



## AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

November 13, 2007

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### District Attendees

Randy Marx	Board President
Timothy Healey	Board Vice President
Barry Brown	Board Member
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

Tom Parker	Visitor
Jim Cihler	Visitor
Skip Brown	Delta Construction Company, Inc.

### Absent

## AGENDA ITEMS

### I. Call to Order

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

### II. Public Comment

- Mr. Brown from Delta Construction stated that his company has been working with the District for a couple of years. He thanked the District for awarding Delta Construction Company, Inc. the contract and that he has had an excellent relationship with the District's employees. He indicated Delta Construction Company Inc. saved the District approximately \$317,000 over the second bidder for the past few years. Delta Construction Company Inc. had incurred out of pocket costs of \$12,501.37 for raising valves on the County Overlay on Fair Oaks Blvd. Mr. Brown stated that the contract put out to bid by FOWD was hard to bid because the areas to be worked on are unknown and each area varies in prices. He stated that it can vary from \$8-\$30 per square foot. He stated that unless FOWD changes the format of the contract, his company will not bid this year.
- General Manager Gray thanked Mr. Brown for his work at the District.

### III. Consent Calendar

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

1. Approval of Minutes:
  - a. Regular Board Meeting of September 10, 2007
  - b. Regular Board Meeting of October 8, 2007
2. Accept and file: Treasurer's report for the month of October, 2007
3. Accept and file: Investment report for the month of September, 2007
4. Accept and file: Monthly Financial Expenses for September, 2007
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for October, 2007
  - Director Brown needed clarification related to the MOU on the October 8, 2007 minutes under item XI.2 Technical Advisory Committee.
  - General Manager Gray stated that it was the Aerojet MOU.
  - Director Gilliam indicated that it was President Marx who called the meeting on the October 8, 2007.
  - Director Gilliam inquired on the payment for DMV license renewal.
  - General Manager Gray stated that it was for Class "A" license.

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

### IV. Presentation & Correspondence

1. **Correspondence from the Water Forum; thank you for participating in the Water Conservation Tour.**
  - General Manager Gray stated that the Water Forum correspondence thanking Director Brown and Operations Manager Shawn Huckaby for their participation in the successful water conservation tour. The District provided a demonstration of an installation of a meter retrofit project.
2. **Correspondence from US Bank; thank you – Kailey McGagin**
  - General Manager Gray stated that there is a correspondence from US Bank thanking the District for its contribution to the Kailey McGagin Memorial Fund. The District had installed meters on Winding Way and had positive contact with the family. Upon hearing of the tragic death of Kailey, FOWD front line employees independently contributed \$240 to her memorial fund. He thanked the Board for allowing the District to match the \$240 using the employee recognition fund. The employee recognition fund is set up to retain, motivate and recognize employees.

**3. Correspondence from ACWA – Regional Election Results**

- General Manager Gray stated the FOWD is represented by ACWA Region 4. General Manager Gray announced that the newly elected chair for Region 4 is Dave Peterson from San Juan Water District and the Board representative is Rob Roscoe from Sacramento Suburban Water District.

**4. FOWD is awarded the Government Financial Officers Association Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2006.**

- General Manager Gray stated the District received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2006.

**V. Action Items: Old Business**

**1. Discussion and possible action on FOWD Policy No. 6120 - Recycling**

- General Manager Gray stated that policy 6120 addressed the need to recycle in accordance with the Sacramento County ordinance that calls for all businesses operating within the Sacramento County to have a recycling program. It was Board direction to develop a recycling policy. A procedure will be developed once the Board adopts the policy.
- Director Brown inquired whether the District is currently using a company to pickup sensitive waste like in the past.
- General Manager Gray stated the District shreds the sensitive materials and the District contracts with an outside company haul the waste.
- Director Sarkovich inquired whether the District has internal control for the recycling.
- General Manager Gray stated that it will be incorporated in the procedure.
- General Manager Gray recommended that the Board adopts the policy that is essentially adopting the Sacramento County ordinance and then work out the accountability in the procedure.
- President Marx recommended that the policy be named “Waste Recycling” and under item III, include a statement: “revenues generated will go to the general fund.”

