

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

**Wednesday, January 18, 2017**

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

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

Directors Present:	Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman
Directors Absent:	Jeanne Sabin
Staff Present:	Mark J. Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Jim Malberg, Finance Manager; Donella Murrillo, Finance Manager; Sarah Jones, Program Manager
Associate Directors Present:	Mike Schmitz
General Counsel Present:	Scott L. Shapiro, Downey Brand
Consultants Present:	None

### **Public Comment**

None

### **1. Temporary General Counsel Services**

Mark Madison, General Manager, introduced Scott L. Shapiro, attorney with Downey Brand, and presented the temporary general counsel services to the Board. In summary, the Florin Resource Conservation District (FRCD) Board decided to change the regularly scheduled Board meeting day from the fourth Wednesday of each month to the third Wednesday of each month. Pursuant to that decision, the FRCD was informed that the District's General Counsel, Best Best & Krieger, is unavailable to provide general counsel services on the third Wednesday of each month due to scheduling conflicts with other clients.

Director Sophia Scherman inquired to Mr. Shapiro what their involvement would be to the District during this time. Mr. Shapiro responded stating, "Our understanding is that we are being hired on a temporary basis due to a scheduling conflict and that the District's general counsel is unable to make it to the meetings. The General Manager has made it clear that there is a limitation of what is being provided to us and the board has complete discretion to how it wants to go forward with general counsel or moving the meetings back so that the District's existing counsel can continue to represent the District. Downey Brand has a special counsel relationship with the Elk Grove Water District and we are happy to help and step in to preserve that special counsel relationship, but if the Board decides they would like something else, then Downey Brand is one of the water firms that would be happy to support."

Mr. Madison then explained the relationship the District previously had with Downey Brand to the Board.

MSC (Scherman/Medina) to authorize the General Manager to execute an engagement letter with Downey Brand in the not-to-exceed amount of \$20,000, for temporary General Counsel Services to be provided to the Florin Resource Conservation District/Elk Grove Water District

4/0: Ayes: Gray, Medina, Nelson, and Scherman.

## 2. Proclamations and Announcements

No comments were made.

## 3. Consent Calendar

- a. Minutes of Regular Board Meeting of December 14, 2016
- b. FRCD Cash Flow Worksheet – December, 2016
- c. Warrants Paid – December, 2016
- d. Active Accounts – December, 2016
- e. Bond Covenant Status for FY 2016-17 – December, 2016
- f. Revenues and Expenses – Actual vs Budget FY 2016-17 – December, 2016
- g. Cash Accounts – December, 2016
- h. Consultants Expenses – December, 2016
- i. Major Capital Improvement Projects – December, 2016

No items were pulled.

Chairperson Tom Nelson explained the need for Associate members to voice their comments.

Associate Mike Schmitz inquired what his participation level is as an alternate to various committees. Mr. Madison explained that the Board does not have discretion as a committee to make decisions and with that being said, an Associate can give as much input as a Board member.

MSC (Gray/Scherman) to approve FRCD Consent Calendar items a. - i. 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

## 4. Elk Grove Water District Fiscal Year 2016-17 Quarterly Operating Budget Status Report

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2016-17 Quarterly Operating Budget Status Report to the Board.

Comments and inquiries include:

- Interest earned throughout the year (due to changing the investment strategy and moving investments to Federal securities) is at \$67,534 in comparison to \$20,000/year with no depreciation in risk.
- Retirement Benefits is at 73.72%.
- Repairs & Maintenance – Automotive, is high due to an unanticipated repair the District had earlier on in the year.
- Repairs & Maintenance – Computer, the District will be correcting a miscoding of \$9,300. Once the correction has taken place it will be moved to a different category and will level out.
- Materials are high and at 103.80% due to the development at Field Stone South. The revenue for this was recognized last year but the expenses were hit this year.
- Bank credit card fees are higher than anticipated for two reasons: (1) the company the District is dealing with have increased their fees and (2) the District is seeing more activity.

Mr. Madison stated that staff will be reviewing credit card fees and will bring it to the Board during budget for consideration.

## 5. Elk Grove Water District Fiscal Year 2016-17 Quarterly Capital Reserve Status Report

Jim Malberg, Finance Manager, presented the Elk Grove Water District Fiscal Year 2016-17 Quarterly Capital Reserve Status Report to the Board. In summary, through the second quarter of Fiscal Year 2016-17, the District has utilized \$311,131 on capital projects leaving a remaining total reserve balance at December 31, 2016 of \$10,984,641.

