



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

January 10, 2022

District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Chris Petersen	Board Member
Gary Page	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Shawn Huckaby	Operations Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Technical Services Manager
Josh Heavenston	Operations Superintendent

Other Attendees

Ted Costa	SJWD Board Member
Paul Helliker	SJWD General Manager
George Babcock	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

- Board President Marx called the meeting to order at 6:37 PM

II. PUBLIC COMMENT

- George Babcock inquired about the new Board Member, Chris Petersen's voting rights.
- General Manager Gray clarified he was sworn in at approximately 12:30 PM today.
- Director Petersen proceeded to introduce himself and stated he works at GEI Consultants, living in Fair Oaks since 2002.

III. CONSENT CALENDAR

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

1. Approval of Minutes
 - a. Special Board Meeting of December 8, 2021
 - b. Regular Board Meeting of December 13, 2021

2. Accept and File Treasurer's Report for the month of December 2021
3. Accept and File Investment Report for the month of November 2021
4. Accept and File Financial Expense Report (no report)
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of December 2021
7. Approval of Board Expense Report for the month of December 2021
 - Vice President McRae inquired about the expected frequency of receiving an invoice from Sacramento County – relating to the Hazel Extension Project.
 - General Manager Gray responded it should be less than every month.
 - Director Peterson inquired about the distribution of the \$43,000.
 - General Manger Gray responded that the County of Sacramento is currently on Phase III (final phase) to widen Hazel Avenue. FOWD had mains on Hazel Avenue that required relocation due to the project. The County contractor does the water work at a significant cost savings and then bills FOWD.

President Marx moved to approve the consent calendar as presented.

Vice President McRae seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

1. Oath of Office for Chris Petersen as the FOWD Director representing Division 1
2. Presentation to Director Sarkovich for his service as Board President in 2021

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on FOWD Corporate Yard Redevelopment Project

- Director Sarkovich explained we were expecting to receive Sacramento County Planning approval in January, but due to SMUD's transformer blow-up in downtown, this agenda item has been postponed and will take place at the February Sacramento County Planning meeting.

2. Discussion and possible action on the implementation plan for the annual financial audit of the FOWD

- General Manager Gray recommended the Board grant a variance from audit Policy No. 5010 to extend the audit report submittal from March 2022 to April 2022, due to limited staff and new staff in need of training. He stated that FOWD will meet all regulatory requirements. With this schedule, the audit presentation will be delivered to the Board on April 11, 2022.

President Marx moved to grant extension of the audit report submittal to April 2022.

Vice President McRae seconded the motion.

Director Page inquired about placing records into digital format versus hard copies.

General Manager Gray stated FOWD is transitioning to archiving more in digital format. Technical Services Manager Siebensohn has been encouraging this transition.

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

3. Discussion and possible action on an updated FOWD Policy No. 6100: “Record Retention and Destruction Policy”

- General Manager Gray recommended approving the updated FOWD Policy No. 6100. Policy was approved by the Board at the August 9, 2021, Regular Board Meeting, with the stipulation for legal review. Legal provided suggested changes.

President Marx moved to approve policy changes.

Vice President McRae seconded the motion.

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

4. Discussion and possible action on an updated FOWD Policy No. 6101: “Inspection of Public Records Policy”

- General Manager Gray recommended approving the updated FOWD Policy 6101. Policy was approved by the Board at the August 9, 2021, Regular Board Meeting, with the stipulation for legal review. Legal provided suggested changes.

President Marx moved to approve policy changes.

Vice President McRae seconded the motion.

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

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion and possible action on General Manager’s Amended and Restated Employment Agreement

- Director Sarkovich explained the law requires this be placed on the agenda because when a new contract is put into place, it becomes public record.

President Marx moved to approve signing the new agreement.

Vice President McRae seconded the motion.

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

2. Update and discussion on FOWD Water Supply for the month of December 2021 and 2021 year-end

- Technical Services Manager Siebensohn provided a summary of the report.
- Director Page inquired about the impact to the budget when demand is low. Technical Services Manager Siebensohn explained it does not have a significant impact given the District's billing structure.
- General Manager Gray explained conjunctive use and the regional effort to keep water in Folsom Lake.
- Board Vice President McRae complimented staff on creating this report.
- General Manager Gray expressed how proud he is of the field staff. FOWD has just 4% of unaccounted water with the typical being about 10%.
- Visitor Babcock commented he would have preferred a zoom meeting so the charts could have been presented in a visual format.

3. Consider appointments to serve as District representatives to various organizations and committees

- Board President Marx recapped the appointments listed in the following tables.

2022 - BOARD ASSIGNMENTS	
Agency Name	2022
Sac. Groundwater Authority	Marx, Petersen
Regional Water Authority	Marx, Gray, Petersen (alternate)
ACWA JPIA	Petersen, Marx (backup)
Water Forum SE	Page, Gray
2022 - COMMITTEE ASSIGNMENTS	
Committee Name	2022
Budget	Sarkovich, Page, Gray
Capital Improvement	Sarkovich, Page, Gray
Personnel	McRae, Page, Gray
Public Relations	Page, McRae, Gray
Technical Advisory	Marx, McRae, Gray, Petersen (backup)
Wholesale Water Agreement	McRae, Petersen, Gray
CWD 2X2	Marx, McRae, Gray
2022 - OUTREACH ASSIGNMENTS	
Agency/Committee Name	2022
FO Chamber	Gray, Marx
Office of County Supervisor	Gray, Marx
Office of State Assemblyman	Gray, Marx
Office of State Senator	Gray, Marx
FOVEC	Gray, Marx
CSDA	Gray, Marx
AWWA	Gray, Marx
ACWA	Gray, Marx
LAFCo	Gray, Marx

