



**District Attendees**

Misha Sarkovich	Board President
Randy Marx	Board Vice President
Michael McRae	Board Member
Nadine Reid	Board Member
Gary Page	Board Member
Tom Gray	General Manager
Chi Ha-Ly	Finance Manager
Shawn Huckaby	Customer Service Manager
Josh Heavenston	Operations Superintendent

**Other Attendees**

Pam Tobin	Board President, San Juan Water District
Ted Costa	Director, San Juan Water District
Paul Helliker	General Manager, San Juan Water District
Tony	Visitor

**Absent**

**AGENDA ITEMS**

**I. CALL TO ORDER**

- Board President Sarkovich called the meeting to order at 6:31 p.m.
- General Manager Gray stated that in accordance with the California Department of Public Health's and the Governor's Executive Orders N-29-20 and N-33-20, the District's boardroom is closed, and this meeting will take place solely by teleconference.

**II. PUBLIC COMMENT**

- None.

President Sarkovich moved items VI.2 and VI.3 before the consent calendar.

**III. CONSENT CALENDAR**

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

1. Approval of Minutes

- a. Regular Board Meeting of January 11, 2021
2. Accept and File Treasurer's Report for the months of:
  - a. December 2020 (Final)
  - b. January 2021
3. Accept and File Investment Report for the month of December 2020
4. Accept and File Financial Expense Report January 2021
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of January 2021
7. Approval of Board Expense Report for the month of January 2021

President Sarkovich moved to approve the consent calendar as presented.

Vice President Marx seconded the motion.

- Director McRae inquired about the increase in contract amount on the payment to Zim Industries, Inc.
- General Manager Gray replied that the increase is due to a change order for well casing.
- Director McRae inquired about the Skyway Well production.
- General Manager Gray replied that the Skyway Well's preliminary production is 2,000 gallons per minute and New York Well's production is approximately 2,000 gallons per minute.

Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye, Reid – aye and Sarkovich – aye.

#### **IV. PRESENTATION & CORRESPONDENCE**

1. None.

#### **V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS**

1. **Update and discussion on FOWD Water Supply for the month of January 2021**
  - General Manager Gray provided an update on the FOWD water supply for the month of January 2021.
  - President Sarkovich inquired about the low groundwater production.
  - General Manager Gray replied that the Town Well was down for rehabilitation.
  - Director McRae inquired on the exercises with the SJWD agency.
  - General Manager Gray replied that SJWD's treatment reservoir is scheduled to be out of service and SJWD is requesting meetings to discuss alternative water sources to meet the wholesale customers' needs while the reservoir is unavailable. The

Board's direction is to seek a new wholesale agreement before FOWD participates in the exercises.

- Director Page stated that he agrees that there needs to be an agreement with SJWD before FOWD participates in any of the joint exercises.

## **2. Update and discussion on the status of the FOWD Annual Independent Financial Audit**

- General Manager Gray stated that the FOWD's annual independent financial audit started on January 26, 2021 and ends on March 20, 2021 with a presentation to the Board scheduled for April 12, 2021.

## **3. Update and discussion on FOWD Groundwater Wells Projects**

- General Manager Gray provided an update on the Groundwater Wells Project. Staff is planning on having the wells producing groundwater before the peak demand of 2022.
- President Sarkovich inquired if the wells can be operational before peak demand.
- General Manager Gray replied that staff will try.
- Director Page inquired if there was a problem with reducing wholesale purchases in regard to budget.
- General Manager Gray replied that staff will investigate the impact of increasing groundwater production to between 40% and 50% of system annual demand.
- Vice President Page inquired about the water quality of the well production.
- General Manager Gray replied that so far, the quality is similar to the other wells, which is of high quality.

## **4. Update and discussion on the FOWD Corporation Yard Project**

- General Manager Gray provided an update on the FOWD Corporation Yard Project. Staff recommended that the project status be peer reviewed prior to making any additional progress payments.
- President Sarkovich inquired if the architect is stalling or not performing.
- General Manager Gray replied that there are concerns.
- President Sarkovich stated that as long as the peer review cost is reasonable.
- Director Page stated that he is opposed to a peer review until the County responds to the submittals.
- Director McRae stated that the progress payments should be processed after the County responds to the plan submittals.
- Vice President Marx stated that he is against the progress payment.
- Director Reid stated that it will be useful to get a peer review before the progress payment is made.
- President Sarkovich stated that General Manager Gray can contact the County plan reviewer and inquire on the project delays.
- General Manager Gray stated that staff determined that it is a good time to do a peer review.

