



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

November 8, 2010

District Attendees

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

Other Attendees

Paul Cornwell	Visitor
Lonny Gossett	Visitor
Joe Maloney	Visitor

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Mr. Cornwell stated that he requested the District to remove one of his backflow devices and the District did not remove it yet.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of October 11, 2010
2. Accept and file: Treasurer's report for the month of October, 2010
3. Accept and file: Investment report for the month of September, 2010
4. Accept and file: Monthly Financial Expenses for the month of September, 2010
5. Approval of Warrants
6. Approval of Cal-Card Statement

7. Approval of Monthly Board Expense Report for October, 2010

- Director Brown pulled the Regular Board Meeting minutes of October 11, 2010. Director Brown stated that there should be introduction of the new Director Lonny Gossett in the Minutes.

M/S/C Gilliam/Healey, to approve the consent calendar as amended.

IV. Presentation & Correspondence

1. Letter dated October 27, 2010 from ACWA JPIA – Traffic Control & Flagger Safety Training

- General Manager Gray provided an overview of the Traffic Control & Flagger Safety Training provided by ACWA-JPIA.

2. Staff Presentation – 2011 FOWD Financial Plan and Budget

- General Manager Gray stated that the District will have no rate increase, no new debt and no fee increases in the 2011 Budget. The District projected \$8.11M in revenues and \$8.78M (\$2.42M being capital and equipment) in expenses for 2011. The District will end the year with approximately \$670k deficit which will be funded by reserves.
- General Manager Gray stated that the District has no debt in its name, completed the new building and will complete all of its MIP in 2011. He stated that the District will be working on the 5-year financial plan in 2011.
- President Sarkovich stated the Budget Committee met and reviewed the detailed line items of the 2011 Draft Budget with the direction of no rate increase and no new debt. He stated that the 2011 Budget will be the last budget year with flat rate revenue. He indicated that it would be harder to predict for the 2012 budget year when the District converts to metered billing. He thanked staff for putting the 2011 Budget together.

V. Discussion and Action Items: Old Business

1. Update and discussion on water service to 5345 Main Avenue

- General Manager Gray reported that the customer at 5345 Main Avenue came to the Board at the October 11, 2010 Board meeting and requested to have fees waived. He had a discussion and went over the account detail with the customer and the customer agreed to make the payment.

2. Update and discussion on water service to 5706 Almond Avenue

- General Manager Gray reported that he worked with the tenant at the 5706 Almond Avenue and provided him with documents required to be signed prior to the District turning on the water.

3. Update and discussion on the “Fair Oaks 40-inch” wholesale water supply main project

- General Manager Gray stated that FOWD’s comments and requests were taken into consideration for the FO 40-inch project. General Manager Gray stated that the District was also provided three documents on the project. The project design cost was \$360k. The District is expected to pay between 60%-80%.
- Vice President Marx asked about the direction the project is going.
- General Manager Gray stated that the project will be a hybrid approach proposed design concepts.
- Vice President Marx asked that General Manager Gray email him the staffing report and minutes from the SWJD Technical Committee.
- General Manager Gray recommended that the Technical Committee review the draft comments prior to staff submitting to San Juan.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on approval of a financial plan and District budget for 2011

- Director Brown had comments on the budget wording in the executive summary and he stated that the word “line” should be replaced with “lines” on project 11-01 Sunset Avenue.
- General Manager Gray recommended that the Board approve as follows:
 - a. Approve the proposed Budget as presented.
 - b. Complete a 5-year metered rate analysis in 2011 that includes a plan to bring reserve designations back up to policy requirements by 2013.
 - c. Direct staff to research a \$2,000,000 line of credit for the District and report back on research at the Board meeting scheduled for February 2011.

M/S Gilliam/Healey, to approve the above items (a-c) recommendations.

AYES: Directors Gilliam, Healey, Marx and Sarkovich
ABSTAIN: Director Brown

2. Discussion and possible action on 2011 employee merit increases and salary ranges

M/S/C Gilliam/Brown, to approve a 1.0 percent lump sum increase in base salary to be implemented on the first pay period for the year 2011 and distributed to employees based on performance as determined by FOWD management.
Approve updated 2011 FOWD salary ranges.

3. Discussion and possible action on an agreement between FOWD and the Fair Oaks Historical Society (FOHS)

- General Manager Gray provided the Board with a rough draft of the agreement between FOWD and FOHS.

4. Discussion and possible action on Mutual Aid Agreements with FORPD and FOCD

- General Manager Gray informed the Board that he plans to create mutual-aid agreements for all special districts within the District's area in 2011.
- General Manager Gray indicated that the District would not lose money from this process.

VII. Upcoming Events

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

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- Vice President Marx stated that RWA will be expending \$100k to do a Public Relations effort related to Delta issues.
- General Manager Gray stated that he will request that Vice President Marx be placed on the RWA budget committee.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray stated that at the SJWD November 10th regular Board meeting, the SJWD Engineering Committee will provide an overview of the FO 40-inch main rotation project phase I. The SJWD Finance Committee will be discussing the FO 40-inch, the solar project financing and report back on debt coverage ratio.

4. Fair Oaks Village Enhancement Committee

- Director Brown provided an update on the Fair Oaks Enhancement Committee. Director Brown stated that he no longer represents the District at FOVEC and that the District will need to select a new representative.

5. Other

- None.

IX. Directors' Reports & Comments

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

- President Sarkovich stated the Budget Committee met and reviewed 2011 Draft Budget.

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 – (*Brown, Healey*)

- No meeting.

6. Other

- None.

X. General Manager's Reports

1. Legal Matters

- No report.

2. Meter Implementation (Installation & Future Planning)

- General Manager Gray stated the District installed 78 meters in October.

3. New Building Projects

- General Manager Gray stated that the District is working on obtaining lead certification for the new building.

4. Operate within 2010 Budget

- General Manager Gray stated that the District's operating expense was under budget as of September 2010.

5. FOWD Financial Plan for Metered Rates

- Discussed earlier.

6. Emergency Water Supply Agreement

- No report.

7. GW Remediation Issues (Aerojet)

- No report.

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

- No report.

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

- General Manager Gray stated that the District will send out an RFP for the website design in January 2011.

13. Unbudgeted Projects

- None.

14. Other

- General Manager Gray stated that he will be scheduling the Technical Advisory Committee and Personnel Committee meetings in accordance with tonight's discussion.
- Director Gilliam requested that the two meetings be scheduled on the same day.

XI. Public Comment

- None.

President Sarkovich closed the open session at 7:49 p.m.

President Sarkovich called the closed session meeting to order at 7:55 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 Sarkovich reopened the meeting to the public at 8:23 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 8:25 p.m.

The Board approved the preceding minutes on December 13, 2010

Tom R. Gray
General Manager/Board Secretary

Date