



District Attendees

Misha Sarkovich	Board President
Randy Marx	Board Vice President
Barry Brown	Board Member
Daniel Gilliam	Board Member
Timothy Healey	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Sr. Financial Analyst

Other Attendees

Paul Cornwell	Visitor
Jeffrey Mitchell	Kronick, Moskovitz, Tiedemann & Girard

Absent

AGENDA ITEMS

I. Call to Order

President Sarkovich called the meeting to order at 6:29 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 December 14, 2009
2. Accept and file: Treasurer's report for the month of December, 2009
3. Accept and file: Investment report for the month of November, 2009
4. Accept and file: Monthly Financial Expenses for November, 2009
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for December, 2009

- Director Brown pulled items III.1 and III.4.

M/S/C Brown/Gilliam, move to approve the consent calendar - items III.2, III.3, III.5, III.6 and III.7.

Directly Healey was not present for this motion.

- Director Brown stated that the motion made for the closed session item XIII on page 7 of 7 of December 14, 2009 Regular Meeting Minutes needs to be recorded.
- The following was the motion made on the December 14, 2009 closed session.

M/S Sarkovich/Marx

AYES: Gilliam, Healey, Marx, Sarkovich

NOES: Brown

- Director Brown indicated that there were budgeted items that were under spent in 2009, such as the conservation program and training.
- General Manager Gray indicated that staff was busy and was not available to attend all the training budgeted for 2009. General Manager Gray stated that the District received great value for the money actually spent on conservation activities in 2009. He stated that he was proud to be under budget while on this item; attempting to provide value to the District's ratepayers.
- Director Gilliam stated that water conservation was always in the News during 2009. He believed that the District directly benefited from this media coverage.

M/S/C Gilliam/Marx, to approve the minutes (item III.1) as amended and Monthly Financial Expenses (item III.4).

IV. Presentation & Correspondence

1. Letter dated December 16, 2009 from the Association of California Water Agencies

- General Manager Gray stated that the correspondence from ACWA was related to previous action for the Delta Legislation package that was supported by ACWA. There was some dissention between Northern and Southern membership. This letter provided reasoning for the positions ACWA took.

V. Discussion and Action Items: Old Business

1. Report back and discussion on the FOWD recycling program; year-end 2009 and current 2010 status

- General Manager Gray stated that the District collected over \$24k in 2009 from the recycling program. The District generated approximately \$3,600 in the first month of 2010 from the program. All of the money was deposited into the General Fund.

2. Report back and discussion on the proposed Aerojet groundwater monitor well scheduled for construction on Park Avenue

- General Manager Gray stated that he signed a letter informing the customers around the proposed Park Avenue monitor well site that the drilling of the well was scheduled to start on January 11, 2010.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on the annexation of County APN 247-0060-018 into the FOWD service area

- General Manager recommended that the Board direct him to complete all actions required to annex County APN 247-0060-018 into the FOWD service area. The District currently charges Carmichael, and Carmichael charges the customer for water use at this property.

M/S/C Gilliam/Marx, to authorize the General Manager to start the process to complete the annexation of County APN 247-0060-018 into the FOWD service area at no or minimal cost.

- General Manager Gray stated that he will bring back to the Board any expenses over \$1,000 related to this annexation.

2. Discussion and possible action on an “Accounts Payable Payment Policy”

- General Manager Gray recommended that the Board approve the “Accounts Payable Payment Policy.” He stated that the proposed policy provides clear direction to staff as to when others must be paid; provides vendors and consultants guidelines relative to receipt of payment.
- Director Brown stated that there should be a revision to the “Accounts Payable Payment Policy” on item 2.3 to change the word dispute to disputes or change the sentence to make both of the dispute words singular.

M/S/C Gilliam/Marx, to approve the Accounts Payable Payment Policy as amended.

3. Discussion and possible action on FOWD Employee Handbook Chapter 3 – Sick Leave Benefits

- General Manager Gray recommended that the Board approve a revision to the existing sick leave policy. This new sick leave benefit would allow employees to bank their allotted sick leave time without a cap. Unused sick

leave will not be paid to employees upon separation of employment or retirement. In addition, the “per week” is added to read “Regular employees working 32 or more hours per week will accrue sick leave benefits based on an 80 hour pay period.”

M/S/C Gilliam/Brown, to approve the revised Sick Leave Benefits.

4. Discussion and possible action on appointments to serve as District representatives to various organizations

- The following are 2010 Board assignments.

2010 – BOARD ASSIGNMENTS	
Board Name	Members
SGA	Marx, Gilliam
RWA	Marx, Gray
ACWA JPIA	Gilliam
SJWD Executive Committee	Marx, Gray
WFSE	Healey, Gray

5. Discussion and possible action on appointments to serve on District committees

- The following are the 2010 Committee assignments.

