



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

March 9, 2009

District Attendees

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

Other Attendees

Mark Salmon	Visitor
Tom Parker	Visitor
Diane Shakal	Visitor
Paul Cornwell	Visitor
Ingrid Shepline, CPA	Richardson and Company

Absent

Timothy Healey	Board Member
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AGENDA ITEMS

I. Call to Order

President Gilliam called the meeting to order at 6:30 p.m.

II. Public Comment

- General Manager Gray requested that item VI.1 be moved to IV.1.

III. Consent Calendar

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

1. Approval of Minutes:
 - a. Regular Board Meeting of February 9, 2009
2. Accept and file: Treasurer's report for the month of February, 2009
3. Accept and file: Investment report for the month of January, 2009
4. Accept and file: Monthly Financial Expenses for January, 2009

5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for February, 2009

M/S/C Sarkovich/Marx, to approve the consent calendar.

IV. Presentation & Correspondence

1. Request for the Fair Oaks Water District to sponsor an interpretive sign on water (and with a water conservation message) planned for the foot of Bridge Street

- Ms. Shakal requested that the District sponsor an interpretive sign to be placed on the West side of Bridge Street.
- General Manager Gray stated that the sign will have the District's logo along with a conservation message.

M/S/C Sarkovich/Marx, to authorize the General Manager to enter into agreement with Donor Bluff Plaza not to exceed \$1,000 to place the proposed sign.

2. Letter dated February 12, 2009 from the Government Finance Officers Association acknowledging Award of Certificate of Achievement for Excellence in Financial Reporting to the FOWD for the fiscal year ending December 31, 2007

- General Manager Gray stated that the District received the award for the 2007 Comprehensive Annual Financial Reporting from Government Finance Officers Association.

3. Presentation from Richardson and Company on Fair Oaks Water District's Comprehensive Annual Financial Audit for the year ending December 31, 2008

- General Manager Gray introduced Ms. Ingrid Sheipline from Richardson and Company to present the District's 2008 annual financial audit.
- Ms. Sheipline stated that the District received a clean opinion for the 2008 annual audited financial statements.
- Ms. Sheipline stated that the balance sheet indicates the continued solid financial condition of the District. The District's total assets increased from \$39M to \$42M primarily due to sale of property. Capital assets increased by \$2M primarily from meter installations.
- Ms. Sheipline stated that of the District's \$8M in unrestricted reserve, \$4M has been designated for emergency and rate stabilization.
- Ms. Sheipline stated that revenues increased due to one time type items.
- Ms. Sheipline stated that the District, in conjunction with revision of its fixed asset policy, had lengthened the lives of some fixed assets; resulting in a decrease in depreciation expense of \$668k.

2. **Report back on letter dated February 20, 2009 to wholesale water supplier SJWD**
 - General Manager Gray stated that enclosed is the letter drafted by Director Marx and him that was sent to SJWD. He stated that the SJWD executive staff will provide a formal response to the full Board.

VI. Discussion and Action Items: New Business

1. **Request for the Fair Oaks Water District to sponsor an interpretive sign on water and with a water conservation message planned for the foot of Bridge Street**

- Discussed under item IV.1.

2. **Discussion and possible action on approval of Fair Oaks Water District sponsoring a “Concert In The Park” with a water conservation message**

- General Manager Gray stated that the Chamber of Commerce holds concerts in the park Thursday evenings throughout the summer. He stated that for \$600, the District can host a concert with a water conservation booth and receive multiple advertising opportunities.

M/S/C Sarkovich/Brown, to authorize the District to become a Fair Oaks Grand concert sponsor and include a water conservation message in the customer outreach for \$600.

3. **Discussion and possible action on Resolution No. 0901 – “A Resolution Declaring That The Fair Oaks Water District Will Pay Employee Contributions Into the Public Employees Retirement System”**

- General Manager Gray recommended that the Board approve the resolution 0901, implementing the provisions of Internal Revenue Code when making contributions pursuant to the California Government Code to PERS on behalf of its employees who are members of PERS. He indicated that the resolution has no effective change at the District. He indicated that the purpose of the resolution is to preserve the before tax status of the contribution.

M/S/C Sarkovich/Marx, to approve resolution No. 0901.

4. **Discussion and possible action on FOWD Policy 7000 – Returned Checks**

- General Manager Gray stated that the Returned Checks policy 7000 has been renamed to Billing and Collection Fees and has been updated to include the following:

1. Returned Check Fee
2. Late Penalty Fee
3. Final Notice Service Fee
4. Disconnect Service Fee

5. Lien Processing Fee
6. Meter Re-Read Fee
7. Meter Test Fee

- He stated that these fees will be updated in accordance with the adopted budget.

M/S/C Sarkovich/Marx, to approve Billing and Collection Fees policy 7000.

5. Discussion and possible action on FOWD Policy 5040 – Fixed Assets Accounting Control

- General Manager Gray stated that the Fixed Assets Accounting Control Policy 5040 has been updated to reflect the District's current operations. He indicated that it is more comprehensive than the previously adopted fixed asset policy.

