

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

**Wednesday, April 19, 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, Jeanne Sabin  
 Directors Absent: None  
 Staff Present: Mark J. Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Jim Malberg, Finance Manager; Donella Murillo, Finance Manager; Sarah Jones, Program Manager  
 Associate Directors Present: None  
 General Counsel Present: Matthew J. Weber, Downey Brand  
 Consultants Present: None

### **Public Comment**

None

### **1. Proclamations and Announcements**

None

### **2. Consent Calendar**

- a. Minutes of Regular Board Meeting of February 15, 2017
- b. Minutes of the Special Board Meeting of March 29, 2017
- c. FRCD Cash Flow Worksheet – February, 2017
- d. FRCD Cash Flow Worksheet – March, 2017
- e. Warrants Paid – February, 2017
- f. Warrants Paid – March, 2017
- g. Active Accounts – February, 2017
- h. Active Accounts – March, 2017
- i. Bond Covenant Status for FY 2016-17 – February, 2017
- j. Bond Covenant Status for FY 2016-17 – March, 2017
- k. Revenues and Expenses – Actual vs Budget FY 2016-17 – February, 2017
- l. Revenues and Expenses – Actual vs Budget FY 2016-17 – March, 2017
- m. Cash Accounts – February, 2017
- n. Cash Accounts – March, 2017
- o. Consultants Expenses – February, 2017
- p. Consultants Expenses – March, 2017
- q. Major Capital Improvement Projects – February, 2017
- r. Major Capital Improvement Projects – March, 2017

No items were pulled.

MSC (Scherman/Sabin) to approve FRCD Consent Calendar items a. - r. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

### **3. Committee Meetings**

No committee meetings were held in the month of February and March.

#### **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. In summary, staff presented the budget status for the third quarter to the Board to keep the Board and the public informed on the financial status of the Elk Grove Water District.

The following items were highlighted:

- On page 40 of the agenda packet, under category, Other Income, the Year-to-Date (YTD) Activity is at \$237,129 which was substantially higher than anticipated due to a recording error on the general ledger. Since then, the error has been corrected and the District is tracking at where it is supposed to be.
- On page 44 of the agenda packet, under account no. 5220, Retirement Benefits, the amount is over stated by about \$123,000. The District has been paying CalPERS correctly and staff will be making the appropriate corrections to the general ledger and the payroll system to resolve this error.
- On page 46 of the agenda packet, under account no. 5510, Bank Charges, are still running on the high side. In preparation for next year's budget, staff will budget on the higher side to cover these costs by folding the bank charges into the water rate study.

Director Sophia Scherman inquired if the District participates in an internship program. Mark Madison, General Manager, responded in the past the District had an internship program. Stefani Phillips, Human Resources Administrator, provided background on how the internship program worked.

Director Scherman inquired if an internship program could be agendized at a later board meeting. Mr. Madison responding stating that this could be discussed during budget at the next Finance Committee Meeting that is being held on Wednesday, May 3, 2017.

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

Mr. Malberg presented the Elk Grove Water District Fiscal Year 2016-17 Quarterly Capital Reserves Status Report to the Board. In summary, the total amount available for reserves on July 1, 2016 was \$11,295,772. 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 2016-17 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, 2017, the District spent \$569,310 on capital projects leaving a remaining total reserve balance of \$10,726,462.

Chairperson Tom Nelson stated that the District needs to keep a close eye on reserves. Mr. Madison responded stating that the reserves will be looked at and addressed at the next Finance Committee Meeting.

#### **6. Florin Resource Conservation District Travel Procedures and Expenditures Policy**

Mr. Malberg presented the Florin Resource Conservation District Travel Procedures and Expenditures Policy to the Board. In summary, staff reviewed the District's current Policy No. 4 (Expense Reimbursement) and has determined that it is not current or complete. Staff prepared and proposed a new policy, which was reviewed by the Policy Review Panel, and is more equitable, accountable and transparent. The policy establishes the

basic guidelines and procedures for travel on District business by all Directors and Employees.