- President Sarkovich directed the General Manager to make initial contact with a peer reviewer to determine cost.
5. **Update and discussion on Transmission Main Replacement Alternative Analysis Report**
    - General Manager Gray stated the there is nothing to report.
  6. **Update and discussion on the 2021 Fair Oaks Water District's salary and compensation survey**
    - General Manager Gray provided an update on the 2021 Fair Oaks Water District's salary and compensation survey.
    - Director Page inquired if the District could use the free CSDA salary information for the survey.
    - General Manager Gray replied that the CSDA study includes different types of public service districts. Direction from the Board was to conduct an independent survey comparing local water districts.
    - President Sarkovich stated that the Board has a policy to conduct the survey.
    - Director McRae inquired if the consultant will receive a copy of FOWD policy on compensation.
    - General Manager Gray replied that FOWD provided the consultant a copy of the Board approved compensation policy.

## **VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS**

1. **Discussion and possible action on 2020 funds for work in progress projects to be carried forward to 2021**
  - Finance Manager Ha-Ly recommended that the Board authorize 2020 funds for work in progress projects to be carried forward to 2021.

President Sarkovich moved to authorize \$214,559 of 2020 funds to be carried forward to 2021 projects.

Vice President Marx seconded the motion.

Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye, Reid – aye and Sarkovich – aye.

2. **Update and discussion on FOWD Board requested Wholesale Water Supply Agreement Update**
  - General Manager Gray stated that there have been many opportunities to collaborate within the region for future and current needs. The FOWD Board determined that there are no existing agreements in place that requires the FOWD to use current infrastructure in collaboration with the San Juan Water District. The FOWD Board determined that it was time to update the wholesale agreement to meet the current conditions.

- President Sarkovich inquired if San Juan Water District Board President Tobin has any comments.
- San Juan Water District Board President Tobin replied that she will let staff comment on the agreement and going forward she would like 2x2 meetings to take place in order to have better communication between the Districts.
- San Juan Water District General Manager Helliker stated that since 2017 there have been discussions between the Districts about the wholesale water supply agreement. San Juan Water District staff desire to meet with all the member agencies to discuss the wholesale agreement.
- General Manager Gray stated that the desire of FOWD is to take a new approach to negotiations. He requested a response from San Juan Water in regard to the work plan FOWD presented for negotiations.
- San Juan Water District Director Costa stated that if there is a requested change to the contract, the requesting District should submit the language changes to San Juan Water District for consideration. He discussed the opportunity to purchase excess water for the purpose of banking.
- General Manager Gray stated that FOWD is committed to water banking and is currently investing in infrastructure to have the ability to bank available water. In regard to the specific language submission, agenda item VI.2 includes recommended language changes submitted to the SJWD on June 27, 2017.
- San Juan Water District General Manager Helliker stated that the letter was received and replied that he would be happy to discuss the topics with FOWD and the other wholesale agencies.
- Director Reid inquired what San Juan Water District means by asking for specific language.
- San Juan Water District General Manager Helliker replied that he has asked for specific language changes to the agreement.
- Director Reid inquired if there was a benefit that FOWD will receive by participating in water banking.
- San Juan Water District Director Costa replied that during drought conditions banking provides a source of water.
- President Sarkovich stated that he wants to resume the 2x2 meetings and asked Director Page to lead the meetings along with himself and General Manager Gray.
- San Juan Water District Board President Tobin stated that she appreciates the effort to reinstate the 2x2 meetings and nominated San Juan Water District Director Costa, San Juan Water District General Manager Helliker and herself to represent San Juan Water District.
- President Sarkovich directed General Manager Gray to coordinate with San Juan Water District General Manager Helliker to schedule the meetings and to include one Director and the General Manager from Citrus Height Water District.
- Director McRae stated that it is great to start the 2 x 2 meetings and agrees with getting Citrus Heights Water District involved. He wants to agree on principles first and then work on the contract language.
- Vice President Marx stated that he agrees with 2 x 2 and including Citrus Heights Water District. He wants to get a process in place to enact the changes.

- Director Page stated that he is happy to participate in the 2 x 2 x 1 and thanked San Juan Water District Board President Tobin and San Juan Water District General Manager Helliker for the communication.
  - Director Reid stated that the 2 x 2 x 1 meeting is a great idea and wants to make sure that the agreement will benefit all customers that the FOWD Board represents.
- 3. Update and discussion on FOWD participation in 2021 Water Transfer Projects**
- General Manager Gray provided an updated on the 2021 Water Transfer Project opportunities including the option to participate in either a groundwater substitution transfer or use the groundwater to meet FOWD system demand. The General Manager recommended that FOWD use groundwater to meet FOWD system demand.
  - San Juan Water District General Manager Helliker commented that he appreciated the response in regards to groundwater substitution water transfers. He feels that groundwater banking will become more valuable over time. He hopes do water transfer with FOWD in the future.
  - President Sarkovich stated that he would like to go with the staff recommendation to use groundwater production to meet FOWD demand and not participate in a water transfer in 2021.
  - Director Page stated that he agrees with President Sarkovich and wants to use groundwater for FOWD needs. He feels that there are complications with banking that are unknown.
  - Director Marx stated that he agrees with the recommendation to use groundwater to meet system demand.
  - Vice President Marx stated that communication is the key to the 2 x 2 meetings.
  - Director Reid stated that she agrees with the staff recommendation to use groundwater for the FOWD system demand and not participate in a groundwater transfer in 2021.

## **VII. UPCOMING EVENTS**

- 1. CDC Virtual Meeting on COVID-19 Vaccination for Essential Workers / February 10, 2021**
  - Information only.
- 2. Sacramento Ground Water Authority Board Meeting / February 11, 2021**
  - Information only.
- 3. Water Forum Successor Effort Meeting / February 11, 2021**
  - Information only.
- 4. Special Regional Water Authority Board Meeting / February 25, 2021**
  - Information only.

## **VIII. REPRESENTATIVE REPORTS**

### **1. Sacramento Groundwater Authority (SGA)**

- Vice President Marx stated that he is available to attend the upcoming meeting.

### **2. Regional Water Authority (RWA)**

- Vice President Marx stated that there was a meeting mid-January that covered internal items. There is a plan to merge the Regional Water Authority with the Sacramento Central Groundwater Authority.
- General Manager Gray stated that he was appointed to a subcommittee that presented an alternative dues structure for the RWA.

### **3. Sacramento Water Forum**

- None.

## **IX. DIRECTORS' REPORTS & COMMENTS**

### **1. Budget Committee – (Sarkovich, Reid)**

- None.

### **2. Technical Advisory Committee – (Marx, McRae)**

- None.

### **3. Capital Improvement Committee – (Sarkovich, Reid)**

- None.

### **4. Personnel Committee – (McRae, Page)**

- None.

### **5. Public Relations Committee – (Page, Reid)**

- None.

### **6. Wholesale Water Agreement Ad-Hoc Committee – (Page, McRae)**

- None.

### **7. Carmichael Water District Ad-Hoc Committee – (Marx, McRae)**

- None.

## **X. GENERAL MANAGER'S REPORT**

### **1. Maintenance Work Report**

- Report provided, no discussion.

### **2. Capital Projects Status Reports**

- None.

**3. Authorizations of Additional Funding**

- Report provided, no discussion.

**4. Water Transfer Status Report**

- None.

**5. Claims Against District**

- None.

**6. Employee Update**

- General Manager Gray stated that the District is recruiting for the vacant Operations Manager position.

**7. Water Issues – Update on Regional Involvement**

- None.

**8. Other**

- None.

**XI. PUBLIC COMMENT**

- None.

**XII. ADJOURNMENT**

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:08 p.m.

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The Board approved the preceding minutes on March 8, 2021

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Tom R. Gray  
General Manager/Board Secretary

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Date