

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, June 25, 2014

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, Don Menasco, Elliot Mulberg and Tom Nelson
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Dennis Coleman, Finance Manager; Bruce Kamilos, Associate Civil Engineer; Donella Ouellette, Finance Supervisor; Board Secretary Stefani Phillips; and Water Distribution Foreman Jose Carrillo
Associate Directors Present: Mike Schmitz and Davies Ononiwu
Consultants Present: Ann Siprelle, General Counsel

Public Comment

None

1. Proclamations and Announcements

Presentation of Certificate of Achievement for Excellence in Financial Reporting received from Government Finance Officers Association (GFOA) for Fiscal Year 2012-13.

General Manager Mark Madison presented the certificate and stated that this achievement had been obtained for four consecutive years. He complimented Finance Manager Dennis Coleman, Finance Supervisor Donella Ouellette, Human Resources Specialist Stefani Phillips, and Management Analyst Ellen Carlson and noted that other staff members were involved in helping to achieve the certificate.

Chairman Barrie Lightfoot thanked Finance Manager Dennis Coleman for his service with the District (Mr. Coleman resigned from the District after receiving an offer with the City of Indio).

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of May 28, 2014 and Minutes of the Special Meeting of the Board from June 10, 2014.
- b. FRCD Cash Flow Worksheet – May, 2014
- c. Warrants Paid – May, 2014
- d. Active Accounts – May, 2014
- e. Bond Covenant Status for FY 2013-2014 – May, 2014
- f. Revenues and Expenses – Actual vs Budget FY 2013-2014 – May, 2014
- g. Cash Accounts – May, 2014
- h. Consultants Expenses – May, 2014
- i. Conservation Activities – May, 2014

Director Elliot Mulberg requested to pull item i for discussion.

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

Director Elliot Mulberg inquired if there were any funding opportunities heard at the California Financing Coordinating Committee Funding Fair.

General Manager Mark Madison commented that he was not overly impressed with the available funding options. He stated most of the funding options were loans. Mr. Madison mentioned that there were some grants and staff is looking into those opportunities. Director Elliot Mulberg inquired for if staff was pursuing all options for EGWD or FRCD.

General Manager Mark Madison responded that staff is trying to pursue anything we can find.

A discussion was held regarding funding for agriculture water efficiency.

MSC (Mulberg/Nelson) to approve Consent Calendar item i, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot.

3. NRCS Activities Update

District Conservationist Dwane Coffey presented the NRCS Activities Update and stated he would like to have a meeting to update the long range plan to include irrigation. Mr. Coffey also stated he would like to be included in the 2x2x2 workshop for some strategic planning, date to be determined.

Chairman Barrie Lightfoot commented that the Regional Conservation Partnership Program sounds like a pretty good way to get involved.

Director Tom Nelson stated that he attended a USDA Farm Bill Workshop in Davis to get information on Grant opportunities and there was some funding available, but the application is due July 15, 2014, and it is not enough time to coordinate efforts to meet the deadline. Mr. Nelson stated that we can try next year. He stated that the USDA staff said they can help us with the application.

A discussion followed regarding additional funding opportunities. Mr. Coffey indicated that it would be a great idea to invite a representative from the California Association Resource Conservation District to join the strategic planning workshop.

4. Appointment of Associate Director to the Florin Resource Conservation District

Board Secretary Stefani Phillips presented the Appointment of Associate Director to the Florin Resource Conservation District. She stated that Robert L. Gray applied for the Associate Director position. Ms. Phillips commented that he provided a resume and a letter of interest and that she made an error in the staff report indicating Mr. Gray had not met the criteria of the application process. Ms. Phillips indicated that the first sentence of the application process was interpretive.

Robert Gray spoke to the Board and highlighted that he has a background in Finance.

Director Elliot Mulberg commented that he appreciated Mr. Gray's input in the past.

Vice-Chairman Chuck Dawson commented that he had participated in two of the Community Advisory Committees and would recommend him as an Associate Director.

Director Tom Nelson stated that Mr. Gray brings a lot of different views and he appreciates his input.

MSC (Dawson/Mulberg) to appoint Robert L. Gray as Associate Director to the Florin Resource Conservation District Board of Directors, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot.

Vice-Chairman Chuck Dawson requested that staff provide clarity to the first sentence in the application process contained in the Associate Directors Policy "The application consist of a letter of interest stating qualifications and background in one of the areas of interest to the District and a resume or a letter of interest and three letters of recommendation by individuals familiar with the applicants work or qualifications."

