

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, May 23, 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, Tom Nelson, and Tony Perez
Directors Absent: None
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; Ellen Carlson, Management Analyst, and Donella Ouellette, Finance Supervisor
Associate Directors Present: Donald Menasco and Davies Ononiwu
Associate Directors Absent: None
Consultants Present: None
Public Present: Roy Herburger and Bob Gray

Public Comment

Diana Sabrina, member of the public, commented on the water rates and stated that she thought the District was going to look into bringing back a low income program for the customers.

1. Proclamations and Announcements

Mark Madison, General Manager, proclaimed that May is Water Awareness Month and through the participation with the Regional Water Authority, the District is recognizing the Blue Thumb Campaign.

2. Consent Calendar

- a. Approve minutes of the Regular Board Meeting of April 25, 2012
- b. FRCD Cash Flow Worksheet – April, 2012
- c. Warrants Paid – April, 2012
- d. Active Accounts – April, 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 (d) from the Consent Calendar to discuss.

MSC (Nelson/Dawson) to approve Consent Calendar items a-c and e-h, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

The Board questioned the number of active accounts displayed in item d as compared to December.

MSC (Mulberg/Dawson) to approve Consent Calendar items d, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

3. ACWA/JPIA Health Benefits Program

Stefani Phillips, Human Resource Specialist, presented the ACWA/JPIA Health Benefits Program Resolution to the Board for adoption. Ms. Phillips explained that the resolution before them would provide support to dissolve the Health Benefits Authority in order to move forward with the transition to ACWA/JPIA. The ACWA/JPIA will pool their purchasing needs with other agencies to obtain comprehensive and economical benefit coverages for their members.

MSC (Nelson/Perez) Adopt Resolution 05.23.12.01 Approving Membership in the ACWA Joint Powers Insurance Authority, Consenting to Join the Health Benefits Program of the ACWA Joint Powers Authority, Ratifying the Action of the ACWA Health Benefits Authority Board of Directors to Terminate the Health Benefits Authority Joint Powers Agreement, and Authorizing and Directing the Elk Grove Water District, A Department of the Florin Resource Conservation District to Execute All Necessary Documents, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

4. Florin Resource Conservation District Election

Ms. Phillips presented a resolution to the Board to call the General District Election to be held on November 6, 2012. Ms. Phillips stated that the resolution specifies that the voluntary candidate statement will be limited to 200 words and will be pre-paid at the District office. Ms. Phillips noted that the Voter of Registrar has indicated that the FRCD currently has 127, 975 registered voters. There is a set-up fee of \$1660 and a fee of 0.6510 cents per registered voter for a total sum of \$84,971.73 for the General District Election. Mr. Madison added that there may not be an election if the incumbents are the only two that run for candidacy.

MSC (Nelson/Dawson) Adopt Resolution 05.23.12.02 of the Board of Directors of the Florin Resource Conservation District Calling the General District Election, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

5. Florin Resource Conservation District/Elk Grove Water District 2012-2017 Strategic Plan

Ellen Carlson, Management Analyst, presented the FRCD/EGWD 2012-2017 Strategic Plan to the Board of Directors for adoption.

Elliot Mulberg, Vice-Chairman, thanked Ms. Carlson for adding in the goals for the FRCD.

The Board suggested under goals to consider working with other RCD's and placing it under new activities.

The Board requested that staff add a statement to the FRCD/EGWD 2012-2017 Strategic Plan that any Capital Improvement Plan project must conform with the strategic plan. The statement will be added in two areas under Financial Stability and Asset Management.

MSC (Mulberg/Dawson) Adopt Resolution 05.23.12.03 Approving the Florin Resource Conservation District/ Elk Grove Water District 2012-2017 Strategic Plan as amended, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

6. Florin Resource Conservation District FY 2012-13 Budget Review

Dennis Coleman, Finance Manager, presented the Florin Resource Conservation District FY 2012-13 Budget Review. The FRCD Budget consists of the following items:

- Association Dues
- Meetings
- Insurance
- Office/Other expenses
- Bank Charges
- Public Relations

7. Draft FY 2013-17 Capital Improvement Program

Barrie Lightfoot, Chairman, recognized and acknowledged Directors Elliot Mulberg and Tom Nelson, and Associate Board Member Davies Ononiwu for their input toward the CIP.

