly bill by 10.7%.

Mr. Lightfoot inquired if the District has tried to work with energy conservation. Mr. Havener replied that the District works with SMUD on a regular basis to maximize the opportunity for saving costs on electricity.

The Board requested that the District have a SMUD audit of its facilities for cost savings and bring back a report of findings to the August meeting.

¹Motion, Second, Carried.

2. Consent Calendar

- a. Regular meeting minutes for June, 2008
- b. Warrants paid – June, 2008
- c. Miscellaneous Revenues- June, 2008
- d. Revenues vs. Expense Graphs FY 07-08
- e. Revenues vs. Expenses – Actual to Budget

Mr. Perez inquired where the audit items needing correction were. Mr. Bartlett replied there was a confidential letter sent to the Board members in response to the confidential management letter. Because the confidential management letter was not part of the audit, the response was sent to the Board members in the same fashion. Mr. Perez asked for a legal opinion. Ms. Siprelle responded the confidential management letter was not part of the audit. Ms. Russell inquired if the letter was a public record. Ms. Siprelle stated under the Publics Record Act, because the letter was distributed to the whole Board, legally the Board could decide to publish it, distribute it or keep it confidential.

Mr. Nelson suggested that the items and their remedy be verified through the finance committee. Mr. Lightfoot stated that would handle it, but it would not take care of documentation because minutes are not taken at committee meetings.

Mr. Lightfoot requested that each item addressed in the audit needing correction be brought back to the Board with an explanation of the remedy. He stated it is not a trust issue it is for accountability. He added he would like the corrections to be documented through the minutes.

MSC (Lightfoot/Perez) to approve the Consent Calendar by a unanimous vote.

3. Directors Comments/Suggestions & Subjects for Future Board Meetings

Mr. Perez inquired if any of the District staff attend the meeting at the Elk Grove City Council meeting regarding the South Sacramento Conservation Plan. Mr. Havener stated he thought that the District conservationist had attended. Mr. Perez requested a report on the meeting at the August Board meeting.

Mr. Nelson stated he would be attending the LAFCo Committee meeting on Tuesday, July 29, 2008 and inquired if anyone had a topic for discussion.

Mr. Lightfoot requested to have an operations report on the Polhemus project. Mr. Havener replied staff will bring a report to the August meeting. He stated the entire pipe is in the ground, they still have some tie-ins to do and some other things but it is 90-95% completed.

Ms. Russell mentioned a complaint received by a constituent in regard to some dead patches in grass to the left of Elk Grove Park on Elk Grove-Florin Rd., which was believed to have occurred after the South Elk Grove-Florin Rd. mainline installation project. Mr. Havener stated he would look into it.

Mr. Perez mentioned that the California Department of Water Resources has solicited a request for proposals for a Water Use Efficiency Grant. The District may want to look into it.

4. Closed Session

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Subdivision (a) of Section 54956.9
Name of case: Florin Resource Conservation District v. Union Bank of California, Sacramento County Case No. 34-2008-0002509

No reportable action taken.

¹Motion, Second, Carried.

b. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: Florin Resource Conservation District v. JBK Finance, LLC, et al, Yolo County Superior Court Case No. CV08-974

No reportable action taken.

c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8:

Property: 2450 Florin Rd.

Agency Negotiator: Leo D. Havener, Jr., General Manager

Negotiating parties: Florin Resource Conservation District and County of Sacramento

Under negotiations: Price and Terms of payment

No reportable action taken.

The meeting was adjourned to Wednesday, August 27, 2008.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary