



## AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

June 10, 2013

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### **District Attendees**

Misha Sarkovich	Board President
Michael McRae	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
Jeffrey Mitchell	Kronick, Moskovitz, Tiedemann & Girard

### **Absent**

Lonny Gossett	Board Vice President
Timothy Healey	Board Member

## **AGENDA ITEMS**

### **I. Call to Order**

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

General Manager Gray stated that Directors Gossett and Healey are both out of the State 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 May 13, 2013
2. Accept and file Treasurer's Report for the month of May, 2013
3. Accept and file Investment Report for the month of April, 2013

4. Accept and file Monthly Financial Expenses for the month of May, 2013
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of May, 2013
7. Approval of Monthly Board Expense Report for the month of May, 2013

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

Absent: Directors Gossett and Healey

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

##### **1. Presentation from San Juan Water District staff on the Fair Oaks 40 Transmission Main Rehabilitation Project**

- Assistant General Manager Durkin of SJWD thanked the Directors and staff for the opportunity to provide the presentation on the Fair Oaks 40-inch Transmission Main Project. Mr. Durkin stated the Fair Oaks 40-inch Transmission Main Project was divided into three components: Replacement of the Crossing at American River Canyon (completed in spring of 2012), Corrosion Protection System (completed in fall of 2012), and Interior Rehabilitation (completed on June 7, 2013).
- SJWD Assistant General Manager Durkin stated that the interior rehabilitation (welding of joints) has greatly reduced water leakage.
- SJWD Assistant General Manager Durkin stated that the project was under budget by about \$30k-\$40k; the budget amount was approximately \$3.6M.
- SJWD Assistant General Manager Durkin stated a substantial portion of the Fair Oaks 40-inch Transmission Main needs to be relined. He stated during the course of the work completed, it was discovered that the mortar lining was more deteriorated than originally anticipated. He indicated that SJWD will consult with FOWD and others prior to starting the next phase of the project. He stated that the mortar lining should be repaired within the next five years.
- Director McRae inquired on the life of the Fair Oaks 40-inch transmission pipeline.
- SJWD Assistant General Manager Durkin stated that the life expectancy for the upgraded Fair Oaks 40-inch transmission pipeline is 75 years.

##### **2. Correspondence from County of Sacramento/City of Sacramento Department of Community Development regarding: "Notice of Preparation of a Draft Environmental Impact Report for the Lower American River Flow Management Standard Update (County Control No. 09-70070)"**

- General Manager Gray stated this information is for the Board to review and provide comments. He noted that SJWD will forward this document to its legal counsel and provide comments to respond to this document.

### **3. Correspondence from the Earl LeGette School First Grade Class**

- General Manager Gray reported that the students from Earl LeGette showed their appreciation of the FOWD's facilities tour through a drawing he presented to the Board.

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

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

- Operations Manager Nisenboym reported the District's overall consumption was above the 10-year average for the month of May. Wholesale connections provided approximately 1,247 AC-FT of water supply and groundwater wells produced approximately 93 AC-FT of water supply for the month.

### **2. Update and discussion on Wholesale Rates and approval of the SJWD-Wholesale Budget**

- General Manager Gray stated that SJWD adopted the Wholesale Budget (without a hearing) with a 3% rate increase to FOWD in 2013. He stated SJWD will hold a hearing on June 12, 2013 for the Retail Budget.

### **3. Update and discussion on SJWD and SSWD joint meetings on water supply**

- General Manager Gray stated that FOWD did not receive any new information related to the SJWD/SSWD consolidation. The next scheduled joint Board meeting is on June 18, 2013 at 6:30 PM.

### **4. Update and discussion on San Juan Family of Water Agencies meetings on water supply and wholesale water supply agreements**

- General Manager Gray stated that a lot of effort was put into the current dry-year water supply plan and he believes that it is important for the San Juan Family to revisit the plan prior to completing water supply planning outside of the family. He believes some of this prior work can be incorporated into the water supply agreement update.

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

### **1. Discussion and possible action on FOWD Resolution No. 13-01: "Nominating the FOWD General Manager for ACWA Region 4 Director"**

- General Manager Gray stated that he is currently serving as ACWA Region 4 Director. This resolution allows him to continue serving as ACWA Region 4 Director.

M/S/C Marx/McRae, to approve the Resolution 13-01: "Nominating the FOWD General Manager for ACWA Region 4 Director."

Absent: Directors Gossett and Healey

## **2. Discussion on providing water supply to North Ridge Country Club**

- General Manager Gray stated North Ridge Country Club currently is not a customer of FOWD. The District has been working with North Ridge Country Club to provide an opportunity for North Ridge Country Club to become a FOWD customer.
- General Manager Gray stated the District has an agreement with North Ridge Country Club dated in 1971; with North Ridge Country Club paying an annual fee and the District providing fire protection and use of water as needed. General Manager Gray stated that the 1971 agreement is vague and requires immediate revision.
- Legal Counsel Jeffrey Mitchell stated that FOWD could cancel the current agreement effective January 1, 2014.

## **VII. Upcoming Events**

- 1. SJWD & SSWD Joint Board Meeting / June 18, 2013 / SSWD Office**
  - Information only.
- 2. ACWA Workshop on Conservation Water Rates / June 19, 2013 / West Sacramento**
  - Information only.
- 3. Fair Oaks Chamber Luncheon / June 20, 2013 / FORPD Clubhouse**
  - Information only.
- 4. Senator Ted Gaines Community Leaders Breakfast / August 14, 2013 / El Dorado Hills**
  - Information only.

## **VIII. Representative Reports**

- 1. Sacramento Groundwater Authority (SGA)**
  - No report.
- 2. Regional Water Authority (RWA)**
  - General Manager Gray reported that the May 16 meeting covered the new budget with a projected 5% rate increase to FOWD. He stated that \$30,000 for public relations and the Integrated Regional Master Plan were added to the core program.

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

- General Manager Gray noted that the scheduled meeting on May 28, 2013 was cancelled.

**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*)**

- No meeting.

**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. He stated the Metered Water Analysis report shows that FOWD delivered 1,880 AF to customers YTD as of May 2013; the same AF was delivered in 2012.

**2. Capital Projects Status Report**

- General Manager Gray provided an overview of the projects.

**3. Safety Issues Update**

- General Manager Gray stated that there was an incident with a customer falling in a hole. He stated the District completed an incident report and found that staff followed proper protocol.

**4. Financial Issues Update**

- General Manager Gray provided a brief overview of the monthly financial report.

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

- General Manager Gray stated there was a presentation on the issues relative to the San Joaquin Delta.

**6. Other**

- None.

President Sarkovich closed the open session meeting at 7:49 p.m.

President Sarkovich called the closed session meeting to order at 7:54 p.m.

**XI. Closed Session Pursuant to Government Code Section 54956**

1. Conference with Legal Counsel on 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

President Sarkovich reopened the meeting to the public at 8:12 p.m.

**XII. Report from Closed Session**

- None.

**XIII. Public Comment**

- None.

**XIV. Adjournment**

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:12 p.m.

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The Board approved the preceding minutes on July 8, 2013

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Tom R. Gray  
General Manager/Board Secretary

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Date