



**District Attendees**

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

**Other Attendees**

Gene Hall	Visitor
Marty Maskall	Fair Oaks Bluff Donor Plaza Committee
Paul Cornwell	Visitor

**Absent**

**AGENDA ITEMS**

**I. Call to Order**

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

**II. Public Comment**

- Mr. Hall distributed information related to electric trucks (zap truck).
- General Manager Gray asked that Mr. Hall work with Operations Manager Michael Nisenboym.
- General Manager Gray would like to add “Cogsdale Payment” under item VI “Presentation and Correspondence.”
- Vice President Brown would like to add “other” under Item IX.

**III. Consent Calendar**

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

Approval of Minutes:

- a. Regular Board Meeting of September 8, 2008
2. Accept and file: Treasurer’s report for the month of September, 2008

3. Accept and file: Investment report for the month of August, 2008
4. Accept and file: Monthly Financial Expenses for August, 2008
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for September, 2008

Vice President Brown pulled Item III.1a.

- Vice President Brown stated that on page 5 item VIII.3, it should be ACWA not the San Juan Family, that doesn't have a published position for the Delta Vision and drought.

M/S/C Gilliam/Marx, to approve the consent calendar as amended.

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

##### **1. Cogsdale Payment**

- General Manager Gray stated that the Board had previously approved \$33,000 payment to Cogsdale at the September 8, 2008 Regular Board Meeting. He stated that the District negotiated and the payment was reduced to \$25,000.

##### **2. Letter from ACWA JPIA on recent assessment of the potential for liability, property, and workers compensation risk exposures**

- General Manager Gray provided the Board with the list of findings of the ACWA-JPIA's assessment of District's risk exposures related to general liability, property and worker's compensation. All were minor and the ACWA-JPIA commended District operations.

##### **3. Letter from ACWA on the updated Strategic and Business Plan**

- General Manager Gray stated that ACWA is developing a strategic long-term business plan that will lead to a possible change in dues.

##### **4. SACDOT Works Newsletter; Hazel Avenue Improvements (U.S. 50 to Madison)**

- General Manager Gray stated that based on the SACDOT Works Newsletter, the Hazel Avenue Improvements Phase I will begin in early 2009.

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

##### **1. Update on the proposed drilling of a monitoring well by Aerojet in the FOWD service area**

- General Manager Gray stated that the District hosted a meeting at the Fair Oaks Community Club House on October 1, 2008. Aerojet and other regulatory agencies discussed the remedy for the contamination, including drilling of a monitoring well.

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

### **1. Discussion and possible action on moving the December 8, 2008 Board meeting to December 15, 2008**

- General Manager Gray requested the Board to move the regularly scheduled December 8, 2008 Board meeting to December 15, 2008 due to the ACWA conference held in the first week of December.

M/S/C Brown/Sarkovich, to approve moving the December 8, 2008 Regular Board Meeting to December 15, 2008.

### **2. Discussion and possible action on request for fee waiver and District labor from the Fair Oaks Bluff Donor Plaza Committee**

Vice President Brown elected not to be present for this item due to a conflict of interest.

- Ms. Maskall requested that FOWD waive the connection and installation fees for the water fountain at the Donor Plaza. She indicated that the water fountain would greatly benefit the community.
- Director Sarkovich stated that the District has to receive some kind of benefit for expending District money. He suggested attaching water conservation.
- General Manager Gray provided the Board with the estimated costs to install the service and standard specification requirements.
- The Board authorized General Manager Gray to fine tune the proposals with Donor Plaza Committee, consult with Legal, and bring the proposals back at the November 2008 Board Meeting.

### **3. Update on the FOWD Administration Building Project**

- General Manager Gray stated that the bid package will be sent out to 16 pre-qualified contractors with a November 5<sup>th</sup> deadline.
- General Manager Gray mentioned that the District is designing the new District Administration building to be LEAD certified and carbon neutral.

### **4. Update on the FOWD Policy Manual Update**

- Director Marx stated that he and Vice President Brown went over the policies and procedures to get an overview of the policy structure. He stated the Committee received suggestions from General Manager Gray and it will continue to review the policies.

### **5. Discussion and possible action on FOWD 2009 Budget and Financial Plan**

- General Manager Gray provided an overview of the “2008 State of the Fair Oaks Water District” that was distributed to the Board. He stated that the 2009 general concept for the budget included no rate increase; which will be four consecutive year without rate increase. He indicated that the proposed 2009 budget general concept included capital spending of \$6M and operating expenses of \$6M. The estimated ending reserve balance would be \$2.2M.

- He stated that the proposed financial plan suggests that the District will need to have a rate increase of 11% in 2010.
- Vice President Brown suggested phasing in the proposed 2010 rate increase starting in 2009.
- Director Sarkovich stated that the District may not need to increase rates in 2010 depending on the District's financial status at that time.
- President Healey stated that he doesn't want to burden the customers with a 2009 rate increase, given the current harsh economic conditions.
- Director Marx inquired if the District's reserve level is adequate and within the reserve policy.
- General Manager Gray stated that it is projected to be below policy targets at the end of 2009. He indicated that in worse case scenarios, the District will halt construction of new building and installation of meters.

M/S Gilliam/Sarkovich, to approve the general financial decisions and outcomes presented in the 2009 Budget and Financial Plan for the use in completing a final detailed 2009 Budget to be presented for the approval at the November Board Meeting and to assimilate the 2008 State of the "Fair Oaks Water District" in the Newsletter and on the website.

AYES: Gilliam, Healey, Marx, Sarkovich  
 ABSTAIN: Brown

President Healey closed the open session at 7:56 p.m

**XI. 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*

**XII. Report from Closed Session**

- President Healey reopened the open session of the meeting at 8:42 p.m. with no reportable action.

**VII. Upcoming Events**

**1. Supervisor MacGlashan's Fair Oaks Community Cabinet Meeting / October 15, 2008**

- General Manager Gray stated that the October 15 meeting will be held at Dianda's Italian Bakery and Cafe.

**2. 2008 ACWA Fall Conference / Long Beach / December 2-5, 2008**

- Information only.

**3. FOWD Holiday Party / FO Community Clubhouse / December 15, 2008**

- General Manager Gray stated that the FOWD Holiday Party is actually on December 19, 2008.

## **VIII. Representative Reports**

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

- Vice President Brown stated that related to the Water Accounting Framework, there was a survey completed with the detailed analysis of 7 agencies with groundwater banking programs. The purpose was to identify the Districts with similar type of activities and gather data on the existing programs.
- Vice President Brown stated that there was also a presentation made by Roseville on groundwater modeling.

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

- Director Marx stated that there were discussions on planning, modeling groundwater, dry year and Delta Vision issues.

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

- Vice President Brown provided a report of the meeting.

### **4. Other**

- General Manager Gray and Director Marx met with one of the San Juan's Directors to discuss strategic vision and planning.

## **IX. Directors' Reports & Comments**

### **1. Budget Committee – (*Sarkovich, Healey*)**

- Discussed earlier.

### **2. Technical Advisory Committee – (*Brown, Marx*)**

- Discussed earlier.

### **3. Capital Improvement Committee – (*Gilliam, Sarkovich*)**

- Director Gilliam stated that the FOWD Building project will be presented to the Community Council on November 5, 2008 at 6:30 p.m.

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

- Director Marx stated that he and Director Gilliam interviewed staff. The Committee will present to General Manager Gray for comments and will forward to the full Board.

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

- No meeting.

### **6. Other**

- General Manager Gray stated that the District had a presence at the Supervisors MCGalshan's Town Hall meeting. Customers inquired about meters and commented on water waste.

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

### **1. On-going Litigation**

- General Manager Gray provided brief status overviews.

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

- General Manager Gray stated that the District installed 81 meters in September. The District has installed 1,031 YTD.

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

- Discussed earlier.

### **4. Operate within 2008 Budget**

- General Manager Gray stated that the District should be under budget for 2008.

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

- Discussed earlier.

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

- General Manager Gray stated that they are working on the emergency water agreement.

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

- Discussed earlier.

### **8. Wholesale Meter Upgrades**

- General Manager Gray stated that the project is still on-going. A contractor has been selected to install the wholesale water meters.

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

- Discussed earlier.

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

- No report.

### **11. Hydraulic Model Development**

- General Manager Gray stated that a model should be coming soon.

**12. Website Update**

- General Manager Gray stated that the District negotiated to have a one time update to bring the website current for under \$3,000 while going out to bid for a consultant.

**13. Other**

- Vice President Brown stated that December 10, 2008, RWA is holding a holiday social.

**XI. Public Comment**

None.

**XIV. Adjournment**

With no further business to come before the Board, President Healey adjourned the meeting at 9:09 p.m.

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The Board approved the preceding minutes on November 10, 2008

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Tom R. Gray  
General Manager/Board Secretary

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Date