

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, March 28, 2012

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: Barrie Lightfoot, Chuck Dawson, Elliot Mulberg, and Tom Nelson
Directors Absent: Tony Perez
Staff Present: Mark J. Madison, General Manager; Ann Siprelle, General Counsel; Dennis Coleman, Finance Manager; Stefani Phillips, Secretary/Human Resource Specialist; Bruce Kamilos, Associate Civil Engineer; and Donella Ouellette, Finance Supervisor
Associate Directors Present: None
Associate Directors Absent: Donald Menasco and Davies Ononiwu
Consultants Present: None
Public Present: Roy Herburger, Dwane Coffey, and Bob Gray

Public Comment

No comments were made.

1. Proclamations and Announcements

Chairman Barrie Lightfoot held a moment of silence for the passing of previous Finance Manager Tom Bartlett, who passed away on March 16, 2012.

2. Consent Calendar

- a. Approve Special Meeting Minutes for January 30, 2012, Regular Meeting minutes for February 22, 2011, and Special Meeting of the Infrastructure Committee for March 21, 2012.
- b. FRCD Cash Flow Worksheet – February, 2012
- c. Warrants Paid – February, 2012
- d. Active Accounts – February, 2012
- e. Bond Covenant Requirements for FY 2011-2012
- f. Revenues and Expenses – Actual vs Budget
- g. Cash Accounts
- h. Consultants Expenses

The Board pulled item (a) from the Consent Calendar to discuss.

Vice-Chairman Elliot Mulberg, stated he felt that the minutes for committee meetings held on January 30, 2012, and March 21, 2012 should be placed under the Committee Meetings Update (item #8).

MSC (Mulberg/Dawson) to approve placing the committee meeting minutes for January 30, 2012, and March 21, 2012 under agenda item #8 Committee Meetings for approval, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot

MSC (Dawson/Nelson) to approve the Consent Calendar items b – h, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot

3. Review Budget Strategy

General Manager Mark Madison presented the FRCD/EGWD FY 12-13 Budget timeline with various meeting dates. He stated that the Board would be asked to adopt six items:

- FRCD FY 12-13 Budget
- EDC FY 12-13 Budget
- Revised EGWD reserve and capital investment funding policies
- EGWD FY 12-17 Capital Improvement Program
- EGWD FY 12-13 Schedule of Rates and Charges
- EGWD FY 12-13 Budget

Tom Nelson, Director, inquired as to what fiscal years the water rate study would cover and how that will impact the budget. Mr. Madison stated that it will include FY 2013-17 and he expects that staff will have accumulated a lot of information before the budget is completed. He said that he would like the water rate study to be completed not slowly, but very carefully. Mr. Madison stated that the study is going to run parallel, but will not be completed before the budget is adopted.

Dennis Coleman, Finance Manager, stated that there are several basic elements to the water rate study:

- Revenue requirements – i.e., how much revenue is needed.
- Cost of service
- Nexis Study – fee connections

Mr. Coleman commented that because the Board chose to defer three increases previously, each at three percent. He stated that if it is determined that more revenue is required, the District can proceed with water rate increases up to the amount that was deferred, without going through the Proposition 218 proceedings.

Mr. Madison stated that the water rate study could lead to later revisions to the EGWD FY 12-13 Budget, but this is not expected.

Mr. Mulberg stated that he was concerned about adopting a Schedule of Rates and Charges before the water rate study is completed. He said maybe if the District needs to make revisions to the EGWD FY 12-13 Budget in January, it may be the time to adopt the Schedule of Rates and Charges. He inquired as to when the Strategic Plan would be completed, because the budget should reflect the plan.

Chuck Dawson, Director, commented that the Capital Improvement Program has extensive detail and is the primary moving document containing expenses associated with the EGWD FY 12-13 Budget.

Mr. Nelson commented that the full Board will need involvement in the EGWD FY 12-17 Capital Improvement Program. Mr. Madison stated that staff can provide a CIP presentation at the April 25th Board meeting.

Mr. Madison stated the Strategic Plan is approximately 90-95% complete. The Board and staff concluded that a meeting would be held on April 16, 2012 to review the Draft Strategic Plan.

4. Sacramento Central County Groundwater

Bruce Kamilos, Associate Civil Engineer, recommended that the FRCD Board of Directors nominate the primary and alternate representatives of the FRCD to the Sacramento Central Groundwater Authority Board of Directors, and to be ratified by the Elk Grove City Council.

MSC (Mulberg/Dawson) to nominate Mark J. Madison, General Manager, and Bruce M. Kamilos, Associate Civil Engineer, for appointment to the Sacramento Central Groundwater Authority Board of Directors as the primary and alternate representatives of the Florin Resource Conservation District/Elk Grove Water District, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot

5. Wells 3 and 8 Electrical Upgrade Project Construction Contract

Mr. Kamilos presented and made a recommendation to the Board of Directors for Wells 3 and 8 Electrical Upgrade Project Construction Contract.

MSC (Nelson/Dawson) to adopt Resolution 03.28.12.01 determining that the Wells 3 and 8 Electrical Upgrade Project is categorically exempt from CEQA, approving an increase to the Capital Improvement Budget by \$174,427 from Unrestricted Reserves, and authorizing the General Manager to execute a contract, in the same amount, with Sac Valley Electric, Inc., 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot

The Board complimented Mr. Kamilos for doing a good job with the cost savings to the District.

Mr. Madison asked the Board to consider adding a brief presentation by Dwayne Coffey, District Conservation, USDA Natural Resources Conservation Service, to the agenda.

MSC (Lightfoot/Mulberg) to add a presentation by Dwayne Coffey, USDA/NRCS to the agenda, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot

6. USDA Natural Resources Conservation Service Activities Presentation

Dwane Coffey, District Conservation, USDA Natural Resources Conservation Service, presented two grant opportunities to the Board. The first was the Fish and Wildlife Grant, in the amount of \$25,000 for pollinator habitat outreach. The grant is due by the end of April or the beginning of May. He stated that the grants primary focus is for migratory flyways. Mr. Coffey stated that the funding may also be used to employ staffing and administrative overhead.

Mr. Madison questioned whether or not the grant was a cost-shared grant. Mr. Coffey replied that he would have to review the guidelines.

Barrie Lightfoot, Chairman, asked Mr. Coffey to provide ample notice to District staff of these types of opportunities in the future.

The Board asked staff to bring the item back to the April Board meeting.

Mr. Nelson inquired about a second grant opportunity. Mr. Coffey replied that the second grant was through NRCS for pollinator habitat, in the amount of \$50,000. He stated that the grant could be used for residential or agriculture. The grant is due September 13, 2012.

Mr. Madison thanked Mr. Coffey for providing information on the grant opportunities and commented that it was great working with him.

Mr. Coffey provided an update of NRCS activities, which include:

- Wrapping up obligations for contracts in the amount of \$500,000 out of \$612,000 for agriculture best management practices within the FRCD boundaries.
- Replaced six old tractor engines with cleaner burning engines to reduce particulate emissions.
- Planted twenty acres of conservation vegetative coverage to prevent wind erosion and keep soil out of surface water.
- Installed one mile of fencing to keep animals out of surface water.
- Installed drip irrigation systems on 80 acres to conserve water.
- Installed three tail water return systems on irrigation systems to prevent irrigation run-off with nutrient from surface water.

Mr. Coffey recommended that the District invite Amanda Platt, from the CARCD to allow her to share with the Board all of the conservation activities and resources that can be provided to the District.

7. Well 14D Rehabilitation Project

Mr. Kamilos presented and made a recommendation to the Board of Directors for Wells 14D Rehabilitation Project Construction Contract.

MSC (Mulberg/Dawson) to adopt Resolution 03.28.12.02 determining that the Well 14D Rehabilitation project is categorically exempt from CEQA, approving an increase to the Capital Improvement Budget by \$94,677 from Unrestricted Reserves, and authorizing the General Manager to execute a contract, in the same amount, with Roadrunner Drilling and Pump Company, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot.

8. Legislative Update

Mr. Madison presented the Legislative Update. He highlighted HR 1837 – San Joaquin Valley Water Reliability Act. HR 1837 repeals a program approved by Congress in 2009, to restore water to agricultural growers and salmon to the San Joaquin River below Friant Dam near Fresno. Mr. Madison commented that this bill is likely to inflame bay-delta environmental interests, because it could usurp an agreement executed several years ago, which was intended to restore flows to the San Joaquin River.

Mr. Nelson inquired about AB 2069 (Sanitation, sewage and water charges: collection) and what the impact would be on the District. Ann Siprelle, General Counsel, stated that it is a complicated measure and has the potential to affect the District. Ms. Siprelle stated that she will report on it at the April Board meeting.

9. Committee Meeting(s) Update

Mr. Mulberg reported on the Infrastructure Committee Meeting held on March 21, 2012. He stated that the committee concluded that staff need prioritize the capital improvement program items.

MSC (Nelson/Mulberg) to accept the Special Meeting Minutes for January 30, 2012, and Special Meeting of the Infrastructure Committee for March 21, 2012, 4/0: Ayes: Dawson, Mulberg, Nelson, and Lightfoot.

10. Operations Reports

Mr. Madison presented the highlights of the Operations activities:

- The Operations Activity Report has refined the data and layout.
- The water demand was considerably higher than February of 2011.
- Well 14D Railroad – the data reflects that the efficiency has declined.
- The Sampling Report has been cleaned up.
- Valve exercising – 1880 valves exercised in FY 2012.
 - 240 in the month of February
 - 1197 that are left to be exercised
 - After completion, they will be exercised on a periodic basis for all valves to be exercised every three years.
- There were no leaks in the month of February.
- There were 943 meters installed year to date.
 - 146 in the month of February.
- The intrusions to the Districts network are down.

11. Directors Comments and Information

No comments were made.

12. Closed Session

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: J.B. Jones v. FRCD, EGWS, et al, Sacramento Superior Court Case No. 34-2009-00046310

No reportable action was taken.

Respectfully submitted,

Stefani Phillips, Secretary