



District Attendees

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

Other Attendees

Paul Cornwell	Visitor
---------------	---------

Absent

Timothy Healey	Board Member
----------------	--------------

AGENDA ITEMS

I. Call to Order

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

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

IV. Presentation & Correspondence

1. Letter to USBR on the Fair Oaks Water District Meter Implementation Program dated August 31, 2010

- General Manager Gray informed the Board that he sent a letter to the USBR, addressed to Mr. Michael Finnegan, providing an update on the District's meter implementation plan.

2. Letter to the owner of property located at 8871 North Winding Way dated August 18, 2010

- General Manager Gray stated that the District sent a notification of termination of water service addressed to Mr. Cornwell on August 18, 2010; scheduled shut-off date was September 2, 2010 due to failure to provide a current annual test report for the backflow device.
- Mr. Cornwell requested that the District's General Manager remove the backflow device on this service.

V. Discussion and Action Items: Old Business

1. Update and discussion on District property located at 10340 Fair Oaks Boulevard; use by the FO Historical Society

- General Manager Gray stated that the District is in the process of creating an agreement for the use of this property.
- General Manager Gray stated that there was a question relative to disclosure of the 10340 FOB building and he would like to note that there were discussions on this property at the April 12, June 14, July 11, August 9, and September 13 Board Meetings. He stated that the 10340 Fair Oaks Blvd. property was purchased on June 1, 2010 for \$220,000.

2. Update and discussion on the Hazel Avenue Bridge water main project

- General Manager Gray stated that the District was asked by the County to pay for the bird feces' cleanup at a cost of \$46,000 on this project. The District offered to defer the water main project in exchange for an easement for future construction.
- General Manager Gray stated that if the District defers this project, it would be more expensive in the future; however, we would seek participation from other beneficiaries in the future. He indicated that the Design will be completed.

3. Update and discussion on the SJWD "Fair Oaks 40-inch" main project

- General Manager Gray stated that Director Marx, Director Gilliam, Operations Manager Nisenboym, and he met with SJWD Staff and looked at the reports provided by the outside consultant for the Fair Oaks 40-inch main project.

- Vice President Marx stated that there were several alternatives and two were similar in point allocation. One alternative cost \$4M and the other alternative is near \$1M. He stated that the District asked SJWD to have consultant look at the less expensive alternative.
- Director Gilliam indicated that the points were very close (difference of about two points) for the two alternatives and the difference in money was \$3M.

4. Update and discussion on payment of SJWD wholesale water purchase invoices

- General Manager Gray stated that the District, based on direction from the Board, paid \$1.6M of the 2010 invoices. The District rejected one invoice. He stated that the backup information is provided in an attachment.

5. Update and discussion on Bluff City water system

- General Manager Gray stated that the Bluff City is still discussing issues internally. The District has proposed that Bluff City contribute \$138,000, paid over three consecutive years, for the system improvements.

VI. Discussion and Action Items: New Business

1. Update and possible action on the SJWD Wholesale Meter Project

- General Manager Gray asked that the Board direct him to participate in the creation of an agreement that provides reallocation of costs associated with the Wholesale Meter Project.

M/S/C Gilliam/Marx, to authorize General Manager Gray to participate in the creation of an agreement that provides reallocation of costs associated with the Wholesale Meter Project.

2. Update and discussion on SJWD Executive Committee activities

- General Manager Gray provided information on the rate study presented by Bob Reed at the SJWD Executive Committee meeting. He also included the SJWD Executive Committee meeting minutes for the Board to review.
- Vice President Marx stated that General Manager Gray asked most of the questions at this meeting.

3. Update and discussion on 2010 FOWD water consumption

- General Manager Gray provided an overview of the water usage for 2010 compared to 2009.

4. Update and discussion on August 30, 2010 FO Rotary Club presentation

- General Manager Gray stated that President Sarkovich provided a meter implementation program presentation to the FO Rotary Club. He thought it would be good for the Directors to have an overview of the presentation.
- President Sarkovich thanked General Manager Gray for preparing the presentation on the District's MIP program.

VII. Upcoming Events

1. October 5-8, 2010 / Ca-Nev AWWA Fall Conference / Sacramento

- Information only.

2. November 30 – December 3, 2010 / ACWA Fall Conference / Indian Wells

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- Vice President Marx stated there were discussions on the proposed restrictions on water use. There will be increased restrictions in the future based on standards which would require more water to flow through the Delta for environmental purposes.

3. San Juan Family of Agencies Executive Committee

- Discussed earlier.

4. Fair Oaks Village Enhancement Committee

- Director Brown stated that the Committee will be meeting on Wednesday to approve the strategic plan.

5. 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)**
 - Vice President Marx indicated that they met and discussed the Fair Oaks 40-inch main project.
- 4. Personnel Committee – (Marx, Gilliam)**
 - No meeting.
- 5. Public Relations Committee – (Brown, Healey)**
 - No meeting.
- 6. Other**
 - President Sarkovich inquired if the District received the check from SMUD for the “Saving by Design” program.
 - General Manager Gray stated that there is still some paperwork to be submitted to SMUD.

X. General Manager’s Reports

- 1. Legal Matters**
 - General Manager Gray stated that he will provide updates in the closed session.
- 2. Meter Implementation (Installation & Future Planning)**
 - General Manager Gray stated the District installed 78 meters in August.
- 3. New Building Projects**
 - Discussed earlier.
- 4. Operate within 2010 Budget**
 - General Manager Gray stated that the District’s operating expense as of July is under budget approximately 20% as shown on the Monthly Financial Report. The District is working hard to conserve cash.
- 5. FOWD Financial Plan for Metered Rates**
 - General Manager Gray stated that the District provided an MIP plan update at the last Board Meeting and that the District is now working on plan implementation.
- 6. Emergency Water Supply Agreement**
 - No report.
- 7. GW Remediation Issues (Aerojet)**
 - No report.
- 8. Wholesale Meter Upgrades (construction complete; project to remain listed)**
 - Discussed earlier.

9. Update and Revise FOWD Policy Manual

- No report.

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

- Discussed earlier.

11. Hydraulic Model Development

- No report.

12. Website Update

- No report.

13. Unbudgeted Projects

- No report.

14. Other

- General Manager Gray stated that the County Election Office sent a letter stating that Director Gilliam and Director Healey ran unopposed. One candidate ran for the Division 3 seat vacated by Director Brown.
- President Sarkovich inquired on the type of agencies the District permits to use the Board room.
- General Manager Gray stated that the FOWD Board room may be used for Water District business and by other government agencies on a case by case basis. He indicated that to open use to other general public would be difficult; determining who to accept and decline.
- President Sarkovich and Director Gilliam stated that the District should leave this open for the Board to decide based on each case as long as it benefits the community.

XI. Public Comment

- None.

President Sarkovich closed the open session at 7:46 p.m.

President Sarkovich called the closed session meeting to order at 7:50p.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 Sarkovich reopened the meeting to the public at 8:05 p.m.

XIII. Report from closed session

- None

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:07 p.m.

The Board approved the preceding minutes on October 11, 2010

Tom R. Gray
General Manager/Board Secretary

Date