



District Attendees

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

Other Attendees

Ted Costa	SJWD Board Member
Keith Durkin	SJWD Assistant General Manager
Ruth Crone	Visitor

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- A customer stated that he would like see FOWD become more transparent by improving the website, publishing compensation and benefits, and show where the money is being used.
- General Manager Gray stated that the District is working on a new website and should have a draft version ready for the July Board meeting as a presentation. He stated that the District currently publishes salary range and job descriptions on its website.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of May 14, 2012

- b. Special Board Meeting of May 29, 2012
2. Accept and file Treasurer's report for the month of May, 2012
3. Accept and file Investment Report for the month of April, 2012
4. Accept and file Monthly Financial Expenses for the month of May, 2012
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of May, 2012
7. Approval of Monthly Board Expense Report for the month of May, 2012

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

IV. Presentation & Correspondence

1. Oath of Office for the new member of the FOWD Board representing Division II

- General Manager Gray administered the oath of office to Director Michael McRae.

2. 2011 FOWD Consumer Confidence Report

- General Manager Gray provided an overview of the consumer confidence report.

3. Staff presentation of SJWD Family Water Consumption Report

- General Manager Gray provided an overview of water consumption by the San Juan Family Agencies for the years 2010-2012.

4. Correspondence dated April 11, 2012 from Senator Ted Gaines

- General Manager Gray stated that Senator Ted Gaines thanked FOWD for coordinating the Town Hall meeting at the Fair Oaks Water District.

5. Correspondence dated May 29, 2012 from former FOWD manager

- General Manager Gray informed the Board that he has removed all of the information related to the former FOWD manager from the District's website; and that all agreed upon financial obligations owed the District by the former manager have been met.

6. Correspondence dated May 30, 2012 from FOWD to Sacramento County Elections Office

- General Manager Gray provided an overview of the letter written to the Sacramento County Elections Office related to the appointment of Division II Director.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD Water Supply for the month of May, 2012

- Operations Manager Nisenboym provided an overview of water production and use during the month of May 2012 and YTD.

2. Discussion and possible action on FOWD Policy No. 6055 titled “Request to Reduce Metered Water Service Size”

- General Manager Gray stated the attached Policy 6055 included the waiver that is in “bold”; which the Board previously approved. He asked that the Board formally adopt the policy and approve the removal of the waiver at the end of the day on 12/31/2012

M/S/C Sarkovich/Marx, to approve the updated Policy No. 6055 and the removal of wording related to the downsize fee waiver at the end of the day on 12/31/2012.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on appointment of a primary and an alternate representative for ACWA JPIA

- Director Marx has been selected as the primary representative and General Manager Gray will be the alternate for ACWA JPIA.

2. Discussion and possible action on RWA Executive Director evaluation

- General Manager Gray sought input from the Board on RWA Executive Director’s evaluation.

3. Discussion on Water Forum Agreement Update

- General Manager Gray provided an overview of the updated Water Forum Agreement.
- The Board directed General Manager Gray to meet with the Technical Advisory Committee and summarize the changes that mostly affect the District and report back at the Regular Board meeting.

4. Discussion on sale of FOWD surplus equipment

- General Manager Gray stated that the District sold a backhoe that has been fully depreciated (FOWD net book value = zero) for \$8,000. He informed the Board that he would use the money received towards the purchase of a needed vehicle rather than putting it back into the General Fund.

VII. Upcoming Events

1. June 13, 2012 / SJWD Board Meeting on Wholesale Budget / SJWD Office

- Information only.

2. June 14, 2012 / Delta Stewardship Council Meeting / Sacramento

- Information only.

3. June 20, 2012 / Senator Ted Gaines' Community Leaders Breakfast / Roseville

- Information only.

4. August 1, 2012 / Senator Ted Gaines' Community Leaders Breakfast / El Dorado Hills

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- General Manager Gray provided a new proposed RWA budget and draft minutes for the Board to review.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray provided draft minutes of April 24, 2012 and May 22, 2012 for the Board to review.
- Mr. Durkin stated that there were some significant information that was not detailed in the Executive Committee meeting minutes including:
 - i. There was a photo presentation on the April 24, 2012 meeting regarding the construction work on the American River Canyon Crossing portion of the FO-40. SJWD Board will be approving the Final Notice of Completion at the Wednesday's Board meeting. This portion of the project went over the budget by approximately \$11K (\$1,061,000 actual vs. \$1,050,000 budgeted) due to additional costs for easement acquisition and replanting of trees. The second component of the project is cathodic protection for the pipeline. These two combined portions of the project are under 45% of the total project.
 - ii. Related to the wholesale budget, SJWD refinanced debt and FOWD should see an effective rate decrease for the remainder of 2012 of 1.5% and an effective rate decrease in 2013 of 5.3% in the debt portion of the water bill. He indicated that whether SJWD increases the water rate by 1% or zero %, FOWD should see a

decrease in the water purchase cost under the debt section due to the debt refinancing.

iii. Mr. Durkin stated that the FO-40 total project cost is around \$3.6M. If the internal rehabilitation portion of the project is deferred, the cost may be limited to \$2.6M. The internal portion may be postponed until next winter with the bidding process starting in November.

- General Manager Gray stated that SJWD Executive Committee has requested input from FOWD Board for the purpose of the Executive Committee. Currently, it is setup to foster communications.
- General Manager Gray recommended that SJWD provide a presentation during the annual wholesale budget process directly to the FOWD Board.

4. Other

- None.

IX. Directors' Reports & Comments

1. Budget Committee – (Sarkovich, Healey)

- No meeting.

2. Technical Advisory Committee – (Vacant, Marx)

- No meeting.

3. Capital Improvement Committee – (Vacant, Sarkovich)

- No meeting.

4. Personnel Committee – (Marx, Vacant)

- No meeting.

5. Public Relations Committee – (Gossett, Healey)

- No meeting.

6. Other

- None.

X. General Manager's Reports

1. Monthly Work Performance Report.

- General Manager Gray provided an overview of the monthly work performance report and a status update of the 2012 metered water analysis. General Manager Gray stated that the report shows a lag of cash flow. FOWD sold around 3,210 AF of water and only billed 1,879 AF of water as of May 2012.

2. Operate within 2012 Budget

- General Manager Gray reported that, based on the monthly financial report, the District is currently operating around 20% below budget through May 2012.

3. Metered Rates Conversion Project

- General Manager Gray stated that the District continues to work with customers on meter sizing issues.

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

- Discussed earlier.

5. Delta Issues – Update on Regional Involvement

- No report.

6. Other

- None.

XI. Public Comment

- None.

President Healey closed the open session at 7:47 p.m.

President Healey called the closed session meeting to order at 8:01 p.m.

XII. Closed Session Pursuant to Government Code Sections 54956.8, 54956.9 and 54957

1. Existing Litigation (Subdivision (a) of Section 54956.9) Name of case: Bluff City Inc. vs. Fair Oaks Water District et al. Sacramento County Superior Court
2. Existing litigation; San Juan Water District vs. Fair Oaks Water District related to the Fair Oaks 40-Inch Pipeline Rehabilitation Project / Sacramento County Superior Court
3. Employee Disciplinary Action; one case

President Healey reopened the meeting to the public at 9:29 p.m.

XIII. Report from Closed Session

None.

XII. Public Comment

None.

XII. Adjournment

With no further business to come before the Board, President Healey adjourned the meeting at 9:29 p.m.

The Board approved the preceding minutes on July 16, 2012

Tom R. Gray
General Manager/Board Secretary

Date