Mr. Mulberg presented the Draft FY 2013-17 Capital Improvement Program to the Board of Directors.

Mr. Madison stated that this is the finest CIP document that he has seen in his tenure.

Highlighted points:

- Table one provides a good summary of the projects.
- CIP is not being considered for adoption by the Board at this time, but rather for continued information.
- Priority five projects are not being recommended for funding.
- Would like a five year plan approved authorizing the funding for year one, only.

A question and answer period followed.

Bob Gray, member of the public, commented that he felt the CIP should be approved with the exception of the additional storage tank.

Mr. Madison stated that the District will review the need for the additional storage tank and will report back on the findings at the June 27, 2012 Board meeting.

8. Elk Grove Water District FY 2012-13 Budget Review

Mr. Coleman presented the Elk Grove Water District FY 2012-13 Budget Review.

The following are the highlights of the proposed FY 2013-13 EGWD Operating Budget:

Expenditure	FY 12-13 Budget
Revenues	\$ 13,876,742
Salaries and Benefits	3,542,162
Seminars, Conventions and Travel	36,210
Office and Operational	3,925,611
Outside Services	767,025
Equipment Rent, Taxes and Utilities	430,350
Subtotal Operational Expenditures	8,701,358
Less: Capitalized Expenditures*	(503,064)
Total Operational Expenses	8,198,293
Non-Operating Expenditures (Income)	5,663,663
Capital Equipment and Expenditures	93,200
Total Net Expenditures	13,955,156
Revenues In Excess of Expenditures	\$ (78,414)

* This represents 65% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Meter Retrofit Capital Improvement Project.

- Employees have been contributing 2% to their retirement with Public Employees Retirement System (PERS)
- 2% Cost of living adjustment, which will be offset by the same amount that the employees are contributing toward their PERS retirement
- Cost containment without affecting water safety
- Two frozen positions – Operations Manager and Water Distribution Operator
- The Budget does not reflect a rate increase, as the District is undergoing a water rate study

A discussion occurred regarding a proposed rate increase of 3% for October 1, 2012. Several of the Board members commented that it is time for an increase.

Mr. Mulberg stated he was reluctant to impose a water rate increase without knowing the answers to the following assumptions:

1. The District has reduced expenses as much as possible.
2. Use reserves to cover costs – Does the District need 180 days of reserves, or could they work with 90 days?
3. If the bonds were refinanced, would it be enough to not have to raise the rates?
4. Would the District survive with a lower covenant ratio?

Mr. Madison stated that staff would follow up on the requested assumptions and bring them to the next Finance Committee Meeting, which would be held Tuesday, June 12, 2012.

9. Legislative Update

Ms. Carlson presented the Legislative Update and highlighted AB 1831 Local government: hiring practices. She stated that it applies to cities and counties only.

The Board inquired about AB 232 Community Development Block Grant Program, regarding whether there may be future funds. Ms. Carlson replied the District was just awarded funding.

10. Committee Meeting(s) Update

Finance Committee Meeting – May 14, 2012

MSC (Nelson/Perez) to accept the minutes of the Finance Committee Meeting held on May 14, 2012, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot

11. Operations Reports

Mr. Madison presented the Operations Reports with the following highlights:

- Water demand is climbing
- Well 4 D is off line is being rehabilitated
- The sampling is completed
- Colors were changed on the valve exercising map as requested
- 6 service leaks in the month of April
- 140 meters installed in the month of April
- Anticipating on receiving \$100,000 from the Proposition 50 grant through Regional Water Association

12. Directors Comments and Information

The Board stated that the Board felt that the barbeque with staff was beneficial. They also felt that the number of employees in attendance at the booth at the Western Festival was good and he thanked Mr. Madison for supporting the Western Festival.

Mr. Madison stated that he felt that the public outreach was worth while and he thanked Ms. Carlson for paving the way.

Mr. Mulberg suggested that the District review options for a senior assistance program. Mr. Dawson stated that previously, the District had a low income assistance program and it was discontinued because legal counsel stated it was illegal to provide an assisted program being subsidized by the water rate payers based on Proposition 218.

Closed Session Agenda item pulled.

13. Closed Session

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 2450 Florin Rd., Sacramento, CA

Agency negotiators: Mark Madison and Dennis Coleman

Negotiating parties: FRCD and Sacramento County

Under negotiation: Terms of payment

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary