

MINUTES OF THE FRCD/EDC/EGWS BOARD MEETING

Wednesday, October 22, 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; Stefani Phillips, Secretary; and Scott Myers, District Engineer
Consultants Present: Richard Wilson, Sentium
Public Present Include: Rick Robinson, Best, Best, & Krieger, LLP; Chuck Dawson, Associate Director; Dave Engel, Associate Director; Roy Herburger, Elk Grove Citizen; Dennis Luke, member of the public; Bob Gray, member of the public; Davies Ononiwu, member of the public; and Tom Hixson, member of the public

Public Comment

Tom Hixson, member of the public, addressed the Board about a concern as to whether or not customer service was a part of EGWS's mission. He gave the background of the issue stating that he was not given notification of a scheduled switch of water sources, which created brown water in his home. He informed them that he also emailed the general manager and received no response.

Leo D. Havener, Jr., stated he did not receive an email and when he does, he is quick to respond. Mr. Havener stated that procedure was more than likely directional flushing which is performed every Monday throughout the District. He stated the District does not notify the customers for this procedure because it is known that flushing is performed on Monday.

Sandi Russell, Director, stated August 25, 2008 was the day that the Camden's water source was switched.

Scott Myers, District Engineer, replied yes, it was the day that the transmission main was open and the Sacramento County enter-tie was shut. Additionally, fire flow testing was being performed.

Barrie Lightfoot, Chair, apologized to Mr. Hixson on behalf of the staff and Board for that service and stated, we will try to make sure it does not happen again.

Mr. Hixson stated he felt that the District should have a notification plan in place for various procedures.

Mr. Havener stated the District does have a notification plan for various procedures and the procedure was not expected to create the disturbance in water quality. He also stated that this water quality complaint was the first he had heard of in relation to that procedure.

Ms. Russell stated she lives in Camden and she received several complaints about it. She stated she did not report it because she planned to bring it up at tonight's Board meeting.

Tom Nelson, Vice-Chair, stated he did not want this to happen again. He inquired is this procedure a predictable occurrence and if so, how can it be prevented from happening again.

Mr. Myers replied that the switching of the sources may sound more dramatic than it is, but the pipelines are looped throughout the entire system and that would not have caused the brown water. The flushing is what caused the disturbance in the water quality. He also stated that over the next year, one of the aggressive procedures will be to continue the directional flushing which flushes all of the old pipes that contain build up. The water that is being distributed from the Railroad Water Treatment and Storage facility does not contain iron manganese so, the residue will not continue to buildup.

A discussion occurred regarding a method of notifying the public about the directional flushing.

Mr. Nelson inquired how long the program would take.

Mr. Myers replied if the District is limited to Mondays, it could take approximately two years.

Mr. Havener stated staff will put together a notification plan.

The Board's consensus was to correct the notification process for planned disturbances.

FLORIN RESOURCE CONSERVATION DISTRICT (FRCD)

1. Presentations/Announcements

FYI

Mr. Nelson commented that the Board needs to be thinking about the election costs because there will not be much of a source for it in the future.

2. Consent Calendar

Cash Flow Worksheet – FRCD

A question and answer period occurred.

MSC (Nelson/Russell) to approve the FRCD Consent Calendar, 3/1; ayes: Lightfoot, Nelson, Riebe and Russell; abstained: Perez.

Tony Perez, Director, stated he was concerned about the lack of representation by the District Conservationist (NRCS) and the FRCD conservationist. A discussion followed.

The Board's consensus was for the District Conservationist to attend Board meetings on a quarterly basis.

The Board also requested the FRCD conservationist to report on her activities.

ELK GROVE WATER SERVICE (EGWS)

1. Presentations/Announcements

No comments

2. Consent Calendar

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

A discussion occurred regarding a recent vehicle purchase. Mr. Perez suggested the policy for purchasing be revisited with the finance committee.

A question and answer period followed in regards to the warrants.

A brief discussion was held on the monthly summary. Harry Riebe, Director, inquired what the customer's average monthly water bill is. Mr. Havener replied he was not sure, and stated he could include that figure in the summary.

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

¹Motion, Second, Carried.

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3. Adoption of Identity Theft Prevention Program

Ann Siprelle, General Counsel, presented the Identity Theft Prevention Program. She stated that the Fair and Accurate Credit Transaction Act of 2003 (FACTA) directed a variety of federal agencies and some state commissions to implement an identity theft prevention program. The purpose of the program is to detect, prevent and mitigate identity theft in connection with customer accounts.

Mr. Perez requested that the Identity Theft Prevention Program be brought to the finance committee for review.

MSC (Nelson/Perez) to approve resolution 10-22-08-01 adopting Identity Theft Prevention Program by a unanimous vote.

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

Mr. Lightfoot requested that in between meetings, any items that directors would like to be placed on the next agenda be submitted to the Board chair for review and he will forward them to the Board Secretary.

Mr. Perez inquired what constitutes a special meeting. Ms. Siprelle replied that a special meeting can be held at any time for any reason providing a 24 hour notice. She stated it is not an emergency meeting, it is a special meeting. A true emergency meeting is a direct threat to public health and safety which would not require 24 hour notice.

5. 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: General Manager

No reportable action taken.

MSC (Russell/Riebe) to adjourn to the special meeting on October 29, 2008 at 5:45p.m. by a unanimous vote.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary