

MINUTES OF THE REGULAR MEETING OF THE FRCD BOARD

Wednesday, November 19, 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; Jim Malberg, Finance Manager; Stefani Phillips, Secretary; Bruce Kamilos, Associate Civil Engineer; Donella Ouellette, Finance Supervisor; Ellen Carlson, Management Analyst; Cindy Robertson, Administrative Assistant II (Confidential)
Associate Directors Present: Davies Ononiwu, Bob Gray, and Mike Schmitz
Consultants Present: William E. Robinson, Best Best & Krieger (BB&K); Brain Nash, Richardson & Company; Robert Merit, CPA

Public Comment

No comments were made.

1. Proclamations and Announcements

Mark Madison, General Manager, complemented Bruce Kamilos for completing the Elk Grove Leadership program.

Director, Chuck Dawson, other board members, and people present at the meeting recognized Chairman Barrie Lightfoot for his years of service with the FRCD.

2. Consent Calendar

- a. Minutes of the Regular Board Meeting of October 22, 2014
- b. FRCD Cash Flow Worksheet – October, 2014
- c. Warrants Paid – October, 2014
- d. Active Accounts – October, 2014
- e. Bond Covenant Status for FY 2014-15 – October, 2014
- f. Revenues and Expenses – Actual vs Budget FY 2014-15 – October, 2014
- g. Cash Accounts – October, 2014
- h. Consultants Expenses – October, 2014

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

3. Conservation Activities – October, 2014

Ellen Carlson, Management Analyst presented the Conservation Activities – October 2014 to the Board of Director. She distributed the Central Valley Rails to Trails Foundation (CVRTF) map to the board of the directors, as an independent item, that shows the Central California Traction Corridor (CCTC) old rail line that is being considered as an alternative route for a high speed rail system.

Director Elliot Mulberg stated how appreciative he is of Ellen's participation with the Stone Lake Refuge.

Mrs. Carlson discussed the 20th year anniversary celebration at the Stone Lake National Wildlife Refuge.

4. Operations Report – October, 2014

Mark J. Madison, General Manager presented the highlights of the Operations Report – October, 2014:

- 4 low pressure complaints
 - 3 – SSA1
 - 1 – SSA2
- 531 Door Hangers
- 91 Shut offs
- 109 USA locates – this includes the District's work
- Distribution work orders
 - 17 meters installed (all commercial)
 - 100 valve exercising
- Utility work orders
 - 28 meters installed (includes Melrose and the Rancho sub-division)
- Well 1D – no production – 17 hours for sampling purposes only
- Well 4D – production was slightly down from last months
- Well 11D – production was slightly up from last months
 - Combined Well 4D and 11D produced 91M gallons (bulk of our production)
- Well14D – ran when 1D was running, this was mostly for sampling
- Well 3 – not much production
- Well 8 – little production
- Well 9 – continues to produce and is quiet and reliable
- No purchased water from Sacramento County
- Combined production, conservation by customers is evident
- There has been no significant drop offs in the static pumping levels
 - Well 4D has a 9 ft. drop in static and that is an indicator that the aquifer is being over pumped
 - Well 11D will need to be monitored because the pumping level has dropped – this well might become plugged so will need to monitor the levels
 - Trend lines have been added to the static and pumping levels graphs
- Sampling – regular, no samples missed
 - Most were warf hydrants, repairs and new service (Green Acres Nursery)
- Regulatory reports submitted on time
- 20 gallon discharge for calibration
- All preventative maintenance activities were performed on-time
- 5 safety meetings during the month exceeding OSHA requirements
- Bull-head replacements – work will not be performed until January
- No mainline leaks
- 3 service leak
- Sample Station Area Maps
 - SSA1 – running in the 55-65lb range most of the time
 - SSA2 – still seeing a few problems
 - SSA8 – running in the 45-55lb range which is a little low but higher than last month

Mark Madison, General Manager recommended pulling the SCWA Turnout Production graph from the Operations Report since the district hasn't bought any supplemental water from Sacramento County.

The Board of Directors agreed with pulling the SCWA Turnout Production graph from the Operations Report.

Director, Elliot Mulberg inquired that most of the water production comes from Well 11D. Mr. Madison replied, yes for the past month, but the District tries to alternate the deep wells.

Mr. Mulberg inquired if the sounding measurements are taken at the beginning of the quarter. Mr. Madison replied, yes the measurements were taken at the first part of October.

Chairman, Barrie Lightfoot mentioned a new customer that was coming to the District, Green Acres Nursery.

Bruce Kamilos, Associate Civil Engineer spoke about the new nursery and the praise that was received of the District's field crew.

Mr. Madison praised Jose Carrillo for his customer service with Green Acres Nursery.

Mr. Madison also praised Richard Salas and his crew for the service line repair that happened on Elk Grove Boulevard (near the office) Friday, November 14th. Mr. Madison stated the job was well done.

5. Fiscal Year 2013-14 (FY2014) Comprehensive Annual Financial Report

Jim Malberg, Finance Manager presented the FY2014 Comprehensive Annual Financial Report (CAFR) to the Board of Directors. In summary, the FRCD is required by State statute to publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards. The audit must be conducted by a firm of licensed certified public accountants.

Brain Nash, consultant with Richardson & Company, presented the report to the Board of Directors.

Chairman Barrie Lightfoot inquired how Note J - Restatement of the Financial Statement regarding Building Fund was missed. Mr. Nash replied, "This is something that is not normally seen and should have been identified by management and the people who issue the debt on how to record this properly. This has not been recorded properly since 2003."

Mark Madison, General Manager commented that this was a financial reporting correction and does not have an impact in terms of real dollars or any financial impact on the District. Mr. Nash replied, "Yes this is only a paper transaction to display something that was already there in a different manner."

Mr. Nash highlighted Note I – Commitments and Contingencies of the Financial Statement, stating that the District has the ability to attempt to sell the office building at 2450 Florin Road by July 1, 2019 to satisfy the tax lien.

Mr. Nash gave the following recommendation on the management letter:

- Account reconciliations to be performed regularly
- Reconcile subsidiary records to the general ledger on a monthly/quarterly basis
- Bank reconciliations to be performed on a timely basis

Mr. Madison stated reconciliations will be done on a quarterly basis, as recommended by Mr. Nash, and information will be provided to the Board of Directors on the findings.

Bob Gray, Associate Director, commented that he was shocked the District was not reconciling the bank accounts on a monthly basis.

Davies Ononiwu, Associate Director, inquired why the District had a gap in checks. Mr. Nash replied, "This is how the checks were recorded in the prior fiscal year even though they are issued in the current year. There are no issues with the checks they weren't in the check sequence in consecutive order."

Mark Madison, General Manager complemented Robert Merritt, CPA for bridging the gap during this time.

MSC (Nelson/Mulberg) to approve a motion accepting the FY2014 Comprehensive Annual Financial Report, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot.

6. Railroad Street Water Treatment Facility Parking Lot Improvements Project Construction Contract

Bruce Kamilos, Associate Civil Engineer presented the Railroad Street Water Treatment Facility Parking Lot Improvements Project Construction Contract to the Board of Directors. In summary, this project includes the construction of a paved, fenced-in parking lot and bulk materials storage facility across from the Railroad Street Water Treatment Facility.

Tom Nelson, Director, inquired how much under budget the District is. Mr. Kamilos replied, we are \$100,000 under budget.

Elliot Mulberg, Director, inquired how the engineer under estimated the project. Mr. Kamilos replied, engineers have industry standards that they apply for paving and other work. He also said that numbers change and fluctuate depending on the workload of the contractor and materials that are available.

Don Menasco, Director, inquired if any of the bidders were local. Mr. Kamilos replied that the bidders were from the Sacramento area and Vacaville.

MSC (Dawson/Nelson) to approve a motion Amending the Fiscal Year 2015-19 (FY2019) Capital Improvement Program (CIP), Reallocating \$58,000 from the Melrose Avenue Water Main Project to the Railroad Street Water Treatment Facility Parking Lot Improvements Project, and Authorizing the General Manager to Execute a Construction Contract in the amount of \$254,761 with Abide Builders, Inc. for the Railroad Street Water Treatment Facility Parking Lot Improvements Project, 5/0: Ayes: Dawson, Menasco, Nelson, and Lightfoot.

7. Elk Grove Water District 2014 Employee Policy Manual Update

Ellen Carlson, Management Analyst presented the Elk Grove Water District 2014 Employee Policy Manual Update to the Board of Directors. In summary, under the Board's direction, an ad hoc committee has worked collectively with staff to prepare a revised Employee Policy Manual for the Elk Grove Water District. Updates to the policy include the personnel policies for all employees in the District.

Chuck Dawson, Director, stated updates seem to be in alignment. Substantial items have already been before the Board of Directors. He also said that he supports the adoption.

Mark Madison, General Manager, commented that there was some legal updates made to the Employee Policy Manual that William Robinson, BB&K and Laura Fowler, BB&K assisted with.

Tom Nelson, Director, stated that there was a lot of good discussion on the Employee Policy Manual to make sure everything was clear and to produce a good product.

Barrie Lightfoot, Chairman, praised Chuck Dawson, Tom Nelson and the team for producing a good product.

Mr. Lightfoot also suggested for the new Board of Director members to obtain and read the document to become familiarized with the policies that are now in place.

Mr. Madison stated that he is developing an introduction binder to the FRCD/EGWD for the new and existing board members, which will include the Employee Policy Manual.

MSC (Lightfoot/Mulberg) to approve a motion to Resolution 11.19.14.01 Adopting the Elk Grove Water District 2014 Employee Policy Manual Update and Approving the Amendments and Additions, 5/0: Ayes: Dawson, Menasco, Mulberg, Nelson, and Lightfoot.

8. Legislative Update

Ellen Carlson, Management Analyst presented the Legislative Update to the Board of Directors. She stated that Proposition 1 (Water Bond, Funding for Water Quality, Supply, Treatment, and Storage Projects) had passed grant funding for EGWD & FRCD opportunities.

9. Committee Meeting(s) Update

No meetings occurred since the last Regular Board Meeting.

10. Directors Comments and Information

Tom Nelson, Director, attended the CARCD conference in Ventura, CA. He suggested that staff look into the Conservation Strategy Group (Tasha Newman & Mark Finstermaker) to see if there are projects that the FRCD collaborate on.

Barrie Lightfoot, Chairman, suggested that we need to find ways to expand the FRCD involvement with other RCD's and other conservation efforts.

Elliot Mulberg, Director, suggested that the Board of Directors form an FRCD committee. Mr. Lightfoot thanked his fellow board members for all their hard work. He also thanked the staff for all their hard work and to keep up the good work moving forward.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary