



District Attendees

Lonny Gossett	Board Vice 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
Shauna Lorance	SJWD General Manager
Rink Sanford	North Ridge Country Club General Manager
Steve Beede	Visitor

Absent

Misha Sarkovich	Board President
Timothy Healey	Board Member

AGENDA ITEMS

I. Call to Order

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

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

II. Public Comment

- None.

General Manager Gray requested that the Board move item V.2 “Update and discussion on providing water supply to North Ridge Country Club” to follow the consent calendar.

The Board approved moving item V.2 “Update and discussion on providing water supply to North Ridge Country Club” to follow the consent calendar.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of July 8, 2013
2. Accept and file Treasurer's Report for the month of July, 2013
3. Accept and file Investment Report for the month of June, 2013
4. Accept and file Monthly Financial Expenses
 - a. June, 2013
 - b. July, 2013
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of July, 2013
7. Approval of Monthly Board Expense Report for the month of July, 2013
 - Director McRae inquired on the bad debts on the financial report.
 - General Manager Gray responded that those are items pertaining to the uncollectible accounts that staff brought to the Board for approval a couple of meetings ago.

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

Absent: Directors Sarkovich and Healey

IV. Presentation & Correspondence

1. Correspondence dated August 1, 2013 from Sacramento LAFCo regarding nominations for Special District Representation

- General Manager Gray stated that Sacramento LAFCo has openings for the Special District Commissioner Office No. 7 and Alternate Special District Commissioner for Offices No. 6 & 7 and he inquired if the Board is interested in participating.
- None of the Board members present were interested in participating.

V. Discussion and Action Items: Old Business

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

- Operations Manager Nisenboym reported the District's overall consumption was below the 10-year average for the month of July. Wholesale connections provided approximately 1,457 AC-FT of water supply and groundwater wells produced approximately 285 AC-FT of water supply for the month.

2. Update and discussion on providing water supply to North Ridge Country Club

- General Manager Gray provided the Board with a draft principles of agreement between FOWD and North Ridge Country Club. He stated that the draft principles included North Ridge Country Club receiving: (a) emergency fire service; (b) a standby domestic service for emergency operations only.
- North Ridge Country Club General Manager Sanford stated that the draft document provided to FOWD's Board is what North Ridge Country Club agreed to and is satisfied with the proposed principles. He appreciates FOWD's staff working together towards agreement.
- Director McRae stated that he has not had a chance to review the principles given the short time.
- General Manager Gray stated that the draft agreement provides the concept and principles for the formal agreement. Staff is requesting the Board to provide approval of the concepts and principles. He added that this will be an interim agreement with a deadline for determination of annexation into the FOWD service area of December 31, 2018.

M/S/C Marx/McRae, to approve for staff to work with legal counsel and North Ridge Country Club to complete a formal agreement based on the concepts and principles presented.

Absent: Directors Sarkovich and Healey

VI. Discussion and Action Items: New Business

1. Consider and possible action to approve additional funds to complete 2013 Capital Budget projects

- General Manager Gray stated that the new County requirements on AC paving increased the paving costs for the District. Additional funds of \$80,100 are required for the two projects: the 10-inch main replacement on Goodyear Drive of \$25,100 and the 10-inch main replacement on Fair Oaks Blvd of \$55,000. Staff requests \$80,100 additional funds to be transferred from reserves.

M/S/C Marx/McRae, to approve the use of \$80,100 from reserve funds for the Goodyear Drive and Fair Oaks Blvd. capital projects.

Absent: Directors Sarkovich and Healey

2. Public Hearing on Public Health Goal Report

- Vice President Gossett opens the hearing at 6:57 p.m.
- General Manager Gray stated that every three years, State Senate Bill 1307 mandates that FOWD holds a public hearing for the purpose of accepting and

responding to public comments on the summary report comparing FOWD's drinking water quality report with the public health goals. FOWD complies with all the health-based drinking water standards and maximum contaminant levels (MCLs) required by the California Department of Public Health and the USEPA. With direction from the Board, staff will file the attached Water Quality Public Health Goal Report.

VII. Upcoming Events

- 1. Regional Water Authority Board Workshop & Strategic Plan Update / August 9, 2013 / RWA Boardroom**
 - Information only.
- 2. Northern California Congressional Water Tour Reception / August 14, 2013 / Clarksburg CA**
 - Information only.
- 3. Senator Ted Gaines Community Leaders Breakfast / August 14, 2013 / El Dorado Hills CA**
 - Information only.
- 4. Fair Oaks Chamber Luncheon / August 15, 2013 / FORPD Clubhouse**
 - Information only.
- 5. CSDA Annual Conference / September 16-19, 2013 / Monterey CA**
 - Information only.
- 6. Supervisor Susan Peters Community Meeting / August 21, 2013 / FOWD**
 - Information only.
- 7. Other**
 - General Manager Gray stated that there will be a San Juan Family joint Board meeting on August 26, 2013 from 4PM-7PM held at the San Juan Water District.
 - SJWD General Manager Lorance stated that the joint meeting will discuss current water supply and water management (particularly water rights and Delta issues).

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - Director Marx stated that the SGA meeting provided an overview of the history of water law on groundwater use and water rights. He stated the Groundwater Management Plan, a plan that shows how groundwater is managed in the basin, should be available in September.

2. Regional Water Authority (RWA)

- General Manager Gray stated that RWA had a workshop on strategic planning. He provided the Board with handouts on the Five-Year Strategic Plan Update with four goals that are the drivers of RWA.

3. San Juan Family of Agencies Executive Committee

- Discussed earlier.

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 a brief overview of the monthly maintenance report.
- Vice President Gossett inquired the priority on the replacement of steel pipe on North Winding Way.
- General Manager Gray stated that the steel pipe is one of the high priorities for replacement. However, the District has a dollar limit for capital projects and

replacements. North Winding Way is not scheduled to be replaced this year or next year. The priority of replacement will be determined during the budget process.

- Director Marx inquired on the capital projects for 2014 Budget.
- General Manager Gray reported that staff started reviewing the capital projects last week. The field supervisors review the leak maps and recommend to management projects based on maintenance issues. Management will prioritize projects and bring to the Budget Committee.
- Director Marx suggested that staff meet with the Technical Committee to go over the capital projects.

2. Capital Projects Status Report

- Director McRae inquired on the reason for 24-inch Walnut/Pershing/Twin Lakes Project being out for bid.
- General Manager Gray stated that the project was put out to bid due to the District not having the proper equipment for such a large main line project.
- Director McRae inquired if there are any other projects that require additional funding due to the County paving requirements.
- General Manager Gray stated that currently, he does not foresee more 2013 projects requiring additional funds; however, staff will report back with any projects requiring additional funds.

3. Safety Issues Update

- General Manager Gray stated that the District provided a duffel bag for each crew member that would make safety gear more readily available.

4. Financial Issues Update

- General Manager Gray stated that the District is around 17% under budget YTD as of July 31, 2013.

5. Delta Issues – Update on Regional Involvement

- No report.

6. Other

- None.

Vice President Gossett closed the open session meeting at 7:32 p.m.

Vice President Gossett called the closed session meeting to order at 7:37 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
2. Conference with Legal Counsel on Anticipated Litigation (1 case)

Vice President Gossett reopened the meeting to the public at 7:41 p.m.

XII. Report from Closed Session

- The Board approved a settlement of the existing litigation between Bluff City Inc. and the Fair Oaks Water District in which Bluff City Inc. will pay the Fair Oaks Water District a lump sum of \$138,100 over a period of 60-months and FOWD will assume ownership and maintenance of a defined public water system within the Bluff City Inc. property.

M/S/C Gossett/Marx

Absent: Directors Sarkovich and Healey

XIII. Public Comment

- None.

XIV. Adjournment

With no further business to come before the Board, Vice President Gossett adjourned the meeting at 7:43 p.m.

The Board approved the preceding minutes on September 9, 2013

Tom R. Gray
General Manager/Board Secretary

Date