



**District Attendees**

Timothy Healey	Board President
Misha Sarkovich	Board Vice President
Daniel Gilliam	Board Member
Lonny Gossett	Board Member
Randy Marx	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager

**Other Attendees**

Pamela Tobin	SJWD Board President
Keith Durkin	SJWD Assistant General Manager

**Absent**

**AGENDA ITEMS**

**I. Call to Order**

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

**II. Public Comment**

- None.

**III. Consent Calendar**

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

1. Approval of minutes
  - a. Regular Board Meeting of December 12, 2011
2. Accept and file Treasurer's report for the month of December, 2011
3. Accept and file Investment Report for the month of November, 2011
4. Accept and file Monthly Financial Expenses for the month of November, 2011
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of December, 2011
7. Approval of Monthly Board Expense Report for the month of December, 2011

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

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

##### **1. Staff Presentation recognizing the 2011 FOWD Board President**

- General Manager Gray presented a plaque to Director Marx to recognize and thank him for serving as Board President in 2011.

##### **2. Correspondence dated November 15, 2011 from ACWA JPIA regarding claim number 12-0189**

- General Manager Gray stated that ACWA JPIA paid 50% (\$4,206.25) of the cost related to claim number 12-0189.

##### **3. Correspondence dated November 28, 2011 from ACWA JPIA - “President’s Special Recognition Award”**

- General Manager Gray stated FOWD received recognition from ACWA JPIA for Low Loss Ratio in its insurance programs.

##### **4. Correspondence dated December 9, 2011 from the Sacramento Local Agency Formation Commission**

- General Manager Gray provided information on the nomination for membership to the Special District Advisory Committee.

##### **5. Correspondence dated December 13, 2011 from ACWA JPIA on FOWD Customer Service Training**

- General Manager Gray stated ACWA JPIA showed its appreciation to FOWD for using its training program to develop staff to the benefit of the District ratepayers.

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

##### **1. Discussion and possible action on the Fair Oaks 40-Inch Pipeline Project**

- Director Marx stated that FOWD and SJWD had a joint Board meeting. He and Mr. Peterson from SJWD thought that it would be best to seek an outside consultant to review and provide input on the FO 40-inch pipeline project.
- FOWD Board indicated that an arbitrator or a consultant can be selected to perform the task; therefore, the Board included the word “arbitrator” in the motion.
- FOWD Board discussed and included in the motion that the cost of the arbitrator/consultant will be split 50/50 between FOWD and SJWD.

- FOWD Board believes that this should be binding for all three agencies, FOWD, SJWD and OVWC to share costs according to the recommendations of the arbitrator/consultant.

M/S/C Marx/Sarkovich motioned as follows:

“The FOWD shall participate in an RFP to obtain the services of an independent arbitrator/consultant to provide an opinion as to what a fair and reasonable cost allocation for the Fair Oaks 40 project would be amongst the FOWD, SJWD and the OVWC agencies, taking into account all factors. The arbitrator/consultant shall take into consideration all factors related to the Fair Oaks 40 project. The chairman of the Technical/Engineering Committees of these three agencies shall jointly administer the procurement process and manage the arbitrator/consultant. Prior to start-of-work, the staff of each agency shall provide the arbitrator/consultant with supporting information documenting their positions on a reasonable cost split. Each agency will be provided an opportunity to comment on the draft report, and a final report will be submitted by the arbitrator/consultant. This will be binding for FOWD, SJWD and OVWC and the three agencies agree to share costs according to the recommendations of the arbitrator/consultant in the final report. The cost of the arbitrator/consultant will be split 50/50 between FOWD and SJWD.”

**2. Update and discussion on SJWD invoice for 2001-2004 CTP operations and maintenance**

- General Manager Gray stated that SJWD agreed to the 50/50 cost share on the 2001-2004 CTP operations and maintenance invoice.

**3. Update and discussion on FOWD Water Supply**

- Operations Manager Nisenboym provided an overview of the December 2011 and year-end water supply. He stated that 2011’s consumption (11,113 AC-FT) represents the lowest recorded annual demand in the last 10 years.

**4. Report back and discussion on residential customer requests to reduce metered water service size**

- General Manager Gray stated that at the December 12, 2011 District Board meeting, the Board approved a waiver for all expenses associated with meter downsizing for residential customers effective May 2011 through December 31, 2012. The attached policy 6055 (Request to Reduce Metered Water Service) has been revised to reflect the change. The District will refund customers that have paid since May 9, 2011 for the meter downsizing. The District will also include a billing insert and two billing messages to inform customers of the Board’s decision (fee waiver).

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

**1. Discussion and possible action on appointments to Board committees and as FOWD representatives at other organizations**

- The 2012 Board committees and FOWD representatives will be the same as 2011.

<b>2012 – Board Assignments</b>	
<b>Organization Name</b>	<b>Members</b>
SGA	Marx, Gilliam
RWA	Marx, Gray
ACWA JPIA	Gilliam
SJWD Executive Committee	Marx, Gray
WFSE	Healey, Gray

<b>2012 – Adhoc Committee Assignments</b>	
<b>Committee Name</b>	<b>Members</b>
Budget	Sarkovich, Healey, Gray
Capital Improvement	Gilliam, Sarkovich, Gray
Personnel	Marx, Gilliam, Gray
Public Relations	Healey, Gossett, Gray
Technical Advisory	Marx, Gilliam, Gray

**2. Discussion and possible action on auditor renewal for 2011 year-end financial audit**

- General Manager Gray recommended that the Board approve JJACPA, Inc. to perform the 2011 financial audit.

M/S/C      Sarkovich/Gilliam, to approve JJACPA, Inc. to audit FOWD’s 2011 year-end financial audit.

**3. Discussion and possible action on recently completed FOWD Information Technology Audit**

- General Manager Gray stated that the District hired an outside consultant to audit the District’s Information Technology (IT) system. He stated that the positive findings include: 1) the District network design and implementation is appropriate; 2) Microsoft domain meets “best practices” recommendations; 3) FOWD utilizes enterprise grade network equipment and software; and 4) staff is engaged and knowledgeable.
- General Manager Gray reported that the consultant recommended improvements to IT policies, emergency power strategy, data backup system, redundancy for

critical system and obsolete, unsupported SCADA system and software. General Manager Gray indicated the District will address high-risk items in 2012 and will budget for low risk items in 2013.

**4. Discussion and possible action on RFP for a new FOWD website**

M/S/C Sarkovich/Gilliam, to approve the RFP for the website.

**5. Discussion and possible action on the updated FOWD Employee Handbook**

- General Manager Gray acknowledged Mrs. Stacy Peterson, District's HR and payroll administrator for putting the employee handbook together. Executive staff went through the content and made modifications as necessary. This document has gone through legal review. The employee handbook was brought to the Board to inform the Board of its content.

M/S/C Gilliam/Marx, to approve the updated FOWD employee handbook.

**VII. Upcoming Events**

**1. January 18, 2012 / Supervisor Susan Peter's FO Community Meeting / Fair**

- Information only.

**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**

- Director Marx provided a report on the meeting related to legislation and conservation.

**4. Other**

- None.

**IX. Directors' Reports & Comments**

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

- No meeting.

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

- General Manager Gray stated that he is waiting to hear from members of the Committee to schedule a meeting.

3. **Capital Improvement Committee – (Gilliam, Sarkovich)**
  - No meeting.
4. **Personnel Committee – (Marx, Gilliam)**
  - General Manager Gray stated he would like to set up a meeting for the Board to interview staff as part of the annual performance review process.
5. **Public Relations Committee – (Gossett, Healey)**
  - None.
6. **Other**
  - None.

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

1. **Monthly Work Performance Report.**
  - General Manager Gray stated the monthly work performance report provides detailed information including meter downsizing. In January 2012, the District downsized 13 water service meters.
2. **Operate within 2012 Budget**
  - General Manager Gray reported that, based on the monthly financial report, the District is currently operating 16% under budget for 2011 and he believed that the District will close the year approximately 16% under budget.
3. **Metered Rates Conversion Project**
  - Discussed earlier.
4. **Fair Oaks 40-inch Pipeline Project Planning & Design**
  - Discussed earlier.
5. **Employee Handbook Update**
  - General Manager Gray stated that this item will be taken off the agenda.
6. **Policy Handbook Update**
  - No report.
7. **Delta Issues – Update on Regional Involvement**
  - General Manager Gray stated that he will provide an update after he attends the Northern California Alliance meeting.
8. **Other**
  - None.

**XI. Public Comment**

- Mr. Durkin requested that the District forward him the motion made tonight related to the FO 40-inch.

**XII. Adjournment**

With no further business to come before the Board, President Healey adjourned the meeting at 7:44 p.m.

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The Board approved the preceding minutes on February 13, 2012

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Tom R. Gray  
General Manager/Board Secretary

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Date