



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

December 14, 2009

District Attendees

Daniel Gilliam	Board President
Misha Sarkovich	Board Vice President
Barry Brown	Board Member
Randy Marx	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
Joseph Arch	JJACPA, Inc.
Steve Amos	JJACPA, Inc.

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Mr. Cornwell stated that he did not receive an adequate answer from the 2006 correspondence he sent to the District as to why he would need to have two backflows. In addition, he indicated that the Board has been misinformed on the conditions on North Winding Way.
- President Gilliam thanked Mr. Cornwell for his comment.

III. Consent Calendar

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

1. Approval of Minutes:
 - a. Regular Board Meeting of November 9, 2009
2. Accept and file: Treasurer's report for the month of November, 2009
3. Accept and file: Investment report for the month of October, 2009
4. Accept and file: Monthly Financial Expenses for October, 2009
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for November, 2009

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

IV. Presentation & Correspondence

1. **Letter dated November 16, 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 ended December 31, 2008.**
 - General Manager Gray stated that the District received the Award from GFOA for Certificate of Achievement for Excellence for the year ended December 31, 2008.
2. **Memorandum on SJWD Wholesale activities dated December 7, 2009**
 - General Manager Gray stated that the correspondence from Shauna Lorance covered Pilot Groundwater Transfer, Groundwater Study, Legislation and Conservation, Capital Improvement Projects and Wholesale Budget. He indicated that SJWD tried to address the District's concerns; however, it did not address the specific questions.
3. **Staff Presentation: 2009 Customer Service Performance Report**
 - Operations Supervisor Shawn Huckaby provided a report on customer service performance.
 - Operations Supervisor Huckaby stated that the District has 14,055 parcels listed in its service area and 14,129 water services installed.
 - Operations Supervisor Huckaby stated that customer service staff implemented changes to the process of monitoring parcels. These changes resulted in additional revenues collected of over \$15,000 for accounts not being billed. He added that the District will continue to collect these revenues going forward.
4. **Staff Presentation: FOWD Historic Video Overview**
 - General Manager Gray stated that the District will have a video which will provide an overview of the District's history and current District information in the lobby of the new building.

V. Discussion and Action Items: Old Business

- None.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on the selection of a Board President and Board Vice President for 2010.

M/S Sarkovich/Gilliam, motioned to approve Randy Marx as Board Vice President.

AYES: Gilliam, Healey, Marx, Sarkovich

NOES: Brown

M/S Marx/Gilliam, motioned to approve Misha Sarkovich as Board President.

AYES: Gilliam, Healey, Marx, Sarkovich

NOES: Brown

2. Discussion and possible action on year-end MIP report and 2010 MIP.

- Operations Manager Nisenboym provided an overview of the meter installations to date. The remaining meters of 1,510 will be installed in 2010. The District plans to contract out some of the meter installation.
- Director Brown inquired on the reason for services being 14,129 while parcels total 14,055.
- Operations supervisor Huckaby stated that some of the parcels have two or three meters.

3. Discussion and possible action on a capital improvement contract with GM Construction.

- General Manager Gray recommended that the Board authorize the General Manager to execute an agreement with GM Construction to install water meters and required appurtenances for a total cost of \$352,621 (\$2,163 per unit).
- General Manager Gray stated that some of the areas in the District required specialized boring equipment including Butterwood Circle, Plantain Circle and Blue Oak. The District does not have the required equipment; therefore, the District decided to bid out the work. The District sent bid packages to four qualified vendors and received two responses; with GM Construction being the lowest bidder.

M/S/C Sarkovich/Brown, to authorize the General Manager to execute an agreement with GM Construction to install meters and required appurtenances for a total cost of \$352,621.

4. Discussion and possible action on scheduling a Board of Directors tour of the new FOWD Administration Building Project.

- General Manager Gray stated he would like to schedule a tour of the FOWD new administrative building project for all of FOWD Board members.

VII. Upcoming Events

1. Regional Water Efficiency Workshop / December 15, 2009 / SSWD

- General Manager Gray stated this workshop will be from 8 a.m. to 2 p.m. They will be covering water conservation and RWA Water Efficiency Program.