Chairperson Nelson suggested to look at election costs during budget.

## 6. Committee Meetings

Stefani Phillips, Board Secretary, presented the Committee Meetings to the Board. There were no committee meetings held for the month of December.

## 7. Security Infrastructure Capital Improvement Project

Bruce Kamilos, Assistant General Manager, presented the Security Infrastructure Capital Improvement Project to the Board. In summary, staff reviewed competitive proposals from three vendors and have determined that Bay Alarm is the lowest price, qualified, responsible bidder. The Florin Resource Conservation District Purchases of Goods and Services from Outside Vendor policy, requires purchases costing more than \$50,000. The cost of the purchase order is \$60,500.

Vice-Chairperson Bob Gray inquired if there will be a siren at each well site. Mr. Kamilos responded stating no.

Director Scherman inquired if the quality of the film is going to be better than what you see on TV. Mr. Kamilos responded stating no, but it is clear enough to see that it's a human breaking in. The District will be upgrading to high resolution cameras at the Railroad Water Treatment Plant.

Director Scherman suggested to add more lighting and security features to the Administration Building. Mr. Madison spoke on the security difficulties to the Administration Building.

Director Scherman commented to knock down the Administration Building and build a new one. Director Scherman would like to bring this item back as an agenda item at some point to a regular board meeting.

Director Scherman inquired if the District could opt out of the contract during the first sixty months. Mr. Kamilos responded stating staff will review before signing.

Mr. Shapiro, attorney with Downey Brand, suggested to check Bay Alarms terms for opting out.

MSC (Medina/Gray) to authorize the General Manager to execute a contract with Bay Alarm Company in the amount of \$9,200 for installation costs and \$855 per month for monitoring and maintenance over a lease term of 60 months 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

## 8. Florin Resource Conservation District Conservation Activities Report

Mr. Madison presented the Florin Resource Conservation District Conservation Activities Report to the Board. In summary, staff met with the Department of Conservation staff to discuss the Resource Conservation District Financial Assistance Program. Staff has also started researching potential programs, or focus areas, to be presented to the Board.

Staff recommended to have a workshop on February 1, 2017 to discuss the potential programs that could be funded by this program.

MSC (Scherman/Medina) to conduct a workshop with staff on February 1, 2017 at 6:00 p.m. to review potential programs which could be funded by the Department of Conservation Resource Conservation District Financial Assistance Program 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

Director Lisa Medina suggested to have outlook calendar invitations for meetings that are scheduled outside the regularly scheduled board meetings.

## **9. Water Usage and Conservation Report**

Sarah Jones, Program Manager, presented the Water Usage and Conservation Report to the Board. In summary, for the month of December, service area 1 reduced its waters consumption by 25.91% in comparison to December 2013 usage. Service area 2 reduced by 53.52% for the same period. The combined reduction for both service areas was 37.94%.

Ms. Jones attended a public workshop with State Water Board and the State will be continuing the emergency water regulations. She stated that the drought regulations will continue through May 2017 and then the Water Board will reassess.

Mr. Madison commented that the final framework for the implementation of Governor Brown's Executive Order is expected to be released sometime in February.

Staff is proposing to form a Citizens Advisory Committee to address the implementation of the upcoming water conservation mandates. The circumstances to forming the Citizens Advisory Committee are as follows:

- The Committee is limited to 10 members of Elk Grove Water District Customers.
- If no more than 10 individuals apply, then all of the applicants be selected to participate.
- If more than 10 individuals apply, then 10 names of those that are Elk Grove Water District ratepayers be chosen at random by the Board Chairperson.
- Solicitations for the committee will be through a bill insert, an ad with the Elk Grove Citizen, and a notice on the District's website.

Director Scherman inquired who will chair the committee. She recommended Associate Schmitz to chair the committee. Associate Schmitz accepted the recommendation made by Director Scherman.

Mr. Shapiro, attorney with Downey Brand, inquired clarity on whether the committee was 10 plus the chair or 10 including the chair. The Boards consensus was 10 plus the chair.

Ms. Jones commented that staff will be meeting with Tully & Young to discuss the Water Shortage Contingency Plan.

