

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

Wednesday, June 22, 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, Elliot Mulberg, Tom Nelson, Jeanne Sabin
Directors Absent: Bob Gray
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: Davies Ononiwu, Lisa Medina, Mike Schmitz
General Counsel Present: Ann Siprelle, Best Best & Krieger (BB&K)
Consultants Present: Greg Young, Tully & Young

Public Comment

Ed Owen, Landowner, stated that the District should notify domestic well owners if there are any public meetings and to be transparent to developers regarding water supply.

1. Proclamations and Announcements

No comments were made.

2. Consent Calendar

- a. Minutes of Regular Board Meeting – May 25, 2016
- b. Minutes of Special Meeting – June 8, 2016
- c. FRCD Cash Flow Worksheet – May, 2016
- d. Warrants Paid – May, 2016
- e. Active Accounts – May, 2016
- f. Bond Covenant Status for FY 2015-16 – May, 2016
- g. Revenues and Expenses – Actual vs. Budget FY 2015-16 – May, 2016
- h. Cash Accounts – May, 2016
- i. Consultants Expenses – May, 2016
- j. Major Capital Improvement Projects – Budget vs. Actuals – May, 2016

Elliott Mulberg, Director, pulled item b.

MSC (Mulberg/Nelson) to approve FRCD Consent Calendar items a., c.-j. 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

Mr. Mulberg commented that on page 14, the paragraph that explains what police powers are, "state legislator" should be "state legislature". Staff will correct the minutes.

MSC (Mulberg/Dawson) to approve FRCD Consent Calendar item b. 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

3. Committee Meetings

Stefani Phillips, Board Secretary, presented the Committee Meetings to the Board. There was one committee meeting held in the month of June:

- Finance Committee Meeting – June 8, 2016

MSC (Sabin/Mulberg) to accept the minutes of the Finance Committee meeting held on June 8, 2016 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

4. Florin Resource Conservation District Conservation Activities Report

Mark Madison, General Manager, presented the Florin Resource Conservation District Conservation Activities Report to the Board. Mr. Madison spoke about a meeting that he and Bruce Kamilos, Assistant General Manager, attended on June 22, 2016 regarding water banking. Mr. Madison provided details on what water banking is. He then stated Regional Water Authority (RWA) is looking at water banking in a five-year outlook at the federal level.

Tom Nelson, Vice-Chairman, commented that the District needs to do something to get water back into the ground. Mr. Madison responded stating that the Elk Grove Water District (EGWD) has a \$12,000 placeholder in the budget for water banking.

Lisa Medina, Associate Director, inquired if there were any preliminary studies performed on water banking. Mr. Madison responded no and then stated, "Today was ground breaking."

Ed Owen, Landowner, commented that the District needed to look at alternatives for ground water storage if the state is in a drought. Mr. Madison responded stating the state is looking for ways to enhance water storage not only in surface storage but also underground storage. Mr. Nelson provided an example of a possible water banking effort. He stated earlier this year, Folsom sent water downstream due to reaching their limits. If water banking was practiced, the water could go down the south canal of Folsom and be put into the underground. Mr. Nelson then commented congress would need to be involved, if this were to happen, due to legalities.

Elliot Mulberg, Director, suggested to have staff develop a report that talks about the process of what is involved in water banking (i.e. cost, benefits, and how it might be done) and bring it to a future board meeting. Mr. Madison responded stating staff would be happy to do that and invite Rob Schwartz from RWA to attend, however that information has not been developed and is not available.

5. Water Usage Report

Mark Madison, General Manager, presented the Water Usage Report to the Board. In summary, Service Area 1 reduced its water consumption by 35.7% and Service Area 2 reduced its water by 41.6% in comparison to May 2013 usage. The combined reduction for both service areas was 37.71%. The cumulative reduction since June 2015, equaled 34.72% which was above the Districts target of 25%, which is in effect until June 1, 2016.

Mr. Madison suggested to bring up the discussion of water restrictions to the September Board meeting. By doing this, it allow the District to review the water usage from the time the restrictions were lifted.

6. Elk Grove Water District Operations Report – May 2016

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

Comments and inquiries included:

- 385 Door Hangers
- 37 Shut Offs
- Customer Complaints

- 1 Pressure Complaints
- 2 Water Quality Complaints
- 176 Hydrant Maintenance
- 120 Valve Exercising
- 0 Service line Replacements for the month – Crews working on the Railroad Avenue Corridor Pipeline project
- Monthly Production
 - Well 1D – didn't run much
 - Well 4D – big producer for the month
 - Well 11D – down for rehabilitation, back online now
 - Well 14D – good producer for the month
 - Well 3 – didn't run much, producing milky water
 - Well 8 – good producer for the month
 - Well 9 – good producer for the month
 - Well 13 – offline, working on Arsenic level
- Combined Total Production – usage down 33.69% from last year
- Total Demand/Production – usage down 34.4% from last year
- Water samples came back normal
- Preventative Maintenance Program is on track
- 2 outstanding delinquents for the Backflow Prevention Program
- 6 Safety Meetings for the month
- 2 Service line leaks for the month
- Pressure maps – Sample Station Area (SSA)1 and SSA2 are running within acceptable ranges

Ron Pecci, Landowner, inquired if the District tests for pesticides. Mr. Madison responded yes, then he commented that water quality is important to the District and an example of this is through the Consumer Confidence Report (CCR) that is sent to the District's customer every year during the month of June.

