

MINUTES OF THE FRCD BOARD MEETING

Wednesday, January 28, 2009

The regular meeting of the Board of Directors of the Florin Resource Conservation District was called to order at 6:30 P.M. by Barrie Lightfoot, Chair, at 8820 Elk Grove Blvd., Elk Grove, CA.

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

Directors Present: Chuck Dawson, Barrie Lightfoot, Elliot Mulberg, Tom Nelson, and Tony Perez,
Directors Absent: None
Staff Present: Ann Siprelle, General Counsel; Rick Robinson, BB & K, Leo D. Havener, Jr., General Manager; Stefani Phillips, Secretary; Thomas S. Bartlett, Glenn Gilkerson, Water Treatment Foreman, Scott Myers, District Engineer; and Travis Small, Water Treatment Operator II
Consultants Present: Richard Wilson, Sentium, Joe Richardson, Richardson & Company; and Brian Nash, Richardson & Company.
Public Present Include: Roy Herburger, Elk Grove Citizen; Bob Gray, member of the public; Dan Sophia, Principle, Calvine High School, Cassandra Galicia, previous intern for EGWS

Public Comment

No comments

1. 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
- 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
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant: 9257 Elk Grove Blvd.
Negotiating parties: Florin Resource Conservation District and Joe Kiaser
Under negotiations: Price and Terms of Payment
- d. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant: APN number 125-0210-013
Negotiating parties: Florin Resource Conservation District and County of Sacramento
Under negotiations: Price and Terms of Payment
- e. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager
- f. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one case

No reportable action

2. Consent Calendar

- a. Regular meeting minutes for December 10th, 2008
- b. FRCD Cash Flow Worksheet – November and December, 2008
- c. Warrants Paid – November and December, 2008
- d. Monthly Summary - November and December, 2008
- e. Monthly Water Connections - November and December, 2008
- f. Revenue vs. Expense Graphs FY 08-09 - November and December, 2008
- g. Revenues and Expenses – Actual to Budget

¹Motion, Second, Carried.

- h. General Manager Report
- i. Water Quality Summary

MSC (Mulberg/Dawson) to approve the Consent Calendar, 4/1; ayes: Dawson, Lightfoot, Nelson, Mulberg; abstained: Perez

Tony Perez, Director, recommended that the Board minutes for December 10, 2008 be revised to include the comment made by Bob Gray, member of the public, who stated that he was having the District investigated with the possibility of taking it to the Grand Jury.

MSC (Perez/Mulberg) to approve minutes with revisions, 3/2: ayes: Dawson, Mulberg, Perez; Opposed: Lightfoot and Nelson

3. Presentations/Announcements

- a. FYI's
No comments

- b. Presentation FY' 07-08 Annual Audit

Joe Richardson and Brian Nash, Richardson & Company, presented the FY' 07-08 Annual Audit. Mr. Richardson gave the background of Richardson & Company. Mr. Nash stated that the audit was a clean audit. He stated that there were two significant situations: the building at 2450 Florin Rd. and there were some missing accounting records. Mr. Nash stated that the management letter will be presented in a Finance Committee meeting. He commented that the management letter was very similar to the management letter for FY' 06-07 Annual Audit; however, progress had been made on a few of the items that were inherited from the past and there were a couple of new issues added.

A brief question and answer period followed.

The Board's consensus was to hold a Special Board meeting to review the management letter as opposed to holding a Finance Committee meeting. The meeting was scheduled for Monday, February 23, 2009, at 6:30 p.m. to be held at the Elk Grove Water Service administration building, 9257 Elk Grove Blvd.

Mr. Perez inquired what the cost of the audit was, Thomas S. Bartlett, Finance Manager, replied \$48,000.

- c. Intern Presentations

Cassandra Galicia, previous intern for EGWS, spoke about her learning experience with Elk Grove Water Service. She spoke highly of the intern program and thanked staff and the Board for the opportunity.

The Board and staff presented Ms. Galicia with a certificate of completion.

Dan Sophia, Principle, Calvine High School, invited the Board and staff to attend an Elk Grove Unified School District Board meeting to recognize Elk Grove Water Service for the intern partnership with Calvine. He stated the meeting will be held on March 3, 2009 at 6:45pm held at Trigg Center on Elk Grove-Florin Rd.

4. NRCS Agency Report – Update

Dan Taverner, District Conservationist, presented a monthly narrative of the USDA Natural Resources Conservation Service activities.

Mr. Perez requested Mr. Taverner to give some history and future outlook on the weed abatement program including the funding that is available. Mr. Taverner stated that Surjit Toor's used to manage the project. He said that there used to be a grant funded by Weed Management Area that covered

¹Motion, Second, Carried.

weed abatement. Mr. Perez asked Mr. Taverner to keep the Board informed as to when funding may be available.

Mr. Taverner stated that he could have Tacey Currey, California Association Resource Conservation Districts, come and update the Board on the current activities of the CARCD.

5. Mid-Year Budget Review

Mr. Bartlett presented the FY' 08-09 Mid-Year Budget Review and entertained questions from the Board. Highlights: the district is at 96% of projected revenues and has only spent 82% of budgeted expenditures.

Tom Nelson, Vice-Chair, inquired if it was likely that the district would get closer to 100% of the budgeted expenses. Mr. Bartlett replied that we will try and keep under budget but the District has been preparing for the Meter Retrofit Program and another bond payment. Mr. Bartlett stated that by maintaining the bond covenant requirement of 115% for three years in a row it will free up \$1M which can be used for operational expenses.

Elliot Mulberg, Director, inquired what the district does with their net revenues. Mr. Bartlett replied the district is developing an investment policy; however, currently the net revenues are invested in CDARS. CDARS is a program that is federally insured and our bank spreads it amongst several different banks to the max sum of \$250,000. There is a 14 day turn around which maximizes the investment by accruing interest. Mr. Mulberg stated he would like to sit down with Mr. Havener to review the reserves. Mr. Havener stated the invitation is open to any Board member who was interested.

6. Board Meeting Conduct

a. Responsibilities of Persons Attending Board Meetings

Barrie Lightfoot, Chair, presented a draft of the Responsibilities of Persons Attending Board Meetings.

A discussion period occurred.

The Board's consensus was that the Responsibilities of Persons Attending Board Meetings draft would be a work in progress.

b. Proposal for Board Action/Review

Barrie Lightfoot, Chair, presented a Proposal for Board Action/Review for action items.

A discussion period occurred.

The Board's consensus was that the Proposal for Board Action/Review draft would be a work in progress.

Mr. Havener stated that he would try out the draft form for action items that will come to the February Board Meeting.

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

Mr. Lightfoot informed the Board that he had asked Mr. Mulberg if he would develop the roles and responsibilities for Associate Director's. Mr. Lightfoot informed the Board that he had asked Chuck Dawson, Director, to develop an evaluation form for the general manager.

Ann Siprelle, General Counsel, brought back information from a question raised at the December 10th Board meeting regarding the EDC could administer the Community Development Block Program Grant. She stated that the EDC cannot administer the "Block Grant" because the funds come from the Federal Government, passed through the State of California who a lot those funds to counties and cities. Ms. Siprelle gave some history on the purchase of the Susan B. Mitchell Gaines Building and the function of the EDC.

¹Motion, Second, Carried.

Ms. Siprelle clarified a statement that was made at the December 10th Board meeting by Kevin Collins, Associate General Counsel, regarding the adoption of ordinances. She said that the RCD was not formed under the water code, which requires two ordinance readings. Ms. Siprelle informed the Board that the RCD law is silent on ordinances and does not say how they are to be adopted. She stated there is a case that says the Special Districts enabling legislation does not specify how ordinances shall be adopted if there is not already an established requirement.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary