



District Attendees

Michael McRae	Board Vice President
Chris Petersen	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Technical Services Manager

Other Attendees

Tony Barela	SJWD Director of Operations
Dan Rich	SJWD Board Vice President
George Babcock	Visitor

Absent

Randy Marx	Board President
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AGENDA ITEMS

I. CALL TO ORDER

- Vice President McRae called the meeting to order at 6:30 p.m.

II. PUBLIC COMMENT

- None.

III. CONSENT CALENDAR

The following consent calendar items were considered and acted upon as follows:

1. Approval of Minutes
 - a. Special Board Meeting of June 1, 2022
 - b. Regular Board Meeting of June 20, 2022
2. Accept and File Treasurer's Report for the months of:
 - a. June 2022
 - b. July 2022

3. Accept and File Investment Report for the month of June 2022
4. Accept and File Financial Expense Reports for the month of July 2022
5. Approval of Warrants
6. Approval of Cal-Card Statements for the months of:
 - a. June 2022
 - b. July 2022
7. Approval of Board Expense Report for the month of July 2022

Director Sarkovich moved to approve the consent calendar as presented.

Director Petersen seconded the motion.

Motion carried with the following votes: McRae – aye, Petersen – aye and Sarkovich – aye.

Absent: Director Marx

IV. PRESENTATION & CORRESPONDENCE

1. Correspondence dated June 15, 2022, from University of California Agriculture and Natural Resources regarding sponsorship
 - Information only.
2. Correspondence dated July 7, 2022, from ACWA JPIA regarding Wellness Program
 - Information only.
3. Correspondence dated July 15, 2022, from San Juan Water District regarding 150-Day Advance Written Notice of Proposed Changes in Water Rates and Charges
 - Information only.
4. Correspondence dated July 18, 2022, from JPIA regarding Cyber Liability Program
 - Information only.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on the SJWD Hinkle Reservoir Project

- General Manager Gray stated staff recommends providing direction on messaging the FOWD rate payers about water use during the construction of San Juan Water District (SJWD) Hinkle Reservoir Project. Staff is also seeking direction from the Board on FOWD's groundwater use during the construction of SJWD Hinkle Reservoir Project.
- General Manager Gray stated FOWD staff is seeking direction from the Board on the following:

- Enforcing restriction on outdoor watering from at least November 2022 to April 2023.
 - Stop groundwater pumping by FOWD's wells from at least November 2022 to April 2023, unless directed by SJWD.
- Visitor Babcock expressed the severity of SJWD's request, considering much of the vegetation was replaced several years ago. There is no dependable rain throughout those months. These months could be dry, leading to a lot of dead plants. It could be a big hit for a homeowner; it could be devastating.
 - Director Sarkovich stated that he would like something in writing stating what the financial impact would be and how FOWD will be reimbursed.
 - General Manager Gray stated that FOWD would like to have the same courtesies as Sacramento Suburban Water District (SSWD), Placer County, etc. so the water districts can automatically help each other.
 - General Manager Gray stated that staff would endorse FOWD putting out positive messaging and asking customers to conserve more than the 20% during the duration of the project.
 - Vice President McRae stated FOWD would consider the reimbursement option but refuses to tell the rate payers not to water their plants.
 - Director Sarkovich mentioned he is against the current messaging, asking customers to hold off on outdoor irrigation from November to April is too extreme. An alternative would be asking customers to enhance their water conservation measures.
 - Director Peterson stated he felt the same way. FOWD has wells and groundwater in storage, he rejects the idea of asking customers to stop outdoor watering.
 - Vice President McRae stated that concerning the messaging, the direction to staff would be to not join the current messaging campaign.
 - General Manager Gray stated FOWD would not join the current master messaging but would like to compromise on creating a message asking customers to maintain and enhance the 20% reduced usage to help the Hinkle Reservoir and explain how it works.
 - General Manager Gray stated he will craft something and allow SJWD Direction of Operations Barela to have input to create a mutual agreement and present it to the Board Committee.
 - Visitor Babcock inquired if SJWD's message stipulates, since FOWD has wells, that this extreme provision is like 2-tiered that basically expresses what the message will be at Fair Oaks. Besides what SJWD is sending out to San Juan retail, to Folsom City, to Orangevale. It will be less confusing if FOWD sends it. The restrictions should be less because FOWD has wells. It is not fair to place FOWD in the same restriction mode as SJWD.

- Vice President McRae stated that SJWD's message could be sanitized. SJWD can opt to include that FOWD has different operational conditions, therefore FOWD pertains to a different tier. This will allow SJWD to have one mailer with a single message with two tiers.
- SJWD Board Vice President Rich asked if FOWD would agree with SJWD sending out the message to Fair Oaks customers.
- Director Sarkovich responded he would agree to that but without FOWD's name and endorsement. FOWD is not on board with the current proposed message. SJWD is a free and independent agency, they can write their own messaging, but if that's the case FOWD's logo shall not be used.
- SJWD Board Vice President Rich stated that doing this would be confusing and proposed to go with what General Manager Gray stated earlier. The staff will come up with something that is palatable and state the reasons to conserve even more throughout the course of this project.
- Vice President McRae agreed with this proposal.
- SJWD Board President Rich stated the message would be common ground.
- General Manager Gray stated that it will be a FOWD message run through a sub-committee of the Board. There will be collaboration with SJWD Director of Operations Barela to ensure customers understand the importance of the Hinkle Reservoir.
- Vice President McRae stated SJWD is considering reimbursing FOWD for the average historical groundwater production during that time and he believes this may be something to consider, but no action will be taken at this moment.
- General Manager Gray stated that SJWD has the standby charge. FOWD will review the masterplan, attempt to understand it and provide feedback. FOWD's water supply would be on standby for SJWD in perpetuity. There should be something stating what is to be done for any future projects.
- Visitor George Babcock suggested for the agreement to be ready in October, which would be the deadline. If FOWD is being charged something there should be a specification of the costs. It is not right that it seems to be going more against FOWD when SJWD needs assistance.
- SJWD Director of Operations Barela stated that in this specific situation SJWD is asking FOWD not to turn on their wells for a period of a couple of months. SJWD would like to financially compensate FOWD for the water that has been historically pumped. He believes FOWD is referring to other general agreements about how the groundwater is used, but that is a bigger discussion.
- Vice President McRae agreed and inquired if there has been clear direction from the Board on how to proceed.

- General Manager Gray responded that he has clear direction from the Board. FOWD is currently on water transfer, pumping 50%, and that is good for both water districts.
- 2. Update and discussion on the SJWD Wholesale Master Plan Analysis Project**
- General Manager Gray stated he would like to set a Technical Advisory Committee Meeting for 5:30 p.m. on August 24 or 25, 2022, for Director Petersen and Vice President McRae. The purpose of this meeting is to provide SJWD with feedback, as discussed at the last board meeting.
- 3. Update and discussion on the California Avenue Main Replacement Project**
- General Manager Gray provided an overview of the collaboration between FOWD and Fair Oaks Park & Recreation District on the California Avenue. While working in this area, some of the businesses have requested upgrades. It has been a great opportunity to do the enhancements at the same time. There is a cap on expenses for this project and if the project goes beyond that amount, Fair Oaks Park & Recreation has agreed to take on that expense.
- 4. Update and discussion on the Northridge Well Property Expansion Project**
- General Manager Gray provided an update on the Northridge Well Property Expansion Project. FOWD is currently working with the new director to finalize the Northridge Well Property Expansion. The new director has made a commitment to take it to the Board in September.
- 5. Update and discussion on the FOWD Corporation Yard Redevelopment Project**
- General Manager Gray stated that FOWD currently has a set of plans that need feedback. FOWD's comments are still pending. At the moment, projects like New York Well and The Hinkle Reservoir are the main priorities. The construction of the Corporation Yard Project will probably begin in 2024.
 - Director Sarkovich expressed he would not like to hold off on the project.
 - General Manager Gray stated that FOWD is not holding off. G & A recently provided new plans, FOWD will review them by the next board meeting.
 - Vice President McRae suggested staff inform G & A that FOWD will provide their feedback in no less than ten weeks.
 - General Manager Gray agreed.
 - Vice President McRae inquired if there are any concerns he should be aware of regarding meeting timelines with the County.
 - General Manager Gray explained G & A has not submitted any plans to the engineering, structural or mechanical departments. FOWD received the very first drafts and now they are requesting input. Once FOWD provides feedback, G & A will submit the plans.
 - Director Sarkovich inquired if FOWD would also be responsible for a review of G & A's civil, electrical, and structural plans.

- General Manager Gray responded yes and no. G & A will work with the County on the civil plans and the County will be providing feedback. As the owners, FOWD will also be providing feedback.
- Director Sarkovich inquired if FOWD will be involved throughout the process.
- General Manager Gray responded FOWD will need to be involved.

6. Update and discussion on FOWD Groundwater Well Projects

- General Manager Gray provided the Board with a copy of an agreement with RWA, the Board has already authorized to execute. It is an agreement between RWA, Citrus Heights, Carmichael and FOWD to reimburse RWA for administrative costs that goes beyond what is in the current contract.

7. Update and discussion on the 2023 FOWD Budget

- General Manager Gray stated he would like to set up a Budget Committee Meeting at 5:30 p.m. for either August 30 or 31, 2022. The Board decided to have a Special Board Meeting on August 30, 2022, at 5:30 p.m.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Update and discussion on FOWD Water Supply for the month of July 2022

- Vice President McRae inquired if there were any unusual operational conditions for the month of July.
- Technical Services Manager Siebensohn responded that at the end of June / early July, there was an issue with the voltage soft starter. This affected operations at Madison Well, but it has been fixed.

2. Discussion and possible action on additional funding for 2022 expenses

- General Manager Gray asked for authorization to transfer \$118,300 from contingency to fund \$110,000 for the relocation of the main, \$6,300 for property insurance and \$2,000 for advertising/recruiting.

Director Petersen moved to approve the proposed transfer to cover for additional funding.

Director Sarkovich seconded the motion.

Motion carried with the following votes: McRae – aye, Petersen – aye and Sarkovich – aye.

Absent: Director Marx

3. Discussion and possible action on an updated FOWD Policy No. 3000: “Board Meetings”

Director Sarkovich moved to approve the proposed updated policy.

Director Petersen seconded the motion.

Motion carried with the following votes: McRae – aye, Petersen – aye and Sarkovich – aye.

Absent: Director Marx

4. Discussion and possible action on an updated FOWD Policy No. 4070: “Employee Compensation”

- Director Sarkovich suggested modifying “the amount of the COLA will be determined” to “the amount of COLA will be guided.”

Director Sarkovich moved to approve the proposed updated policy as amended.

Director Petersen seconded the motion.

Motion carried with the following votes: McRae – aye, Petersen – aye and Sarkovich – aye.

Absent: Director Marx

5. Discussion and possible action on a FOWD Policy No. 5140: “Deferred Compensation”

- General Manager Gray clarified that if an employee retires or lands another job before the beginning of the next year, FOWD will not be matching the \$2,000.00.

Director Sarkovich moved to approve the proposed updated policy as presented.

Director Petersen seconded the motion.

Motion carried with the following votes: McRae – aye, Petersen – aye and Sarkovich – aye.

Absent: Director Marx

6. Update and discussion on the November 2022 General Election

- General Manager Gray provided an update on the November 2022 General Election.

7. Discussion on the document titled “California’s Water Supply Strategy” released by the office of the Governor on August 11, 2022

- Director Petersen stated FOWD has about 28,000-acre feet of groundwater storage.
- Vice President McRae stated there is a possibility of receiving grant money for wells.

VII. UPCOMING EVENTS

1. August 17, 2022 – FORPD Meeting at FOWD
 - Information Only.

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - None.
- 2. Regional Water Authority (RWA)**
 - None.
- 3. Sacramento Water Forum**
 - None.
- 4. Other**
 - The merger between SGA and Sacramento Central Groundwater Authority (SCGA) is off the table.

IX. DIRECTORS' REPORTS & COMMENTS

- 1. Budget Committee – (Sarkovich, Page)**
 - Director Sarkovich asked to have former Director Page removed from the list.
- 2. Technical Advisory Committee – (Marx, McRae)**
 - None.
- 3. Capital Improvement Committee – (Sarkovich, Page)**
 - Director Sarkovich asked to have former Director Page removed from the list.
- 4. Personnel Committee – (McRae, Petersen)**
 - None.
- 5. Public Relations Committee – (Page, McRae)**
 - Director Sarkovich asked to have former Director Page removed from the list.
- 6. Wholesale Water Agreement Ad-Hoc Committee – (McRae, Petersen)**
 - None.
- 7. Carmichael Water District Ad-Hoc Committee – (Marx, McRae)**
 - None.

X. GENERAL MANAGER'S REPORT

- 1. Maintenance Work Report**
 - None.
- 2. Capital Projects Status Reports**
 - Director Petersen requested a total budget column be added to the Capital Project Status Report.
- 3. Authorizations of Additional Funding**
 - None.

4. Water Transfer Status Report

- None.

5. Claims Against District

- None.

6. Employee Update

- General Manager Gray reported that FOWD recently hired a Senior Water Distribution Operator.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- None.

XI. PUBLIC COMMENT

- Visitor Babcock stated he was glad to have attended the meeting. Unfortunately, he will be attending another board meeting in September somewhere else.

Vice President McRae closed the open session meeting at 8:49 p.m.

Vice Present McRae opened the closed session meeting at 8:55 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – one case

Vice President McRae closed the closed session meeting at 9:52 p.m.

Vice President McRae reopened the meeting to the public at 9:52 p.m.

XIII. REPORT FROM CLOSED SESSION.

- None.

XIV. PUBLIC COMMENT

With no further business to come before the Board, Vice President McRae adjourned the meeting at 9:52 p.m.

The Board approved the preceding minutes on October 17, 2022

Tom R. Gray
General Manager/Board Secretary

Date