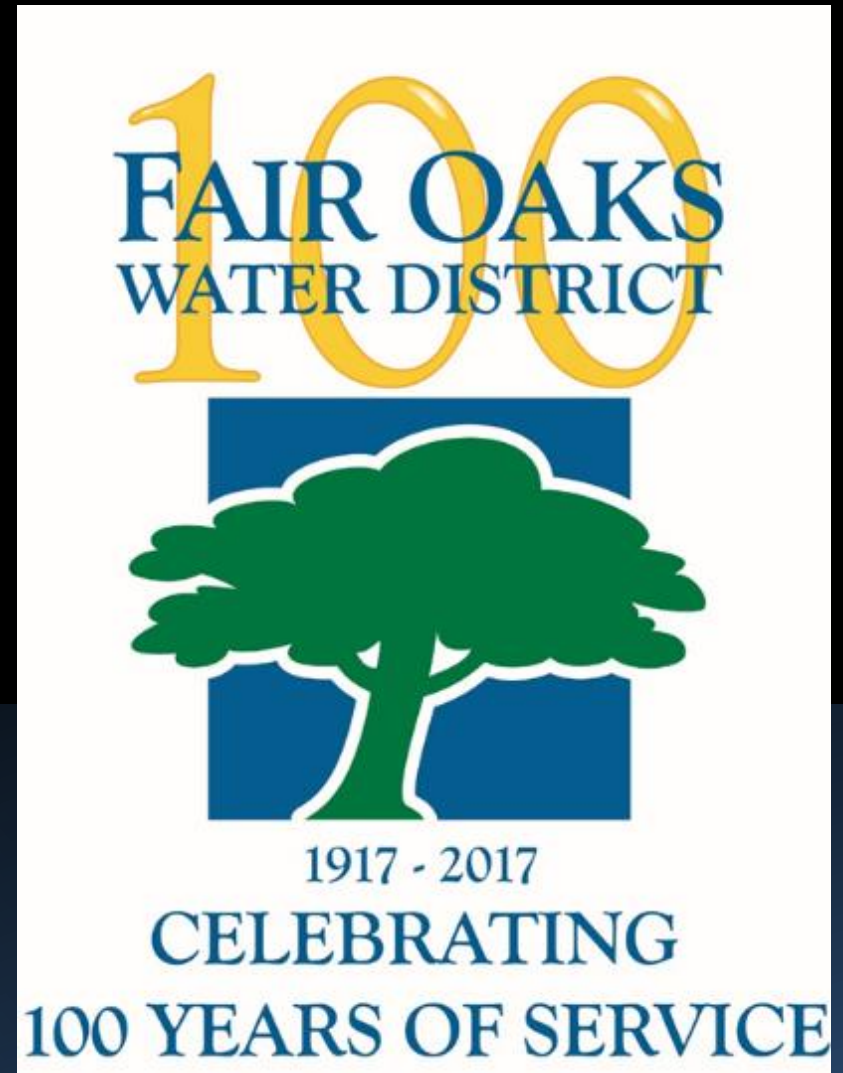
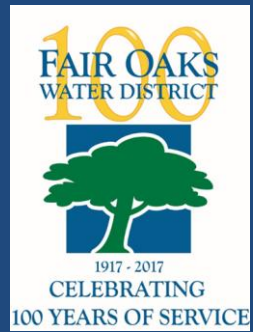


Facts About The Fair Oaks
Water District – A Public
Presentation

March 20, 2023





Opening Statement

This presentation was prepared to answer some of the questions asked by the public during the last three FOWD Board meetings.



Introductions

Mike McRae

Board President

Chris Petersen

Vice President

Misha Sarkovich

Director

Randy Marx

Director

Mark Dolby

Director

Tom R. Gray

General Manager



Governance

The Fair Oaks Water District is a “Fee for Service” special district operating in the County of Sacramento.

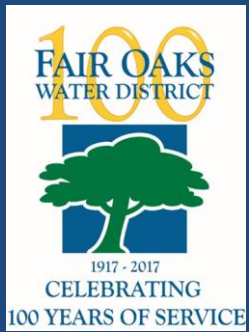
- FOWD receives no tax money
- FOWD revenue comes from water sales



Governance

The Fair Oaks Water District can only spend ratepayer money on water related projects.

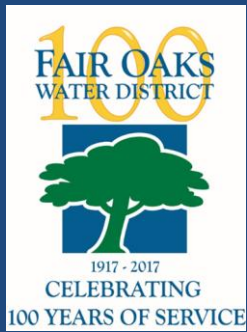
- By law, the primary benefits of the FOWD Corporation Yard Redevelopment Project must be related to the mission of the FOWD.
- All other public benefit must be residual to the project and must have little financial or operational impact.



Governance

Relocation of the FOWD Corporation Yard would do nothing to enhance the FOWD's ability to meet the mission of the FOWD.

- Relocation is estimated to cost water ratepayers more money than remaining at the current FOWD owned property.
- Relocation is estimated to have a negative impact on FOWD water operations.



Governance

The public pays the salaries of the FOWD Board Members – public comment

- FOWD Board Members **do not receive a salary**
- FOWD Board Members **do not receive benefits**
- FOWD Board Members receive a limited \$100 stipend per approved meeting – **has not increased since 2002**



Governance

The FOWD serves about 40,000 people - through approximately 14,000 service connections - that pay the FOWD for a reliable and high-quality water supply.

Over 90% of FOWD ratepayers do not live or operate a business in the FO Village Area.



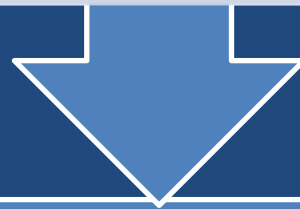
Governance

Water Ratepayers Elect the FOWD Board

Board Make Policy
and Policy Decisions

General Manager
Works for Board

General Counsel
Works for Board



General Manager is responsible for
implementing Board approved policy and Board
direction.



Past and Current FOWD Rates

Historic FOWD Rate Adjustments At A Glance

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	10%

“FOWD has a history of only asking customers for rate increases when we must have them.”



2022 FOWD Rates

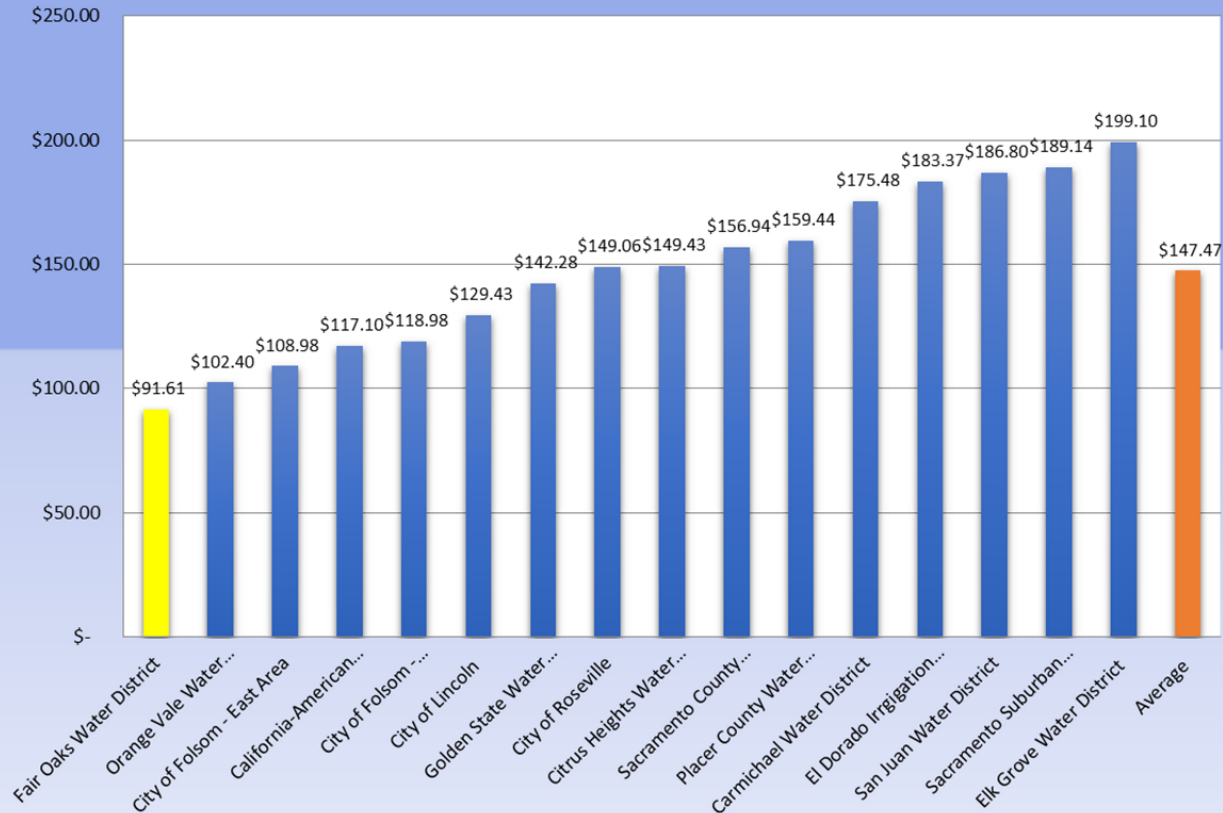
61% Lower than the
Sacramento Region Average

