



District Attendees

Misha Sarkovich	Board President
Lonny Gossett	Board Vice President
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
Keith Durkin	SJWD Assistant General Manager
Chris Ames	Water Quality Technician
Steve Young	Visitor
Mike Ambrozewicz	Visitor

Absent

Timothy Healey	Board Member
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AGENDA ITEMS

I. Call to Order

President Sarkovich called the meeting to order at 6:33 p.m.

II. Public Comment

- General Manager Gray asked that the Board include on this agenda under New Business a discussion and possible action on RWA Legislative and Regulatory Principles.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of December 10, 2012

2. Accept and file Treasurer's Report for the month of December, 2012
3. Accept and file Investment Report for the month of November, 2012
4. Accept and file Monthly Financial Expenses (No Report)
5. Approval of Warrants
6. Approval of Cal-Card Statements (No Report)
7. Approval of Monthly Board Expense Report for the month of December, 2012

M/S/C Gossett/McRae, to approve the consent calendar.

Absent: Director Healey

IV. Presentation & Correspondence

1. Correspondence to customer at 4425 Kenneth Avenue regarding Public Water Protection

- General Manager Gray stated that the customer at 4425 Kenneth Avenue is requesting to have the backflow device relocated due to theft issue. General Manager Gray noted that theft issue is not unique and the customer can install a cage to protect the backflow device. General Manager Gray stated that the backflow device was installed to protect the public water system and included in the Board packet is the District's written response to the customer. General Manager Gray stated that District staff, including the Operations Manager, Senior Inspector, Backflow Specialist and General Manager, has reviewed the location of the backflow device; the device was installed according to FOWD's standard practice.
- Mr. Young stated that he is here tonight to ask the Board for a variance (for the Board to review staff's decision). He indicated that he is willing to enter into any stipulations and work with the District to find a solution as the backflow device being where it is, is very vulnerable to theft. Mr. Young presented various scenarios to the Board as to why he does not see a problem for relocating the backflow device.
- Mr. Ambrozewicz stated that the location of the backflow device is a safety issue as many people have nearly hit the backflow device as they backup their vehicles.
- Mr. Young suggested having the backflow device moved closer to his house.
- General Manager Gray stated Mr. Young has many good arguments and he will be fine with moving the backflow device close to Mr. Young's house; the backflow device will be located along the side of the front of the house.
- Mr. Young stated he would like to have the relocation done within two weeks.
- FOWD Water Quality Technician stated that wherever the backflow device is moved to, it needs to be visible and easily accessible. He inquired on the distance from the meter to the backflow device.

- Mr. Young stated that the backflow device will be 4 to 5 feet from the house and 15 to 20 feet from the meter to the backflow device.
 - General Manager Gray stated that FOWD will provide the first backflow device test free of charge.
 - Mr. Young thanked the Board.
- 2. Correspondence dated January 7, 2013 from ACWA JPIA site inspection of the Administration Building and Corporation Yard**
- General Manager Gray stated ACWA JPIA performed site inspection for general liability and District operations. He stated the inspection went well. ACWA JPIA noted the need for training on hazardous materials handling based on the new regulations. ACWA JPIA offers some training on this subject.
- 3. Correspondence from the Delta Stewardship Council on: 1) Notice of Availability of a Recirculated Draft Program Environmental Impact for the Delta Plan; and 2) Delta Stewardship Council Notice of Proposed Rulemaking**
- General Manager Gray stated the documents enclosed are for information only.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD Water Supply for the month of December, 2012 and year-end

- Operations Manager Nisenboym reported that the District's overall consumption was approximately 18% below the 10-year average for December. Wholesale connections provided approximately 388 AC-FT and groundwater wells produced approximately 5 AC-FT of total water demand.
- Operations Manager Nisenboym reported that the overall 2012 consumption is 4% higher than 2011. The higher consumption in 2012 is due to less precipitation and slightly higher temperatures in 2012. The 2012 consumption compared to the 10-year average is 8% lower due to the decline in consumption.
- General Manager Gray reported that the 2012 actual water sales compared to budget was within 5% as shown on the 2012 metered water analysis.
- Director Marx inquired on the projection for the decline in consumption on metered rates.
- General Manager Gray stated that the District estimated a 5% reduction for the first year and ramping up for later years.
- General Manager Gray stated that the District analyzed consumption for all the Directors and his house during the rate setting/budget process back in 2011 and he just updated the information should the Directors want to review it.

