



District Attendees

Misha Sarkovich	Board President
Lonny Gossett	Board Vice President
Timothy Healey	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
Keith Durkin	SJWD Assistant General Manager
Joe Arch, CPA	JJACPA, Inc.
Brett Jones, CPA	JJACPA, Inc.
B. Touray	Visitor

Absent

AGENDA ITEMS

I. Call to Order

President Sarkovich called the meeting to order at 6:34 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 February 11, 2013
2. Accept and file Treasurer's Report for the month of February, 2013
3. Accept and file Investment Report for the month of January, 2013
4. Accept and file Monthly Financial Expenses for the month of February, 2013

5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of February, 2013
7. Approval of Monthly Board Expense Report for the month of February, 2013
 - Director McRae inquired on the Neptune invoice under the item III.5- warrant report.
 - General Manager Gray stated that the District purchased meters and AMRs from Neptune.

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

IV. Presentation & Correspondence

1. Presentation by JJACPA, Inc. on Fair Oaks Water District's Comprehensive Annual Financial Audit for the year ended December 31, 2012

- Mr. Brett Jones from JJACPA, Inc. provided an overview of the 2012 year-end financial audit. He stated that FOWD received a clean opinion on the 2012 year-end financial audit. He stated that the audit went smoothly and thanked District staff for cooperating and providing all the requested information.
- General Manager Gray provided an overview of the Budget versus Actual for the 2012 year-end financials.

2. Staff presentation of Capital Projects Report

- General Manager Gray provided a brief overview of the Capital Projects Report. The Capital Projects Report includes the project name, the Board approved budgeted amount, cost to date, remaining funds and a description of the project status. He stated that the Capital Projects Report will be listed under item X.3 beginning next Regular Board meeting on a monthly basis.

3. Staff presentation of major FOWD accomplishments of the past 5 years

- General Manager Gray provided a detailed listing of the major accomplishments for the past five years. Some of the accomplishments included completion of the Meter Implementation Program, construction of a New Administrative Building and completion of multiple pipeline projects.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD Water Supply for the month of February, 2013

- Operations Manager Nisenboym reported that the District's overall consumption was 16% above the 10-year average for February. Wholesale connections provided approximately 422 AC-FT of water supply and groundwater wells produced approximately 6 AC-FT of water supply for the month. In February, the

wholesale connections provided approximately 98.5% of the District's total water demand; with groundwater providing the remainder.

2. Discussion and possible action on FOWD's draft Policy No. 2120: "Candidate Statement Fees"

- General Manager Gray stated the District developed Policy No. 2120 and reviewed it with the County Elections Office. The policy would require the candidate to pre-pay the fees prior to submitting the Candidate's Statement and that the County Election office shall not accept the Candidate Statement without a receipt showing payment made to the District.

M/S/C Gossett/Marx, to approve the Policy No. 2120: "Candidate Statement Fees"

VI. Discussion and Action Items: New Business

1. Discussion and possible action to accept and file the Fair Oaks Water District's Comprehensive Annual Financial Report (CAFR), with Independent Auditor's Report, for the year ended December 31, 2012

M/S/C Marx/Healey, to approve the 2012 CAFR, with Independent Auditor's Report, for the year ended December 31, 2012.

2. Discussion and possible action of outstanding accounts receivables

- General Manager Gray recommended that the Board approve an accounts receivables write-off amount of \$6,225.94. He stated these accounts receivables were from prior parcel owners and prior to the District establishing the policy to make current owners responsible for past charges.
- President Sarkovich authorized the write-off of the \$6,225.94 in accounts receivables. He stated that this item does not need to be an action item.
- General Manager Gray requested Mr. Joe Arch from JJACPA, Inc. to comment on how other entities generally handle the accounts receivables write-off.
- Mr. Arch stated that the accounts receivables write-off does not need to be a separate action item; it can be placed under the consent calendar – but the action is usually by Board Approval.

VII. Upcoming Events

1. Fair Oaks Community Coffee Meeting with Supervisor Susan Peters / March 20, 2013 / Dianda's Italian Bakery and Cafe

- Information only.

2. **Senator Ted Gaines Town Hall Meeting / March 21, 2013 / Fair Oaks Water District**
 - Information only.
3. **SJWD & SSWD Consolidation Discussions Meeting / March 21, 2013 / SSWD**
 - Information only.
4. **Fair Oaks Chamber Luncheon / March 21, 2013 / FORPD Clubhouse**
 - Information only.

VIII. Representative Reports

1. **Sacramento Groundwater Authority (SGA)**
 - No report.
2. **Regional Water Authority (RWA)**
 - General Manager Gray stated he included a copy of the strategic plan and summary of public meeting activities for RWA.
3. **San Juan Family of Agencies Executive Committee**
 - Director Marx provided an overview of the items that were discussed at the SJWD Executive Committee meeting.
 - General Manager Gray added that a “Pump Back Project” was discussed; where water would be pumped from the SSWD to the San Juan Wholesale service area.
4. **Other**
 - None.

IX. Directors’ Reports & Comments

1. **Budget Committee – (Sarkovich, Healey)**
 - No meeting.
2. **Technical Advisory Committee – (Marx, McRae)**
 - No meeting.
3. **Capital Improvement Committee – (McRae, Sarkovich)**
 - No meeting.
4. **Personnel Committee – (Gossett, McRae)**
 - Vice President Gossett stated the Personnel Committee met to go over improving communications with staff. He indicated that they set guidelines for proposed meetings with staff four times a year.

5. Public Relations Committee – (Healey, Gossett)

- No meeting.

6. Other

- None.

X. General Manager’s Report

1. Monthly Maintenance Work Report.

- General Manager Gray provided an overview of the work completed by staff.

2. Capital Projects Status Report

- Discussed earlier.

3. Safety Issues Update

- General Manager Gray stated that there is nothing to report for safety related issues at this time.

4. Financial Issues Update

- General Manager Gray stated that for February 2013 YTD, the District is under budget by approximately 25%. He stated that part of the savings was from low water usage in winter months.

5. Delta Issues – Update on Regional Involvement

- General Manager Gray provided the Board with a package of documents for their information.

6. Other

- General Manager Gray provided a brief overview of the current water conditions at the Folsom Reservoir.

XI. Public Comment

- SJWD Board of Director Ted Costa inquired on cost of installation per meter for FOWD.
- General Manager Gray stated that the District installed meters and upgraded the services at the same time. He indicated, to estimate the cost per meter & service, it would be \$16M divided by approximately 14,000.

President Sarkovich closed the open session meeting at 7:37 p.m.

President Sarkovich called the closed session meeting to order at 7:42 p.m.

XII. Closed Session Pursuant to Government Code Sections 54956.8, 54956.9, 54957 and 54954.5

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. Public Employee Staff Performance Discussions

President Sarkovich reopened the meeting to the public at 8:52 p.m.

XIII. Report from Closed Session

- None.

XIV. Public Comment

None.

XV. Adjournment

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:52p.m.

The Board approved the preceding minutes on April 8, 2013

Tom R. Gray
General Manager/Board Secretary

Date