



**District Attendees**

Timothy Healey	Board President
Barry Brown	Board Vice President
Daniel Gilliam	Board Member
Randy Marx	Board Member
Misha Sarkovich	Board Member
Michael Nisenboym	Operations Manager
Shawn Huckaby	Operations Supervisor
Chi Ha-Ly	Sr. Financial Analyst

**Other Attendees**

Paul Cornwell	Visitor
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**Absent**

**AGENDA ITEMS**

**I. Call to Order**

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

**II. Public Comment**

- Mr. Cornwell stated that he would like the District to remove the 1 ½” backflow device from the north side of his property.

**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 10, 2008
  - b. Regular Board Meeting of April 14, 2008
  - c. Regular Board Meeting of May 12, 2008
2. Accept and file: Treasurer’s report for the month of May, 2008
3. Accept and file: Investment report for the month of April, 2008
4. Accept and file: Monthly Financial Expenses for April, 2008

5. Approval of Warrants
  6. Approval of Cal Card Statement
  7. Approval of Monthly Board Expense Report for May, 2008
- Vice President Brown pulled items III.1.a and III.7. Vice President Brown stated that on page 5, IV.8 of the III.1.a March 10, 2008 minutes, he doesn't recall the Draft San Juan Family Water Shortage Plan resulted in the \$50k revenues.
  - President Gilliam indicated that it was the standby fee that each water district would pay for the Groundwater.
  - President Healey stated that since General Manager Gray is not present, this item can be deferred for the next Board meeting.
  - Mr. Nisenboym stated that staff will review and update the minutes for the next regular Board meeting.
  - Vice President Brown stated that on III.7, there was \$1,807.27 charge under his name for conference travel and a rebate of \$1,404.76 resulting in net charge of approximately \$400. He indicated that he did not book that travel and asked for the charges to be removed from the Board of Directors expense report.

M/S/C Brown/Gilliam, to approve the consent calendar with the exception of items III.1a and III.7.

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

- 1. Recognition of Operations Supervisor Shawn Huckaby – ACWA JPIA Insurance Authority Worker's Compensation Incentive Program Award**
  - Operations Manager Nisenboym informed the Board that Mr. Shawn Huckaby was recognized by JPIA for his continued service and contribution toward the District's health and safety programs. He stated that Mr. Huckaby received \$150 from ACWA JPIA as a personal award.
- 2. Staff presentation on existing and future Corporation Yard activities in the Fair Oaks Village**
  - Director Gilliam stated that only master planning was done on the Corporate Yard.
  - Vice President Brown stated that at the last Fair Oaks Village Enhance Committee, there was extensive discussion on the Corporate Yard. There might be an ad-hoc committee formed and come to the Board to request the District to relocate the Corporate Yard.
- 3. Staff presentation on current and future water demands by use**
  - Operations Manager Nisenboym stated that President Healey requested the water demand presentation at the last Board meeting. Mr. Shawn Huckaby presented current and future water demand of the District.
  - Mr. Huckaby stated that based on the historical water demand from 1990 to 2007, the actual water demand dropped from 16,000 AC-FT to approximately 12,700 AC-FT.

- Mr. Huckaby stated that 95% of the District's water supply comes from SJWD and 5% comes from groundwater.
- Mr. Huckaby stated that the District has total deliveries from metered billing of 14% (1,758 AC-FT) compared to 86% (10,674 AC-FT) for flat rate billing.
- Mr. Huckaby stated that the total water use in operations is estimated at 5% including mains and services flushing, valve exercise program, fire flow tests and wells start-ups and shut-downs.
- Mr. Huckaby stated that the District conservation program includes residential plumbing retrofit (BMMP 2), system audit (BMP 3), MIP (BMP 4), water survey program, and residential ULFT replacement program (BMP 14).
- Mr. Huckaby stated that with the conservation efforts and MIP program, the overall water demand will potentially decrease about 30% from 12,700 AC-FT to 9,000 AC-FT.
- Operations Manager Nisenboym emphasized that the 30% decrease in demand could potentially result in a 10% decrease in revenues.
- President Healey inquired on the programs and efforts that most contributed to the decrease in demand.
- Mr. Nisenboym stated that the MIP, conservation programs and public education contributed most to the decrease in water demand.
- Vice President Brown suggested that the District should read the meters as they are being installed to provide a historical data analysis for customers.
- Mr. Huckaby agreed that the historical data would be very useful and that staff is working on it.
- Director Sarkovich inquired on the outdoor versus indoor water usage.
- Operations Manager Nisenboym estimated 70% outdoor and 30% indoor during summer months.

