

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, March 27, 2013

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, Tom Nelson, Elliot Mulberg, and Don Menasco
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Dennis Coleman, Finance Manager; Stefani Phillips, Secretary/Human Resource Specialist; Bruce Kamilos, Associate Civil Engineer; Ellen Carlson, Management Analyst; Donella Ouellette, Finance Supervisor; Jose Carrillo, Water Distribution Foreman; Darren Sissom, Water Distribution Operator II; and Michelle Costa-Norwood, Administrative Assistant I (Temp).
Associate Directors Present: Davies Ononiwu
Consultants Present: Ann Siprelle, General Counsel, and Rick Robinson, Best, Best, & Krieger, LLP

1. Proclamations and Announcements

General Manager Mark Madison made an announcement to the Board of Directors that Customer Service Representative II Lee Farmer would be recognized for five years of service. He spoke highly of Ms. Farmer. The Board congratulated her.

Mr. Madison informed the Board that the Urban Water Management Plan had been accepted by the Department of Water Resources without any comments. He congratulated Management Analyst Ellen Carlson and the other staff members who worked on the report. The Board complimented Ms. Carlson and the staff members for a job well done.

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of February 27, 2013
- b. FRCD Cash Flow Worksheet – February, 2013
- c. Warrants Paid – February, 2013
- d. Active Accounts – February, 2013
- e. Bond Covenant Status for FY 2012-2013 – February, 2013
- f. Revenues and Expenses – Actual vs Budget FY 2012-2013 – February, 2013
- g. Cash Accounts – February, 2013
- h. Consultants Expenses – February, 2013

MSC (Mulberg/Nelson) to approve the Consent Calendar a - h , 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

3. Operations Report – February 2013

General Manager Mark Madison

Mr. Madison presented the Operations Report – February 2013 and highlighted the following:

- Activities were stable
- 92 valves were located
 - 3 year cycle, once all valves are located
- Well 1 D – last on, first off – efficient
- Well 4 D – high production – very efficient

- Well 11D – efficient
 - All interties have been located (6) and have been closed
 - Post indicator valves will be installed
 - Program to monitor post indicator valves is being developed

Mr. Madison discussed the interties that connect to Sacramento County (Service Area 2). The Board requested that the interties be placed on the map of wells.

Mr. Madison continued the highlights:

- Well 14 - heavy producer
- Well 8 – producing minimally
- Well 9 – producing very well
- Well 12 – off line – considering abandoning the well
- Well 3 – very efficient pumping
- Well 8 – very efficient pumping
- Well 9 – very efficient pumping
- Well 12 – not pumping

Associate Civil Engineer Bruce Kamilos discussed the condition of Well 12. He stated that the well is plugged with iron manganese and needs rehabilitation.

Mr. Madison continued the highlights:

- All samples were taken
- Monthly summary of Distribution System Coliform Monitoring – 40 samples were taken
- All required safety meetings were met
- 115 meters installed
- 2 service leaks (copper service lines)
- IT Report - A lot of spam was reported

The Board inquired why staff has waited to work on Well 12. Mr. Madison responded that staff has focused on more critical wells first. He stated that Well 12 is not one of the District's major wells in the system.

4. Florin Resource Conservation District FY 2011-12 Comprehensive Annual Financial Report (CAFR)

Finance Manager Dennis Coleman presented the Florin Resource Conservation District FY 2011-12 Comprehensive Annual Financial Report (CAFR) to the Board of Directors for acceptance.

MSC (Dawson/Nelson) to approve a motion accepting the Fiscal Year (FY) 2011-12 Comprehensive Annual Financial Report (CAFR), 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

5. Monthly Status Report on FY 2011-12 Audit Findings

Mr. Coleman presented the Monthly Status Report on FY 2011-12 Audit Findings.

The Board requested that the audit findings be listed with the solution underneath in the future.

Mr. Coleman discussed the need for a Certified Public Accountant to help the Finance Department with their accounting needs and assist staff to stay current.

A discussion followed.

