



District Attendees

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

Other Attendees

Keith Durkin	SJWD Asst. General Manager
Ted Costa	SJWD

Absent

AGENDA ITEMS

I. Call to Order

President Marx 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 13, 2010
2. Accept and file: Treasurer's report for the month of December, 2010
3. Accept and file: Investment report for the month of November, 2010
4. Accept and file: Monthly Financial Expenses for the month of November, 2010
5. Approval of Warrants
6. Approval of Cal-Card Statement
7. Approval of Monthly Board Expense Report for December, 2010

M/S/C Sarkovich/Healey, to approve the consent calendar.

IV. Presentation & Correspondence

1. Oath of Office for Lonny Gossett as Director Division 3

- General Manager Gray administered the oath of office to Director Lonny Gossett.

2. FOWD recognition of past Board President

- General Manager Gray thanked Director Sarkovich for his contribution serving as FOWD's Board President in 2010.

3. Letter dated December 27, 2010 from the Regional Water Authority – toilet rebate reimbursement

- General Manager Gray reported on the toilet rebate program and reimbursement received.

4. Fair Oaks Enterprise newsletter – “Water Meters Are Coming, Are You Prepared”

- General Manager Gray reported on the Fair Oaks Enterprise newsletter and the discussion at the luncheon related to water meter and its impact on the rate payers.

5. Email dated January 7, 2011 from SJWD Director Peterson-SJWD Financial Matters

- General Manager Gray stated that the email was just information for discussion.
- Director Sarkovich commented on the benefits and compensations SJWD received. He stated that the compensations and benefits would not be a problem except that SJWD increased water rates by 53% over the past five years.
- Director Gossett indicated that the compensation survey included San Jose for comparison to the Sacramento area.
- Mr. Durkin indicated that SJWD would like to be more transparent and he invited the Board to attend the SJWD Executive Committee and there will be more opportunity for the Board to discuss SJWD's operations.
- The Board directed General Manager Gray to draft a memorandum related to Director Peterson's email for the SJWD meeting on Wednesday and request to be added to the upcoming workshop.
- President Marx thanked Mr. Durkin and Mr. Costa for attending the meeting.

V. Discussion and Action Items: Old Business

1. Report back and discussion on an agreement between FOWD and the Fair Oaks Historical Society

- General Manager Gray stated that FOWD has a signed agreement with the Fair Oaks Historical Society for the use of property located on FOB. A copy of the agreement was provided for review.

2. Deferred item: Consider appointments to serve as District representatives to various organizations and committees

- The following are 2011 Board and Committee assignments.

2011 – BOARD ASSIGNMENTS	
Board Name	Members
SGA	Marx, Gilliam
RWA	Marx, Gray
ACWA JPIA	Gilliam
SJWD Executive Committee	Marx, Gray
WFSE	Healey, Gray

2011 – COMMITTEE ASSIGNMENTS	
Committee Name	Members
Budget	Sarkovich, Healey, Gray
Capital Improvement	Gilliam, Sarkovich, Gray
Personnel	Marx, Gilliam, Gray
Public Relations	Healey, Gossett, Gray
Technical Advisory	Marx, Gilliam, Gray

3. Report back and discussion on an agreement between FOWD and SMUD for a 2011 Clothes Washer Rebate Program

- General Manager Gray stated that the District signed the agreement with SMUD for the Washer Rebate Program for 2011. A copy of the agreement was provided for review.

VI. Discussion and Action Items: New Business

1. Discussion on 2011 Budget Projections – Sacramento Region Water Districts

- General Manager Gray distributed to the Board the 2011 budget projections for Sacramento Region Water Districts as directed by the Financial Committee.
- General Manager Gray stated that this information will be used to help set the District’s future metered rates.
- Director Sarkovich stated that he expects water consumption to decrease approximately 15%-20%.

2. Discussion and possible action on FOWD Resolution No. 11-01; “Approving Amendments to Wholesale Water Supply Agreements to Permit Billing in Arrears for Water Deliveries”

M/S/C Gilliam/Sarkovich, to approve Resolution No. 11-01, upon language reviewed by Board President Marx on legal comments.

VII. Upcoming Events

1. Fair Oaks/Gold River Monthly Community Cabinet Meeting-Sacramento County District Four / January 19, 2011

- Information only.

2. FO Chamber Business Luncheon w/ FOWD as speaker / FO Community Clubhouse / January 20, 2011

- Information only.

3. Special District and Local Government Institute Governance Workshops / Anaheim / February 17-18, 2011

- 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

- No report.

4. Other

- None.

IX. Directors’ Reports & Comments

1. Budget Committee – (Sarkovich, Healey)

- No meeting.

2. Technical Advisory Committee – (Gilliam, Marx)

- President Marx stated that the Committee met and went over technical information on some projects.
- General Manager Gray stated that he had been communicating with SJWD related to the FO 40-inch project and they have not come up with a resolution. General

Manager Gray suggested that that the District and SJWD should start fresh with new data and information rather than going back to past information.

- Mr. Durkin stated that there is a sense of urgency in the project as it contains three major components one of which is replacement of the pipeline that used to be supported by the American River Canyon. That pipeline is rotting away and it is unsupported and there should be a MOU for this project.
- General Manger Gray suggested that the District should go ahead with the environmental document.

3. Capital Improvement Committee – (Gilliam, Sarkovich)

- No meeting.

4. Personnel Committee – (Marx, Gilliam)

- Director Gilliam stated that the General Manager’s evaluation is deferred until February.
- President Marx stated that the Committee directed General Manager Gray to do a self-evaluation.
- Director Gilliam stated the Committee will conduct staff interview in March or April of 2011.

5. Public Relations Committee – (Brown, Healey)

- No meeting.

6. Other

- None.

X. General Manager’s Reports

1. Meter Implementation (Installation & Future Planning).

- General Manager Gray stated that the District installed 1,116 meters in 2011 with a total of 416 meters remaining. He indicated that these remaining meters are largely condos type projects.
- General Manager Gray reported that the Bluff’s HOA and Board Members sent a letter commending the crew led by Nick Kepler for their work and professionalism.

2. New Building Projects

- General Manager Gray reported that the District still has a punch list for the building and the most time consuming item was the LEED certification.
- Director Sarkovich inquired on the status for Savings by Design rebate.
- General Manager Gray stated that SMUD needs to do inspection of the building equipment.

3. Operate within 2011 Budget

- General Manager Gray stated that the District continues to operate under budget by 18% for 2010 operations; referring to the monthly financial report.

4. FOWD Financial Plan for Metered Rates

- Discussed earlier.

5. Wholesale Meter Upgrades (construction complete; project to remain listed)

- General Manager Gray stated that they had a discussion this morning on this project; new information for cost allocation is due by the end of this week.

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

- Discussed earlier.

7. Other

- None.

XI. Public Comment

- Mr. Durkin thanked the Board and stated he would like to improve communication in the future.

President Marx closed the open session at 8:21 p.m.

President Marx called the closed session meeting to order at 8:28 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8, 54956.9 and 54957

1. Existing Litigation (Subdivision (a) of Section 54956.9) Name of case: Hubbard vs. Fair Oaks Water District et al. Sacramento County Superior Court

President Marx reopened the meeting to the public at 8:53 p.m.

XIII. Report from closed session

- None.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 8:55 p.m.

The Board approved the preceding minutes on February 14, 2011

Tom R. Gray
General Manager/Board Secretary

Date