M/S/C Gilliam/Sarkovich, to approve policy 6120 as amended.

**2. Report Back Items:**

**a. Small Claims Court Case No. 07SC06187 / Notice of Entry of Judgment**

- General Manager Gray stated the District went to a small claims court with plaintiff, Nick Harris. The District locked off the water service for non-payment. The lock was cut and the meter setter was broken. The District repaired the damage and billed the owner. The customer paid for the damage and took the District to small claims court. The judgment was in favor of the District.

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

### **1. Discussion and possible action on FOWD Policy No. 6130 – Private Fire Protection Service**

- General Manager Gray recommended that the Board adopts the policy 6130. The District has not been charging the fee for private fire protection service. Once approved, the rates will be incorporated within the annual budget.
- Vice President Healey inquired if this was a separate line for just fire protection.
- General Manager Gray stated that this is dedicated solely for fire protection. General Manager Gray stated that every other District charges this fee.
- Director Sarkovich inquired when the fee will be charged.
- General Manager Gray stated that it would be included in the 2009 annual budget.
- Director Brown would like clarification on the meter for the fire protection service.
- General Manager Gray stated that the meter is used as a detection device. If there is routine usage, then water is being used for activities other than fire protection.
- Director Brown would like clarification on rate billed in arrears.
- Mr. Nisenboym stated that the District will be billing the same way as it bills the flat rate customer.
- General Manager Gray stated that customers are currently billed in advance of water usage.
- Director Brown would like to have enforcement incorporated within the policy for fire protection misuse.
- President Marx inquired what the District would do if the people don't pay.
- General Manager Gray stated that the District would follow the same procedure as for the drinking water. The only difference is that the District would notify the Fire Department prior to any service disconnection.
- Director Gilliam stated that the fire protection can be required by Building Code; that the customers have it for health and safety. Therefore, the District may not be able to turn off the water.
- General Manager Gray stated that if the Board has concerns about it, the District could look into putting a lien on the property.
- Vice President Healey stated that he is concerned about the health and safety issues.
- Director Sarkovich inquired how many fire connections services the District has.
- Mr. Nisenboym stated that it is approximately 300-500.
- Director Sarkovich requested that staff can revise the policy to reflect the enforcement and bring back.

### **2. Discussion and possible action on proposed Policies requiring updating; distribution of current policy manual**

- General Manager Gray stated that the manual distributed to the Board includes policies that have been approved. He also indicated that there are

recommendations for the Board to direct staff to revise the policies listed; along with obtaining legal review by District General Counsel.

- General Manager Gray stated that the current update dates are included in the table of contents.
- President Marx stated that it would be a good topic to include at the 11/19/07 special board meeting.
- Director Sarkovich stated that staff should revise all the policies highlighted for revisions.

M/S/C Gilliam/Sarkovich, staff to prepare draft revisions to the recommended list of policies.

**3. Discussion and possible action on FOWD Resolution No. 0705 – A resolution of the Board of Directors of the Fair Oaks Water District commending Marsha Karley for her years of Service with the Fair Oaks Chamber of Commerce.**

- General Manager Gray stated that included in the board package is the resolution commending Marsha Karley. She has served as the Executive Director of the Fair Oaks Chamber of Commerce since 1984. In the resolution it also acknowledged that the FOWD has been a member of the Fair Oaks Chamber for thirty consecutive years.
- President Marx stated that General Manager Gray can deliver the resolution in November.

M/S/C Brown/Gilliam, to approve Resolution No. 0705.

**4. Discussion and possible action on the National Water Resources Association (NWRA) California Caucus Elections.**

- General Manager Gray stated that staff needed direction from the Board on the NWRA elections.
- Director Brown recommended the following members:
  - a) David A. Breninger
  - b) John P. Fraser
  - c) Lawrence Libeu

M/S/C Gilliam/Brown, to approve the selected named members as representatives for the NWRA California Caucus.

**5. Discussion and possible action on the scheduled public hearing by the Sacramento County Board of Supervisors to consider changes in fees charged for Special District elections.**

- General Manager Gray stated that the Board of supervisor is considering increasing the fees for FOWD participating in general election. The fee increase is approximately \$7,000 or 36%.
- Director Brown asked for further clarification on the fees increase.

- General Manager Gray stated that he did not have any more information than what was provided in the Board Packet.
- The Board directed General Manager Gray to contact RWA, CSDA and other agencies and rally interests on this topic.
- General Manager Gray suggested that Director Sarkovich contact Ted Costa to rally interest.

## **VII. Upcoming Events**

### **1. November 19 / FOWD Special Board Meeting / 2008 Goal Setting**

### **2. November 27-30 / ACWA Fall Conference (Indian Wells)**

- General Manager Gray reminded President Marx and Director Brown of the ACWA Conference. He stated he can discuss the topics with the Technical Committee.

## **VIII. Representative Reports**

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

- Director Brown stated that there was a meeting held on October 11, 2007.
  - There was a committee appointed to develop the 2008 officers for SGA.
  - There was discussion on the Elverta Specific Plan; a plan that develops property along the County line which involved Water Forum, RWA, SGA, the City and others.
  - A committee was appointed to provide oversight on the Water Accounting Framework.
  - Groundwater Management Program update-staff was directed to prepare and submit a local groundwater system grant application to support a number of projects.

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

- President Marx stated that there was a large increase for the Executive Director for RWA. There was a salary survey completed that indicated his salary was below scale for his duties.
- General Manager Gray stated that there was discussion on upcoming executive committee elections and the Holiday Social for RWA is on December 5, 2007.

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

- Director Brown stated that December 17, 2007 is 2008 SJWD goal setting workshop. He stated that the District needs to provide a list of concerns or issues to Shauna Laurence by the end of November 2007.

- Director Brown stated that the meeting on October 16, 2007 included the following discussions:
  - a) On the Raw Water Project; the Bureau decided not to build a line under the Dam, the new steel way improvement.
  - b) SJWD is building hydraulic improvement project.
  - c) Shortage Policy discussion. There was a unanimous agreement by the participants from the Family of Agencies to support the direction/content in the white paper and to extend the deadline of the current agreement until the new policy is completed hopefully by March 2008.
  - d) There was still negotiation on Water Conservation issues.
  - e) Meter replacement projects from 12" up to 42"; they are in the process of doing accuracy testing.
  - f) Fair Oaks 40" line that comes into Fair Oaks. There was a leak detected. There are a lot of potential problems. The right of way is very narrow. It has all been documented. Costs are to be shared.
- General Manager Gray stated that the Fair Oaks 40 is one of our two main supply lines to get water to the District. It was studied and brought forth as a project last year. The proposed design cost was about \$1M. It was proposed that the District's share was 94% of the \$1M. The District questioned on the % of the cost-share and resulting in research and possible percentage reduction. The District may be able to reduce in the size of the pipe as well.
- Director Brown stated that there would be a wholesale connection fee implemented starting in 2008.

#### **4. Other**

- None.

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

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

- Director Sarkovich stated that he would like to have the budget to the full Board on December 10, 2007. The Budget Committee scheduled a meeting on Wednesday, November 14, 2007.

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

- Director Brown stated that the Committee was supposed to review the Vulnerability Assessment but did not have a chance to because they were focusing on the evaluation process of the GM.
- President Marx indicated that he would like to get together and discuss about the Fall Conference topics that would be worth attending.
- General Manager Gray suggested that the Technical Committee review the previous reports on Vulnerability Assessment. It showed the recommendations of items needed to be completed and almost all items were being addressed.