Ms. Jones stated that the California Urban Water Conservation Council (CUWCC) has been dissolved. The voters voted that the organization will be changing direction, the MOU no longer valid, and B&P reporting is no longer required.

Mr. Madison provided background to the Board on the CUWCC.

Donella Murillo stated that the District pays \$3,350 for dues to the CUWCC.

MSC (Scherman/Medina) to direct staff to initiate the formation of a Citizens Advisory Committee to assist staff in advising the Board on how to implement the anticipated new water conservation mandates 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

## **10. Elk Grove Water District Operations Report – December 2016**

Mr. Madison presented summary points of the Elk Grove Water District Operations Report – December 2016 to the Board.

### Summary Points:

- There were very few shut offs in December due to the holiday practice of not shutting people off during Christmas and New Year's.
- The District has continued to do a lot of hydrant maintenance and valve exercising.
- Wells 1D, 11D, 14D have been the main source of supply for Service Area 1. The shallow wells were not operated at all.
- Total production for Service Area 1 dropped approximately 4 million gallons from November and December.
- Total customer usage for EGWD (SA1 and SA2) is down compared to 2013. For the month of December, the District is down by 38%.
- The static and pumping water level data includes the fourth quarter measurements. The statics levels still show that the water table remains stable.
- There have been no problems with water quality or regulatory compliance.
- There were wastewater discharges from the Railroad Plant on December 9<sup>th</sup> and 10<sup>th</sup> and this was due to the painting of the backwash tank.
- All preventative maintenance activities have been performed and are in compliance with the District's standard operating procedures.
- The District's domestic service backflow prevention program is working well and there are only 6 delinquent customers.
- The District had 5 formal safety meetings and it has been 334 days since a reportable injury.
- The District's Utility crew is now working near Batey Avenue for service line replacements.
- There were 1 main line leaks and 2 service line leaks. The main line leak was a shear break which means that it was an actual pipe rupture. There was no property damage.
- Pressures in both Service Areas 1 and 2 have remained sufficient and balanced. The pressure in Sample Station Area 9 is somewhat high and this is controlled by the Sacramento County Water Agency. We suspect that this is due to heavy operations of their Vineyard Water Treatment Plant.
- The District recently experienced water damage at the Administration building. Services have been solicited from a contractor to correct the problem.

## **11. General Manager's Report**

Mr. Madison presented the General Manager's Report to the Board. He reviewed the lists of FRCD activities and EGWD activities.

Mr. Madison commented that the State Water Resources Control Board will be issuing permits to water agencies to perform lead testing at school(s) (K-12), which will be done at

the request from the school(s). The State will contact the school(s), and then the State will contact the District in writing to perform the lead sampling. It will be the District's responsibility (physically and financially) to perform the lead testing at the school(s). District staff would like to be proactive and contact the school(s) before the State, regarding the permits and testing.

Ms. Phillips provided copies to the Board of the media release, "California Water Systems to Provide Lead Testing for Schools," from the State Water Resources Control Board.

Staff will bring Rob Swartz, RWA, to come and present RWA's Regional Water Reliability/Drought Contingency Plan to the Board at the regular board meeting in May. Director Scherman commented that she will be absent from May 4<sup>th</sup> to May 15<sup>th</sup> and will not be able to attend the regular board meeting in May.

Vice Chairperson Gray commented about an article he read that happened in Michigan stating that lead was not coming in through the water but instead it was being leached out of the internal pipes. Mr. Madison recalled the article and stated the following, "They switched there sources of supply and the source of supply they switch to was more corrosive then the previous source and they ran the water in those pipes for approximately 10 months. That cause the pipes to corrode inside and to leach out the lead that was contained in the lead pipes that was probably coded by residue inside the pipes."

## 12. Directors Comments

Director Scherman commented that she would like to switch her meetings with Mr. Madison to the Monday's before the board meeting.

Director Scherman inquired what the status was on the board workshop. Mr. Madison responded stating that the workshop is tentatively scheduled for April.

Director Scherman recommended to send flowers or send monetary funds to the scholarship in memory of Mary Lewis. Mr. Madison recommended not doing this because of public funds. Director Scherman then suggested to take up a collection of funds.

## 13. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)  
Title: General Counsel
- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)  
Title: General Manager

There was nothing to report out of closed session.

Adjourn to Regular Meeting on February 15, 2017.

Respectfully submitted,

*Stefani Phillips*

Stefani Phillips, Board Secretary

SP/CR