5. Operations Report – May, 2014

General Manager Mark Madison highlighted the following activities:

- Door hangers – down from 336
- Meters installed – Distribution Department
 - 2 residential and 3 commercial
- Meters Retrofit –Utility Department
 - 39 residential and 1 commercial
- Well 1D – no water
- Well 4D – ran some
- Well 11D – heavy producer, ran often
- Well 14D – ran some
- Well 3 Marvell – ran a fair amount, air problem continues
- Well 8 Williamson – ran often
- Well 9 Polhemus – heavy producer, ran continually
- No additional water purchased from Sacramento County
- Combined total production down from last year – seem to be due to conservation/awareness.(same as last month)
- Static pumping levels – are up (same as last month)
- All samples were regular and submitted on time.
 - Additional samples were taken on the warf hydrant retrofits
- No discharge water
- Backflow prevention
 - Robust tracking system
 - 41 notices sent out
 - 23 passed
 - 6 failed
 - 18 Sis not respond – notices re-issued
 - 4 subsequently responded (3 passed, and 1 failed)
 - 14 remain outstanding
- Safety meetings - 5
- EGWD leaks – 7 service line leaks (corroded saddles)
- Main leaks – 1 (Caused by a contractor at Well 7)

Director Chuck Dawson inquired about whether or not the District properly marked for Underground Service Alert. General Manager Mark Madison replied that he is looking into the matter. Mr. Madison stated that the District will work with the other party and be fair.

6. Florin Resource Conservation District Fiscal Year 2014-15 Budget

Finance Manager Dennis Coleman presented the Florin Resource Conservation District Fiscal Year 2014-15 Budget.

Director Elliot Mulberg stated that the only service provided for the FRCD is sponsorship. He stated he would like to amend the budget allocating \$20,000 for a part-time individual who will search/obtain grants for the FRCD.

A discussion followed regarding how to fund the part-time individual.

Director Tom Nelson stated that the funds from the grant could pay for the salary of the individual.

Director Elliot Mulberg stated that maybe they could receive a percentage of the grant money as an incentive.

MSC (Mulberg/Dawson) to adopt Resolution No. 06.25.14.01 approving the Florin Resource Conservation District Fiscal Year 2014-15 Budget as amended, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot.

Director Don Menasco stated it takes money to make money.

Director Chuck Dawson stated he agreed with Director Elliot Mulberg.

7. Susie Gaines-Mitchell Building Fiscal Year 2014-15 Budget

Finance Manager Dennis Coleman presented the Susie Gaines-Mitchell Building Fiscal Year 2014-15 Budget.

No comments were made.

MSC (Lightfoot/Dawson) to adopt Resolution No. 06.25.14.02 approving the Economic Development Corporation Fiscal Year 2014-15 Budget, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot

8. Elk Grove Water District FY 2015-19 Capital Improvement Program

Associate Civil Engineer Bruce Kamilos presented the Elk Grove Water District FY 2015-19 Capital Improvement Program.

Mr. Kamilos presented the highlights captured from the Infrastructure Committee Meetings:

- Bull-head Replacements project
 - Board members were concerned with redundancy in work and asked staff to verify that none of the bullheads to be replaced are connected to 4" water mains. The Board stated that if some of the bullheads were connected to 4" water mains, those bullheads should be deferred and replaced at the same time the 4" water mains are replaced with larger mains.

At the May 12th Infrastructure Committee Meeting, staff presented exhibits showing that all the bullheads to be replaced are connected to water mains that are larger than 4" in diameter. The committee agreed that the Bullhead Replacements project as presented in the FY 2015-19 CIP was fine.

Mr. Kamilos stated that he would most likely be returning to the Board next month with an amendment to the FY 2015-19 CIP. The low bid for the Hampton Village Water Treatment

Plant Refurbishment project was in excess of the budgeted amount in the CIP. EGWD staff is meeting with the low bidder to discuss ways in which the bid may be reduced. The amendment to the CIP would be required to pay for the project.

Director Elliot Mulberg commented good job recapping the Infrastructure Committee Meetings.

Bob Gray inquired about the number of variable frequency drives planned for the “VFDs Booster Pumps” capital improvement project at the treatment plant. The description in the published CIP stated two booster pumps. Bruce Kamilos responded that most likely only one VFD would be required.

Mr. Gray also inquired about the backyard mains and if we were figuring the costs on that twice with the two separate CIP projects – one that replaces 4” water mains and the other that replaces the backyard mains.

Mr. Kamilos replied that the District would not be double dipping.

MSC (Nelson/Dawson) to adopt Resolution No. 06.25.14.03 adopting the Elk Grove Water District FY 2015-19 Capital Improvement Program and approving an appropriation of \$2,775,000 of unrestricted funds to the FY 2014-15 CIP Reserve Fund, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot

9. Proposed Elk Grove Water District Employee Policy Manual Changes

Human Resource Specialist Stefani Phillips presented the proposed Elk Grove Water District Employee Manual Changes.