#### **4. Letter from CSUS thanking staff for participation on the Industry Advisory Committee**

- Operations Manager Nisenboym stated that the Sacramento State University would like to thank General Manager Gray for his efforts in informing the students about the Engineering Industry.

#### **5. News article on water rates**

- Operations Manager Nisenboym stated that rates have been increasing from many agencies (it seems to be the trend in the industry). He also indicated that the District may potentially have decrease in revenues based on the projected decrease in water demand if the District stays at the current rate in the future.

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

### **1. Report back on the Vintage Woods property project**

- Operations Manager Nisenboym stated that Fair Oaks Recreation & Park District will have a regular board meeting on June 19<sup>th</sup> at the Fair Oaks Library to provide an overview of the FORPD plans on the Arbardee walkway.

**2. Discussion and possible action on FOWD Resolution No. 0804; A Resolution Declaring a Stage Two Water Alert Within the Fair Oaks Water District Service Area**

- Mr. Huckaby stated on June 2, 2008 the USBR declared that water deliveries to contracted agencies would be less than 100% and on June 4, 2008, the Governor of State of California proclaimed that the State of California is in a drought. The Resolution 0804 calls for FOWD declaring Stage 2 water alert.

M/S/C Gilliam/Sarkovich, to approve resolution No. 0804, a resolution declaring Stage 2 water alert within the Fair Oaks Water District service area.

**VI. Action Items: New Business**

**1. Discussion and possible action on environmental document processing for the new Administration Building project**

- Director Gilliam stated that the Draft Environmental Document for the Administrative Building has been issued for public comment.

M/S Gilliam/Sarkovich, move to accept the Draft Environmental Document and made the Board aware of the processing of the document.

- Vice President Brown asked for clarification on the motion.
- Operations Manager Nisenboym stated that basically the Board is acknowledging a formal period of public notification and comment.
- Vice President Brown inquired if there was review on the Environment document.
- Director Gilliam stated that General Manger Gray and the Capital Improvement Committee reviewed the document.

M/S/C Sarkovich/Gilliam, moved that the District open the public review period for the Draft Environmental Document.

**2. Discussion and possible action on computer network upgrades**

- Operations Manager Nisenboym stated that the District requested a review of the District's whole network system. The network has been secured to prevent outsiders from accessing the network by the consultant. The IT audit suggested a plan for immediate needs and upgrades. The plans call for Hardware and Software upgrades including the firewall and backup system for phase I totaling approximately \$60k.
- The Board indicated that the District should go out for bid.
- Director Marx stated that it should be within a two week time frame.
- The Board inquired if this was in the budget.

- Operations Manager Nisenboym stated that there is a \$30k computer budget in the 2008.

M/S Sarkovich/Gilliam, to authorize the acting general manager to go out for bid, upgrade the backup and firewall.

- Director Marx stated that he would like to include the two weeks timeframe.

M/S/C Sarkovich/Gilliam, to authorize the general manager to go out to bid for the computer network upgrades within two weeks and upgrade the firewall only if absolutely necessary.

### **3. Update on the settlement agreement between FOWD and the former FOWD General Manager**

- Director Gilliam stated former General Manager has settled with the District. The settlement will be \$15k per year for 5 years.

### **4. Update on the Spring 2008 Newsletter**

- Operations Manager Nisenboym stated the Spring 2008 Newsletter has been sent to the customers.
- Vice President Brown indicated that he would like the Board to review the Newsletter prior to sending them out.
- President Healey stated that the Spring 2008 Newsletter was time sensitive and he approved it.

### **5. Staff report on attending the US Bank Fraud Risk and Prevention Seminar**

- Ms. Ha-Ly stated that the Fraud Seminar covers tools available to protect the District and its customers from Fraud. They made recommendations on programs such as ACH (Automated Clearing House) filter and block; positive pay, reverse positive pay. They recommended using secured features check stock. The District has already implemented some of the recommendations and is currently reviewing costs-benefits of the remaining products.
- Ms. Ha-Ly stated that the Board had previously asked that staff to review the rates and banking fees. Staff was able to look at the credit card fees and it will be reduced from 2.14 to 1.85 for qualified and 4.18 to 3.59 for non-qualified. A thorough review will take place as the District looks into the products available.

## **VII. Upcoming Events**

### **1. FOWD Employee Summer Picnic – June 28, 2008**

- Operations Manager Nisenboym stated that the District will have a picnic at Folsom area and Directors are invited to attend.

## **VIII. Representative Reports**

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

- No report
2. **Regional Water Authority (RWA)**
    - No report.
  3. **San Juan Family of Agencies Executive Committee**
    - Vice President Brown stated that:
      1. There were discussions on American River Usage and “Delta Solutions.”
      2. There will be an ACWA Region 4 meeting on “Delta Solutions” to be held at UOP in Stockton on June 19, 2008.
      3. There will be a public meeting on June 11, 2008 to review the San Juan Wholesale annual budget and to determine their final rates.  
(President Healey suggested that someone should attend the SJ budget meeting and asked Vice President Brown to attend if possible.)
      4. Water Forum Conservation Renegotiation process; all of the three sets of BMPs will be reviewed and consolidated.
      5. Wholesale Meter Replacement Project went out to bid on June 2, 2008.
  4. **Other**
    - None.

## **IX. Director’s Reports & Comments**

1. **Budget Committee – (*Sarkovich, Healey*)**
  - Director Sarkovich stated that he received data files from staff. The Budget Committee is scheduled for Friday June 13, 2008. He would like to provide a presentation of the 5-year financial plan at the July Board meeting.
  - Vice President Brown suggested that the Committee include the elements of the analysis in the presentation. He also indicated that the Committee might want to review the financial plan that was completed prior to 1992.
2. **Technical Advisory Committee – (*Brown, Marx*)**
  - No meeting.
3. **Capital Improvement Committee – (*Gilliam, Sarkovich*)**
  - Director Gilliam stated that the District met with the furniture vendor on May 27, 2008. He stated that the furniture is very nice and the prices are reasonable.
4. **Personnel Committee – (*Marx, Gilliam*)**
  - Director Marx stated that he and Director Gilliam plan on meeting on June 16, 2008 at 4 PM.
5. **Public Relations Committee – (*Brown, Healey*)**
  - No meeting.

**6. Other**

- None.

**X. General Manager's Reports**

**1. On-going Litigation (4 cases: Plecker, Grass, MTBE, Handicap Access)**

- No report.

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

- Operations Manager Nisenboym reported that the District installed 150 meters for May.
- Director Sarkovich inquired on the projected meter replacements costs of \$95k in 2012.
- Operations Manager Nisenboym stated the meters normally last 10 years. As the meters aged, they become less accurate. The District will analyze the cost-benefits on replacing meters versus loss on revenues.

**3. New Building Projects**

- Discussed earlier.

**4. Operate within 2008 Budget**

- No report.

**5. FOWD Financial Plan (5-year)**

- Discussed earlier.

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

- No report.

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

- No report.

**8. Wholesale Meter Upgrades**

- Operations Manager Nisenboym stated that the District is working with SJWD to identify the locations of the wholesale meters and coordinating with the SCADA system.
- Director Marx inquired on the Fair Oaks 40.
- Vice President Brown stated that they are developing the equity between Fair Oaks and SJWD in terms of benefits and liabilities for improvements.

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

- No report.

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

- No report.

**11. Hydraulic Model Development**

- Operations Manager Nisenboym stated that field calibration of Hydraulic Model will take place this Thursday June 12, 2008 and the consultant will adjust the model based on this calibration.

**12. Website Update**

- No report.

**13. Other**

- Director Gilliam reported that an FOWD a customer complimented Rawles Engineering for good customer service and he would like staff to relate the message to the Contractor.

**XI. Public Comment**

- None.

**XV. Adjournment**

With no further business to come before the Board, President Healey adjourned the meeting at 8:24 p.m.

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The Board approved the preceding minutes on July 14, 2008

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Tom R. Gray  
General Manager/Board Secretary

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Date