- President Sarkovich directed staff to bring this information to a public session.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on appointments to Board committees and as FOWD representatives at other organizations

- The following are 2013 Board committees and FOWD representatives.

2013 Board Assignments	
Organization Name	Members
SGA	Marx
RWA	Marx, Gray
ACWA JPIA	Marx
SJWD Executive Committee	Marx, Gray
WFSE	Healey, Gray

2013 Adhoc Committee Assignments	
Committee Name	Members
Budget	Sarkovich, Healey, Gray
Capital Improvement	McRae, Sarkovich, Gray
Personnel	Gossett, McRae, Gray
Public Relations	Healey, Gossett, Gray
Technical Advisory	Marx, McRae, Gray

- It was noted that Director McRae is the alternate representative for SGA.

2. Discussion and possible action on auditor renewal for 2012 year-end financial audit

- General Manager Gray stated that JJACPA, Inc. was selected by the Board in 2009 to perform District’s audit. JJACPA, Inc. audited the District’s financials for the past three years and he recommended that the Board approve JJACPA, Inc. to perform the District’s 2012 year-end financial audit. He noted that the cost for the 2012 financial audit will be \$17,150 and the auditors will begin interim field work on January 29, 2013 and issue the audit report on March 29, 2013.

M/S/C Gossett/Marx, to approve JJACPA, Inc. to perform FOWD’s 2012 year-end financial audit.

3. Discussion and possible action on FOWD’s policy 2040: “Compensation for Directors”

- General Manager Gray provided an overview of the FOWD’s policy 2040: “Compensation for Directors.” He compared the District’s stipend compensation amount to other agencies.
- The Board deliberated whether to pay for Director’s training attendance.
- President Sarkovich did not feel that the District should pay for the training.
- Vice President Gossett felt that the District should pay for the training such as ACWA for Directors to gain knowledge and share with the full Board.

M/S Gossett/Marx, motioned to amend the policy 2040 to add for Director who takes a day of training to be compensated.

AYES: Directors Gossett, McRae and Marx

ABSTAIN: Director Sarkovich

ABSENT: Director Healey

4. Discussion and possible action on payment of candidate statement fees for the November 2012 General Election

- General Manager Gray stated that the District has two candidate statements to be billed at a cost of \$250 per candidate statement. He would like direction from the Board whether the District will pay or not pay the candidate statement.
- President Sarkovich stated that he does not want the candidate to have to pay for the candidate statement to promote people to run for office.
- President Sarkovich directed staff to bring back a proposed draft policy on the candidate statement for the next Board Meeting stating that the District will pay for the candidate statement for discussion and action.

5. RWA Legislative and Regulatory Principles

- General Manager Gray stated that this is the RWA’s position on Legislative and Regulatory Principles.
- Director Marx stated that this is providing general position that FOWD is supportive of the water rights protection that would benefit Northern California and he believes FOWD should sign the document.

M/S/C Marx/Gossett, FOWD to sign RWA Legislation position for 2013.

Absent: Healey

VII. Upcoming Events

- 1. Fair Oaks Community Coffee Meeting with Supervisor Susan Peters / January 16, 2013 / Dianda’s Italian Bakery and Café / 7:30 a.m.**

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- Director Marx stated that the meeting was mainly to elect the Executive Committee Members.

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 – (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.

- Discussed earlier.

2. Operate within 2013 Budget

- No report.

3. Metered Rates Conversion Project

- No report.

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

- No report.

5. Delta Issues – Update on Regional Involvement

- No report.

6. Other

- General Manager Gray requested that the Board revise the list for the General Manager’s report for 2013.
- President Sarkovich asked that all Board members email to General Manager Gray the list of tasks for the General Manager’s report.

XI. Public Comment

- SJWD Assistant General Manager Durkin provided an overview of the Fair Oaks 40-Inch Pipeline. He distributed pictures of the pipeline interior. He stated that the steel pipe is in good shape; however, the mortar lining is in need of repair. They have already repaired 6,000 feet of the 11,000 feet of pipeline. He stated that the majority of the leakage to the pipe is at the joints. He stated they had an assessment done on the pipeline. He anticipates completing this project within budget by May 2013.

XII. Adjournment

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:44 p.m.

The Board approved the preceding minutes on February 11, 2013

Tom R. Gray
General Manager/Board Secretary

Date