



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

March 12, 2012

District Attendees

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

Other Attendees

Paul Cornwell	Visitor
Andy Sells	ACWA JPIA Chief Executive Officer
Joe Dion	ACWA JPIA Executive Committee Member
Joseph Arch	JJACPA, Inc.
Brett Jones	JJACPA, Inc.

Absent

Timothy Healey	Board President
Randy Marx	Board Member

AGENDA ITEMS

I. Call to Order

Director Gilliam 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 February 13, 2012
2. Accept and file Treasurer's report for the month of February, 2012
3. Accept and file Investment Report for the month of January, 2012
4. Accept and file Monthly Financial Expenses for the month of February, 2012
5. Approval of Warrants

6. Approval of Cal-Card Statements for the month of February, 2012
7. Approval of Monthly Board Expense Report for the month of February, 2012

M/S/C Sarkovich/Gossett to approve the consent calendar.

Absent: Healey, Marx

IV. Presentation & Correspondence

1. Presentation by ACWA JPIA staff to FOWD

- Mr. Andy Sells and Joe Dion from ACWA JPIA presented FOWD with a refund check in the amount of \$32,757 for property, liability and worker's compensation insurance. Mr. Sells stated that FOWD received the President's Awards for both the liability and property programs for achieving 20% or less loss ratio in claims. He stated that FOWD took advantage of the training program at ACWA JPIA at no additional cost. He emphasized that HBA will dissolve itself and combine its operations with ACWA-JPIA; resulting in member cost savings in the future. He and Mr. Dion commended FOWD staff for a job well done.

2. Presentation from Joseph Arch on Fair Oaks Water District's Comprehensive Annual Financial Audit for the year ended December 31, 2011

- General Manager Gray introduced Mr. Joseph Arch from JJACPA, Inc. to present the District's 2011 financial audit.
- Mr. Arch stated that the FOWD received a clean opinion for the 2011 year-end financial audit. Mr. Arch stated that the audit went smoothly and he thanked the District's staff for being cooperative. He noted that it will take another year before the District can see a comparison of the revenue due to metered billing. He indicated everything is status quo for FOWD. He stated that there is one subsequent event which is disclosed in the CAFR. He indicated that the District could streamline the internal controls as some are redundant in coverage.

3. Correspondence from SMUD regarding restructuring of electricity rates charged to FOWD

- General Manager Gray provided an overview of the SMUD rate restructuring: including the increase in fixed charge, the decrease in usage charge, changes in their peak hours and tiered rates.
- Vice President Sarkovich stated that the District can save money and lower the overall costs by working around the peak hours if possible.

4. Correspondence dated March 2, 2012 from County of Sacramento regarding changes in fees charged by Voter Registration and Elections, including fees for election administration

- General Manager Gray provided information on the public hearing meeting

related to the election fees.

V. Discussion and Action Items: Old Business

1. Update and Discussion on FOWD Water Supply for the month of February, 2012

- Operations Manager Nisenboym reported that the District used 422 AF of surface water and 42 AF of Groundwater in February (approximately 90% to 10% ratio).

VI. Discussion and Action Items: New Business

1. Discussion and possible action to accept and file the Fair Oaks Water District's Comprehensive Annual Financial Report, with Independent Auditor's Report, for the year ended December 31, 2011

- General Manager Gray recommended that the Board adopt the CAFR report that was provided in the Board package.

M/S/C Sarkovich/Gossett, to approve the Fair Oaks Water District's 2011 Comprehensive Annual Financial Report, with Independent Auditor's Report.

Absent: Healey, Marx

2. Discussion and possible action on appointment of a new FOWD Director to represent Division 2

- General Manager Gray stated that Director Gilliam resigned effective March 12, 2012 because he is moving out of the Fair Oaks area. General Manager Gray stated that he will begin the required process for appointment to fill the now vacant FOWD Division 2 Board seat.

VII. Upcoming Events

1. March 21, 2012 / Supervisor Susan Peter's FO Community Meeting / Fair Oaks

- Information only.

2. April 2-5, 2012 / CA-NV AWWA Spring Conference / Santa Clara CA

- Information only.

3. April 3, 2012 / Senator Ted Gaines Town Hall Meeting at FOWD

- Information only.

4. May 8-11, 2012 / ACWA Spring Conference / Monterey CA

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- General Manager Gray reported that RWA approved several policies including policies 300.1, 300.2 and 200.2 which increased the spending authorization of Executive Committee and Executive Director of RWA. General Manager Gray also provided an overview of the Delta Plan discussion and the Garden Bar Dam proposal.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray reported on the USBR water allocation, water supply and water treatment operations.

4. Other

- None.

IX. Directors' Reports & Comments

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

- No meeting.

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

- No meeting.

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

- No meeting.

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

- No meeting.

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

- None.

6. Other

- None.

X. General Manager's Reports

1. Monthly Work Performance Report.

- General Manager Gray provided an overview of the monthly work performance report and a status update of the 2012 metered water analysis.
- Mr. Cornwell inquired as to why the backflows are not on the monthly work performance report.
- General Manager Gray stated that the District does not install backflow devices.

2. Operate within 2012 Budget

- General Manager Gray reported that, based on the monthly financial report, the District is currently operating under budget through February 2012.

3. Metered Rates Conversion Project

- General Manager Gray stated that the District continues to work with customers on meter sizing issues.

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

- General Manager Gray stated that this item will be discussed in closed session.

5. Policy Handbook Update

- Ongoing update.

6. Delta Issues – Update on Regional Involvement

- General Manager Gray provided an overview of the Delta Issues.

7. Other

- General Manager Gray reported that Supervisor Susan Peters had a Town Hall meeting on March 8, 2012 at FOWD. He stated that the missing sidewalk from FOWD to the village will be part of the May improvement plan.
- General Manager Gray reported that effective March 19, 2012, Teichert Construction will include a \$15 per load service charge.
- General Manager Gray stated that FOWD received a letter requesting information related to the pre-1914 water rights.
- General Manager Gray stated that there is an AWWA financial management rate making seminar scheduled for March 19 to March 21.
- General Manager Gray stated that there is notification/publication from AWWA discussing infrastructure improvement needs throughout the US.

XI. Public Comment

- None.

Director Gilliam closed the open session at 7:12 p.m.

Director Gilliam called the closed session meeting to order at 7:19 p.m.

XII. 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: Bluff City Inc. vs. Fair Oaks Water District et al. Sacramento County Superior Court
2. Anticipated litigation; significant exposure to litigation involving San Juan Water District related to the Fair Oaks 40-Inch Pipeline Rehabilitation Project.

Director Gilliam reopened the meeting to the public at 8:12 p.m.

XIII. Report from Closed Session

None.

XII. Public Comment

None.

XII. Adjournment

With no further business to come before the Board, Director Gilliam adjourned the meeting at 8:13 p.m.

The Board approved the preceding minutes on April 9, 2012

Tom R. Gray
General Manager/Board Secretary

Date