



**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**

Jim Cihler	Visitor
Paul Cornwell	Visitor

**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**

- 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 March 9, 2009
2. Accept and file: Treasurer's report for the month of March, 2009
3. Accept and file: Investment report for the month of February, 2009
4. Accept and file: Monthly Financial Expenses for February, 2009
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for March, 2009

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

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

##### **1. Written response to FOWD letter dated February 20, 2009 to wholesale water supplier SJWD**

- General Manager Gray reported on the response from SJWD related to the District's inquiry on wholesale related water issues. He stated that according to SJWD, the proposed groundwater transfer to Southern California only occurs in "Water Forum" years. He also stated that the SJWD Board President and General Manager offered to meet with the FOWD Board to answer questions related to wholesale water.
- Director Marx asked General Manager Gray to request the SJWD Board President and General Manager attend the May 2009 FOWD Board meeting.

##### **2. Letter to Sacramento County District Attorney dated March 24, 2009**

- General Manager Gray stated that the District sent a letter to the County District Attorney relating to Superior Court Case #08F03525 in accordance with Board Direction.

##### **3. Sacramento Local Agency Formation Commission proposed FY 2009-10 Budget**

- General Manager Gray presented the LAFCO FY 2009-10 Budget; highlighting fees charged to FOWD.

##### **4. Staff presentation of Government Finance Officers Association "Elected Officials Guides"**

- General Manager Gray stated that the District ordered various "Elected Officials Guides" including long term financing, budgeting, auditing, governmental accounting, fund balance and net assets, and other publications for Board member use.

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

##### **1. Discussion and possible action on FOWD Policy 5040 – Fixed Assets Accounting Control**

- General Manager Gray stated that staff incorporated the suggested comments from Director Brown from the last Board meeting.
- Director Brown and General Manager Gray suggested removing the words "and will" from the fixed asset policy 5040 under item 4.1.3.

M/S/C Sarkovich/Marx to approve Policy 5040 – Fixed Asset Accounting Control as amended.

##### **2. Discussion and possible action on FOWD Policy 2040 – Compensation for Directors**

- President Gilliam deferred the item for the May 2009 Regular Board Meeting.
- 3. Management’s response to items contained in the “Management Letter” for the 2008 Annual Audit performed by Richardson & Company**
- General Manager Gray provided the response to the three items Richardson & Company commented on in the management letter from the 2008 annual audit including formalizing the closing process, A/P checks distribution and inventory count procedures.
  - Director Brown inquired whether a policy will accompany the closing process procedure.
  - General Manager stated that staff will work on the policy with reference to the closing procedure.

**VI. Discussion and Action Items: New Business**

**1. Discussion and possible action on FOWD Resolution No. 0903 authorizing the transfer of APN 235-0201-001 located on Hazel Avenue**

- General Manager Gray stated that the 920 square foot property on Hazel Avenue has no value to the District’s rate payers relative to water quality and quantity and recommended that the Board authorize the sale of the property to the County as part of the Hazel Avenue Road Widening Project at fair market value. An independent appraisal of the property set the fair market value at \$2,800.

M/S/C      Sarkovich/Brown, to approve Resolution No. 0903, authorizing the transfer of title of APN 235-0201-001 located on Hazel Avenue to the County of Sacramento for \$2,800.

**2. Accept and file the Fair Oaks Water District’s Comprehensive Annual Financial Report, with Independent Auditor’s Report, for year ending December 31, 2008**

- General Manager Gray stated that Richard & Company presented the results of the audited financial statements at the March 9, 2009 Board meeting. The CAFR included supplemental information that was not included at the last meeting.

M/S/C      Sarkovich/Marx, to accept and file Fair Oaks Water District’s Comprehensive Annual Financial Report, with Independent Auditor’s Report, for year ending December 31, 2008.

**VII. Upcoming Events**

**2. May 19 - 22, 2009 / ACWA 2009 Spring Conference & Exhibition / Sacramento**

- General Manager Gray stated that Director Marx, Director Brown are scheduled to attend the 2009 ACWA Spring Conference.

**VIII. Representative Reports**

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

- Director Marx stated that based on the SGA’s approved budget, the FOWD fees increased because the District pumped more groundwater. He stated that the fees are based on total connections and groundwater pumping. He indicated the District fee is approximately \$17,000 out of \$546,000. He stated that SGA protects the groundwater and provides good resources for items such as grant funding.

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

- No report.

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

- Director Marx stated that the SJWD Executive Committee met and discussed Folsom Lake being in better shape than originally anticipated, in addition to other items.

**4. Other**

- Director Brown stated that SGA has not received notice on the new Director representing the District as he still receives calls from them.

**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 the District should be receiving the building permit within the next two weeks. He indicated that the concrete has been poured for the retaining wall.

**4. Personnel Committee – (Marx, Gilliam)**

- No meeting.

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

- No meeting.

**6. Other**

- Director Brown stated that ACWA, in working with the National Geographic Society, is preparing a custom document series titled “Water for Tomorrow”, which would be a good tool for water agencies to use for public education. He

stated that there will be four issues published and the first issue will be rolled out in May 2009. He suggested that the District participate in the program.

- General Manager Gray stated that the District has committed to order the same quantity as the conservation Calendars and make them available on the counter and at public events.

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

### **1. Legal Matters**

- Discussed earlier.

### **2. Meter Implementation (Installation & Future Planning)**

- General Manager Gray stated that the District installed 111 meters in March of 2009.

### **3. New Building Projects**

- General Manager Gray stated that the District negotiated with one of the neighbors to pay \$8,000 for additional retaining wall work required for their benefit.

### **4. Operate within 2009 Budget**

- General Manager Gray stated that the District is operating within the budget. He stated that the Board approved the Hazel Avenue Widening Water Project with a 10% cost based on the District on the engineer's estimate. The actual bid came in about \$100,000 less than the engineer's estimate. Staff was able to renegotiate and obtain the 10% on the actual bid versus the engineer's estimate which saved the District \$10,000.
- Director Sarkovich inquired whether District experienced an increase in delinquencies.
- General Manager Gray stated that the District is experiencing an increase in delinquencies, along with increase in credit card usage which has increased credit card fees that the District currently is not passing to the customers.
- President Gilliam suggested looking at the credit card fees.
- General Manager Gray recommended that, any increase in fees, including the credit card fees, should be reviewed during the budget process.

### **5. FOWD Financial Plan for Metered Rates**

- No report.

### **6. Surface Water and GW Supply Agreements**

- General Manager Gray stated the Surface Water Agreement has been completed. The District is currently working on the GW Supply Agreement.
- Director Brown suggested changing this heading to "Emergency Water Supply Agreement."

**7. GW Remediation Issues (Aerojet)**

- General Manager Gray stated that the proposed monitoring well on Park is scheduled to start in April.

**8. Wholesale Meter Upgrades**

- General Manager Gray stated that the District is in the process of calibrating the three FOWD wholesale water meters.

**9. Update and Revise FOWD Policy Manual**

- Discussed earlier.

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

- General Manager Gray stated that the District worked on the leak and found a piece of wood that was used to fix the leak years ago.

**11. Hydraulic Model Development**

- General Manager Gray stated that the wholesale hydraulic model is completed and is being calibrated and will be used for emergency water supply planning. The District will seek a proposal from the consultant to complete a District model. General Manager Gray stated that Operations Manager Nisenboym will work with current consultant on this matter.

**12. Website Update**

- General Manager Gray stated that the District is refining and developing its webmaster ability.
- Director Brown suggested the District update the website to include Stage 3, newsletter and various other items.

**13. Other**

- None.

**XI. Public Comment**

- None.

**XII. Adjournment**

With no further business to come before the Board, President Gilliam adjourned the meeting at 8:08 p.m.

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The Board approved the preceding minutes on May 11, 2009

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Tom R. Gray  
General Manager/Board Secretary

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Date