Suzanne Pecci, Landowner, inquired how much water is pumped in Service Area 1(SA1) and SA2. Mr. Madison referred to page 14 of the operation report and stated 162,008,534 gallons were pumped in SA1 and SA2.

7. General Manager's Report

Mark Madison, General Manager, presented the General Manager's Report to the Board.

No questions or comments were asked during this agenda item.

8. Florin Resource Conservation District/Elk Grove Water District Workers Compensation Insurance

Jim Malberg, Finance Manager, presented the Florin Resource Conservation District/Elk Grove Water District Workers Compensation Insurance to the Board. In summary the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) requested the District amend the application and resolution to reflect only the legal name Florin Resource Conservation District (FRCD) as opposed to both the FRCD and Elk Grove Water District (EGWD).

MSC (Nelson/Mulberg) to adopt Resolution No. 06.22.16.01, of the Board of Directors if the Florin Resource Conservation District authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

9. Public Hearing – 2015 Urban Water Management Plan

Bruce Kamilos, Assistant General Manager, presented the Public Hearing – 2015 Urban Water Management Plan to the Board. In summary, every five years water agencies are required to update their Urban Water Management Plan (UWMP). The UWMP looks at future water demands and supply reliability to meet those demands.

Mr. Kamilos presented background on the UWMP.

Public Hearing opened.

Lisa Medina, Associate Director, inquired what calculation is used to determine supply and demand. Greg Young, Tully & Young, responded stating, the firm and the District met with the City of Elk Grove Planning Department to look at land use planning and the general plan for growth and potential growth to see how supply and demand fell in SA1 and SA2.

Ms. Pecci inquired when the District met with the City, did they look at the existing general plan or were there amendments to that plan that the District looked at to come up with the figures for 2045. Mr. Kamilos responded stating that the general plan was mostly looked at along with other projects. The Planning Department shared information that they had. Mr. Young referenced table 2-3 in the UWMP, which reflects growth in SA1 and SA2.

Public hearing closed.

MSC (Sabin/Mulberg) to approve Resolution No. 06.22.16.02, of the Board of Directors if the Florin Resource Conservation District adopting the 2015 Urban Water Management Plan subject to the receipt and consideration of comments during the public hearing on this matter 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

Mr. Mulberg inquired if he could obtain a bound copy of the final UWMP. Mark Madison, General Manager, responded yes.

Mr. Young commented that since the UWMP has been approved it will become finalized and submitted formally to the Department of Water Resources.

10. Florin Resource Conservation District Fiscal Year 2016-17 Budget

Jim Malberg, Finance Manager, presented the Florin Resource Conservation District Fiscal Year 2016-17 Budget to the Board. He then stated, no changes were made since the June 8, 2016 Finance Committee meeting.

No questions or comments were made.

MSC (Nelson/Mulberg) to adopt Resolution No. 06.22.16.03, approving the Florin Resource Conservation District Fiscal Year 2016-17 Budget 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

11. Elk Grove Water District Fiscal Year 2016-17 Operating Budget

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2016-17 Operating Budget to the Board. He then stated, the only change to the document was the amended organization chart, which now includes frozen positions within the District.

No questions or comments were made.

MSC (Sabin/Dawson) to adopt Resolution No. 06.22.16.04, approving the Elk Grove Water District Fiscal Year 2016-17 Operating Budget 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

12. Elk Grove Water District Fiscal Year 2017-2021 Capital Improvement Program

Bruce Kamilos, Assistant General Manager, presented and provided basic background on the Elk Grove Water District Fiscal Year 2017-2021 Capital Improvement Program to the Board.

No questions or comments were made.

MSC (Nelson/Mulberg) to adopt Resolution No. 06.22.16.05, adopting the Elk Grove Water District Fiscal Year 2017-2021 Capital Improvement Program 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

13. Investment Policy Guidelines Fiscal Year 2016-17

Jim Malberg, Finance Manager, presented the Investment Policy Guidelines Fiscal Year 2016-17 to the Board. He stated that there were no changes to the Investment Policy Guideline, Fiscal Year 2016-17 from the Fiscal Year 2015-16 version.

No questions or comments were made.

MSC (Mulberg/Sabin) to adopt Resolution No. 06.22.16.06, adopting the Fiscal Year 2016-17 Investment Policy Guidelines of the Florin Resource Conservation District 4/0: Ayes: Dawson, Mulberg, Nelson and Sabin.

14. Directors Comments and Information

Chuck Dawson, Chairman, explained the process of public comment.

Mr. Mulberg commented that ACWA is opposing SB1298, which authorizes public agency to establish a conservation fee to incentivize conservation through pricing.

Mr. Mulberg commented that there is a new bill that requires agency's to post agendas on the front page of website.

Adjourn to Regular Meeting on Wednesday, July 27, 2016 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/CR