

# MINUTES OF THE REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

Wednesday, April 27, 2016

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Chuck Dawson, Chair, at 9257 Elk Grove Blvd, Elk Grove CA.

## Call to Order, Roll Call, and Pledge of Allegiance.

Directors Present: Chuck Dawson, Bob Gray, Elliot Mulberg, Tom Nelson, Jeanne Sabin  
Directors Absent: None  
Staff Present: Mark J. Madison, General Manager; Stefani Phillips, Secretary; Bruce Kamilos, Assistant General Manager; Jim Malberg, Finance Manager; Donella Murrillo, Finance Supervisor  
Associate Directors Present: Lisa Medina, Mike Schmitz  
General Counsel Present: Ann Siprelle, Best Best & Krieger (BB&K)  
Consultants Present: None

## Public Comment

Dottie Roderberg, Resident, explained to the Board that she put in new sod and would be watering each and every day to ensure her sod will not die. She said once the first three weeks are up, she will honor the watering days set forth by the Elk Grove Water District (EGWD).

Mark Madison, General Manager, explained that there is an item on the agenda to further discuss the conservation efforts.

Mr. Madison will get back to Ms. Roderberg after a decision has been made on watering days.

Chuck Dawson, Chairman, pulled agenda item no. 9 from the agenda.

## 1. Proclamations and Announcements

Mark Madison, General Manager, announced to the Board that the Elk Grove Western Festival will be held the upcoming weekend of April 30 – May 1, 2016 and the EGWD will have a booth at the event.

Elliot Mulberg, Director, asked for volunteers to be a judge at the BBQ contest at the Western Festival on Saturday, April 30, 2016 and commented that it would be a four hour commitment.

Mr. Madison talked about the Eco-Landscape Workshop that the District would be sponsoring on Saturday, April 30, 2015.

## 2. Consent Calendar

- a. Regular Meeting Minutes – March 23, 2016
- b. FRCD Cash Flow Worksheet – March, 2016
- c. Warrants Paid – March, 2016
- d. Active Accounts – March, 2016
- e. Bond Covenant Status for FY 2015-16 – March, 2016
- f. Revenues and Expenses – Actual vs. Budget FY 2015-16 – March, 2016
- g. Cash Accounts – March, 2016
- h. Consultants Expenses – March, 2016
- i. Major Capital Improvement Projects – Budget vs. Actuals – March, 2016

- j. Elk Grove Water District 2014 Employee Policy Manual Amendment – Post Retirement Benefits

MSC (Mulberg/Sabin) to approve Consent Calendar items a-j 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

### 3. Committee Meetings

There were three committee meetings held in the months of March and April:

- Special Meeting of the Conservation Committee Minutes – March 23, 2016
- Special Meeting of the Conservation Committee Minutes – April 6, 2016
- Special Meeting of the Infrastructure Committee Minutes – April 6, 2016

Elliot Mulberg, Director, spoke about the Conservation Committee meeting.

Tom Nelson, Vice-Chairman, spoke about the Infrastructure Committee meeting. A discussion occurred regarding potential long-term improvement plans for the Administration Building.

MSC (Sabin/Nelson) to accept Special Meeting Minutes of the Conservation Committee meetings held on March 23 and April 6, 2016 and the Infrastructure Committee meeting held on April 6, 2016 5/0: Ayes: Dawson, Gray, Mulberg, Nelson, and Sabin.

### 4. Elk Grove Water District Conservation Activities – March 2016

Mark Madison, General Manager, presented the Elk Grove Water District Conservation Activities – March 2016 to the Board. In summary, the District's customers have been doing a good job conserving water. Service Area 1 reduced its water consumption by 43.5% in March 2016 in comparison to March 2013 usage. Service Area 2 reduced water consumption by 25.5% for the same period. The combined reduction for both service areas was 38.68%. The cumulative reduction since June 2015, now totals 35.12% which is well above the District's new target of 25%.

A discussion occurred regarding the idea of customers being able to irrigate three days a week.

Bob Gray, Director, inquired when the Administrative Citation clock restarts. Mr. Madison responded June 1<sup>st</sup>, but it is up for discussion.

A discussion occurred regarding a policy for customers applying for a watering exception.

The Board agreed to post-pone action on the potential changes to the current stage of the District's Water Shortage Contingency Plan until the regular board meeting in May, pending the State's decision.

### 5. Florin Resource Conservation District Conservation Activities – April 2016

Mark Madison, General Manager, presented the Florin Resource Conservation District Conservation Activities – April 2016 to the Board.

Mr. Madison gave the Board an overview of the recommendations from the Conservation Committee meeting that was held on April 6, 2016 and asked the Board if they wanted Mr. Madison to proceed with the recommendations. The recommendations are as follows:

- 1) The FRCD should consider submitting an application to become the Groundwater Sustainability Agency, in compliance with the 2014 Sustainable Groundwater Management Act, for its jurisdictional area.

- 2) The General Manager should engage with the Fire Districts to discuss the potential for conducting weed abatement within the FRCD.
- 3) The General Manager should engage with the appropriate representative of the Building Industry Association (BIA) to explore potential synergies between the FRCD and the BIA as it relates to water supply assessments and wetland mitigation.
- 4) The General Manager should engage with Supervisor Don Nottoli on the potential for development mitigation activities.
- 5) The General Manager should engage with the California Resource Conservation Districts and that Natural Resource Conservation Service regarding grant funding opportunities.

Chuck Dawson, Chairman, inquired what weed abatement is. Elliot Mulberg, Director, explained the process of weed abatement and that the FRCD would rent the equipment needed and perform the activity.

Bob Gray, Director, inquired if the insurance policy would cover weed abatement. Mr. Madison responded that he would have to look into that.

Jeanne Sabin, Director, inquired if agenda item no. 5, Florin Resource Conservation District Conservation Activities – April 2016, could be moved because the outcome of agenda item no. 10 could guide the FRCD activities. Mr. Mulberg concurred with Ms. Sabin's statement to move this item after agenda item no. 10.

## **6. Elk Grove Water District Operations Report – March 2016**

Mark Madison, General Manager, presented the Elk Grove Water District Operations Report – March 2016 to the Board.

Comments and inquiries included:

- 467 Door Hangers
- 67 Shut Offs
- 3 Water Quality Complaints for the month
- 68 Hydrant Maintenance
- 111 Valve Exercising
- 41 Service Line Replacements
- Monthly Production
  - Well 1D – no production
  - Well 4D – ran the last two weeks of the month
  - Well 11D – ran the first two weeks of the month
  - Well 14D – no production
  - Well 3 – didn't run much only for sounding purposes
  - Well 8 – no production
  - Well 9 – did not need to run due to demand being low
  - Well 13 – offline, working on Arsenic level
- Combined Total Production – usage down from last year and also 2013
- Total Demand/Production – usage down from last year and also 2013
- Static and Pumping levels – nothing new to report, second quarter data will be available in the May report
- Water samples came back normal
- No water waste discharge for the month of March
- Preventative Maintenance Program is on track
- 3 outstanding delinquents for the Backflow Prevention Program

- 5 Safety Meetings for the month
- 3 Service line leaks for the month – all were cracked poly lines
- Pressure maps – Sample Station Area (SSA)1 and SSA2 are running about 15% in the 65-75 PSI range due to the running of the shallow wells which aren't controlled by the Variable Frequency Drive (VFD)

## **7. Elk Grove Water District Fiscal Year 2015-16 Quarterly Operating Budget Status Report**

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2015-16 Quarterly Operating Budget Status Report to the Board. Mr. Malberg explained to the Board that the District has completed about 75% of the 2015-16 Fiscal Year.

Comments and inquiries include:

- 1) 75% of the way through the year the District is on the high side due to some items that weren't included into the budget last year, these reasons are listed below:
  - Board approved the bonus for the General Manager which was not included into last year's budget
  - Longevity pay was not accounted for in last year's budget
  - Positions/Promotions were not accounted for in last year's budget
  - Workman's Comp came in higher under the true-up from last year

Tom Nelson, Vice-Chairman, inquired if the figures show that capitalized labor has been taken out for the projects. Mr. Malberg responded yes.

Elliot Mulberg, Director, inquired if the third quarter figures act as a prediction for the end of the year for the next year's budget. Mr. Malberg responded yes.

Mr. Mulberg commented that he would like to see a projection of the year end instead of a third quarter report.

## **8. Elk Grove Water District Fiscal Year 2015-16 Quarterly Capital Reserves Status Report**

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2015-16 Quarterly Capital Reserves Status Report to the Board. In summary, the total amount available for reserves on July 1, 2015 was \$11,500,000. Based on Board policy adopted August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of expenses), then to the Fiscal Year 2015-16 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and capital replacements in the ratio of 75:25, respectively. As of March 31, 2016, the District spent \$890,391 on capital projects leaving a remaining total reserve balance of \$10,609,609.

## **9. Banking and Payment Processing Services**

The Board pulled this agenda item.

## **10. Sustainable Groundwater Management Act Quarterly Update**

Bruce Kamilos, Assistant General Manager, presented the Sustainable Groundwater Management Act Quarterly Update to the Board.

Comments and inquiries include:

- At the SCGA board meeting on April 20, 2016, the board:
  - Passed a resolution for SCGA staff to set a public hearing and provide the required notice and publications for SCGA to form a GSA in the South

- American sub-basin (sub-basin 5-21.65). The resolution passed on an 8-3 vote. The three (3) board members that opposed the resolution were FRCD, Omochumne-Hartnell Water District (OHWD), and Agricultural Interests.
- Passed a resolution for SCGA staff to move forward with an alternative plan submittal in place of a Groundwater Sustainability Plan (GSP). The resolution passed on a 7-3-1 vote. The three (3) board members that opposed the resolution were FRCD, OHWD, and Agricultural Interests.
  - At the SGMA Subcommittee meeting on April 7, 2016, the subcommittee:
    - Approved a motion recommending to the SCGA Board to adopt a resolution stating SCGA's intent to move forward with an alternative submittal. FRCD opposed the motion.
    - Approved a motion recommending to the SCGA Board to adopt a resolution commencing the SGMA GSA formation process relative to the proposed boundaries. FRCD opposed the motion.
  - At the SGMA Subcommittee meeting on March 10, 2016, Bruce Kamilos presented the proposed new joint powers agreement (JPA) to the subcommittee members. Several members asked what FRCD sought to achieve with the new JPA. FRCD is scheduled to provide an additional presentation of the proposed new JPA at the SGMA subcommittee on April 21, 2016.
  - At the SCGA board meeting on March 9, 2016, the board:
    - Deferred discussion of FRCD's proposed new JPA to the SGMA Subcommittee. Two directors questioned why the FRCD didn't have documentation that stated the FRCD Board supported the JPA.
  - At the SCGA board meeting on February 10, 2016, the board:
    - Directed SCGA staff to conduct public outreach, notice, and hearing required to file a Notice of GSA Formation for SCGA service area, within the South American sub-basin, if Sloughhouse RCD includes any portion of the South American subbasin as part of their GSA filing.
    - Directed the SCGA Executive Director to file a letter in opposition of Omochumne-Hartnell Water District's and Sloughhouse RCD's proposed boundary adjustment.

Mark Madison, General Manager, stated that, "If the FRCD needs something to do, this is it."

Mr. Madison explained to the board that when SCGA files to become a GSA and is posted on the Department of Water Resources site, then that is when the clock starts for the District.

Elliot Mulberg, Director, inquired if the SCGA decides they want to become a GSA under that legislation that the District would have to work with SCGA and SCGA would need to agree and allow the District to do ours. Mr. Madison responded if SCGA files then the clock starts for the District and we have 90 days to file.

Tom Nelson, Vice-Chairman, spoke regarding the logistics of filing an alternative plan by January 1, 2017.

Mr. Madison stated three reasons for the FRCD to become a GSA:

- 1) Should the FRCD apply to be its own Groundwater Sustainable Agency (GSA) over its own jurisdiction?
- 2) Do we think the FRCD could be a good leader as a GSA?
- 3) Only way to preserve the FRCD boundaries and have leverage.

Jeanne Sabin, Director, inquired if the attorney from Downey Brand was going to be present at tonight's meeting. Mr. Madison responded stating that the Board needs to advise as to whether the attorney should be present for future meetings.

Ms. Sabin inquired how the attorney feels about this. Mr. Madison responded stating that his opinion has not changed and he specified that the District should continue to engage with SCGA but ask if they would agree to provide the District with 2-3 things, that the District has asked for, then maybe it would be ok if they set a defined timeline on starting to revise the Joint Powers Agreement including the District as a signatory.

Mr. Madison recommended to the Board wait one month so staff can gather more information.

Ms. Sabin inquired if the District can establish the next public meeting as a means to form a GSA. Mr. Madison responded stating there is a process the District will have to follow.

A lengthy discussion followed.

Jay Schneider, Sloughhouse RCD, commented that the Sloughhouse RCD and the Omochumne-Hartnell Water District's filed to be a GSA last week.

Mr. Schneider stated he has encouraged others to become a GSA, so that they have representation and a role. He then stated that all GSA's will have to coordinate a Groundwater Sustainability Plan (GSP) together.

Chuck Dawson, Chairman, inquired if the District should wait a month to decide on taking action to file for a GSA. Mr. Nelson responded it is likely the District will get some of the requested changes as to who will be a representative on the Board.

Mr. Madison stated he strongly recommended the Board wait one month to make a decision.

Bob Gray, Director, inquired how much would it cost to set up a GSA. Mr. Madison responded stating he needs more time to prepare this information.

Further discussion followed.

Mr. Mulberg commented that he would like to see a report on the timeline, process, potential cost, and potential downsides of doing this. Mr. Madison responded stating he can provide that to the Board at the May board meeting.

Ms. Sabin inquired how many months has the District been going to the SCGA meetings. Mr. Nelson responded a little less than a year.

Ms. Sabin inquired how long the attorney from Downey Brand has been advising to become a GSA. Mr. Madison responded that he has expressed periodically that the District should be considering this.

Mr. Gray commented that the Board will need to have a better understanding of what to expect.

Mr. Mulberg inquired if the District had a public hearing would the timeline, process, potential cost, and potential downsides of doing this need to be identified. Mr. Madison responded stating that he would do his best to provide the information.

Mr. Mulberg motioned to schedule a public hearing to become a GSA. There was no second.

The Boards consensus was to bring back this agenda item to the regular board meeting in May.

## **5. Florin Resource Conservation District Conservation Activities – April 2016 – Continued**

The discussion on the Sustainable Groundwater Management Act ended and the Board continued their discussion regarding the Florin Resource Conservation District Conservation Activities – April 2016.

Mr. Madison asked the Board how they would like to proceed with the recommendations. The recommendations are as follows:

- 1) The FRCD should consider submitting an application to become the Groundwater Sustainability Agency, in compliance with the 2014 Sustainable Groundwater Management Act, for its jurisdictional area.
- 2) The General Manager should engage with the Fire Districts to discuss the potential for conducting weed abatement within the FRCD.
- 3) The General Manager should engage with the appropriate representative of the Building Industry Association (BIA) to explore potential synergies between the FRCD and the BIA as it relates to water supply assessments and wetland mitigation.
- 4) The General Manager should engage with Supervisor Don Nottoli on the potential for development mitigation activities.
- 5) The General Manager should engage with the California Resource Conservation Districts and that Natural Resource Conservation Service regarding grant funding opportunities.

