



District Attendees

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

Other Attendees

Keith Durkin	SJWD Asst. General Manager
Ted Costa	SJWD Board President
Andy Sells	Visitor
Members of the Bluff	Visitors
Pamella and West	Visitor
Tony Schulz	Visitor
Sandra & Robert Green	Visitor
Kathy Ryan Bini	Visitor

Absent

Timothy Healey	Board Vice President
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AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Ms. West was not happy with the bill she received and had the following complaints. She stated that she received the water bill from the District with only two weeks to pay it. She stated that the bill had indicated that she had to pay \$2,000 based on the consumption. She stated that the District also shortened its office hours by closing at 4:30 p.m. in order to generate late fees.
- General Manager Gray stated that the office closed at 4:30 p.m. to provide staff time to reconcile daily revenues and avoid overtime costs.
- Director Sarkovich apologized and stated that this is a transition period at the District; as it converts to bi-monthly billings.

- President Marx asked that General Manager Gray look into this account and provide a report back. He indicated that generally government agencies do not provide grace period. He thought the District providing one time waiver was adequate.
- Mr. Schulz stated that he apologized to staff for being out of line and appreciated that they clarified some of the policies/procedures. He recommended that the District provide the waiver (grace period) more often; perhaps once a year versus one time only.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of January 10, 2011
2. Accept and file: Treasurer's report for the month of January, 2011
3. Accept and file: Investment report for the month of December, 2010
4. Approval of Warrants
5. Approval of Cal-Card Statement
6. Approval of Monthly Board Expense Report for January, 2011

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

IV. Presentation & Correspondence

- 1. ACWA JPIA presentation of Retrospective Premium Adjustment (RPA) refund by Andy Sells, COO**
 - Mr. Sells presented the District with a refund check in the amount of \$64k. He indicated that FOWD staff took advantage of ACWA JPIA training courses that are available to members.
- 2. Sacramento County Board of Supervisors resolution approving conflict-of-interest code of FOWD**
 - General Manager Gray informed the Board that the Sacramento County Board of Supervisors had approved the updated conflict-of-interest that the District submitted in 2010.
- 3. January 27, 2011 response to Sacramento County updating FOWD elected officials data**
 - General Manager Gray stated that he changed all of the Directors' personal contact information to the District's address and phone number in the Sacramento County's database for the elected officials.
- 4. Annual Water Production Report by FOWD staff**
 - General Manager Gray provided a presentation on the 2010 historical and projected water demand of the Fair Oaks Water District.

V. Discussion and Action Items: Old Business

1. Report back and discussion on Wholesale Water Supply Agreement Amendment with SJWD

- General Manager Gray provided a signed copy of the amendments to the Wholesale Water Supply Agreement between SJWD and FOWD for the billing in arrears for water delivery that the Board authorized the General Manager to execute based on the approved Resolution 11-01.

2. Discussion and possible action on providing water meters to the private community known as “Bluff City”

- General Manager Gray stated that FOWD has been working with Bluff City for years on an agreement for meter installations and needed to reach a solution soon due to the MIP deadline. He stated that the District’s original proposal was to invest approximately \$481,000 in improvements at the Bluff’s and asked the Bluff’s for a \$138,100 investment. In return the District will take full responsibility of ownership and maintenance for the water system. The Bluff City HOA declined the proposal.
- General Manager proposed that since the Bluff City did agree with the cost share proposal, that the District will install two master meters/backflow devices which will cost the Bluff City HOA plus or minus \$20,000 and the Bluff City can take full ownership and will be responsible for the maintenance of the water system.
- The Bluff City representatives stated that they need to discuss prior to making any commitment with the District.
- President Marx directed General Manager Gray to put the agreement together and work with the Bluff City.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on FOWD Resolution No. 11- 02: “Nomination of Joseph M. Dion as a candidate for the Executive Committee of the Association of California Water Agencies Joint Powers Authority”

M/S/C Gilliam/Misha, to approve resolution No 11-02.

2. Discussion and possible action on a Commercial Greenergy® Agreement with SMUD

- General Manager Gray stated that this agreement will cost an additional \$1,000 for a total of two years to purchase 70% of the energy from “green energy sources” for the 10326 FOB building.

M/S Gilliam/Gossett, to approve the Commercial Greenergy® Agreement with SMUD.