Notable changes in the new policy include:

- Expanded definitions of travel approval and expense reimbursement procedures
- Definitions for both authorized and unauthorized expenses
- Defines Internal Revenue Service (IRS) requirements for submission of receipts for reimbursement
- Reimbursement amounts match Federal General Services Administration (GSA) expense allowances that follow IRS guidelines

Director Scherman inquired if the District has an expenditure form. Mr. Malberg responded stating yes, the District has one but it needs to be updated.

Chairperson Nelson inquired what the definition for the Claim for Exemption from Transit Occupancy Tax (TOT). Mr. Malberg responded stating it is a tax that City's charge on top of hotel rooms.

Director Jeanne Sabin inquired if the District has a policy on who gets a District issued credit card. Mr. Malberg responded stating that the District does not have a policy on this and it is on the to-do list. The current practice is that the members on the Leadership Team hold District issued credit cards.

MSC (Sabin/Scherman) to approve Resolution No. 04.19.17.01, with the recommended corrections, superseding Policy No. 4, Expense Reimbursement, and establishing the Florin Resource Conservation District Travel Procedures and Expenditures Policy 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

## **7. Elk Grove Water District 2014 Employee Policy Manual Amendment – Personal Protective Equipment**

Stefani Phillips, Human Resource Administrator presented the Elk Grove Water District 2014 Employee Policy Manual Amendment – Personal Protective Equipment to the Board. In summary, this is an amendment to the existing policy to include that the employees who meter read, who opt to wear tennis shoes, must have steel or composite toe cap tennis shoes. The standard in which the shoes shall comply with are identified with the Standard Specification for Performance Requirements for Protective Toe Cap Footwear, which is identified with a number ASTM F2413-11. This standard applies to both tennis shoes and boots.

Ms. Phillips commented that the tennis shoes may be worn only by employees who are performing the meter reading function.

Director Bob Gray is concerned if an employee drops the meter lid on their foot. Director Lisa Medina responded stating typically the lid will land on the hardest part of the foot, which would be the toe. She also agreed that she sees the vulnerability for the employees getting injured.

Mr. Madison stated that the risks were weighed and that the District would like to provide staff with the ability to wear comfortable equipment that will also protect the employee.

MSC (Sabin/Scherman) to adopt Resolution No. 04.19.17.02 amending Section 7.1.2 Personal Protective Equipment of the 2014 Elk Grove Water District Employee Policy Manual 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

## **8. Elk Grove Water District 2014 Employee Policy Manual Amendment – Social Networking**

Ms. Phillips presented the Elk Grove Water District 2014 Employee Policy Manual Amendment – Social Networking to the Board. In summary, Social Networking has become a prominent source of communicating over the years. Due to an increase in communications via social networking, the District has decided to incorporate a new policy that establishes directions for employees in regards to social networking etiquette and prohibited communications for employees to abide by. This policy specifically prohibits employees from representing the District without consent from the General Manager.

Director Sabin inquired if the policy infringes on the District employee freedom of speech. Mr. Madison responded stating that it does not infringe on the District employee freedom of speech. The policy specifically prohibits employees from representing the District without consent of the General Manager.

MSC (Scherman/Medina) to adopt Resolution No. 04.19.17.03 amending the 2014 Elk Grove Water District Employee Policy Manual with the addition of Section 9.3.1 Social Networking 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

## **9. Elk Grove Water District Operation Report – February and March 2017**

Mr. Madison presented summary points of the Elk Grove Water District Operations Report – February and March 2017 to the Board.

### Summary Points:

- Door tags and shutoffs were down in February but back to normal level in March.
- The District has continued to do a lot of hydrant maintenance and valve exercising.
- Wells 4D and 11D were the main sources of supply for Service Area 1. The shallow wells were operated some, but mostly for sampling purposes.
- Total production for Service Area 1 stayed the same from January to March.
- Total customer usage for EGWD (SA1 and SA2) was down by about 30-35% compared to February and March 2013.
- The static and pumping water level data includes the new 1<sup>st</sup> quarter measurements. The statics levels still show that the water table remains stable over the past two years.
- There have been no problems with water quality or regulatory compliance. The District now has to submit quarterly report on disinfection byproducts and the first quarterly report is included in the March Operations Report.
- There were wastewater discharges from the Railroad Plant on February 16<sup>th</sup> through 18<sup>th</sup> and February 22<sup>nd</sup> through 23<sup>rd</sup>. This was due to the Filter Media Replacement Project. There was no waste report for the month of March and these report will discontinue as they are no longer required by the Sacramento Regional County Sanitation District.
- All preventative maintenance activities have been performed in compliance with the District's Standard Operating Procedures.
- The District's domestic service backflow prevention program is working well and there are only 5 delinquent customers for the month of February and 22 for the month of March.
- The District had 10 formal safety meetings and it has been 425 days since a reportable injury.