The board inquired what the proposed cost would be for a Certified Public Accountant (CPA). Mr. Coleman responded \$15,000 - \$20,000. The Board inquired whether staff was going to develop a Request for Proposal (RFP) for the CPA. Mr. Coleman stated that Richardson and Company has highly recommended Robert Merritt, who is a CPA.

The Board directed staff to develop an RFP for a CPA.

Questions include:

- Will the District need a CPA ongoing?
 - Possibly to augment staff.
- What is the reason for charge-offs?
 - When a property sells and the District does not receive payment it is charged off.
- How are stale dated checks handled?
 - They are turned over to the state.
- Are stale dated checks null and void after 90 days?
 - No, and they need to be researched before they are turned over to the state.

6. Title and Role of Elk Grove Water District as a Department of the Florin Resource Conservation

Mr. Madison introduced the agenda item and turned it over to Director Elliot Mulberg.

Mr. Mulberg stated that it is confusing as to what Board the Board members are sitting on. Mr. Mulberg stated he is interested in having a Web site for the Florin Resource Conservation District and possibly a combined Web site for the Florin Resource Conservation District and the Elk Grove Water District.

A discussion occurred regarding a Web site, cost and associated requirements of a Web site in relation to the Brown Act.

The Board requested staff to look at costs and benefits of a Web site for the Florin Resource Conservation District.

7. Customer Service Survey

Management Analyst Ellen Carlson presented the Customer Service Survey to the Board of Directors.

Ms. Carlson stated that the information received back from the customers has been very interesting. She stated that the survey determined that the customers do not use the EGWD Web site as a means to obtain information.

Other ways to get information to the customers:

- Revamp the EGWD Web site
- Send a newsletter (Water Drop) more frequently
- Send out inserts with other organization's mailings
- Join a social network

Mr. Madison voiced his concern about the security of social networks.

8. Legislative Update

Ms. Carlson presented the Legislative Update to the Board of Directors.

Mr. Mulberg inquired as to whether or not staff is tracking AB 453. Staff responded that they will look into it.

A discussion occurred regarding California Environmental Quality Act (CEQA). General Counsel Ann Siprelle, BBK, stated that BBK is tracking 31 bills related to CEQA.

The Board requested that Ms. Siprelle send the entire Board a memo on the status of the CEQA bills.

MSC (Dawson/Nelson) to approve a letter of support with amendments for AB 416, the Local Emission Reduction Program, as recommended by CSDA, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson and Lightfoot.

9. Committee Meeting(s) Update

Director Tom Nelson spoke about the ACWA/JPIA Meeting that he attended. He stated that he learned about the following items:

- New Registered Domestic Partner requirements
- Directors are eligible to participate in healthcare coverage
- ACWA Spring Conference 2013 is in Sacramento – May 6-9, 2013

A brief discussion occurred regarding Board member interest in healthcare coverage. Director Elliot Mulberg expressed his interest in learning about the costs of healthcare coverage with the District. Mr. Madison stated that staff would bring back the item to the full Board at the next Board meeting.

10. Directors Comments and Information

No comments were made.

11. Closed Session

- a. 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
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Sec. 54956.8)
Property: APN# 134-0050-074 (south portion)
Agency negotiator: General Manager Mark J. Madison
Negotiating parties: Florin Resource Conservation District and Robin Whiting
Under negotiation: Price and terms of payment
- c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Section 54957
Title: General Manager

The Board took action in closed session on Agenda Item 11.a—Conference with Legal Counsel. The Board voted 5-0 to approve a final settlement agreement in the case entitled “J.B. Jones v. Florin Resource Conservation District.”

The substantive terms of the settlement are that: (1) Jones shall pay \$175,000 cash to the District, dismiss his lawsuit against the District, and release the District from all claims; (2) the parties, at the sole cost and expense of Jones, shall divide the School Street well site into two legal parcels with a new common boundary; (3) the District shall retain ownership of the well

site land west of the new boundary (that land contains the District's well and pumping station); (4) the District shall convey the well site land east of the new boundary to Jones (that land contains Jones' water tower); and, (5) the existing site lease between Jones and the District will be terminated immediately.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary