

MINUTES OF THE FRCD/EDC/EGWS BOARD MEETING

Wednesday, September 24, 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
Consultants Present: Richard Wilson, Sentium
Public Present Include: Dave Engel, Associate Director; Roy Herburger, Elk Grove Citizen; Bob Gray, member of the public and Davies Ononiwu, member of the public

Public Comment

No comment

FLORIN RESOURCE CONSERVATION DISTRICT (FRCD)

1. Presentations/Announcements

FYI

Tony Perez, Director, proposed that committee items be listed on the agenda under the FRCD. Leo D. Havener, Jr., General Manager, stated that staff will make appropriate changes in the future.

Agenda item EGWS 3A was moved to FRCD 3.

A discussion occurred regarding the election process. Mr. Perez requested a copy of the resolution that was adopted for switching from an elected Board of directors to an appointed one.

A discussion occurred regarding the pre-payment of the candidate's statement to the District. Stefani Phillips, Secretary, explained to the Board that the November 2008 election was approved by resolution. The resolution stated that the candidate's statement be limited to 200 words and that the candidate shall pre-pay the District for their statement. She stated after the election, the Voter of Registrar will invoice the District for the election costs including the candidate's statement, at which time the District will make payment for the entire invoice. Mr. Perez requested a copy of the resolution that was adopted which stated that the candidate's are to prepay the District for the publication of the candidate's statement for the November 2008 election. Ms. Phillips stated that she would provide the resolution at the October Board meeting.

Sandi Russell, Director, stated she attended a meeting of the Sacramento County Local Work Group representing the FRCD. The purpose of the meeting was to review the local state and national ranking criteria for the 2009 funding through the Environmental Quality Incentives Program (EQIP). She stated the criteria were reviewed and a couple of suggestions were made. The deadline to apply for the 2009 funding is October 31, 2008. She stated last year 19 contracts were awarded for a total of \$1,437,000. Ms. Russell stated that the meeting was very informative and successful. She stated that she brought the packet to share with a member of the Conservation Committee.

2. Consent Calendar

Cash Flow Worksheet – FRCD

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

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

3. Committee Meetings

Barrie Lightfoot, Chair, provided feedback from the sub-committee regarding the Boards fiscal management. He stated that they looked at how the District can streamline the information. A discussion followed. The Board's consensus was to make the following changes: to revise the Miscellaneous Revenues report to reflect twelve months of water connections only; to revise the Revenues vs. Expenses to reflect the actual percentage that has been met on a running month basis; and to revise the Revenues and Expenses Actual to Budget to reflect the portion that has been expensed rather than what is left for the year under the variance percentage.

A discussion was held regarding the Sacramento County's water rate increase which affects the Districts operational expenses. Tom Nelson, Director, inquired whether or not the District has a way of determining when there is going to be a rate increase posed by the Sacramento County. Mr. Havener responded stating that the District has a much better ability to communicate with the Sacramento County than in the past. Ms. Russell inquired if they hold meetings and suggested that one of the District employees should attend their meetings. Mr. Havener stated that the idea has been discussed and it is up for consideration.

Mr. Lightfoot provided feedback from the Finance Committee meeting regarding the FY' 2006-2007 Audit. He stated that the Board had requested the items that were in the FY' 2006-2007 Audit be addressed. The committee reviewed the policies that will be put in place to address the problems that the auditors found. He stated it will be an ongoing process to address all of the issues because some of the policies and procedures have to be developed. Mr. Lightfoot stated he was quite happy with the progress of policies and the corrections that were being made.

Mr. Lightfoot stated that Mr. Perez had some issues he wanted addressed by agenda. He stated there was no agenda, but the committee went item by item to address the issues to determine whether the District was accomplishing their goals. Mr. Lightfoot stated he felt that the District was accomplishing their goals. Mr. Perez stated that the committee did not actually see the policies, they were only provided with spreadsheets. Tom Bartlett, Finance Manager, stated the items that were on the auditors list were corrections to procedures for FY' 2006-2007. There is documentation that the corrections have been made and the items are being processed correctly. The last item the auditors suggested is that the District develops a comprehensive policies and procedures manual for the accounting department for personnel use. Mr. Bartlett stated several policies have already been implemented and were provided at the committee meeting. Charts and graphs were provided at the committee meeting as documentation to show that the proper procedures are in place. Mr. Perez had requested a summary of what was accomplished by the committee to provide it to the full Board. He stated he was denied the summary by the general manager. Mr. Perez stated he wanted the summary to prove that the District is on the up and up. The Board was satisfied with the committees report regarding the Districts progress for needed corrections from the FY' 2006-2007 audit.

ELK GROVE WATER SERVICE (EGWS)

1. Presentations/Announcements

Tom Nelson, Director, asked if Mr. Havener would congratulate the Capital Improvement Project (CIP) crew for a job well done regarding the Polhemus project. Mr. Havener stated that he would be happy to pass the message to the CIP crew.

2. Consent Calendar

- a. Regular meeting minutes for August, 2008 & Special meeting minutes for September 11, 2008
- b. Warrants paid – August, 2008
- c. Miscellaneous Revenues - August, 2008
- d. Monthly Summary
- e. Revenues vs. Expense Graphs FY 08-09
- f. Revenues vs. Expenses – Actual to Budget

Mr. Perez stated he requested staff to obtain the South Sacramento Habitat Conservation Plan (SSHCP) at the last Board meeting. Mr. Havener stated that staff had requested it and had not yet received it.

Harry Riebe, Director, made an inquiry regarding reimbursements to various realtors that were listed in the warrants, he asked Mr. Havener to provide details to the Board. Mr. Havener stated the realtors have the District turn water on for the vacant homes that they have listed. Typical procedure would be for the realtor to pay their water bills while they have the home listed and when the home sells they would be refunded on a proration according to the date of sale. Lately, some of the realtors have been skipping out on paying for the water of the homes that they list. Mr. Havener stated that there is approximately \$5700 outstanding from various realtors. He stated the District has recently reinforced the ordinance which states if the customers do not pay, they do not receive water. Mr. Havener stated that the District is currently working with the Sacramento County who has a software program which will enable the District to lien property and will help to reduce the outstanding account balances.

Ms. Russell inquired if the District bought a new vehicle. Mr. Bartlett stated yes, it is a leak truck. Mr. Havener responded stating it is a really large truck with a crane and is the first one of this type that the District has purchased.

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

3. Administration Report – Elk Grove Water Service

a. Personal Use of District Vehicles

Ms. Phillips presented the Personal Use of District Vehicles Policy to the Board. Mr. Nelson requested clarification of the policy. Mr. Bartlett stated that the District helps the District comply with the IRS. Mr. Nelson inquired if a District employee uses a vehicle to drive home will they have to pay taxes on it. Mr. Bartlett replied yes. Mr. Nelson inquired then what is new within the policy. Ms. Phillips stated there is not anything new, the District never had a policy and this policy helps the District with their internal controls. Mr. Havener stated there are three District employees who are issued vehicles and who pay taxes on their usage. The employees are the general manager, the finance manager and the conservation coordinator.

MSC (Nelson/Russell) to adopt resolution 09-24-08-01 of the Board of Directors of the Florin Resource Conservation District Adopting a Policy on Employee Personal Use of District Vehicles by a unanimous vote.

b. Elk Grove Water Service Employee Manual Revisions

Ms. Russell inquired if every single employee has to have a pre-employment physical. Ms. Phillips stated yes. Ms. Russell inquired if the District was discriminating people. Ms. Phillips stated no, the physicals are necessary based on the position. Ms. Russell suggested that the wording be revised to "Employment is subject to a pre-employment physical examination as applicable to the position".

A brief question and answer period followed.

MSC (Russell/Riebe) approved the employee manual with suggested revisions by a unanimous vote.

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

Mr. Nelson stated he would like to have a Board retreat with the whole Board after the election. He stated the Board should meet in January 2009. Mr. Nelson stated the retreat needs to be held within the FRCD District boundaries and he would like to meet on a Saturday so that everyone can be in attendance. Mr. Nelson stated one of the Board members should work with Mr. Havener to plan the retreat. He stated he would like to have a continuation of the adhoc committee regarding the Boards fiscal management and the new Board members should have a learning session with some history prior to the retreat. Mr. Perez stated that ACWA provides training for Board members. Mr. Havener stated that the CSDA provides the Leader of Excellence Program for the Board members. Mr. Nelson volunteered to work with Mr. Havener to plan a Board retreat.

¹Motion, Second, Carried.

The meeting was adjourned to Wednesday, October 22, 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.

d. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: General Manager

No reportable action taken.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary