

MINUTES OF THE FRCD/EDC/EGWS BOARD MEETING

Wednesday, August 27, 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 6:30 P.M. by Chair Lightfoot 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, Harry Riebe and Sandi Russell
Directors Absent: None
Staff Present: Ann Siprelle, General Counsel; Leo D. Havener, Jr., General Manager; Tom Bartlett, Treasurer; Stefani Phillips, Secretary; John Ornellas, Operations Manager; Scott Myers, District Engineer; Donella Ouellette, Financial Services Specialist II; Jason Mathews, Operations Superintendent; Richard Salas, Capital Improvement Project Foreman; Keith Myers, Construction Inspector, Dale Schrader, Associate Engineer; and Rick Robinson, Legal Counsel
Consultants Present: Richard Wilson, Sentium
Public Present Include: Chuck Dawson, Associate Director; Dave Engel, Associate Director; Roy Herburger, Elk Grove Citizen; Bob Gray, member of the public; Trina Mathews, member of the public

Public Comment

No comment

FLORIN RESOURCE CONSERVATION DISTRICT (FRCD)

1. Presentations/Announcements

FYI

Stefani Phillips, Secretary, informed the Board of the current election costs, noting that currently there are 115,065 registered voters within the FRCD boundaries and the election cost is \$93,536.34.

Tom Nelson, Director, stated he has a concern about the election costs. He would like the Board to consider other options.

Barrie Lightfoot, Chair, stated maybe the Board should consider taking it out of the electoral process.

Leo D. Havener, Jr., General Manager, suggested waiting until after the election to see what the true costs are and run it through the Finance Committee.

Harry Riebe, Director, gave some history as to how the Board ended up in the electoral process. He stated he did not feel that it would be a good idea to go back to the appointment process by the Sacramento County Board of Supervisors. He stated if the Board did decide to go to the appointment process, it would be more palatable if the Cosumnes Community Services District or the City of Elk Grove had influence in the appointment process because they work for the citizens of Elk Grove.

Ann Siprelle, General Counsel, stated a change could not be made until after the election and if they went back to the appointment process, the Sacramento County Board of Supervisors would be the appointing party.

The Board requested that general counsel provide a summary of options to the September Board meeting.

2. Consent Calendar

Cash Flow Worksheet – FRCD

Tom Bartlett, Treasurer, presented the Cash Flow Worksheet to the Board.

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

3. FRCD

a. NRCS Agency Report

The Board requested that more information be provided at the September Board meeting regarding the following topics: Dan Taverner attended the Rural Urban Connections Strategies meeting on July 17, 2008 and the South Sacramento Habitat Conservation Plan meeting on August 19, 2008; and Chris Davis participated in the Conservation Planning Certification on August 11, 2008.

Mr. Lightfoot made a suggestion to the Board members to contact Mr. Taverner if they have any questions on the NRCS Agency Report and to contact him prior to the meeting to get clarification.

b. Conservation Activities Update

Mr. Havener reported on the conservation activities. He informed the Board that the Integrated Waste Management Grant that was funded to clean up the tires on the Waegell Ranch has been closed and the project was successful.

The FRCD also assisted the Laguna Creek Watershed Council with some weed mapping along the Laguna Creek and entered into an agreement to support a sub grant from the local Weed Management Area.

The primary focus is on the Community Development Block Grant that the FRCD received from the City of Elk Grove for the retrofit of water efficient toilets in our low income customer homes. So far, we have funded the installation of 16 toilets. The goal is 20 by year end.

4. CSDA Board of Directors Election 2008

Mr. Lightfoot presented the CSDA Board of Directors Election 2008, stating that there were only two candidates to choose from (Peter Kampa, Incumbent and Roy E. Wilson, Del Paso Manor Water District) and inquired if anyone had any background information on the candidates.

A brief discussion period occurred.

MSC (Riebe/Russell) to nominate Peter Kampa for the CSDA Board of Directors Election 2008 by a unanimous vote.

ELK GROVE WATER SERVICE (EGWS)

1. Presentations/Announcements

FYI

Mr. Havener recognized the entire staff involved with the Capital Improvement Project (CIP) for their success in delivering water from the Railroad Water Treatment and Storage Facility to the Camden area as promised on Monday, August 25, 2008 at 3:15p.m. The water is no longer being supplemented by the County of Sacramento. Staff to be recognized: John Ornellas, Operations Manager, Scott Myers, District Engineer; Jason Mathews, Operations Superintendent; Richard Salas, CIP Foreman; Keith Myers, Construction Inspector, Dale Schrader, Associate Engineer;

and Donella Ouellette, Financial Services Specialist II. Sandi Russell, Director, thanked everyone on behalf of the “Camdenites” for doing such a good job.

Harry Riebe, Director, commented that he was extremely proud to be associated with the team. He stated he was a proud member of the Board. The Board agreed with the sentiments.

The Board paid their compliments to Jose’ Carrillo for his continued professionalism in the service he provides to the customers.

2. Consent Calendar

- a. Regular meeting minutes for July, 2008
- b. Warrants paid – July, 2008
- c. Miscellaneous Revenues- July, 2008
- d. Monthly Summary
- e. Revenues vs. Expense Graphs FY 08-09
- f. Revenues vs. Expenses – Actual to Budget
- g. Audit Items

A discussion occurred regarding the presentation of the warrants.

Chuck Dawson, Associate Director, suggested that the warrants correlate with the fiscal year budget indicating that the items were previously projected.

Mr. Lightfoot suggested that if the Board has inquiries on any item on the consent calendar to call the staff before the meeting for clarification.

Mr. Nelson suggested that a sub-committee be formed to discuss the Boards fiscal management and develop inquiries that the Board should be making. Selected sub-committee: Tom Nelson, Director; Barrie Lightfoot, Chair; Chuck Dawson, Associate Director; and Dave Engel, Associate Director.

Staff will help in obtaining information through American Water Works Association (AWWA), Association of California Water Agencies (ACWA), and California Special Districts Association (CSDA) to help in the sub-committees efforts.

MSC (Russell/Nelson) to approve the Consent Calendar and approve the sub-committee by a unanimous vote.

3. Administration Report – Elk Grove Water Service

- a. Operations and Maintenance/Engineering Report
A response from SMUD was provided regarding collaborative efforts between EGWS and SMUD to implement energy efficiency and cost reduction measures to the operations of the District.
- b. Engineer’s Quarterly Report – Capital Improvement Projects Funding Update
Mr. Havener presented the CIP Budget Overview. Highlights: Total CIP Budget was \$30.4 Million; Total CIP Expenditures and Allocations were \$28.9 Million (95% of CIP Budget); and Remaining Budget is \$1.5 Million.

Mr. Lightfoot inquired if there were any cost overruns. Mr. Havener replied, no, not at this point.

Mr. Nelson stated, the report indicates some equipment purchases were included in the pipeline CIP expenditures, and inquired if there is any problem with purchasing equipment from the CIP fund for equipment that will be used after the projects are completed. Mr.

Havener replied, no, it is not a problem.

c. Infrastructure Committee Meeting Update

Mr. Lightfoot stated the meter retrofit study is a two prong process. Initially, it is being researched to determine if the project should be done in house or contracted out. There was a pilot program performed on nine homes. The installation ranged from easy to difficult. The study indicated cost of parts, time and labor. There are a total of 5,962 of connections that need to be retrofitted.

A question and answer occurred.

Tony Perez, Director, inquired if all of the commercial connections were metered, because the District could be missing out on revenues. Mr. Havener stated that every connection is accounted for. Some are being billed a flat rate but will eventually, all connections will be metered.

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

Ms. Russell stated that the Elk Grove Library is celebrating 100 years and is the oldest free library in California. She stated that everyone is invited to the celebration on October 19, 2008.

Mr. Lightfoot suggested that the Board consider a roll call for crucial votes, e.g. resolutions or financial matters. The secretary would call roll and record vote. He requested the item be brought back to the Board in September for discussion.

Mr. Nelson stated he received an email from the NRCS regarding a planning meeting for EQIP Grants on September 16, 2008 from 9:00a.m. to 11:00a.m. They have asked that the District provide their priorities. Mr. Nelson requested staff to let Ellen Carlson know of the meeting.

Mr. Dawson stated that he noticed the FY' 07-08 came in under budget by \$3.2 Million dollars and inquired where the funds were accounted for. Mr. Havener replied that the majority of the revenues were allocated to building the reserve funds in addition, to bond payments.

Mr. Nelson stated that he would like to have some guidelines for building reserve funds. He stated he looked forward to Mr. Dawson's participation in the sub-committee.

MSC (Riebe/Russell) to close the regular Board meeting of the FRCD/EDC/EGWS Board of Directors by a unanimous vote.

The meeting was adjourned to Wednesday, September 24, 2008.

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.

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.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary