



**District Attendees**

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

**Other Attendees**

Ted Costa	SJWD Board Member
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**Absent**

**AGENDA ITEMS**

**I. Call to Order**

President Healey called the meeting to order at 6:32 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 5, 2012
2. Accept and file Treasurer's report for the month of November, 2012
3. Accept and file Investment Report for the month of October, 2012
4. Accept and file Monthly Financial Expenses for the month of November, 2012
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of November, 2012
7. Approval of Monthly Board Expense Report for the month of November, 2012

- Director McRae inquired about the safety boot threshold amount.
- General Manager Gray stated that the District revised its uniform policy back in 2010 to include a maximum threshold for safety boots of \$275.

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

#### **IV. Presentation & Correspondence**

##### **1. November 6, 2012 correspondence from the County of Sacramento approving the Conflict of Interest Code for FOWD**

- General Manager Gray stated the County approved the updated Conflict of Interest Code for FOWD. The updated Conflict of Interest Code includes a title change and removal of a reportable position.

##### **2. November 9, 2012 correspondence from Sacramento Local Agency Formation Commission on Special District Advisory Committee openings**

- General Manager Gray informed the Board of the recruitment for the Special District Advisory Committee. None of the Board members was interested.

#### **V. Discussion and Action Items: Old Business**

##### **1. Update and discussion on FOWD Water Supply for the month of November, 2012**

- Operations Manager Nisenboym reported that the District's overall consumption was approximately 23% below the 10-year average and 14% above 2011 for November. Wholesale connections provided approximately 97% (≈500 AF) and groundwater wells produced 3% (≈15 AF) of total water demand.

##### **2. Discussion and distribution of Board approved 2013 Budget and Financial Plan**

- General Manager Gray stated that the attached 2013 Budget communicates to the ratepayers that FOWD uses 40% of its 2013 total water sales revenue to pay San Juan Water District.

##### **3. Report back on distribution system leak history and financial impacts.**

- General Manager Gray stated that at the last Board meeting, there were discussions about deferred projects and leaks. The Board requested for the detail of the leak history. The attached report discussed the size, types of pipe and the pipe's conditions. The report also included the chart with the five year history for service and main leaks and averages.
- General Manager Gray stated that the District's construction crew will continue to repair all service and main leaks in a timely manner to minimize property damage, water waste and service interruptions. The 2013 Master Plan will review

recent leak history and prioritize future water main and service line replacements accordingly.

- He stated that the average cost per service leak repair is estimated at \$2,500 and main leak is estimated at \$12,500. Thus, using the 2012 leak history, the estimated cost for leak repairs in 2013 would be \$375,000.
- General Manager Gray reminded the Board that the longer the District defers the projects, the higher the project costs.
- Vice President Sarkovich stated that the District deferred projects due to the SJWD-40 Inch Pipeline Project. He indicated that once the District completes the SJWD-40 Inch Pipeline Project, more cash will be available to complete the other needed pipeline projects.
- Director Marx stated that the District should complete the projects on a timely manner not based on cashflow.
- Board President Healey suggested FOWD perform a cost benefits analysis of the cash required to complete all these projects and should acquire the necessary capital over a scheduled timeline.
- General Manager Gray suggested the Board meet at the committee level to complete a detailed analysis.

## **VI. Discussion and Action Items: New Business**

### **1. Discussion on new County paving requirements and financial impacts**

- General Manager Gray stated the new backfilling requirements by the Sacramento County will increase the District's cost of paving of approximately 40%-50%. General Manager Gray stated that he would like to inform the County Supervisor that this new regulation has a financial impact on Special Districts.
- Vice President Sarkovich inquired on the new requirements.
- Operations Manager Nisenboym stated with the new requirements, the District would need to not only restore the T-cut, but also follow the trench paving with 1 ½ grind and overlay from lane line to lane line or edge of payment.

### **2. Discussion on ACWA R4 membership benefits**

- General Manager Gray stated that attached is a list of benefits for ACWA.

### **3. Discussion on CSDA Special District Board Member Handbook**

- General Manager stated that the Board Member Handbook can be useful for Board members and he would be happy to obtain for FOWD Board members.

- General Manager Gray stated that there is a class offered for Board members on January 10, 2013.
- President Healey would like to get the Board Member Handbook.
- Director McRae stated that he would like to attend the class.
- The Board had a discussion on the Director's meeting reimbursements and asked that staff include the Director Compensation policy for review on the next Board meeting agenda.

**4. Discussion and possible action on FOWD representation at the RWA**

- General Manager Gray stated that Director Marx is the current representative for RWA.
- President Healey asked if Director McRae would like to represent since Director Marx has been a representative for many other agencies.
- Director McRae stated that he would like to be the alternative at this time.

**5. Oath of Office for Mike McRae as Director of FOWD Division 2**

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

**6. Oath of Office for Misha Sarkovich as Director of FOWD Division 5**

- General Manager Gray administered the oath of office to Director Misha Sarkovich.

**7. Oath of Office for Randy Marx as Director of FOWD Division 4**

- General Manager Gray administered the oath of office to Director Randy Marx.

**8. Discussion and possible action on selection of Board President and Vice President for 2013.**

M/S/C Marx/Gossett, moved to nominate Vice President Sarkovich to be Board President

M/S/C Sarkovich/Marx, moved to nominate Director Gossett to be Board Vice President

**9. Other**

- General Manager Gray thanked President Healey for serving as Board President in 2012.

**VII. Upcoming Events**

**1. December 20, 2012 / FOWD Holiday Celebration / FOWD Office**

- Information only.

## **VIII. Representative Reports**

### **1. Sacramento Groundwater Authority (SGA)**

- No report.

### **2. Regional Water Authority (RWA)**

- No report.

### **3. San Juan Family of Agencies Executive Committee**

- Director Marx reported that San Juan Water District is in the process of developing the 5-Year Budget Plan and will send out a Request for Proposal to hire a consultant to complete it.

### **4. Other**

- None.

## **IX. Directors' Reports & Comments**

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

- No meeting.

### **2. Technical Advisory Committee – (*McRae, Marx*)**

- No meeting.

### **3. Capital Improvement Committee – (*McRae, Sarkovich*)**

- No meeting.

### **4. Personnel Committee – (*Marx, McRae*)**

- 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 stated the monthly performance report provide a summary for November 2012.

### **2. Operate within 2012 Budget**

- General Manager Gray stated that based on the monthly financial report, the District will likely close the year with 15% below the budget.

### **3. Metered Rates Conversion Project**

- General Manager Gray stated that the November report showed 9 meters downsized. General Manager Gray stated that the free downsize to customers will expire on December 31, 2012.
- Director Gossett inquired on the numbers of meter downsizes YTD.
- General Manager Gray stated that it is approximately 150.

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

- General Manager Gray stated that the agreement is complete and District will focus on the actual completion of the project.

### **5. Delta Issues – Update on Regional Involvement**

- General Manager Gray stated that there were discussions on the Delta at the ACWA conference. He stated that there seems to be a consensus that part of the solution to the Delta will be a fee based on each AF of water.

### **6. 2013 Budget Development**

- Completed.

### **7. 2013 Master Plan Update**

- General Manager Gray stated that the RFQ/RFP will be ready by April 1, 2013. He anticipates the Master Plan work to begin around May and be completed around July for the upcoming Budget.

### **8. Other**

- General Manager Gray stated that he has the print out of the voting results from the last election should any Board members are interested.

## **XI. Public Comment**

- SJWD Director Costa stated that he comes to the FOWD Board meeting regularly and obtained insights on how FOWD operates and he enjoyed it. He encourages someone from the Fair Oaks area to represent at the SJWD. He stated that the SJWD Assistant General Manager can provide a report on the Fair Oaks 40 to the District anytime at the District's request to avoid any misunderstandings.

President Healey closed the open session meeting at 8:05 p.m.

President Healey called the closed session meeting to order at 8:10 p.m.

**XII. Closed session pursuant to code sections 54954.5**

- Public Employee Performance Evaluation – General Manager’s performance evaluation and conference involving compensation

President Healey reopened the meeting to the public at 9:17 p.m.

**XIII. Report from closed session**

M/S/C            Sarkovich/McRae

“Increase the General Managers annual salary by 4% based on 2012 performance and provide the General Manger with a one-time addition of 80 hours of vacation to be banked and used at the discretion of the General Manager.”

**XIV. Adjournment**

With no further business to come before the Board, President Healey adjourned the meeting at 9:20 p.m.

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The Board approved the preceding minutes on January 14, 2013

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Tom R. Gray  
General Manager/Board Secretary

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Date