- There was only one service line replaced during the month of February. In the month of March, the Utility crew worked on the Fiber Optic Line Project.
- There was 1 main line leak and 3 service line leaks.
- Pressures in both Service Areas 1 and 2 have remained sufficient and balanced. The pressure in Sample Station Area 9 is high and this is controlled by the Sacramento County Water Agency (SCWA). The District has notified SCWA of this issue.
- The water damage at the District's Administration building and the back shop has been corrected.

## **10. Voluntary Donations by Elk Grove Water District Customers to Non-Profit Organizations**

Mr. Madison presented the Voluntary Donation by Elk Grove Water District Customers to Non-Profit Organization to the Board.

A discussion occurred regarding the past programs the District offered. Chairperson Nelson provided some background on past programs.

A discussion amongst the Board occurred.

Director Sabin inquired if donations can be taken from customers and distributed to other organizations such as the Elk Grove Food Bank. Mr. Malberg responded to the Board and provided an example on how SMUD's voluntary donation program works.

Director Sabin clarified the above comment on collecting donations and would rather the donations be collected for RCD conservation programs or projects (i.e. bee pollination sites, plant planting, and etc.) within the Elk Grove Water District (EGWD) service area. Mr. Madison responded stating that if the District would collect voluntary donations from customers within the EGWD service area, then the District could not collect monies from constituents within the FRCD service area.

Mr. Madison suggested the District table this topic and see what happens with legislation SCA 4.

The Board agreed to hold off and continue tracking legislation AB 401 and SCA 4 and staff will report back when they have more information.

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

Sarah Jones, Program Manager, presented the Water Usage and Conservation Report to the Board. In summary, service area 1 water consumption reduced 38.16 % in February and 39.25% in March 2017 in comparison to February and March 2013 usage. Service area 2 reduced by 8.87% in February and 22.16 % in March 2017 compared to February and March 2013. The combined reduction for both service areas is 30.09 % for February and 34.66% for March 2017.

Other highlights that were mentioned during this agenda item:

- On April 7, 2017, Governor Jerry Brown issued an executive order that ended the emergency drought declaration in most of the state
- Governor Brown released the final framework on making conservation a way of life, as well as legislative language that will be advanced through the state budget process instead of the regular policy committee process
- Regional Water Authority (RWA) and many water agencies have voiced criticism of the final framework from the State

Much discussion amongst the Board and staff occurred.

## **12. 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.

Director Scherman commented that it was important Mr. Madison attended the City of Elk Grove Council meeting as he was appointed the representative for the FRCD/EGWD for the Sacramento Central Groundwater Authority Governing Board.

Chairperson Nelson inquired if the Board would like to General Manager to continue the General Manager's Report. The Boards consensus was to stop the General Manager's Report.

## **13. Directors Comments**

Director Scherman commented that Tal Crump, from the Elk Grove Chamber, would like to meet with the Elk Grove Water District to establish a checklist for individuals needing permits.

Director Scherman suggested on hosting a mixer with the Elk Grove Chamber and network with other agencies. Director Lisa Medina inquired if District funds would be used to host the mixer, and then commented that she wasn't sure about this idea. Mr. Madison stated he would look into it.

Director Scherman inquired getting name badges. Mr. Madison responded stating he would look into this.

Director Sabin thanked everyone for their support while she was on leave.

Director Scherman inquired what the District is doing to get Associate Board members. Ms. Phillips responded stating that the District has it posted on their website always but the District will be posting the announcement in the newspaper during the month of May.

Adjourn to regular meeting on May 17, 2017 at 6:30 p.m.

Respectfully submitted,

*Stefani Phillips*

Stefani Phillips, Board Secretary

SP/CR