



District Attendees

Randy Marx	Board President
Daniel Gilliam	Board Member
Lonny Gossett	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Shawn Huckaby	Operations Superintendent
Chi Ha-Ly	Sr. Financial Analyst

Other Attendees

Keith Durkin	SJWD Asst. General Manager
Ted Costa	SJWD Board President
Robert Partos	Visitor
Sid Johnson	Visitor

Absent

Timothy Healey	Board Vice President
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AGENDA ITEMS

I. Call to Order

President Marx called the meeting to order at 6:32 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 14, 2011
2. Accept and file: Treasurer's report for the month of March, 2011
3. Accept and file: Investment report for the month of February, 2011
4. Accept and file: Monthly Financial Expenses for the month of February, 2011
5. Approval of Warrants

6. Approval of Cal-Card Statement
7. Approval of Monthly Board Expense Report for March, 2011

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

IV. Presentation & Correspondence

1. Staff presentation and discussion on the current FOWD water bill format and payment timing

- General Manager Gray stated at the previous Board meeting, there were questions related to the District's water bill. Operations Superintendent Huckaby will go over the bill and payment timing.
- Operations Superintendent Huckaby provided an overview of the District's water bill including the metered vs. flat rate comparison, grace period and timing of payments.

2. Staff presentation on the net worth of FOWD and the 2010 Comprehensive Annual Financial Report

- General Manager Gray stated the attached completed CAFR is for the Board to keep for future reference. He indicated that the District has tremendously increased its net worth from 2004 to 2010 by \$17M while only using \$5.5M in reserves.

V. Discussion and Action Items: Old Business

1. Update discussion and possible action on the FO-40 Pipeline Project

- General Manager Gray stated that, in accordance with Board direction, he has legal counsel researching issues related to the project. He indicated that the District should have a response by the next Board meeting.
- The Board indicated that General Manager Gray can halt working with SJWD staff on the FO-40 until the District receives a response from legal.
- President Marx indicated that this item should be left on the agenda for the next Board meeting discussion.

2. Report back and discussion on water service to the "Bluffs"

- General Manager Gray stated that he had not been able to reach an agreement with the Bluffs. He noted that the attached letter was sent out to the Bluffs indicating the District will be installing meters at the Bluffs and converting the Bluffs to metered billing in 2012.
- Mr. Partos stated that the District should inform the Bluffs what the District would like to include in an agreement and what it would consider to be reasonable.

3. Report back and discussion on water service to 8200 Winding Way

- General Manager Gray stated that the pressure problem to the 8200 Winding Way was caused by the pressure regulating valve rather than the service size based on the District's inspection of the property. Thus, there was no need to upsize the service.

4. Report back and discussion on Commercial Greenergy® Agreement with SMUD

- General Manager Gray stated that the District has signed the Commercial Greenergy® Agreement with SMUD, and provided an executed copy to the Board members.

5. Report back and discussion on SJWD Wholesale Costs

- General Manager Gray stated that at the SJWD documents showing employee data between wholesale and retail was informative. He also stated that SJWD is looking at zero rate increase for the 2012 and their new budget format is easy to follow.
- General Manager Gray stated that there was new consideration of how the wholesale costs will be allocated and that he would provide an update as data becomes available from SJWD.
- Mr. Durkin stated that the treatment plant above the Hinkle Reservoir will be considered benefiting all wholesale and downstream from the Hinkle Reservoir will be for the benefiting individual agencies.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on water service to 8142 Sunset Avenue

- Mr. Johnson stated that he would like the District to install and be responsible for a new public main and the services. He indicated that the District previously provided maintenance on the private main. He had a proposal of how the District should install the services and he does not believe that these should be private lines.
- General Manager Gray stated that he could not make the exception. The District would only be responsible up to the meters, installed along Sunset frontage.
- The Board stated that the District went above and beyond by offering to install the private services at no cost to the owners. The Board does not believe that the District should own or be responsible for the existing private main and house connections.

2. Discussion and possible action on nominations for open positions on the ACWA HBA Board of Directors

- General Manager Gray stated that there is a director position available on the ACWA HBA Board.

- None of the FOWD Directors were interested in the ACWA HBA Board position.

3. Discussion and possible action on FOWD mission statement

- General Manager Gray stated he would like the Board to consider revising the District's mission statement to reflect the current Board's priorities.
- The Board had made the following changes to the mission statement: 1) retain the first part of the mission statement; 2) remove the second paragraph; and 3) replace the word practical to reasonable. The District's new mission statement will read as follows:

"The mission of Fair Oaks Water District is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest reasonable cost."

M/S/C Marx/Gilliam, to approve the new mission statement.

VII. Upcoming Events

- 1. April 20, 2011 / Supervisor Roberta MacGlashan's FO Community Meeting / Fair Oaks**
 - Information only.
- 2. April 30, 2011 / Spring Fest / Fair Oaks**
 - Information only.
- 3. May 11-13, 2011 / ACWA Spring Conference / Sacramento**
 - Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - No meeting.
- 2. Regional Water Authority (RWA)**
 - No meeting.
- 3. San Juan Family of Agencies Executive Committee**
 - Discussed earlier.
- 4. Other**
 - None.

IX. Directors' Reports & Comments

- 1. Budget Committee – (Sarkovich, Healey)**
 - No meeting.
- 2. Technical Advisory Committee – (Gilliam, Marx)**
 - No meeting.
- 3. Capital Improvement Committee – (Gilliam, Sarkovich)**
 - No meeting.
- 4. Personnel Committee – (Marx, Gilliam)**
 - No meeting.
- 5. Public Relations Committee – (Gossett, Healey)**
 - No meeting.
- 6. Other**
 - None.

X. General Manager's Reports

- 1. Meter Implementation (Installation & Future Planning).**
 - General Manager Gray stated that the MIP completion is pending meter installations at the Bluffs.
- 2. New Building Projects**
 - General Manager Gray stated that the District recently met with the Architects and the Builder to discuss closing out all contract requirements.
- 3. Operate within 2011 Budget**
 - No report.
- 4. FOWD Financial Plan for Metered Rates**
 - No report.
- 5. Wholesale Meter Upgrades (construction complete; project to remain listed)**
 - General Manager Gray stated that a final report has been completed on cost allocations. Currently the General Managers are discussing possible alternatives for cost allocations and will bring the recommendations to the individual agency Boards.
- 6. Fair Oaks 40-inch Pipeline Project Planning & Design**
 - Discussed earlier.

7. Other

- General Manager Gray stated that there was a letter to Delta Stewardship Council providing comments on Delta issues that included FOWD as a signatory. A copy of the letter was provided to FOWD Board members.

XI. Public Comment

- None.

President Marx closed the open session at 8:30 p.m.

President Marx called the closed session meeting to order at 8:32 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54954.5, 54956.8, 54956.9 and 54957

1. Existing Litigation (Subdivision (a) of Section 54956.9) Name of case: Hubbard vs. Fair Oaks Water District et al. Sacramento County Superior Court

President Marx closed the closed session at 8:36 p.m.

President Marx reopened the meeting to the public at 8:37 p.m.

XIII. Report from closed session

- No report.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 8:38 p.m.

The Board approved the preceding minutes on May 9, 2011

Tom R. Gray
General Manager/Board Secretary

Date