



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

November 10, 2008

District Attendees

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

Bob Bishop	Visitor
Marty Maskall	Fair Oaks Bluff Donor Plaza Committee
Bill McCarthy	Visitor

Absent

Board President Timothy Healey

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- General Manager Gray stated that he would like to add items V.4 - Marx Jackson insurance claim, V.5 - call for Special Board Meeting, and VI.6 - to approve contract for meter installation.
- Mr. Bishop requested to have the Board approve the abandonment of a small portion of the PUE for his property.
- General Manager Gray suggested adding the item under section V, old business for the PUE.

III. Consent Calendar

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

1. Approval of Minutes:

- a. Regular Board Meeting of October 13, 2008
 2. Accept and file: Treasurer's report for the month of October, 2008
 3. Accept and file: Investment report for the month of September, 2008
 4. Accept and file: Monthly Financial Expenses for September, 2008
 5. Approval of Warrants
 6. Approval of Cal Card Statement
 7. Approval of Monthly Board Expense Report for October, 2008
- Vice President Brown pulled items III.1, Regular Board Meeting Minutes of October 13, 2008 and III.4, Monthly Financial Expenses. He stated that under the October 13, 2008 Regular Board Meeting Minutes, the comment under item VIII.3 "General Manager Gray and Director Marx met with one of the San Juan's Directors to discuss strategic vision and planning." doesn't belong under San Juan Family. No changes were made to III.4.
 - General Manager Gray suggested that item VIII.3 under the October 13, 2008 Regular Board Minutes should be "Vice President Brown provided a report of the meeting." Also he suggested moving the statement from VIII.3 to VIII.4, other.

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

IV. Presentation & Correspondence

1. October 2008 letter from the Office of the State Treasurer

- General Manager Gray stated that Bill Lockyer from the State Treasurer sent out a letter indicating that he is committed to preserving and protecting the financial integrity of this state. General Manager Gray also noted the declining interest rates in LAIF and he stated that the District has been actively comparing rates to ensure the money is invested wisely.

2. October 2008 letter from FORPD

- General Manager Gray stated that FORPD sent a letter to FOWD thanking our support and donation for the Safe Halloween Program.

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 another public meeting has been tentatively scheduled on the second week of December to report the results from tasks completed relative to public comment from the first meeting.

2. Update on the Fair Oaks Bluff Donor Plaza Committee request for water service

- General Manager Gray stated that after discussing with the Fair Oaks Bluff Donor Committee members, the best remedy is for the District to set a service at the South East Corner of Capitola as part of the meter implementation program.

3. Update on the FOWD Administration Building Project

- Director Gilliam stated that on Monday November 15, 2008, the District's building plan was approved by the Fair Oaks Planning Council, 6-0.
- Director Gilliam stated that the District had the bid opening and received 12 bids. The bids were forwarded to the architects for review.

4. Update on Marx-Jackson insurance claim

- General Manager Gray reported that the District received a commitment to pay \$66,529.17 from ACWA-JPIA insurance for the Marx-Jackson claim.

5. Discussion and possible action on a Special Board Meeting

- General Manager Gray requested to have a Special Board meeting to approve the contractor for the new administration building. He indicated that the District needed one week to review.

M/S/C Sarkovich/Gilliam, to approve the November 17, 2008 Special Board meeting at 6:30 PM.

6. Discussion and possible action to abandon a portion of the PUE

- Operations Manager Nisenboym stated that customer built a retaining wall within limits of Public Utility Easement. The retaining wall is not encroaching on the public side of the water service for this property; therefore, District does not oppose to abandon a portion of the PUE.
- General Manager Gray emphasized that Mr. Bob Bishop has to remedy the situation should there be any water related issues.
- Mr. Bob Bishop acknowledged that he will be responsible should any water related issues arise.

M/S/C Gilliam/Sarkovich, moved to abandon a portion of the PUE on 4808 Padaro Court.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on FOWD 2009 Budget

- General Manager Gray recommended that the Board approve the FOWD 2009 Budget. General Manager Gray stated that staff has developed the 2009 Budget based on the general budget concepts approved in October. The 2009 Budget has a target reserve of \$4.72M and a projected 2009 proposed ending reserve of \$2.37M. The October approved general concept had an ending reserve of \$2.13M.

M/S Sarkovich/Gilliam, to approve the Fair Oaks Water District's 2009 Annual Budget.

AYES Gilliam, Marx, Sarkovich
ABSTAIN Brown

2. Update and public disclosure on MTBE settlement

- General Manager Gray stated that the District received a check for approximately \$119K for participating in MTBE litigation.

3. Update on District Information Technology Support

- General Manager Gray stated that the District is currently using an outside consultant for the District's IT support needs. He informed the Board that he will be filling the IT support position to handle IT support, website design and SCADA.

4. Discussion and possible action on 2009 employee merit increase and salary ranges

- General Manager Gray recommended that the Board approve a 4% lump sum increase in base salary to be implemented on the first pay period for the fiscal year 2009 and distributed to employees based on performance as determined by FOWD management. He also recommended that the Board approve the updated 2009 FOWD salary ranges.
- General Manager Gray stated that the Consumer Price Index average reported for the year, as of September 2008, was 4.6%.
- Vice President Brown inquired on the methods for arriving at the salary ranges and he suggested a procedure for salary ranges.
- General Manager Gray stated that the District reviews the salary ranges annually and the District uses other agencies' salary surveys and data in the review.
- The Board asked that the Personnel Committee review the salary ranges and report back at the next board meeting.

M/S/C Gilliam/Sarkovich, to approve a 4% lump sum increase in base salary to be implemented on the first pay period for the fiscal year 2009 and distributed to employees based on performance as determined by FOWD management.

5. Discussion and possible action on Declaring 2008 Director expenses

- General Manager Gray requested that all Board members submit 2008 reimbursable expenses prior to 12/31/2008 so they can be recorded in 2008.

6. Discussion and possible action on approval contract for the meter installation

- General Manager Gray recommended that the Board approve the contract for Rawles Engineering to install 100 meters for \$159,850. This would only include labor and equipment. The District will provide parts. General Manager Gray stated that this is a directional drilling project.

M/S/C Gilliam/Sarkovich, to approve the Rawles Engineering to install 100 meters for \$159,850. (Contractor to provide labor and equipment and District to provide materials)

VII. Upcoming Events

- 1. RWA Board Meeting and Delta Solutions Workshop / SSWD Antelope Plant / November 13, 2008**
 - Information only.
- 2. 2008 ACWA Fall Conference / Long Beach / December 2-5, 2008**
 - Information only.
- 3. FOWD Holiday Party / FO Community Clubhouse / December 19, 2008**
 - General Manager Gray stated that this year's holiday party will be in the evening and he hopes all the family members can attend.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - Vice President Brown stated that the purpose of the SGA implementation committee is to annually review the Groundwater Management Plan, its objectives, and action for implementing the plan. Vice President Brown stated that he has a summary of all the proposed changes. There will be a meeting on Nov 18, 2008 to finalize the plan.
- 2. Regional Water Authority (RWA)**
 - There is a meeting scheduled on November 13, 2008.
- 3. San Juan Family of Agencies Executive Committee**
 - Vice President Brown stated that there was a presentation by Brown and Caldwell regarding the Wholesale Hydraulic Model.
 - General Manager Gray added that the Hydraulic Model will be used to design the Fair Oaks 40-inch main improvement project and develop the Emergency Supply Agreement.
 - Vice President Brown stated that the Water Conservation negotiation process with the Water Forum is on-going. The objective is to combine the Water Forum's BMPs with the State's BMPs.
- 4. Other**

- None.

IX. Directors' Reports & Comments

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

- No meeting.

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

- Vice President Brown stated that General Manager Gray is working on providing an overview of the policies and procedures. Vice President Brown and Director Marx are reviewing the existing policy manual.
- General Manager Gray stated that he is working with each department on the policies and procedures.

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

- Discussed earlier.

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

- No meeting.

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

- No meeting.

6. Other

- None.

X. General Manager's Reports

1. On-going Litigation

- Discussed earlier.

2. Meter Implementation (Installation & Future Planning)

- General Manager Gray reported that the District installed 147 meters for October with YTD of 1,178 meters.

3. New Building Projects

- General Manager Gray would like to recognize Director Gilliam for attending all of the meetings.

4. Operate within 2008 Budget

- Discussed earlier.

5. FOWD Financial Plan (5-year)

- General Manager Gray suggested modifying the wording on this item to “meter rate plan.”

6. Surface Water and GW Supply Agreements

- General Manager Gray stated that the Surface Water Supply and Shortage Water Agreements have been completed. The emergency groundwater component is on hold awaiting completion of the Hydraulic Model.

7. GW Remediation Issues (Aerojet)

- Discussed earlier.

8. Wholesale Meter Upgrades

- General Manager Gray stated that the contract for the wholesale meter installation has been awarded and the project has started.

9. Update and Revise FOWD Policy Manual

- Discussed earlier.

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

- Discussed earlier.

11. Hydraulic Model Development

- Discussed earlier.

12. Website Update

- General Manager Gray reported that the District’s website has been updated to include the State of FOWD, along with current meeting Agendas and Minutes.

13. Other

- General Manager Gray noted that staff brought in over \$185,000 of other revenues this month.
- Director Gilliam suggested adding the Personnel Committee to the November 17, 2008 Special Board meeting agenda.

XI. Public Comment

- None.

XII. Adjournment

With no further business to come before the Board, Vice President Brown adjourned the meeting at 8:03 p.m.

The Board approved the preceding minutes on December 15, 2008

Tom R. Gray
General Manager/Board Secretary

Date