M/S Sarkovich/Marx, to approve policy 5040.

- Director Brown stated that the policy is good in terms of general content; however, he believes that the policy needs to address inventory and he suggested reorganizing some of items.
- The Board suggested that staff work with Director Brown's suggested comments and bring it back at the next Board meeting.

VII. Upcoming Events

- 1. March 16, 2009 / DWR 2009 Urban Drought Workshop / San Jose**
 - Information only.
- 2. March 18, 2009 / ACWA 2009 Legislative Symposium / Sacramento**
 - Information only.
- 3. May 19 -22, 2009 / ACWA 2009 Spring Conference & Exhibition / Sacramento**
 - Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - General Manager Gray stated that at the 2/12/09 meeting, the Budget Committee was selected; Chuck Rose is on that Committee representing the San Juan Family. He stated that the Groundwater Management Plan Update was provided.
- 2. Regional Water Authority (RWA)**
 - General Manager Gray stated that a meeting is scheduled for 3/12/09.
- 3. San Juan Family of Agencies Executive Committee**

- No report.

4. Other

- General Manager Gray stated that he attended Kevin Johnson's State of City Address. He indicated that it could be beneficial to have Mr. Johnson come to the Water Forum meeting.

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)

- Director Gilliam stated that they are finalizing the design of the retaining wall contingent upon meeting with the neighbor regarding cost-sharing.
- General Manager Gray stated that staff will go over the security requirements including audio visual, communications, and alarms for the new building internally; then the plan will be presented to the design team.

4. Personnel Committee – (Marx, Gilliam)

- No meeting.

5. Public Relations Committee – (Brown, Healey)

- No meeting.

6. Other

- Director Brown stated that Fair Oaks Enhancement Committee is in the implementation stage of the vision for the village. The first effort is developing directional signs, the second is the directories, and the third is gateway signs.
- Director Brown stated that around \$500 was spent in the last two months for one Director to attend capital improvement (new building) meetings. He indicated that a stipend in his view is a reasonable reimbursement for preparing and attending a meeting. He stated that he doesn't believe that attendance to new building meetings would warrant a stipend. He stated that the new building has all the required plans and permits and he doesn't see the need for a Board member to be present.
- President Gilliam stated that attending meetings on the new building should not be compared to playing golf or attending expensive meals at rate payers' expense.
- Director Sarkovich suggested placing the stipend policy on the agenda for the next public meeting.
- General Manager Gray wanted to note that FOWD has one of the lowest stipends of local Special Districts.

- Director Brown stated that General Manager Gray's comment is irrelevant to his comment.
- President Gilliam asked that the stipend policy be placed on the next Board meeting agenda.

X. General Manager's Reports

1. Legal Matters

- General Manager Gray stated that he is following a former employee's criminal case and provided an update.

2. Meter Implementation (Installation & Future Planning)

- The District installed 167 meters in February of 2009 which included outside contractor installation.

3. New Building Projects

- Discussed earlier.

4. Operate within 2009 Budget

- General Manager Gray stated that the District is operating within the budget.

5. FOWD Financial Plan for Metered Rates

- General Manager Gray stated that the financial plan will be a priority in 2009 and he will work with the Budget Committee.

6. Surface Water and GW Supply Agreements

- Discussed earlier.

7. GW Remediation Issues (Aerojet)

- General Manager Gray stated that Aerojet will be starting the monitoring well at Park Avenue in April 2009. He stated that the District will receive a \$600,000 payment with 5% interest in April 2009.

8. Wholesale Meter Upgrades

- General Manager Gray stated that the District has already installed two wholesale meters and is in the process of installing the third meter.

9. Update and Revise FOWD Policy Manual

- Discussed earlier.

10. Fair Oaks 40-inch Pipeline Project Planning & Design

- General Manager Gray stated that he will be working with SJWD on the Fair Oaks' 40-inch pipeline and report back to the Board.

11. Hydraulic Model Development

- General Manager Gray stated that staff will be working on the detailed model for the District.

12. Website Update

- General Manager Gray stated that our new IT representative has been updating the website.

13. Other

- General Manager Gray stated that the San Diego County Water Authority provided customers with door hangers that allow the neighbors to hang notice on other neighbors' door for water leaks etc. He thought the District might want to use the same method to help the water conservation effort.
- Director Brown suggested incorporating the Stage 3 – Water Warning in the Spring Newsletter.

XI. Public Comment

- Mr. Cornwell stated that the FOWD has water entitlement. We have been storing water in lakes and rivers and the District is entitled to the water. He stated that the District should drop the Water Forum and all the related agencies that are just lobbyist.

XII. Adjournment

With no further business to come before the Board, President Gilliam adjourned the meeting at 8:20 p.m.

The Board approved the preceding minutes on April 13, 2009

Tom R. Gray
General Manager/Board Secretary

Date