2. SJWD Wholesale Finance Workshop / January 27, 2010 / SJWD

- General Manager Gray stated the SJWD Wholesale Finance Workshop has been cancelled and no new date has been selected.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- General Manager Gray stated that Director Marx has been elected as Vice President of SGA.
- Director Marx stated SGA met to discuss the recently passed legislation.
- Director Brown inquired on the ACWA membership split within ACWA from the November 9, 2009 Regular Board Minutes.
- General Manager Gray stated that ACWA at the beginning was neutral on the water legislation; at the end, the ACWA Board took a vote that did not support all the member agencies.

2. Regional Water Authority (RWA)

- No report.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray stated that there was no meeting; please see the letter from Shauna Lorange referenced earlier in the meeting.

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)

- No meeting.

4. Personnel Committee – (Marx, Gilliam)

- President Gilliam requested that General Manager Gray schedule a Personnel Committee Meeting.

5. Public Relations Committee – (Brown, Healey)

- No meeting.

6. Other

- Director Brown inquired if there were any discussions on the new requirement on the Conservation Plan.
- General Manager Gray stated that the General Managers of the San Juan Family are actively working on how to address the conservation and the new BMPs. There is a five year report for Best Management Practices required by USBR. He stated that the District sent the reports based on the USBR requirements. USBR now wants to discuss the FOWD with SJWD.

X. General Manager's Reports

1. Legal Matters

- General Manager Gray stated that the Marx-Jackson case will have its 26th hearing in January 2010. He indicated that there is a possible litigation under tonight's closed session.

2. Meter Implementation (Installation & Future Planning)

- Discussed earlier.

3. New Building Projects

- Discussed earlier.

4. Operate within 2009 Budget

- General Manager Gray stated that under the consent calendar, the monthly financial report shows that the District is under budget by 18% as of October 2009.

5. FOWD Financial Plan for Metered Rates

- General Manager Gray stated the Financial Committee plans to have the five year financial plan completed by November 2010. He stated that the District will have outside consultant review the plan once completed.

6. Emergency Water Supply Agreement

- General Manager Gray stated that the District put together multiple agreements with the wholesale supplier. The District is still working on the agreement for the Emergency Water Supply.

7. GW Remediation Issues (Aerojet)

- No report.

8. Wholesale Meter Upgrades (construction complete; project to remain listed)

- General Manager Gray stated that the District is still looking into the cost allocation of the project.

9. Update and Revise FOWD Policy Manual

- General Manager Gray stated that the employee manual has been sent to legal for review and will be brought back to the Board for adoption.
- Director Brown stated that the policy manual was supposed to be done by the end of the year.
- General Manager Gray stated that some policies were updated; however, all policies were not completed according to the format the Committee requested.

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

- General Manager Gray stated that a consultant has been selected and the design is underway.

11. Hydraulic Model Development

- General Manager Gray stated that the wholesale project is complete and the District is currently working on its individual hydraulic model.

12. Website Update

- No report.

13. Other

- General Manager Gray reported that a student informed him that he was reporting on the FOWD embezzlement case in an accounting class.

XI. Public Comment

- Mr. Cornwell commented that there are too many closed sessions at the District.

President Gilliam closed the open session at 7:52 p.m.

President Gilliam called the closed session meeting to order at 8:02 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.8, 54956.9 and 54957

1. Possible Litigation (*Subdivision (a) of Section 54956.9*) Name of case: pending
2. Public Employee Performance Evaluation – General Manager’s performance evaluation and conference involving compensation

President Gilliam reopened the meeting to the public at 9:23 p.m.

XIII. Report from closed session

The following action was taken in closed session pursuant to government code section 54957 and is now reported to the public: *“Effective January 1, 2010, increase the annual salary of the General Manager by 2% and provide a onetime 2% contribution to Deferred Compensation Plan of the General Manager’s choice as a performance incentive payment in accordance with section 4(iii) of the General Manager’s Employment Agreement.”*

M/S Sarkovich/Marx

AYES: Gilliam, Healey, Marx, Sarkovich

NOES: Brown

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Gilliam adjourned the meeting at 9:26 p.m.

The Board approved the preceding minutes on January 11, 2010

Tom R. Gray
General Manager/Board Secretary

Date