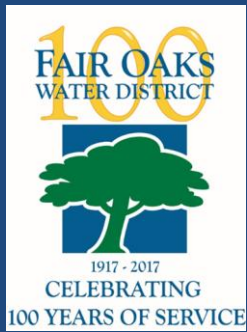
117% Lower than the
Sacramento Region High



2022 FOWD Rates

**2022 Bi-monthly Metered
Charges for 1-inch Services
Based on 40 CCF for 2 Months Period**

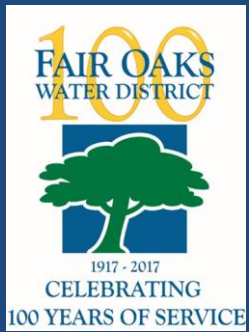




Future FOWD Rates

In 2022 the FOWD completed a public hearing process to increase rates a total of 25% over a period of three years.

- The main purpose of this rate increase is to replace large transmission mains installed in the 1950s.
- After the 25% rate increase, it is estimated that the FOWD will still have the lowest water rates in the Sacramento Region.



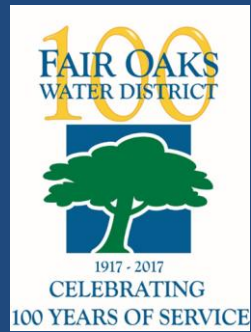
FOWD Rate Fact

Essentially 100% of FOWD increased revenue from customer rates from 2006 to 2021 has been paid to the San Juan Water District due to increased surface water cost – FOWD has absorbed all other cost increases for fifteen years.



FOWD Rate Fact

From 2006 to 2021 FOWD absorbed increased annual operational costs of over \$2.2M ... our costs to operate increased 46% while FOWD raised customer rates 13% ... *we believe we have performed well on our ratepayer's behalf.*



FOWD Financial Performance

Today the FOWD received notification that the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Fair Oaks Water District for its annual comprehensive financial report for the fiscal year ended December 31, 2021.



FOWD Financial Performance

This is the 20th consecutive year that the FOWD has received the GFOA award that represents the highest form of recognition in the area of governmental accounting and financial reporting that a public agency can achieve.



FOWD Financial Performance

FOWD CalPERS Unfunded Pension Liability

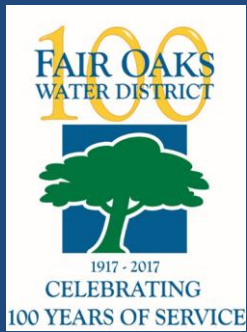
- FOWD participates in CalPERS
- FOWD has no control over CalPERS
- CalPERS is underfunded therefore CalPERS passes that liability to its members

Again, FOWD currently has no debt from borrowing money and the current FOWD Board has never borrowed money to fund FOWD operations.



Where Your Money is Spent 2023

Item	Dollars
Cash Reserve Entering 2023	\$8,500,000
Revenue Total Estimate	\$10,800,000
Operating Cost (Includes Water Purchase)	(\$8,300,000)
Capital Investment	(\$8,200,000)
Estimated 2023 Year End Cash	\$2,800,000
2023 Capital Project List	
Annual Routine Capital Cost	\$1,300,000
Corp Yard Project	\$300,000
Skyway Well	\$1,500,000
New York Well	\$3,000,000
New York Water Main Replacement	\$2,100,000



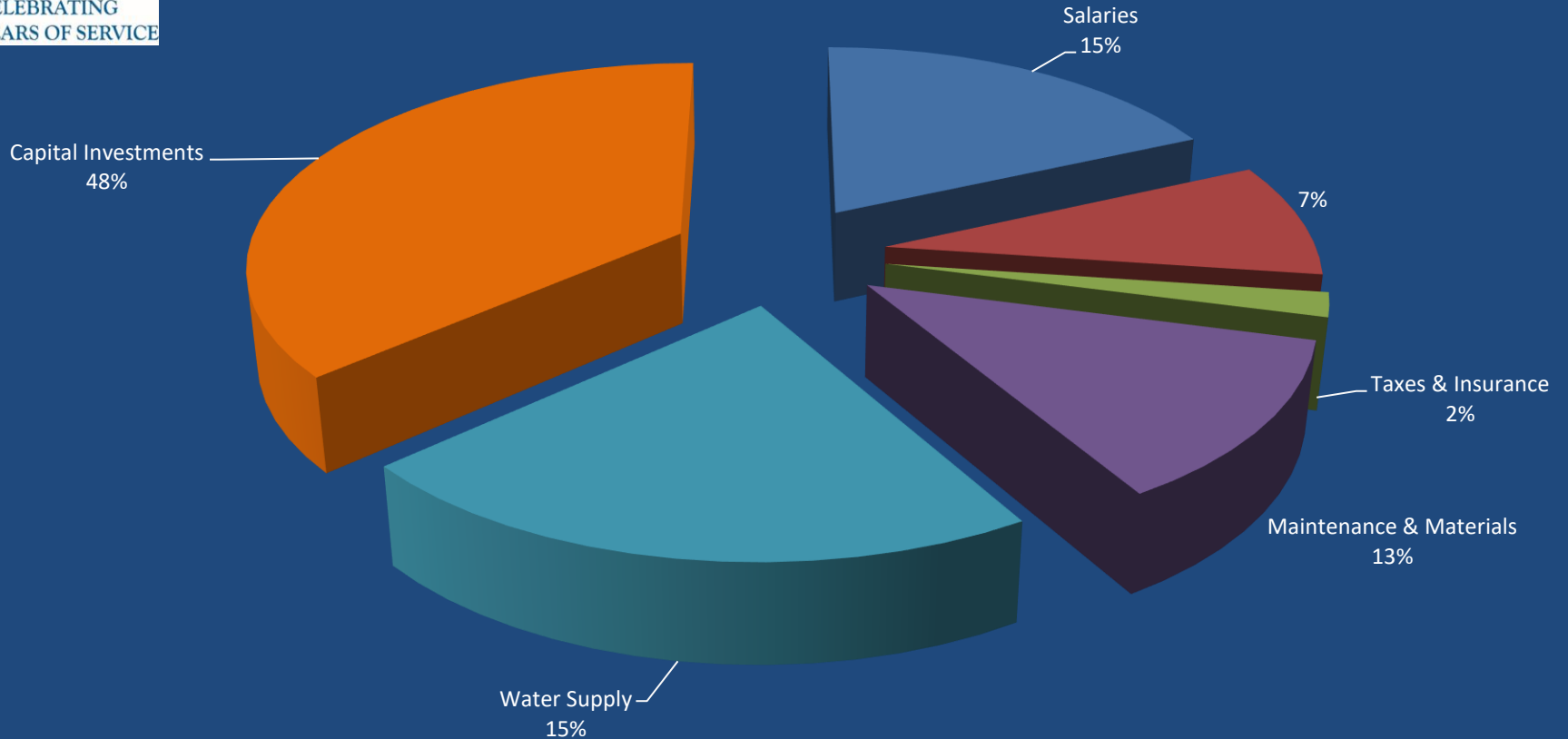
Where Your Money is Spent 2023

Public Statement: *“FOWD is operating at a deficit in 2023.”*

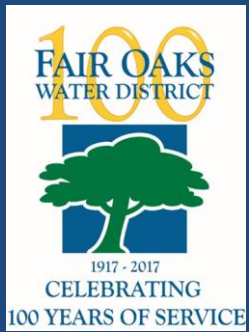
FOWD Response: The FOWD is not operating at a deficit, we are using money purposely reserved to complete needed capital improvements. In the utility industry this is termed *“pay as you go”* financial operations and is generally **seen as a best practice**. You save the money and then complete the project without the added cost of borrowing money.



Where Your Money is Spent



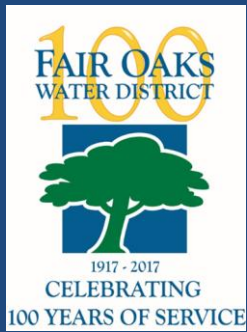
2023 Proposed Expenses



Where Your Money is Spent

Relative to the FOWD Corporation Yard
Redevelopment Project:

- \$300,000 budgeted for continued design in 2023
- \$5M estimated for partial construction in 2024



Where Your Money is Spent

Relative to the FOWD Corporation Yard Redevelopment Project:

- Actual engineers cost estimate will be available when detailed plans have been completed.
- The FOWD Board is currently anticipating approving a project costing between \$6M to \$8M.



FOWD Administration Building

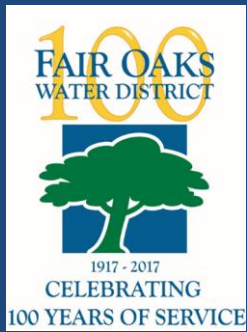
The FOWD Administration Building was designed with extensive public input from the FO Community with a goal of evoking a sense of civic pride and to become a focal point of local government.



FOWD Administration Building

Project was completed in 2009. Though the main purpose of the building project was to meet the mission of the FOWD, the facility is also used for:

- ✓ Hosting meetings for three different Sacramento County Supervisors representing Fair Oaks



FOWD Administration Building

- ✓ Hosting meetings for Ami Bera, Ted Gaines, and other leaders elected to represent Fair Oaks
- ✓ Hosting FORPD, FOCAP and the meeting of other FO organizations
- ✓ Hosting community training and education events
- ✓ Serves as a Sacramento Regional Emergency Services Command Center



Corp Yard Site History

FOWD purchased the 1.59-acre site in 1979 from the Diamond International Company, which previously used the facility as a lumberyard. The site's main building is a heavy lumber structure reportedly built in the 1920s or 30s.

The current facility is nearly 100 years old!



Corp Yard Project Scope

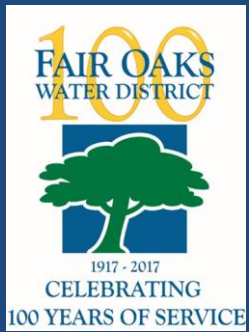
In general, the intended outcome of the project is to replace the existing site infrastructure with safer, more efficient, and **aesthetically pleasing upgrades** in a cost-efficient manner.

- Existing site function will not change
- Employee count will not change
- Traffic impacts will not change



Parking

The FOWD employees and customers **do not use any public parking** within the FO Village for FOWD business.

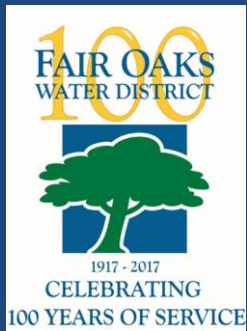


Parking

FOWD has and will add more parking to the Village SPA.

Combining the parking at the existing FOWD Administration Building (27) and the proposed Corp Yard Project results in **FOWD being responsible for:**

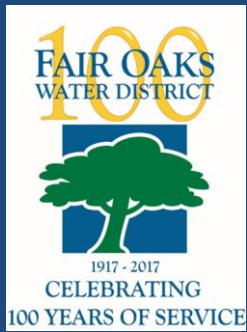
- Up to 38 parking spaces available to the public during non-work hours.
- Up to 51 parking spaces available to the public during weekend special events.



Parking

It is true that the FOWD does not provide 24/7 access to our Administration Building parking – but we do allow public parking after normal business hours and on weekends – when the FO Village needs the parking most.

- *Neighboring business employees and customers routinely use FOWD parking facilities.*



Public Outreach – Corp Yard

The idea of redeveloping the existing FOWD Corporation Yard was first introduced to the public during the FOWD Administration Project development process started in 2005.

- ✓ Discussion on the current project has been on the agenda of many FOWD public Board meetings since 2018
- ✓ Detailed information on the current project has been available at the County of Sacramento since October 2020
- ✓ Detailed information on the current project has been posted on the FOVEC website since July 7, 2021.



Public Outreach – Corp Yard

At the July 7, 2021 Fair Oaks Community Planning Advisory Council (CPAC) meeting, it was clear that the Council thought that public outreach completed to date was poor.

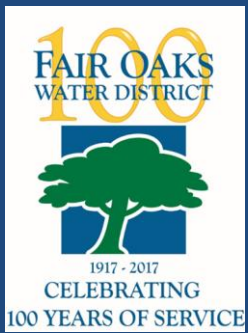
Without making any excuses, FOWD Management agreed with the assessment of the projects outreach done by our consultant to date ... *and set out on a mission to exceed expectations of both our Customers and the Council.*



Public Outreach – Corp Yard

The following documents were developed for immediate public distribution after the July 7, 2021 CPAC meeting.

- ✓ A written summary of the project for use at all community meetings and for mass distribution to anybody that may have interest in the project.
- ✓ A written announcement for a public workshop scheduled for August 18, 2021.



Public Outreach – Corp Yard

FOWD Corp Yard Outreach after July 7, 2021

Item	Date	Task
1	July 28, 2021	AM discussion and materials distribution to the Fair Oaks Village Enhancement Committee
		Post documents from items 1&2 on FOWD Website
		Post documents from items 1&2 outside of FOWD Administration Building
		Add documents from items 1&2 to the County sign posted at the project location as takeaways
		Send documents from items 1&2 to FOWD email distribution list
		PM Presentation to the Fair Oaks Community Action Partnerships (FOCAP)
2	July 29, 2021	Hand deliver documents from items 1&2 to project neighbors
3	August 3, 2021	Distribute documents from items 1&2 to Fair Oaks Chamber Members
4	August 10, 2021	Vintage Oaks Lane Neighborhood Meeting
5	August 9, 2021	Presentation at FOWD Board Meeting
6	August 18, 2021	Community Presentation hosted at the FOWD
7	August 23, 2021	Presentation to Fair Oaks Rotary Club
8	September 1, 2021	Presentation to Fair Oaks CPAC



Public Outreach – Corp Yard

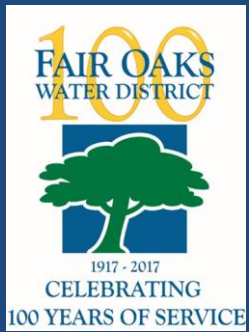
Relative to COVID-19 and California mandates – the California mandatory stay at home order was lifted on January 25, 2021.

Approximately six months after, the FOWD completed a public outreach campaign that exceeded the expectation of the Fair Oaks Community Advisory Committee.



Public Outreach – Corp Yard

The only members of the public that attended the July 7, 2021 Fair Oaks Community Planning Advisory Council meeting and spoke in opposition of the Project ... *currently support the project due to mitigation measures added to the project design based on their comments.*



Closing Statement

“FOWD staff remain committed to responding to all with grace, kindness and an unwavering focus on the FOWD mission. We request your kindness if we fall short on this commitment.”

*Just as Every Drop of Water is Valuable,
so is Every Ratepayer Dollar*



*The FOWD Board, Management, and Staff
Thank You*