Ms. Phillips highlighted the proposed changes:

Section 4.3.1 “Overview”, amending policy:

The last sentence “Employees may be eligible to receive up to ten days paid leave per year or cash equivalent for meritorious service at the General Manager’s discretion and consistent with an adopted FRCD budget” is proposed to be removed.

Section 4.3.7 “Longevity Pay”, adding policy:

Longevity pay is to recognize long-term service. Effective July 1, 2014, full-time regular employees who have at least six (6) years of service shall receive a lump sum payment annually as outlined below.

Annual Longevity Pay amounts are based on the length of service with the District, beginning at year six (6) and capping at year 15, and a percentage of the employee’s annual rate of base salary on their anniversary date. Employees will receive 1/2% percent of their salary, per year, up to the 15th year where it will cap. The employee will continue to receive the Longevity pay annually, for every year following the 15th year at the capped amount. Longevity amounts are computed by multiplying the employee’s base salary by the appropriate percentage from the following table (not included in the minutes).

Payment shall be made during the same pay period following the employee’s anniversary date in which they are eligible to receive longevity pay. This includes employees on workers’ compensation leave.

Longevity Pay is reportable to California Public Retirement Systems as Incentive Pay under Special Compensation and is added to the yearly computations of an employee's annual pay.

Section 5.5.2 "Group Medical Premiums", amending policy:

For all employees who have submitted proof of group coverage, provided by a spouse through their employer by June 30, 2014, the eligible employee will be paid \$700 per month by EGWD. The Internal Revenue Service (IRS) considers this a taxable benefit and, as such, EGWD is required to report appropriately on an employee's W-2 form.

Associate Director Davies Ononiwu inquired if we were going to eventually discontinue the Opt-out.

Ms. Phillips responded that all the employees that currently have the benefit will continue to receive it and it will not be offered to anyone after July 1, 2014.

Mr. Ononiwu inquired why the policy is being revised.

The Board followed up with a response, stating that it was costing the District more to offer that benefit.

MSC (Lightfoot/Dawson) to adopt Resolution No. 06.25.14.04 of the Board of Directors of the Florin Resource Conservation District amending Sections 4.3.1 and 5.5.2 and adding section 4.3.7 to the Florin Resource Conservation District/Elk Grove Water District Employee Policy Manual regarding Longevity Pay and Opt-Out Pay, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot

10. Elk Grove Water District Fiscal Year 2014-15 Operating Budget

Finance Manager Dennis Coleman presented the Elk Grove Water District Fiscal Year 2014-15 Operating Budget.

No comments were made.

MSC (Dawson/Lightfoot) to adopt Resolution No. 06.25.14.05 approving the Elk Grove Water District Fiscal Year 2014-15 Operating Budget, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot

11. Legislative Update

General Manager Mark Madison presented the Legislative Update to the FRCD Board of Directors.

Mr. Madison presented the following highlights:

- AB 1739 and SB1168 (Groundwater basin management)
 - Both of these bills are significant and important to track. California is unregulated. SB1168 is being advocated to have local agencies regulate groundwater. If passed, this would represent hallmark change.
- SB848 (Safe Drinking Water, Water Quality and Flood Protection Act of 2014) – Water Bond
 - The proposals on this were most accepted and it did not pass on Monday, June 23, 2014. They plan to ignore the deadline. Staff will monitor closely.

- AB2043 (Safe, Clean and Reliable Water Supply Act of 2014) – minimal bond funding
 - This is not being supported by ACWA
- SB1250 and AB2686 (Safe, Clean and Reliable Water Supply Act of 2014) – higher bond financing, especially for Delta projects
 - This is being supported by ACWA

12. Committee Meeting(s) Update

No comments were made.

13. Directors Comments and Information

Vice-Chairman Chuck Dawson commented that he would like the District to look at converting the vehicles, as they are replaced, to natural gas as a conservation measure and tying it to asset management.

Director Tom Nelson stated the District will need to look at what the replacement cost would be.

Director Elliot Mulberg stated he would like for the District to schedule a Strategic Planning Workshop for the RCD activities.

Director Don Menasco stated he would like the District to look into solar energy also tying it to conservation and asset management.

General Manager Mark Madison responded that he would like to look at that as an option when the parking lot for the Railroad Water Treatment Plant is put in. He said that staff will present options.

Chairman Barrie Lightfoot asked if August would work.

Mr. Madison replied okay.

Bob Gray stated that installing solar panels at the parking lot may present problems.

Mr. Madison responded that the District will need to be careful how we proceed working with the vendors.

14. Closed Session

CONFERENCE WITH LABOR NEGOTIATORS (Gov't. Code Section 54957.6)
 Agency designated representatives: Mark Madison and Stefani Phillips
 Unrepresented employee: Finance Manager

This item was removed from the agenda by a consensus of the Board of Directors.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary