



District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Gary Page	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager
Ben Voight	Operations Superintendent

Other Attendees

Tim Menezes	Visitor
Dominic Figueroa	Visitor
George Babcock	Visitor

Absent

AGENDA ITEMS

I. Call to Order

- President Marx called the meeting to order at 6:31 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. Regular Board Meeting of June 11, 2018
2. Accept and File Treasurer's Report for the month of June 2018
3. Accept and File Investment Report for the month of May 2018

4. Accept and File Financial Expense Report for the month of June 2018
5. Approval of Warrants
6. Approval of Cal Card Statements for the month of June 2018
7. Approval of Board Expense Report for the month of June 2018

Director Page moved to approve the consent calendar.

Vice President McRae seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

1. Presentation by Dominic Figueroa from the nonprofit organization "Californians for Safe Drinking Water and a Clean and Reliable Water Supply"

- Mr. Figueroa spoke about the scope of the bond proposed under Proposition 3 on the November ballot. He gave a presentation citing who is supporting this and noted fund allocation would be through the Department of Water Resources. Mr. Figueroa noted that state-wide support is looking good and he is asking for the endorsement of FOWD.
- Director McRae noted water conservation has been a big issue regionally and that is included in this bond. He asked if there is any consideration given to local communities already financing efforts to meet safe drinking water standards. Could it relieve a financial burden on a city?
- General Manager Gray said the main driver for this bond is to find funding and serve underprivileged areas to have access to safe drinking water.
- President Marx noted he will not participate in this discussion as he is part of the Sacramento State University Office of Water Programs that would receive funds.
- Director Sarkovich asked if there is any official opposition. He asked if RWA has taken a position, as FOWD is part of that coalition. He noted that ACWA is shown to endorse it.
- Mr. Figueroa says there is no official opposition. He said he has not approached the RWA yet.
- General Manager Gray offered to present information and to take a poll at the RWA meeting on this coming Thursday to see if they have a response to this bond or would like a presentation. Depending on response they will inform Mr. Figueroa of interest.
- Director Sarkovich asked why seek FOWD support versus go to the larger water agencies. He said it is up to the public to decide, but he would be 100% behind supporting water infrastructure.
- Mr. Figueroa said it helps to have local support shown for voters.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

- 1. Update and discussion on Regional Water Authority (RWA) Lobbying Subscription Program activities**
 - General Manager Gray shared there was a meeting last week that he did not attend but he noted RWA is recruiting for a new program manager for the lobbying program.
 - President Marx said he would be attending the upcoming meeting and would provide updates.

- 2. Update and discussion on the Fair Oaks 40 Pipeline Relining Project (Fair Oaks 40 Phase II Project)**
 - General Manager Gray shared information on the costs. No new action on awarding the bid. The low bid, with contingency, for FOWD portion is around three million dollars.

- 3. Update and discussion on FOWD Information Technology and SCADA Projects**
 - General Manager Gray shared information that the project is up and running. He gave thanks to Operations Manager Nisenboym and staff for their efforts. He also noted FOWD is working with a consultant currently on technology projects and staffing discussions, such as whether to hire a replacement for the IT position or contract it out. The migration to cloud computing also is underway.

- 4. Update and discussion on the 2018 Water Transfer Project**
 - General Manager Gray noted as of Saturday, July 7, 2018, FOWD is the only agency out of the American River group pumping for water transfer. FOWD is using pre-1914 water rights. He stated the delay in groundwater pumping will cost FOWD about \$80,000. FOWD is monitoring for any water quality and water pressure issues or customer impact.
 - Vice President McRae asked about the time period for such pumping.
 - General Manager Gray said it was scheduled from about July 1, 2018 to the end of September, which cannot be pushed out. He noted there is discussion about strategic planning for future sales.
 - Director Page complimented SJWD General Manager Helliker on the agreement, but also asked if FOWD could transfer water using rights to Aerojet water. General Manager Helliker said maybe next year they could talk.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

- 1. Discussion and possible action on the required payment of the employer accrued unfunded liability for CalPERS pension benefits**
 - General Manager Gray referred to the staff recommendations and the July 13, 2015 Board decision to make annual payments to CalPERS for employer accrued unfunded liability for pension benefits. This year's annual payment to be authorized is \$107,388.

- Director Sarkovich noted that by pre-paying annually versus monthly, it saves about \$4,000 per year.

Director Sarkovich moved to approve the annual payment for fiscal year 2018-2019.

Director Page seconded the motion.

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

2. Update and discussion on FOWD water supply for the month of June 2018

- Operations Manager Nisenboym reported average temperature in June was about normal for historic average. FOWD total system demand from all sources for the month of June was recorded at 1,179 AC-FT. The San Juan wholesale connections provided 936 AC-FT and groundwater wells produced 243 AC-FT of the total water demand. No problems in June. CTP connection is the only wholesale connection. The June 2018 total demand represents a decrease of 12.8% from the June 10-year average and a 21.1% reduction from June 2013. Total groundwater production was 243 AC-FT for the month.
- Vice President McRae asked about next month and if FOWD is meeting water demands.
- General Manager Gray said FOWD is looking at how to make up for delay of start in July of groundwater pumping for sale. He said FOWD can meet about 50% of demand with groundwater supply. The new normal is about 28% below 2013 baseline demands.

3. Discussion on the scope of work for the FOWD Transmission Main Replacement Project

- General Manager Gray presented a staff report and referred to a Board directive from 2017 to master plan the major transmission mains that run East to West across the FOWD water system. The recommendation is to seek from qualified consultants to complete a T-Main Master Plan.
- Director Sarkovich asked about consultant costs for this review and what is involved with hydraulic modeling.
- General Manager Gray estimates it will be in excess of six figures for the analysis and modeling. He offered to send it out to bid and review results with the Board, noting FOWD already has one consultant with the needed experience. Hydraulic modeling allows FOWD to turn off wells and create levels of demand to predict system reactions. The system was built as a surface water system, so an analysis of increased groundwater pumping needs to be included along with changed customer demand.
- Vice President McRae wants the phased approach to help plan funding. He also asked if any work over Hazel bridge or capacity for that part would be part of it?
- General Manager Gray said Hazel is a separate project. The ability to move water to other agency areas or to downsize are alternatives to consider along with their related costs.

- Vice President McRae asked if FOWD can ask for a grant related to this work.
- General Manager Gray says the schedule, cost estimate, and design cost are required first.
- President Marx noted the Board is giving the General Manager the go ahead to prepare a bid package and run the RFP by the Board's Technical Committee.

4. Discussion and possible action on additional funding for 2018 expenses

- General Manager Gray requested a transfer of \$6,500 from the 2018 contingency fund to cover advertisement, notices and recording fees and Hydraulic Model Update expenses.

Vice President McRae moved to approve the transfer.

Director Sarkovich seconded the motion.

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

5. Discussion and possible action on FOWD General Manager Amended and Restated Employment Agreement

- Director Sarkovich noted this action is required by law to be a public agenda item.
- Director Page thanked General Manager Gray for the work he has done.

Director Sarkovich moved to approve the agreement.

Vice President McRae seconded the motion.

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

VII. UPCOMING EVENTS

1. Fair Oaks Chamber of Commerce Business Luncheon / July 19, 2018 / Fair Oaks Community Club House

- Information only.

2. San Juan Water District Board Meeting / July 25, 2018 / SJWD Administration Building

- Information only.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- None.

2. Regional Water Authority (RWA)

- General Manager Gray noted the next meeting is this coming Thursday.

3. Sacramento Water Forum

- Director Page gave a brief overview of the recent meeting highlighting work on models and the American River, fish count and habitat.
- General Manager Gray noted their website posts temperature points along the river and shared the need for collaboration with the Forum relative to FOWD strategic planning.

4. Other

- None.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Page)

- None.

2. Technical Advisory Committee – (Marx, McRae)

- None.

3. Capital Improvement Committee – (McRae, Sarkovich)

- None.

4. Personnel Committee – (Sarkovich, McRae)

- None.

5. Public Relations Committee – (Sarkovich, Page)

- None.

6. Wholesale Water Agreement Ad-Hoc Committee – (Sarkovich, Marx)

- Director Sarkovich said a meeting is scheduled for July 11, 2018 at SJWD.

7. Carmichael Water District Ad-Hoc Committee – (Sarkovich, Page)

- None.

8. Other

- None.

X. GENERAL MANAGER'S REPORT

1. Monthly Maintenance Work Report

- Report provided. General Manager Gray highlighted FOWD has seen a water demand reduction of 28% compared to the state baseline year of 2013.

2. Capital Projects Status Reports

- Director Page asked about the gallon per day usage differences month to month. How do we help people with outdoor irrigation issues? He wants to condition people for a new normal to conserve more water.
- General Manager Gray noted in 2013, households in FOWD were using approximately 250 gallons per day per connection. Currently, customers are at approximately 180 gallons per day per connection, so already big changes have occurred.

3. Authorizations of Additional Funding

- Report provided; no discussion.

4. Water Transfer Status Report

- Discussed earlier.

5. Claims Against District

- Report provided.
- Director Page asked about property damage with other vehicles.
- General Manager Gray noted that damage occurred in two cases while in parking lots and moving vehicles around in close quarters.
- Director Page wants to address even any near misses to help avoid problems.
- Operations Superintendent Voight noted counseling and training efforts have been made in this area.

6. Employee Update

- General Manager Gray shared that interviews are scheduled for open positions.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- General Manager Gray distributed a copy of the book “52 Ways to be a Better Board” to each Board member.

XI. PUBLIC COMMENT

- None.

President Marx closed the open session meeting at 8:29 p.m.

President Marx called the closed session meeting to order at 8:35 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

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

President Marx reopened the meeting to the public at 9:48 p.m.

XIII. REPORT FROM CLOSED SESSION

- None.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

With no further business to come before the Board, President Marx adjourned the meeting at 9:50 p.m.

The Board approved the preceding minutes on August 13, 2018

Tom R. Gray
General Manager/Board Secretary

Date