



District Attendees

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

Other Attendees

Christian Tratta	Visitor
Gwen Kline	Visitor
Maria Cucicea	Visitor
Kevin D. Todd	Visitor
Tom Zoltkowski	Visitor
Angela Talent	Visitor

Absent

Randy Marx	Board Member
------------	--------------

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Mr. Christian Tratta stated that he owns property located at Sotheby Court, where he plans to build his residence. The District indicated that the proposed building is too close to existing 8-inch water main and that the District requested the house be moved 10 feet away from the water main. He indicated that their plans fit all of the criteria. In order to comply with the District's demand, he and his design team moved the proposed structure six feet over to the east. He indicated that despite all the discussions and meeting, there was no resolution.
- General Manager Gray stated that staff will not approve the existing plan. He suggested two options: 1) Move the building; 2) Abandoning the water main. General Manager Gray stated that the District needs to review the proposed grading

plan. Mr. Gray indicated that the District is looking for 10 feet clear from the existing main.

- President Healey directed staff to work with the customer to resolve the issue in a timely manner.
- Ms. Angela Talent, Chairman of Fair Oaks Village Enhance Committee, would like Fair Oaks to keep open the pedestrian path between Fair Oaks Blvd. and Park Drive on the west side of FOWD's property.
- General Manager Gray stated that the path is not the District's property. He added that the District has already submitted its plan to the County.
- Mr. Zoltkowski stated that the Fair Oaks Village Enhance Committee has plans to increase parking for the village. The District's property is situated in the area where one can access Park Drive from Fair Oaks Blvd. He was under the impression that the District has some control over a portion of land on west side.
- Vice President Brown stated that Mr. Racy offered to provide access on the east side at one point. The question is whether that particular path can be maintained and whether Mr. Racy is willing to talk about it.
- Mr. Zoltkowski stated that the current building looks great and he would like the Board to support any opportunities for public access to Park Street that would benefit the community. He stated that he would like also for the Board to continue to support the effort the Fair Oaks Village Enhancement Committee has to work with the adjacent owner and tie together the parking the District is providing with the access that might come in the future.
- President Healey and Director Gilliam stated that the District would support this through community meetings.

III. Consent Calendar

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

1. Accept and file: Treasurer's report for the month of March, 2008
2. Accept and file: Investment report for the month of February, 2008
3. Approval of Warrants
4. Approval of Cal Card Statement
5. Approval of Monthly Board Expense Report for March, 2008

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

(Directors Brown and Marx were not present for the Consent Calendar Motion)

IV. Presentation & Correspondence

1. Correspondence from Mr. Nathan Kaufman and response

- General Manager Gray stated that a member of the public informed the District of an employee using the District's truck to pull personal boat. The District took effective disciplinary action against the individual employee.

V. Action Items: Old Business

1. Report back on cost of the Vintage Woods property

- General Manager Gray stated that at the March 10, 2008 Board Meeting, Vice President Brown requested additional information relative to the acquisition cost of the Vintage Woods well site property. General Manager Gray provided documents indicating agreement between the Madison Hazel Apartments, LP and the District to purchase the Vintage Woods property for \$50k. Also included was the current assessor parcel information which shows \$55k paid by the District.
- Vice President Brown inquired if there was a Board resolution. He indicated that the District never wrote a check.
- General Manager Gray stated that this was completed prior to his time at the District and he did not research for the Board resolution.

2. Report back on the Vintage Woods project

- Reported under Item V.1.

3. Discussion and possible action on the proposed San Juan Family Water Shortage Plan

- General Manager Gray stated that the San Juan Family Water Shortage Plan only deals with water shortage situations and not emergency water needs.

M/S/C Gilliam/Sarkovich, to approve the San Juan Family Water Shortage Plan and direct staff to implement the plan as FOWD water shortage policy.

4. Update on Litigation: *Fair Oaks Water District vs. Richard Plecker*

- General Manager Gray stated that there is a tentative settlement with Mr. Plecker.

5. Report back on the 2007 Financial Audit of the District

- General Manager Gray stated that based on the 2007 audit and reconciliation of the year-end revenues for the audit, there was possible employee misconduct. Staff has already launched internal investigation. There will be a closed session with the Board to discuss in detail.

VI. Action Items: New Business

1. Discussion and possible action on FOWD Resolution No. 0802 authorizing the sale of the Chicago well site

M/S/C Gilliam/Sarkovich, to approve Resolution No. 0802, authorizing the sale of the Chicago well site.

2. Discussion and possible action on FOWD Resolution No. 0803 authorizing the transfer of title of the Vintage Woods well site

M/S/C Gilliam/Sarkovich, to approve Resolution No. 0803 authorizing the transfer of title of the Vintage Woods well site.

3. Discussion and possible action on LEED certification for the new FOWD administration building

- Director Gilliam stated that the District applied for the LEED certification and a \$5,000 reimbursement fund from SMUD. The total cost for LEED Certification would be approximately \$20,000.
- Director Sarkovich indicated that the District may seek an additional \$2,500 for the LEED Certification.
- General Manager Gray stated that Anova Architects would not charge the District more than \$20,000 for obtaining LEED certification for the proposed Administrative Building.

First Motion

M/S Gilliam/Sarkovich, approve to get the LEED Certification for the new building.

Amended Motion

M/S/C Gilliam/Sarkovich, direct staff to obtain LEED Certification for new FOWD building in accordance with the memo dated 4/8/08 from Anova Architects.

4. Discussion of the financial impact of recent, non-budgeted, emergency repairs on water mains

- General Manager Gray stated that YTD in 2008, the District had two leaks on large transmission mains that required emergency repairs. These repairs were completed with District staff and the total cost of these repairs was over \$31,000. The cost of these repairs was not included in the approved 2008 budget. He indicated that the Board should be aware of the cost of the unbudgeted emergency repair work.
- President Healey stated that the District will take these expenses into consideration during the next budget process.

VII. Upcoming Events

1. ACWA Spring Conference, May 5-9, 2008 Monterey, CA

- Vice President Brown, Director Marx and General Manager Gray will be attending the ACWA Spring Conference.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- Vice President Brown stated that SGA had a rate increase of 18% for 2008. The reason for the increase was partly due to the usage of reserves for the past several

years. There was discussion about equity among ratepayers. SGA's long term goal was to reduce the fixed cost and try to increase variable cost.

- General Manager Gray stated that the increases have hit the FOWD by percentage larger than some others. Vice President Brown and General Manager Gray were advocates of the equity issues and promoted that these need to be looked into.
- Vice President Brown stated that the percentage of the total overall cost FOWD has to pay to run SGA is 2.2%.

General Manager Gray requested that the agenda be required to start the closed session at this time.

XI. Public Comment

- None.

President Healey closed the open session at 8:05 pm

XII. Closed Session Pursuant to Government Code Sections 54956.8, 54956.9 and 54957

1. 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*
2. Conference with legal counsel – anticipated litigation (one case).

XIII. Report from Closed Session

President Healey reopened the open session of the meeting at 9:04 p.m. with no reportable action.

2. Regional Water Authority (RWA)

- No report.

3. San Juan Family of Agencies Executive Committee

- Vice President Brown stated that the following was discussed:
 - the Fair Oaks 40
 - Wholesale Meter Project
 - the shortage policy
 - bypass pipeline for Folsom Dam
 - Water Accounting Framework
 - Chlorine System improvement
 - Rob Roscoe presented the green energy program and he provided copies of the SJWD sustainability policy.

4. Other

- None.

IX. Director's Reports & Comments

1. Budget Committee – (Sarkovich, Healey)

- Director Sarkovich stated that the Committee did not meet.
 - General Manager Gray stated he appreciated Director Sarkovich's understanding for the delay.
2. **Technical Advisory Committee – (Brown, Marx)**
 - No report.
 3. **Capital Improvement Committee – (Gilliam, Sarkovich)**
 - Director Gilliam stated that the group meets every two weeks and the next meeting would focus on the EIR. The District is on schedule to go to bid.
 4. **Personnel Committee – (Marx, Gilliam)**
 - No report.
 5. **Public Relations Committee – (Brown, Healey)**
 - No report.
 6. **Other**
 - Director Sarkovich commented that most of the time spent was on supply side issues and very little time on the demand side issues. He thought that it would be nice to have Mr. Shawn Huckaby present on the demand (consumption) side.
 - General Manager Gray stated that the District's Master Plan and Urban Water Management cover demand detail.

X. General Manager's Reports

1. **On-going Litigation (4 cases: Plecker, Grass, MTBE, Handicap Access)**
 - General Manager Gray stated that the Plecker and MTBE cases have been moved as far as currently possible.
2. **Meter Implementation (Installation & Future Planning)**
 - General Manager Gray stated that the District installed 85 meters for March.
3. **New Building Projects**
 - Discussed earlier.
4. **Operate within 2008 Budget**
 - General Manager Gray stated that YTD the District is operating within budget.
5. **FOWD Financial Plan (5-year)**
 - Discussed earlier.
6. **Surface Water and GW Supply Agreements**
 - Discussed earlier.
7. **GW Remediation Issues (Aerojet)**

- Discussed earlier.

8. Wholesale Meter Upgrades

- General Manager Gray stated that the meters are out to bid by San Juan at this time.

9. Update and Revise FOWD Policy Manual

- General Manager Gray stated that this would be an ongoing project.

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

- General Manager Gray stated that the Fair Oaks 40 ties into item 11 with the San Juan Family. He stated that the Hydraulic Model will be completed first and the model will be used to design the Fair Oaks 40.

11. Hydraulic Model Development

- See item 10.

12. Website Update

- General Manager Gray stated that the District lost its resource to update the website and will try to maintain it by other means.

13. Other

None.

XIV. Public Comment

None.

XV. Adjournment

With no further business to come before the Board, President Healey adjourned the meeting at 9:22 p.m.

The Board approved the preceding minutes on June 9, 2008

Tom R. Gray
General Manager/Board Secretary

Date