



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

December 12, 2011

District Attendees

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

Other Attendees

See listing at District office (10326 Fair Oaks Blvd.)

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 November 14, 2011
 - b. Public Hearing of November 14, 2011
2. Accept and file Treasurer's report for the month of November, 2011
3. Accept and file Investment Report for the month of October, 2011
4. Accept and file Monthly Financial Expenses for the month of October, 2011
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of November, 2011
7. Approval of Monthly Board Expense Report for the month of November, 2011

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

IV. Presentation & Correspondence

1. Letter dated November 28, 2011 on selection of Special District Commissioner

- General Manager Gray stated that Ron Greenwood, from Carmichael Water District, was selected to fill the position of Special District Commissioner at the Sacramento Local Agency Formation Commission.

V. Discussion and Action Items: Old Business

1. Discussion and possible action on customer requests to reduce metered water service size

- General Manager Gray stated that the District currently has 540 residential customers with meter sizes greater than one inch. The current fee to downsize is \$250 or \$350 depending on meter size. He stated that waving the downsizing fees would reduce future revenues by approximately \$350,000; if all 540 residential customers downsize. He recommended that the Board enforce the policy adopted in May 2011.
- General Manager Gray stated that the District will include the meter downsize message on the website and will bring to the Board the revised policy.

M/S/C Sarkovich/Gilliam motioned:

- i. To waive the one-time downsizing fees (\$250/\$350) for residential customers from January 1, 2012 to December 31, 2012.
- ii. To include two consecutive billing messages on the affected customers.
- iii. To include one billing insert on the affected customers.
- iv. Refund to all customers that paid for the downsizing since May 2011.

2. Discussion and possible action on approval of the Five-Year Financial & Water Rate Development Plan

- General Manager Gray stated that staff updated the *Five-Year Financial & Rate Development Plan* to reflect the new three-year rate plan. In summary, total projected revenue increases for 2012, 2013 and 2014 are 3.22%, 2.9% and 2.23%.
- Director Sarkovich emphasized that 2013 and 2014 include a footnote that rate adjustments will require Board action.

M/S/C Sarkovich/Gilliam, to approve the updated *Five-Year Financial & Water Rate Development Plan*.

3. Update and Discussion on current FOWD groundwater pumping and water consumption

- Operations Manager Nisenboym reported on groundwater pumping and water consumption.
- President Marx believed that this is informative and would be good to have on a monthly basis.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on SJWD invoice for 2001-2004 operations and maintenance

- General Manager Gray stated the SJWD invoice of \$14,513.98 was for the operations and maintenance of the Cooperative Transmission Pipeline from 2001-2004. He stated that the District did not pay the invoice because he had questions and thought that it was agreed that the District would not need to pay the invoice through the previous reconciliation and negotiation of the invoices.
- SJWD Assistant General Manager stated that SJWD had communications with General Manager Gray on this invoice on numerous occasions.
- SJWD Board President suggested that the District make a decision whether to pay, not pay or make partial payment.
- The Board directed General Manager Gray to attend the SJWD Executive Committee and settle the bill.

M/S Marx/Sarkovich, motioned to direct General Manager Gray to pay up to 50% of the bill in that SJWD agreed to settle the bill.

AYES: Directors Gilliam, Healey, Marx and Sarkovich

ABSTAIN: Director Gossett

- General Manager Gray stated that he will pay 50%.

2. Discussion and possible action on approval of the FOWD 2012 Annual Budget

- General Manager Gray stated that the 2012 budget has the same ending cash reserves, revenues, expenses and projects as presented in the *Five-Year Financial & Rate Development Plan* at the November 14, 2011 Special Board Meeting. The 2012 proposed annual budget has a projected overall revenue increase of approximately 3%.

M/S/C Gilliam/Sarkovich, to approve the FOWD 2012 Annual Budget.

3. Discussion and possible action on selection of a new Board President and Vice President for 2012

M/S/C Sarkovich/Gilliam, moved to nominate Vice President Healey to be Board President

M/S/C Gilliam/Healey, moved to nominate Director Sarkovich to be Board Vice President

VII. Upcoming Events

1. December 22, 2011 / FOWD Annual Awards Luncheon

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- President Marx provided an overview of the recent SGA meeting. He noted that the meeting included a presentation of the annual financial audit and the selection of SGA officers.

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*)

- 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 reported on the monthly work performance report.

2. Operate within 2011 Budget

- General Manager Gray reported that, based on the monthly financial report, the District is currently operating 15% under budget for 2011 and he believed that the District will close the year approximately 15% under budget.

3. Metered Rates Conversion Project

- General Manager Gray stated that the metered rates conversion project will be ongoing. Staff will be reporting throughout the year.

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

- General Manager Gray stated that the projects are going to bid on different phases of the project.
- Director Sarkovich stated that the District need to look into the \$700,000 invoice from SJWD for the Fair Oaks 40-inch.
- Board President Marx stated that it was discussed at the previous Board meeting that the Finance and Technical Committee would meet and discuss the bill.
- The Board asked that General Manager Gray setup the meeting between the Budget Committee and the Technical Committee prior to the end of 2011. Also, setup a joint Board meeting between SJWD and FOWD at the beginning of January 2012.

5. Employee Handbook Update

- General Manager Gray stated that the updated employee handbook is being reviewed by District Legal and should be ready by the January 2012 Board meeting.

6. Policy Handbook Update

- No report.

7. Other

- General Manager reported on Delta Issues and USPS delivery.

XI. Public Comment

- A public member inquired on the recent bill received.
- General Manager Gray stated that the 2012 bill will include a fixed charge, which is billed in advance and the commodity charge, which is billed in arrears.

XII. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 8:25 p.m.

The Board approved the preceding minutes on January 9, 2012

Tom R. Gray
General Manager/Board Secretary

Date