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

- Director Gilliam stated that the Capital Improvement Committee has been meeting with the Architects. The engineering for the Admin. Building has been completed. Currently the Architects are working on the master plan for the Corporation Yard.
- Director Brown inquired whether the Architects were able to include in the design for the cover for the entrance.
- Director Gilliam stated that it was not included in the design at this time in order to stay within the budget.
- General Manager Gray stated that Board's direction to staff and the design team was to proceed without the cover at this time and if there is money available, to add it at the end.

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

- President Marx stated that he and Director Brown met and came up with a format for the General Manager's performance review. There are three parts: performance review, evaluation of last year's goals and next year's goals.
- President Marx asked that the self-evaluation be completed by General Manager Gray by December 1, 2007.
- Director Brown requested that all directors review the wordings of the General Manager's performance review format and inform the Personnel Committee.

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

- Director Brown inquired on the status of the Public Relations RFQ.
- General Manager Gray stated that the RFQ has been approved but it has not been sent out.

**6. Other**

- Director Brown inquired on the audit grant for the Cemetery.
- General Manager Gray stated that the District has not received the money for the grant yet. It has been approved but receipts have yet to be turned in.

**X. General Manager's Reports**

**1. Monthly Work Performance Report.**

- General Manager Gray reported that there were 189 meters installed. He stated that the District used contractor for this month with the projects.
- Director Gilliam inquired on why so many meters are on the Vir Mar Street.
- General Manager Gray stated that they are Condominiums.
- Director Gilliam inquired on the contracted services versus using the District's staff for meter installation.
- General Manager Gray stated that the District's goal is to install the meters within the budget and staff used money within the budget to contract out the meters.

**2. New Building Status**

- Discussed earlier.

**3. Update on FOWD/Aerojet MOU**

- General Manager Gray stated he hopes to have a document for the Board to review by the next Board meeting.

**4. Update on Town and Heather Well Projects**

- General Manager Gray stated that there will be a formal presentation on closing of these two projects at the next Board meeting. The District received documented memo for each well that memorialized why the wells were put in and what the operational and design parameters were when they were built.

**5. Update on San Juan Family Water Shortage Plan/Water Supply Agreements**

- Discussed earlier.

**6. FOWD Five-Year Financial Plan (2008-2012)**

- Discussed earlier.

**7. Public Outreach Program**

- Discussed earlier.

**8. 2007 Water Conservation Program**

- No report.

**9. 2007 Emergency Response Plan**

- General Manager stated that it is on schedule to be completed at the end of the month.

**10. Other**

- General Manager Gray distributed the actual receipt on the Fair Oaks Auto Repair in question from the 11/13/07 Board meeting.
- The District received refund of \$1,700 from Stewart Title.
- General Manager Gray stated that two years ago, the Board provided staff direction to bid for paving services. Delta Construction was the second lowest bidder. Delta Construction had high quality equipment compared to the lowest bidder; therefore, Delta Construction was awarded the contract. Delta Construction's front line management constantly complained of losing money on projects. The District is not in the business of taking advantage of people; therefore, the District went out to bid again versus renewing the contract.

**XI. Public Comment**

- Mr. Parker inquired on the 529 plan-whether it was employer or employee funded.
- General Manager Gray stated it is employee funded and it is at no cost to the District.

- Director Brown stated that the Fair Oaks Village Enhancement Committee is holding a workshop on November 28, 2007 at 6:00 p.m. at the Fair Oaks Club House related to Fair Oaks beautification such as parking and lighting.

President Marx closed the open session of the meeting at 9:13 p.m.

President Marx called the closed session meeting to order 9:18 p.m.

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

- a. Existing Litigation (*Subdivision (a) of Section 54956.9*) Name of case: *Fair Oaks Water District vs. Richard Plecker et al. Sacramento County Superior Court Case No. 05AS0545.*
- b. 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.*

President Marx reopened the closed session of the meeting at 9:36 p.m. stating no reportable action had taken place in closed session.

**XIII. Adjournment**

With no further business to come before the Board, President Marx adjourned the meeting at 9:36 p.m.

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The Board approved the preceding minutes on January 14, 2008

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Tom R. Gray  
General Manager/Board Secretary

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Date