4. Discussion on FOWD receiving grant funding for the Skyway Well Project

- General Manager Gray provided an overview of the approximately \$1.2 million grant received for completion of the project. He also recommended FOWD meet January, February, and March 2022 water demand from customers with a mix of 90% surface water and 10% groundwater. Since 2004, FOWD constructed or has construction underway for five new groundwater wells and has received grant funding for all five projects.
- Board Vice President McRae approved recommendation.
- Director Sarkovich approved the staff recommendation. He inquired if we are on track for the overall annual 70/30 split.
- General Manager Gray explained this will be reevaluated at the end of March to determine water supply along with our financials. The Board will give direction at that time.
- Director Page inquired about sharing water during time of drought and what would happen if the lake dried out. FOWD does not have anything in place to decide how to move the groundwater to those in need or how to get reimbursed for that water.
- Director Petersen stated there will be an opportunity for that as the regional groundwater bank becomes more established. The opportunities will naturally emerge, and that FOWD should be tracking opportunities.
- General Manager Gray explained that ideally FOWD should be revenue neutral, regardless of using groundwater or surface water to meet customer demand.
- Board President Marx stated FOWD has received over \$4 million in grants, all due to the District RWA membership.
- SJWD General Manager Helliker mentioned SJWD is working on groundwater banking. There is currently groundwater available in Fair Oaks and Citrus Heights. He stated that at their next meeting on January 26, 2022, SJWD is hoping to define groundwater banking scenarios.

5. Update and discussion on Regional Water Supply

- Report provided.

6. Update and discussion on the agreement between the FOWD and the Fair Oaks Historical Society for use of the property located at 10340 Fair Oaks Boulevard

- General Manager Gray stated FOWD staff has no recommendation. There is a current ten-year lease agreement that is not due for renewal. This item is listed on agenda once a year for discussion.
- Visitor George Babcock mentioned he was not aware of this agreement and was glad it was on the agenda.

7. Discussion and possible action on sponsoring the Fair Oaks Harvest Festival (UC Master Gardener Program)

- General Manager Gray mentioned Fair Oaks Harvest Festival (FOHF) is local and part of the FOWD public relations campaign. FOHF asked FOWD to support the UC Davis Master Gardener Program, requesting a donation of \$100, \$200, \$250 or \$500.
- Board Member Page inquired about different ways in which FOWD could support FOHF and fulfill the District objectives at the same time.
- General Manager Gray replied that it is absolutely possible with FOHF, but the UC Master Gardener Program is a bit vague. He stated that staff recommendation would be to support FOHF and defer on the UC Master Gardener Program.

8. Discussion and possible action on additional funding for 2021/2022 and 2021 funds for work in progress projects to be carried forward to 2022

- Item deferred.

9. Discussion and possible action on increasing 2022 FOWD salary ranges by a COLA

- General Manager Gray recommended approval to increase salary ranges by a one-time 3.2% for all positions.
- Board Vice President McRae inquired about the impact to the Salary Budget for 2022.
- General Manager Gray stated it would be slightly impacted, between \$30,000 - \$50,000 based on the recommendation to increase the salary ranges.
- Board Vice President McRae stated it is the right thing to do.
- Board Member Page opposed. He stated that FOWD should wait, as there is a current process in place and payment was provided a few months ago to compensate for inflation.
- Director Sarkovich agreed with the one time increase of 3.2% to keep FOWD competitive in the market for new recruits and to help maintain current employees.
- Director Petersen inquired about when to expect completion of performance reviews.
- General Manager Gray stated they should be completed by the end of the month.

President Marx moved to approve the one-time salary range increase of 3.2%.

Vice President McRae seconded the motion.

Motion carried with the following votes: Marx – aye, McRae – aye, Page – nay, Petersen – aye and Sarkovich – aye. Motion passes 4 to 1.

VII. UPCOMING EVENTS

1. None.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- Meeting is January 13, 2022, at 9:00 AM. Board President Marx will be meeting with General Manager Gray to discuss the agenda, and both will attend.

2. Regional Water Authority (RWA)

- None.

3. Sacramento Water Forum

- None.

4. Other

- None.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Vacant)

- None.

2. Technical Advisory Committee – (Marx, McRae)

- None.

3. Capital Improvement Committee – (Sarkovich, Vacant)

- None.

4. Personnel Committee – (McRae, Page)

- None.

5. Public Relations Committee – (Page, Vacant)

- None.

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

- None.

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

- None.

8. Other

- 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

- None.

4. Water Transfer Status Report

- None.

5. Claims Against District

- None.

6. Employee Update

- General Manager Gray reported that three new Distribution System Operators were hired. One is certified and two are entry-level positions. Four current employees are out due to injury, FMLA, or COVID.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- General Manager Gray reported notice of Special Board Meeting of SJWD on January 11, 2022, for the open appointment on the Board of Directors to discuss filling an open seat on the Board of Directors – noting that this would be an “At Large” process and not by Division.

XI. PUBLIC COMMENT

- None.

President Marx closed the open session meeting at 8:24 PM.

The Board did not have a closed session.

XII. ADJOURNMENT

With no further business to come before the Board, President Marx adjourned the meeting at 8:24 PM.

The Board approved the preceding minutes on February 14, 2022

Tom R. Gray
General Manager/Board Secretary

Date