2010 – COMMITTEE ASSIGNMENTS	
Committee Name	Members
Budget	Sarkovich, Healey, Gray
Capital Improvement	Gilliam, Sarkovich, Gray
Personnel	Marx, Gilliam, Gray
Public Relations	Brown, Healey, Gray
Technical Advisory	Marx, Gilliam, Gray

VII. Upcoming Events

- 1. January 16, 2010 at 7:30 AM / Supervisor Roberta MacGlashan’s Fair Oaks Community Meeting**
 - This item should be January 20, 2010 at 7:30 AM.
- 2. January 21, 2010 at 7:30 AM / Assemblyman Roger Niello’s Community Meeting**
 - Information only.

3. January 26, 2010 at 1:00 PM / California Legislative Water Package Regional Implementation Workshop

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- Director Marx stated that a meeting has been scheduled for January 12, 2010 at 1 PM.
- General Manager Gray stated that Director Marx was selected as Vice Chair of SGA for 2010.

2. Regional Water Authority (RWA)

- General Manger Gray stated that there will be a meeting on Thursday, January 14, 2010.

3. San Juan Family of Agencies Executive Committee

- President Sarkovich stated that he received a correspondence indicating that Shauna Lorance wanted to attend a FOWD Board meeting.
- General Manager Gray stated that Ms. Lorance wanted to provide a presentation to the Board on SJWD operations. He indicated that Ms. Lorance is not expecting a workshop/Q&A type format and that the District would have to request that format.
- President Sarkovich/Director Gilliam stated that Ms. Lorance can provide the overview of SJWD operations; but should also be prepared to answer questions that the Board may have about the financials.
- Vice President Marx inquired whether the workshop has been scheduled for the SJWD wholesale.
- General Manager Gray stated that it is on their agenda to discuss on Thursday, January 14, 2010.

4. Other

- None.

IX. Directors' Reports & Comments

1. Budget Committee – (Sarkovich, Healey)

- No meeting.

2. Technical Advisory Committee – (Brown, Marx)

- No meeting.

3. Capital Improvement Committee – (Gilliam, Sarkovich)

- Vice President Marx inquired on the status of the building.
- General Manager Gray stated that the building should be complete in February.

4. Personnel Committee – (Marx, Gilliam)

- Director Gilliam stated that the Personnel Committee met and discussed goals for 2010.
- General Manager Gray stated that from January to February, the plan is to complete employee handbook. The updated employee handbook is currently under legal review. In June, the Personnel Committee will schedule staff interviews.
- President Sarkovich and Director Brown stated that the Personnel Committee was supposed to come up with the 2010 goals for the General Manager.
- Director Gilliam stated that they did not come up with a list of 2010 goals and it will be completed at the next Personnel Committee meeting.

5. Public Relations Committee – (Brown, Healey)

- No meeting.

6. Other

- None.

X. General Manager’s Reports

1. Legal Matters

- General Manager Gray stated that tomorrow 1PM is the 27th hearing for the former employee embezzlement case.

2. Meter Implementation (Installation & Future Planning)

- General Manager Gray stated that the District installed 158 meters in December and the YTD meter total is 1,086 for 2009. The District is 89% metered.

3. New Building Projects

- Discussed earlier.

4. Operate within 2009 Budget

- General Manager Gray stated that under the consent calendar, the monthly financial report through November 2009 shows that the District is under budget by 16%.

5. FOWD Financial Plan for Metered Rates

- General Manager Gray stated that the Board decided to operate below the Reserve Target and we have been reaching out to institutions to seek a nominal line of credit in case something catastrophic happens.

6. Emergency Water Supply Agreement

- No report.

7. GW Remediation Issues (Aerojet)

- Discussed earlier.

- 8. Wholesale Meter Upgrades (construction complete; project to remain listed)**
 - General Manager Gray stated that the District is still working on closing of the project; financial issues.
- 9. Update and Revise FOWD Policy Manual**
 - Discussed earlier.
- 10. Fair Oaks 40-inch Pipeline Project Planning & Design**
 - No report.
- 11. Hydraulic Model Development**
 - No report.
- 12. Website Update**
 - No report.
- 13. Other**
 - None.

XI. Public Comment

- None.

President Sarkovich closed the open session at 7:23 p.m.

President Sarkovich called the closed session meeting to order at 7:28 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9

1. Conference with legal counsel – Possible Litigation – 1 case
2. Conference with legal counsel – Existing Litigation – Hubbard v. Gray

President Sarkovich reopened the meeting to the public at 8:02 p.m.

XIII. Report from closed session

- None.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:03 p.m.

The Board approved the preceding minutes on February 8, 2010

Tom R. Gray
General Manager/Board Secretary

Date