MSC (Sabin/Dawson) would like to suspend items no. 2-5 now and stay focused on item no. 1.

A discussion followed.

Mr. Mulberg stated that he has concerns for the revenue of the FRCD during the time the District focuses on item no. 1.

Mr. Nelson suggested Mr. Madison to look into items no. 3 and 4 this month.

Ms. Sabin stated she was not a fan of item no. 2.

MSC (Mulberg/Dawson) to have the General Manager proceed with item no. 1, 3, 4, 5, 4/1:  
Ayes: Dawson, Gray, Mulberg, and Nelson; Noes: Sabin.

## **11. California Special Districts Association Call for Nominations – Board of Directors**

Stefani Phillips, Board Secretary, presented the California Special Districts Association for Nominations – Board of Directors to the Board. In summary, The California Special Districts Association (CSDA) is calling for nominations for the Board of Directors Sierra Network,

Seat B, for the term beginning January 1, 2017 through December 31, 2019. The CSDA Board of Directors (CSDA Board) governing body is responsible for all policy decisions related to the CSDA's member services, legislative advocacy, education and resources.

Elliot Mulberg, Director, recommended that the District does not nominate anyone since the incumbent is running.

The Boards consensus was to take no action on this item.

## 12. General Manager's Report – April 2016

Mark Madison, General Manager, present the General Manager's Report – April 2016 to the Board.

Mr. Madison presented his activities since April 27, 2016, they are as follows:

- Florin Resource Conservation District
  - Prepared a summary of the Potential FRCD Conservation Activities as contained in the FRCD Needs Assessment.
  - Conducted the Conservation Committee meeting on April 6, 2016.
  - Prepared the April 2016 Florin Resource Conservation Activities Staff Report.
  - Continued to coordinate the FRCD's efforts to sponsor and participate with the Greener Gardens Landscaping Tour and the EcoLandscape workshop at the City of Elk Grove to be held on April 23, 2016 and April 30, 2016, respectively.
- Elk Grove Water District
  - Participated in a banking services meeting to evaluate banking options for the EGWD.
  - Conducted a retirement luncheon for a retiring employee.
  - Initiated the kickoff of the staff's work to prepare the FY 2016-17 EGWD Operating and Capital Improvement Program (CIP) budgets.
  - Met with a consultant to potentially initiate outside services to conduct safety monitoring and training for the District.
  - Represented the Elk Grove Water District at the ACWA/JPIA Executive Board meeting where our application to become insured by ACWA/JPIA was considered.
  - Met with staff and consultants to review options for resolving the arsenic problems at Water Well 13.
  - Met with staff on the efforts to implement a new fire backflow prevention program.
  - Initiated efforts to maintain certain activities, previously performed by the Management Analyst, such as the water conservation program and water waste investigations.
  - Conducted an Infrastructure Committee meeting to explore potential improvements to the District's Administration building.
  - Conducted two private meetings with Board Members.
  - Assisted Director Nelson in representing the FRCD/EGWD at two Sacramento Central Groundwater (SCGA) Subcommittee meetings and one SCGA Board meeting.
  - Conducted an Information Technology (IT) budget meeting to address potential IT expenditures during FY 2016-17.
  - Conducted a second Infrastructure Committee meeting to review the proposed 2017-21 CIP expenditures.
  - Assisted in the efforts to complete the purchase of a property from the Wilton Rancheria Tribe.
  - Participated in a coordination meeting between the EGWD and the Sacramento County Water Agency to resolve various problems, including the

SCWA efforts to master meter wholesale water deliveries to the EGWD Service Area 2.

**13. Directors Comments**

No comments were made.

Adjourn to Regular Meeting on Wednesday, May 25, 2016 at 6:30 p.m.

Respectfully submitted,

*Stefani Phillips*

Stefani Phillips, Secretary

SP/CR