AYES: Gilliam/Gossett/Marx

ABSTAIN: Sarkovich

ABSENT: Healey

3. Discussion and possible action on FOWD Board committee designations

- General Manager Gray suggested that the Board change all the Standing Subcommittees (including the Budget, Capital Improvement, Personnel, Public Relations and Technical Advisory) to Ad-hoc Committees because these committees do not meet regularly and only meet as needed.

M/S/C Gilliam/Sarkovich, to change all the Standing Subcommittees to Ad-hoc Committees.

4. Discussion on future metered rates and projected revenue

- General Manager Gray stated that based on the current rates and projections, the District will have a decrease of approximately \$350,000 in revenues when converting to metered billing.

VII. Upcoming Events

1. February 16, 2011 / Supervisor Roberta MacGlashan's FO Community Meeting / Fair Oaks

- Information only.

2. March 7, 2011 / Annual San Juan Family Executive Committee Workshop / FOWD

- General Manager Gray stated that SJWD asked that staff & Board members provide items to be discussed by February 22, 2011.

3. March 24-25, 2011 / Water Education Foundation Executive Briefing / Sacramento

- Information only.

4. May 11-13, 2011 / ACWA Spring Conference / Sacramento

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- President Marx stated that there were two presentations: one by Aerojet and the other was a presentation on the groundwater data management system. Alex McDonald provided the presentation for Aerojet and he noted that the Government is paying 88% of the Aerojet cleanup cost.

2. Regional Water Authority (RWA)

- No report.

3. San Juan Family of Agencies Executive Committee

- President Marx stated that the Committee met and went over Fair Oaks 40-inch pipeline project which will be discussed later.

4. Other

- None.

IX. Directors' Reports & Comments

1. Budget Committee – (Sarkovich, Healey)

- General Manager Gray stated that Citrus Heights Water District requested a meeting with the Budget Committee.

2. Technical Advisory Committee – (Gilliam, Marx)

- President Marx clarified that Director Gilliam will remain in the Technical Advisory Committee.
- General Manager Gray stated that SJWD requested that the Technical Committee provide the dates available to meet with SJWD.

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

- Director Sarkovich stated that Director Gilliam and he attended Board meetings at CHWD and SJWD. He stated that they attended these meetings to discuss SJWD wholesale rate increases.

X. General Manager's Reports

1. Meter Implementation (Installation & Future Planning).

- General Manager Gray stated that the District installed 70 meters in January. He stated that the District is essentially totally metered; except for the Bluffs.
- Director Gilliam inquired on the extensive meter replacements.

- General Manager Gray stated that these meter replacements have non-conforming radio heads. He indicated that there are about 3,000 ABB meters that have yet to be replaced.

2. New Building Projects

- General Manager Gray reported that the District has been working to get LEED certification and it is at no cost to the District. District staff is also working through a punch list of repair items.

3. Operate within 2011 Budget

- General Manager Gray reported that the District was approximately 18% under budget for 2010.

4. FOWD Financial Plan for Metered Rates

- Discussed earlier.

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

- General Manager Gray stated that this project is ongoing and the District is working on it with the San Juan Family Agencies.

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

- General Manager Gray stated that there was a request to delay the joint Technical Committee meeting by FOWD staff.
- Director Sarkovich inquired on the FO 40-inch project.
- Mr. Durkin stated that the project got started around 1995. He began working on the project since he started working at SJWD in 2004. About 18 months ago, the project got started again. SJWD needed to determine how much flow is delivered through the pipes and how much is to each entity; thus the wholesale meters were installed.
- General Manager Gray stated that the cost allocation has yet to be determined.
- President Marx stated if SJWD/staff can provide the following data, it would help the Board with decision making.
 1. What are the appropriate costs of the project?
 2. What are the criteria that should be used to allocate costs?
 3. How do you use the data to figure out those criteria?

7. Other

- None.

XI. Public Comment

- None.

President Marx closed the open session at 9:26 p.m.

President Marx called the closed session meeting to order at 9:37 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.5, 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
2. Public Employee Performance Evaluation – General Manager’s performance evaluation and conference involving compensation

President Marx closed the closed session at 10:55 p.m.

President Marx reopened the meeting to the public at 10:55 p.m.

XIII. Report from closed session

- Adjust the General Manager’s annual base salary to \$146,500 effective January 1, 2011.

M/S/C Marx/Gilliam

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 10:56 p.m.

The Board approved the preceding minutes on March 14, 2011

Tom R. Gray
General Manager/Board Secretary

Date