



District Attendees

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

Other Attendees

Robert Watson	SJWD Manager of Engineering Department
Paul Cornwell	Visitor

Absent

Daniel Gilliam	Board Member
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AGENDA ITEMS

I. Call to Order

President Marx called the meeting to order at 6:32 p.m.

II. Public Comment

- Mr. Cornwell stated that the District has not removed the backflow he had requested.
- General Manager Gray stated that he District has already responded to the backflow matter.
- President Marx stated that the Board supported the response.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of April 14, 2011
2. Accept and file: Treasurer's report for the month of April, 2011
3. Accept and file: Investment report for the month of March, 2011
4. Accept and file: Monthly Financial Expenses for the month of March, 2011

5. Approval of Warrants
6. Approval of Cal-Card Statement
7. Approval of Monthly Board Expense Report for April, 2011

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

IV. Presentation & Correspondence

1. Staff presentation and discussion on the current FOWD water bill format and payment timing

- Operations Superintendent Huckaby provided an overview of the District's water bill. The revised statement clarifies the CCF and has some formatting changes.
- Operations Superintendent Huckaby stated that currently, the mailing takes 5-7 days to reach the customer. The District can cut down the time to one day by using first class mail rather than Bulk mail. This would be an additional cost of \$20,000.
- Director Sarkovich stated that the District can avoid the \$20,000 additional cost by increasing the payment timing.
- Vice President Healey stated that the metered rate and amount is not a true representation of future billing. Showing the metered information may provide false hope to those thinking that they will save; however, that may not be the case since we will be setting the rate structure prior to converting to meter billing.
- President Marx and Vice President Healey suggested that staff should put a note on the bill indicating the rate structure/changes that may affect the metered billing amount.
- Director Sarkovich believed that the District should not bill the fixed service charge in advance.
- General Manager Gray stated that the Board will need to make this determination during the rate setting process. Staff brought to the Board this billing in advance concept at a previous Board meeting and this concept was approved.

V. Discussion and Action Items: Old Business

1. Update discussion on Wholesale Meter Project cost allocations

- General Manager Gray stated that the information provided outlined a couple of adjustments on cost allocations.

2. Update and discussion on SJWD Family of Agencies Joint Board Workshop

- General Manager Gray stated that there will be a meeting at the District on May 18, 2011 at 1:00 p.m. to discuss the San Juan wholesale issues.

3. Update and discussion on the Sunset Main replacement project

- Operations Manager Nisenboym stated that the District has already installed 800 feet of the 12" pipeline on the Sunset Main replacement project. This project is anticipated to be completed by the end of September 2011.

4. Update discussion on meter installations at the "Bluffs"

- General Manager Gray stated that the District installed 16 meters at the Bluffs and has 90 remaining to be installed.

5. Update and discussion on current staffing of FOWD

- General Manager Gray stated that the Board approved 40 positions and the District currently has 34 positions and does not intend to hire additional employees.

VI. Discussion and Action Items: New Business

1. Update and discussion on SJWD Wholesale 2011-2012 Budget

- General Manager Gray stated that the SJWD's approved budget has no rate increase for 2012. There will be a 5% rate increase for four years, starting 2013-2016.

2. Update and discussion on SJWD Wholesale Capital Project Cost Allocation Policy Principles

- General Manager Gray stated that SJWD put together the proposed principles for all capital project cost allocations. He indicated that this would be a topic to be discussed at the Board level.

3. Update and discussion on FOWD response to Sacramento County

- General Manager Gray stated the Sacramento County is considering redistricting and the current map is provided in the Board packet. He indicated that FOWD does not intend to make any changes to its current border.

4. Update and discussion on FOWD 2010 Consumer Confidence Report

- Operations Manager Nisenboym stated that the consumer confidence report shows that we are in full compliance with the regulations and that FOWD water is excellent.

5. Discussion and possible action on FOWD message board

- General Manager Gray suggested that the District place a message board in front of the District office.
- President Marx stated that the District should run this by the Fair Oaks Village Enhancement Committee (FOVEC).
- The Board asked that the General Manager report on the cost and result of the FOVEC discussion; with this item being a low priority.

6. Discussion and possible action on FOWD Policy No. 6055 – Request to Reduce Water Meter Size

- President Marx stated that items 2.2 and the agreement should be revised if the District allows customer to upgrade and downgrade more than one time and remove the word “permanent.”
- General Manager Gray recommended that the District place a six-month time frame that the customers can request another upgrade or downsize to the same service.
- General Manager Gray stated that staff will revise this policy and bring back for Board approval. He indicated that in the meantime, staff will process based on the general guidelines of the policy.

7. Discussion and possible action on FOWD Policy No. 6230 – Deposits

- General Manager Gray stated that the District added section 1.4 to the deposit policy, allowing the District to waive their deposit based on prior payment history.
- Director Sarkovich stated that the District should clarify good payment history such as providing a timeframe.
- President Marx stated that the District can insert the statement: “Good payment history is generally one year.”

M/S/C Sarkovich/Healey, to approve policy 6230-Deposits as amended.

8. Discussion and possible action on FOWD Policy No. 7000 – Billing and Collection Fees

- General Manager Gray stated that changing this policy was in direct response from customer and the Board comments. He stated that staff included section 2.4.1 to allow the District to waive their penalty every three years.

M/S/C Healey/Misha, to approved policy No. 7000 – Billing and Collection Fees.

VII. Upcoming Events

- 1. May 18, 2011 / SJWD Family of Agencies Joint Board Workshop @ FOWD Office**
 - Information only.
- 2. May 18, 2011 / Supervisor Roberta MacGlashan's FO Community Meeting / Fair Oaks**
 - Information only.
- 3. May 11-13, 2011 / ACWA Spring Conference / Sacramento**
 - Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - President Marx stated that the budget was approved and the increase to FOWD is 5%.
- 2. Regional Water Authority (RWA)**
 - President Marx stated the budget was approved and there was a rate increase to FOWD.
- 3. San Juan Family of Agencies Executive Committee**
 - General Manager Gray stated that the Executive Committee discussed the wholesale cost allocation, provided an update on the FO-40-inch Pipeline Project and discussed the upcoming workshop.
 - The Board asked that Tom request the agenda for the workshop.
- 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)

- No meeting.

6. Other

- None.

X. General Manager’s Reports

1. Meter Implementation (Installation & Future Planning).

- General Manager Gray commented on the monthly work performance report; providing information on meter and AMR replacements for April.

2. New Building Projects

- General Manager Gray stated that the District is finalizing the items with the Design/Construction team and is continuing to pursue LEED certification.

3. Operate within 2011 Budget

- No report.

4. FOWD Financial Plan for Metered Rates

- No report.

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

- No report.

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

- General Manager Gray stated that SJWD is moving forward with the pipeline planning and design. SJWD hired Kennedy Jenks to design the project.

7. Other

- General Manager Gray stated that the Board of Supervisors appointed Michael Peterson to be Director of the Water Resources.

XI. Public Comment

- None.

President Marx closed the open session at 8:34 p.m.

President Marx called the closed session meeting to order at 8:38 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54954.5, 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

2. Conference with legal counsel – anticipated litigation (one case).

President Marx closed the closed session at 8:53 p.m.

President Marx reopened the meeting to the public at 8:54 p.m.

XIII. Report from closed session

- No report.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 8:56 p.m.

The Board approved the preceding minutes on July 11, 2011

Tom R. Gray
General Manager/Board Secretary

Date