



**District Attendees**

Misha Sarkovich	Board President
Lonny Gossett	Board Vice President
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

**Absent**

Timothy Healey	Board Member
Randy Marx	Board Member

**AGENDA ITEMS**

**I. Call to Order**

President Sarkovich called the meeting to order at 6:32 p.m.

General Manager Gray stated that Directors Marx and Healey are both out of the country and are unable to attend the Board meeting.

**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 April 8, 2013
2. Accept and file Treasurer's Report for the month of April, 2013
3. Accept and file Investment Report for the month of March, 2013
4. Accept and file Monthly Financial Expenses for the month of April, 2013

5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of April, 2013
7. Approval of Monthly Board Expense Report for the month of April, 2013

M/S/C Gossett/McRae, to approve the consent calendar.  
Absent: Directors Marx and Healey

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

##### **1. Correspondence to Mr. Ken Miller, President of the Board of Directors for San Juan Water District**

- General Manager Gray stated the attached letter was written at the direction of President Sarkovich commenting on the legal representation for the SSWD & SJWD consolidation discussions.

##### **2. Correspondence from the Churchill Science Olympiad Team**

- General Manager Gray stated the Churchill Science Olympiad Team won 1<sup>st</sup> place in the Science Olympiad Norcal Competition and is requesting FOWD to sponsor their trip for the National Science Olympiad Championship in Ohio. He stated one of the competition events conveyed the “water quality” message that would be related to conservation.
- The Board stated that the Churchill school is outside of the District’s area and it does not want to use ratepayers’ money for donation purposes or for events outside of the service area.

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

##### **1. Update and discussion on FOWD Water Supply for the month of April 2013**

- Operations Manager Nisenboym reported that the District’s overall consumption was 25% above the 10-year average for April. Wholesale connections provided approximately 785 AC-FT of water supply and groundwater wells produced approximately 54 AC-FT of water supply for the month. In April, the wholesale connections provided approximately 93.6% of the District’s total water demand; with groundwater providing the remainder.
- Operations Manager Nisenboym stated that the FO-40 rehabilitation project is complete. The District received water through the CTP and FO-40 connections in April. The Twin Lakes and Main Avenue wholesale interconnection remains closed.

## **2. Discussion and possible action on approval of RWA JPA Amendments**

- General Manager Gray recommended that the Board approve the RWA JPA Amendments. He stated that the RWA JPA Amendments allow RWA to advocate on the District's behalf on statewide water issues and also on the Delta issues.

M/S/C            Gossett/McRae, to approve the RWA JPA Amendments.

Absent:           Directors Marx and Healey

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

### **1. Discussion and possible action on Fire Hydrant and Water Service relocations and upgrades required to accommodate 2013 County Overlay project**

- General Manager Gray reported that the District received a letter from the County on proposed 2013 Street County Overlay projects in April 2013, after the District's 2013 budget had been approved. He stated that the District's budget did not provide funding for these projects; that will require upgrades and relocations for water mains, fire hydrants and services. The overall financial impact is estimated at \$50,900. The District is recommending using the current blanket budget line items to cover these unbudgeted projects. The specific line item budgets are detailed in the report.

M/S/C            Gossett/McRae, to approve the allocation of the line item budget recommended by staff to cover the unbudgeted County Street Overlay projects.

## **VII. Upcoming Events**

### **1. Supervisor Susan Peters Community Coffee Meeting / May 15, 2013 / Fair Oaks Water District**

- Information only.

### **2. Fair Oaks Chamber Luncheon / May 16, 2013 / FORPD Clubhouse**

- Information only.

### **3. Joint Board Meeting of SSWD and SJWD / June 15, 2013 / 6:30 p.m. / SSWD Board Room**

- Information only.

## **VIII. Representative Reports**

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

- General Manager Gray stated that there was a discussion on a new budget and a presentation on the Groundwater Management Plan.

