



**District Attendees**

Randy Marx	Board President
Timothy Healey	Board Vice President
Barry Brown	Board Member
Daniel Gilliam	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**

Misha Sarkovich	Board Member
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**AGENDA ITEMS**

**I. Call to Order**

President Marx called the meeting to order at 6:30 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 July 9, 2007
2. Accept and file: Treasurer's report for the month of July, 2007
3. Accept and file: Investment report for the month of June, 2007
4. Accept and file: Monthly Financial Expenses for June, 2007
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for July, 2007

- General Manger Gray noted the following changes for the item III.1a (July 9, 2007 Minutes):
  - Change V.6 to read: “Director Sarkovich was not present for the 2007 base salary adjustment vote.”
  - Change VI.1 to read: “Director Sarkovich was not present for the Gum Ranch deed signing and acceptance vote.”
- Director Brown stated that on item IV.1, page three, remove the word “that”, remove “almost” and change “supply” to “supplies.”
- Director Brown inquired on the employee sponsorship for the Great Race under the treasurer report.
- President Marx indicated that it was a perimeter Community event that benefited the Community.
- Director Brown commented that he does not object to the expense since it benefits the community. Although the expense was approved by the Board President, he would like to ensure that all the Board members have the same view.

M/S/C        Brown/Healey, to approve the consent calendar as amended.

#### **IV. Presentation & Correspondence**

##### **1. Letter to ACWA / JPIA on revised policies and use of public funds.**

- General Manager Gray stated that this is a letter to commend and support ACWA/JPIA on their recent revision to the policy manual.
- President Marx inquired how the topic was brought up.
- General Manager Gray stated that this was brought up by the election of new officers, Joe Dion of CHWD being one of them. The new Board questioned some of the practices and started the reform.

##### **2. Correspondence from General Manager of Valley Center MWD relative to CUWCC.**

- General Manager Gray stated that this correspondence outlined the importance of being active in CUWCC. The BMP 11 is one of the examples of how this council is politically motivated and used by the California Legislature for legislation. He stated that the District is currently a member and he will try to be more active and attend meetings. General Manager Gray inquired if any Board members would like to participate.
- President Marx indicated that he would like to participate.

#### **V. Action Items: Old Business**

##### **1. Update on the FOWD 5-Year Financial Plan**

- General Manager Gray stated that this item is on the agenda for the first time. He stated that the District is in the process of developing the RFQ to select a financial consultant to assist the District with the Five Year Financial Plan. The review of the RFQ will be handled by the finance committee and will then be presented to the Board. He stated that he would like to complete this 5-Year Financial Plan by

October 2007. The intent is to use this Financial Plan for the development of the 2008 budget.

## **2. Report Back Items:**

### **a. District Recycling Program / Employee Benefit Policy**

- General Manager Gray recommended that this item be taken off from the list of deliverables due to priority. He indicated that this item should have less priority. He recommended that this item be brought back as the District updates its policy manual.
- Director Gilliam inquired if the District continues to recycle.
- General Manager Gray stated that the District will continue to recycle.
- Director Brown would like a timeline.
- President Marx stated that this item can be completed and included with the District's policy manual at the end of 2007.

M/S/C Marx/Brown, to defer the recycling program/employee benefits policy until the end of 2007 and included with the policy manual.

### **b. Cal-Card Program / Summarize Advantages**

- General Manager Gray stated that included in the Board package is the information on the Cal-Card program on spending controls and program benefits. He stated that there are seven different manuals. He stated that a unique number of controls were developed to prevent misuse of the Cal-Card. One of the Cal-Card controls is per transaction, daily, monthly, and quarterly limits. Only the administrator can make changes to the individual account limit.
- General Manager Gray stated that currently at the District, all Cal-Card statements are opened by the General Manager, then they are forwarded to the HR/Payroll Administrator for reconciliations and matching receipts approved from direct supervisors, then they are forwarded to Finance and placed in the Board package for General Manager to review prior to going to the Board.

## **VI. Action Items: New Business**

### **1. Move meeting date for November Board Meeting**

- General Manager Gray requested the Board to move the Regular Board Meeting from November 12, 2007 to November 13, 2007. He stated that the District will be closed on Monday, November 12<sup>th</sup> in observance of Veterans Day.

M/S/C Healey/Gilliam, to change the 2007 November Regular Board Meeting from November 12<sup>th</sup> to November 13<sup>th</sup>.

## **VII. Upcoming Events**

**1. October 22-26 / AWWA Fall Conference (Sacramento)**

Item placed for information only.

**2. November 27-30 / ACWA Fall Conference (Indian Wells)**

Item placed for information only.

**VIII. Representative Reports**

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

- Director Brown stated that there was discussion on Elverta specific plan, a plan to accommodate new development. It involves Rio Linda Elverta Community Water District and CA American Water Company. He stated that the Board of Supervisors established some very stringent criteria that would allow the development to go forward and with many agreements that have to be rendered. One of the proposed agreements is to coordinate a pipeline extension for a conjunctive use program. Although SGA is not required to approve it, it was asked to review the agreement by the parties.
- Director Brown stated that ED Winkler visited other water agencies describing RWA, Water Forum, and particularly SGA and how it functions.

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

- General Manger Gray stated that there was discussion on allowing SAFCA in as associate member. There were concerns related to flood control conflicting with water supply. SAFCA is joining to coordinate water supply and flood control; and that it was an integral part of our Regional Water Management Planning. The vote was to allow membership for SAFCA.
- General Manger Gray stated that the District will participate in Proposition 84 Grant Application. The District will include any projects within the 5-year master plan that qualifies for Prop 84 Funding.

**3. San Juan Family of Agencies Executive Committee**

- General Manager Gray stated there was discussion on wholesale meters. Director Brown and General Manager Gray will keep an eye on this until it is resolved. General Manager Gray stated that the groundwater supply exercises were discussed.

**4. Other**

- None.

**IX. Director's Reports & Comments**

**1. Budget Committee – (Sarkovich, Healey)**

- No meeting.

**2. Technical Advisory Committee – (Brown, Marx)**

- No meeting.

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

- Director Gilliam stated that the Capital Improvement Committee and the Architects met and went over the preliminary layouts of the building. There is the preliminary schedule available for the Board to review.
- General Manager Gray stated that occupancy is anticipated early second QTR of 2009. Director Gilliam asked the design team to be prepared to present to the full Board for the September Board Meeting.
- Director Brown inquired if the demolition work is included in the schedule.
- General Manager Gray stated it was not included. The demolition will probably be done concurrently with the design of the new building. However, the Capital Improvement Committee preferred to have the demolition completed sooner rather than later.
- Director Brown suggested putting the canopy to bid.
- General Manager Gray stated that the District will be looking at options for liquidating items with salvage value.
- Vice President Healey stated that having the demolition completed early will not be cost-effective as the contractor has to haul all the equipment to the same site twice. Vice President Healey stated that the District can put the sign as discussed previously for public to see future construction on the site.
- General Manager Gray stated that he will wait until the conceptual layouts are presented to the full Board in September before making the sign.

### **4. Personnel Committee – (Marx, Brown)**

- President Marx handed out a list of items from the personnel committee to the Board of Directors. He stated that these are items that he would like the Board of Directors to review.

### **5. Public Relations Committee – (Brown, Healey)**

- No meeting.

### **6. Other**

- None.

## **X. General Manager's Reports**

### **1. Monthly Work Performance Report.**

- General Manager Gray reported that there were 147 total meters added in July 2007. The actual meters installed for the month was 81; 66 were meters discovered that were unaccounted for were discovered through physical check. He stated that the District has field technicians that were challenged to complete as many physical checks as possible during his/her down time.
- Vice President Healey inquired if the field technician were only hired solely for doing physical check. He stated that it would not be worth it since the District

would have discovered existing meters installed as the District starts the meter installation for the targeted area.

- General Manager Gray stated that the field technician is hired to do toilet rebates, address water waste and other conservation projects.

## **2. New Building Status**

- Discussed in previous section.

## **3. Update on FOWD/Aerojet MOU**

- General Manager Gray stated that the District has signed the agreement with Aerojet. Aerojet will be going through another level of legal review prior to finalizing the agreement.

## **4. Update on Town and Heather Well Projects**

- General Manager Gray stated that included in the package is the information on the negative declaration environmental application for the new Town Well. He stated that upon completion of development of a new Town Well, the new well production capacity reached 2,500 gallon per minute (GPM), which is significantly greater than the production capacity of the old well of 1,600 GPM. The increased production capacity required additional environmental review. General Manager Gray stated that at the end of the public comment period, staff will be bringing to the Board a resolution for action and adoption to finalize this process.

## **5. Update on San Juan Family Water Shortage Plan/Water Supply Agreements**

- General Manager Gray stated that the District completed the emergency water supply exercises. Essentially FOWD turned on all our wells and pumps in different scenarios. He stated that the District can run all of its wells 24 hours a day.

## **6. FOWD Five-Year Financial Plan (2008-2012)**

- Discussed in previous section.

## **7. Public Outreach Program**

- Discussed in previous section.

## **8. 2007 Water Conservation Program**

- General Manager Gray reminded the Board that it adopted the new policy. However, he indicated that this item can remain on the list since the District is very active in the Water Efficiency Program for the region. Both RWA and the Water Forum BMP renegotiations tie very closely into the Comprehensive Water Conservation Program. General Manager Gray stated that he has a draft master plan for RWA Water Efficiency Program. He will present to the Board the deliverables from participating in the program when the plan gets to the final stage.

## 9. 2007 Emergency Response Plan

- General Manager Gray stated that the deliverable date is November 2007.

## 10. Other

- None.

## XI. Public Comment

- Mr. Cornwell stated that he was confused about what he needs to do next according to the Minutes.
- President Marx stated that essentially, Mr. Cornwell needs to write a letter and provide new information and the District will respond back.
- Director Brown agreed that Mr. Cornwell should present new information.
- Mr. Cornwell stated that he has no cross-connection on his property.
- Director Gilliam inquired if Mr. Cornwell refused to allow District staff to inspect his property.
- Mr. Cornwell stated that he did not deny anyone from inspecting his property.
- Mr. Cornwell inquired if the District has a staff with cross-connection license.
- General Manager Gray stated that the District does have an employee with a cross-connection license.
- Mr. Cornwell stated that there is no due process.
- Legal Counsel Mitchell stated that the District's due process is the public comment during the Board meeting which is what Mr. Cornwell is doing. He stated that the Board had responded to the information Mr. Cornwell provided and unless new information is presented, that is all the Board can do.

President Marx closed the open session of the meeting at 8:09 p.m.

President Marx called the closed session meeting to order 8:18 p.m.

## XII. Closed Session Pursuant to Government Code Sections 54956.9 and 54957

- Existing Litigation (Subdivision (a) of Section 54956.9) Name of Case: Fair Oaks Water District vs. Richard Plecker et al. Sacramento County Superior Court Case No. 05AS0545.*
- Existing Litigation (Subdivision (a) of Section 54956.9) Name of case: Diane Grass vs. Fair Oaks Water District et al. Sacramento County Superior Court Case No. 07AS03478.*
- Conference with legal counsel – anticipated litigation (one case).

President Marx reopened the closed session of the meeting at 8:42 p.m. stating that the Board has authorized General Manger Gray to go forward and defend the District in the existing litigation case No. 07AS03478: *Diane Grass vs. Fair Oaks Water District.*

**XIII. Adjournment**

With no further business to come before the Board, President Marx adjourned the meeting at 8:43 p.m.

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The Board approved the preceding minutes on September 10, 2007

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Tom R. Gray  
General Manager/Board Secretary

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Date