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

- No report.
3. **San Juan Family of Agencies Executive Committee**
    - SJWD Assistant General Manager Durkin stated the Committee discussed the Delta issues, conservation - BMP mandates, and the 2x2 SJWD & SSWD consolidation.
  4. **Other**
    - General Manager Gray reported on the ACWA conference.

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

1. **Budget Committee – (Sarkovich, Healey)**
  - No meeting.
2. **Technical Advisory Committee – (Marx, McRae)**
  - Director McRae stated that the Committee met and discussed the idea of purchasing a fixed amount of water from SJWD; thereby securing an allotted amount of water. He stated that if the rest of the San Juan Family can purchase a fixed amount, it will bring stability to the San Juan Family.
  - President Sarkovich stated that it would make sense as long as the surface water costs less than groundwater.
  - Director McRae stated he would like to continue this discussion in the future.
  - General Manager Gray stated that this falls within the wholesale water agreement amendments/modifications.
  - The Board directed General Manager Gray to discuss with other General Managers in the San Juan Family and report back to the Board.
3. **Capital Improvement Committee – (McRae, Sarkovich)**
  - No meeting.
4. **Personnel Committee – (Gossett, McRae)**
  - No meeting.
5. **Public Relations Committee – (Healey, Gossett)**
  - No meeting.
6. **Other**
  - Director McRae stated that a retired fixed income customer communicated that she would like the District to consider balance payment plan so that there are no surprises from month to month.

- General Manager Gray stated that the District just started the metered billing and would need to do analysis and report back to the Board around the first quarter of 2014.
- Finance Manager Ha-Ly suggested that the customer pay the District a fixed amount so that the money would be in the account as a credit to offset the high bills during the high water usage, (i.e. summer months). She stated the customer can arrange a recurring payment using the online payment option.

## **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**

- General Manager Gray provided an overview of the projects.
- Director McRae inquired on the service upgrades being over budget.
- General Manager Gray explained that the District transfers money from other projects that have available funds to cover projects that go over the budget and reports this to the Board. He stated staff brings to the Board (for discussion and approval) items over budget that require fund transfers from reserves or when the amount is significant.

### **3. Safety Issues Update**

- No report.

### **4. Financial Issues Update**

- General Manager Gray stated that staff provides detailed explanations on the reasons for the District operating under budget in staff reports for the financials.
- General Manager Gray stated that President Sarkovich requested that staff provide a brief summary of the proposed 2013-2014 SJWD Budget. General Manager Gray reported that the proposed SJWD 2013-2014 Budget document included a proposed 3% rate increase for FOWD for the next five years. He stated the fixed service charge is proposed to increase from \$208,340 in 2013 to \$241,523 in 2018. The commodity charge is proposed to increase from \$90.60 per AF in 2013 to \$105.03 per AF in 2018. He stated that the fixed charge and commodity rate did not include the debt service. The debt service payment compared to total water sales for SJWD for all agencies is 39% of annual revenues. The debt coverage reserve is \$1.86M.
- President Sarkovich inquired on the rationalization for the rate increases.

- SJWD Assistant General Manager Durkin clarified that the 2013-2014 Budget that is up for approval is only affecting FOWD's 2014 rate of 3%. He stated that the chemical, energy and regulatory costs including capital improvements are the driving factors for the rate increases.
- General Manager Gray stated that if the budget document is approved, only the first year rate changes would be implemented - with separate SJWD Board approvals required to adjust rates annually.

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

- General Manager Gray will distribute Delta issues report to the Directors after the meeting.

**6. Other**

- General Manager Gray stated, at the direction of Director Marx, he inquired with SJWD on updates related to the 2x2 Committee Meeting, the "Pump Back Project" and FO-40. There was no new information to release to the Board.

**XI. Public Comment**

- None.

**XII. Adjournment**

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:19 p.m.

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The Board approved the preceding minutes on June 10, 2013

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Tom R. Gray  
General Manager/Board Secretary

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Date