



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

December 9, 2013

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
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Absent

Timothy Healey	Board Member
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AGENDA ITEMS

I. Call to Order

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

President Sarkovich stated that Director Healey is on a business trip and unable to attend this 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 November 4, 2013
2. Accept and file Treasurer's Reports
 - a. Report for October, 2013
 - b. Report for November, 2013
3. Accept and file Investment Report for the month of October, 2013

4. Accept and file Financial Expense Reports
 - a. Report for October, 2013
 - b. Report for November, 2013
 5. Approval of Warrants
 6. Approval of Cal-Card Statements for the month of November, 2013
 7. Approval of Monthly Board Expense Report for the month of November, 2013
- Director McRae inquired on the \$88,000 overage of the water purchase YTD.
 - Finance Manager Ha-Ly stated with the December month projected expense of \$86,000 (\$51,000 fixed and \$35,000 commodity-assumes same usage as Dec. 2012 (388 AF), the annual estimated overage for water purchase is around \$45,000.
 - General Manager Gray emphasized that the overage will be covered by the increase in water sales in 2013.

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

IV. Presentation & Correspondence

1. November 18, 2013 correspondence from Sacramento Local Agency Formation Commission on Local Agency Formation Commission Special District Representation Selection

- General Manager Gray informed the Board that Gay Jones from Sacramento Metropolitan Fire District won the Special District Commissioner Office No. 7 and Paul Green from Rio Linda Elverta Community Water District won the Special District Alternate Commissioner Office No. 6 & 7.

V. Discussion and Action Items: Old Business

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

- Operations Manager Nisenboym reported the District's overall consumption was 29% above the 10-year average for the month of November. Wholesale connections provided approximately 759 AC-FT of water supply and groundwater wells produced approximately 43 AC-FT of water supply for the month.

VI. Discussion and Action Items: New Business

1. Discussion on FOWD press releases on Web Award and GFOA Award

- General Manager Gray provided an overview of the press release for the Web Award and GFOA Award.

2. Discussion of recent presentation to the Fair Oaks Rotary Club

- General Manager Gray included a presentation made to the Fair Oaks Rotary Club in the Board Packet and provided a brief overview.

3. Discussion and possible action on FOWD’s Policy No. 5050: “District Reserve Funds”

- The Board discussed the possibility of changing the reserve level for the emergency and rate stabilization designations. President Sarkovich stated that he would like to reduce the reserve level for the emergency and rate stabilization.
- General Manager provided an overview of the reserve/cash on hand and credit rating based on the information he obtained from the ACWA Conference. He stated that the District’s reserve/cash on hand is currently lower than what was recommended. He stated that District needs adequate reserve for emergency infrastructure repairs.
- The Board asked staff to provide scenarios that would require the District to use funds in an emergency situation and the funds required for each scenario; include the chances of the emergency occurring in the calculation.
- SJWD Director Costa added that with an adequate reserve balance, the District can have more opportunity to save money; for instance, being able to put in mains or services when the County is working on the area and not having to pay for the paving cost.
- The Policy No. 5050 will be deferred and placed on the next Regular Board Meeting.

4. Discussion and possible action on selection of Board President and Vice President for 2014

M/S/C Sarkovich/Marx, moved to nominate Director Gossett to be Board President

Absent: Director Healey

M/S/C Sarkovich/Gossett, moved to nominate Vice President McRae to be Board Vice President

Absent: Director Healey

5. Discussion and possible action on auditor renewal for 2013 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 four years and he recommended that the Board approve JJACPA, Inc.

to perform the District's 2013 year-end financial audit. He noted that the cost for the 2013 financial audit will be \$17,525.

M/S/C Gossett/Marx, to approve JJACPA, Inc. to perform FOWD's 2013 year-end financial audit.

- President Sarkovich suggested that staff inquire JJACPA, Inc. on the impact the reserve level has on credit ratings for FOWD.

6. Discussion and possible action on Resolution No. 13-06: "A Resolution in Support of the Association of California Water Agencies' State Water Action Plan"

M/S Marx/McRae, to approve Resolution No. 13-06: "A Resolution in Support of the Association of California Water Agencies' State Water Action Plan"

AYES: Directors Marx, McRae and Sarkovich

NOES: Director Gossett

ABSENT: Director Healey

VII. Upcoming Events

1. Fair Oaks Water District Annual Holiday Party / December 19, 2013 / 12:00 p.m. / FOWD Board Room

- Information only.

2. Supervisor Susan Peters Community Meeting / January 15, 2014 / FOWD Board Room

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No meeting.

2. Regional Water Authority (RWA)

- No meeting.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray reported that there was a 2x2 Committee meeting, SSWD & SJWD, on possible consolidation.

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 that the Personnel Committee met and interviewed employees; for the most part it was positive. He stated that the employees presented themselves well and all the ones they interviewed seem to be good employees. The Personnel Committee suggested having a quarterly meeting with employees.

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 November water sales.

2. Capital Projects Status Report

- Director McRae inquired on the actual cost for the Walnut/Pershing/Twin Lakes Project being low for the estimated 75% of completion.
- Operations Manager Nisenboym stated that the 75% was based on what has been completed on the job. Actual invoices have yet to be billed and paid. He noted that one of the invoices is included in the warrant for tonight's action.

3. Safety Issues Update

- General Manager Gray stated that there was fire extinguisher training for staff.

4. Financial Issues Update

- General Manager Gray stated that the District should be under budget for the operating expenses in 2013.

5. Delta Issues – Update on Regional Involvement

- No report.

6. Other

- General Manager Gray stated that he received information from CSDA on local Board member training should the Board be interested.
- General Manager Gray informed the Board that the District will be moving all of its commercial customers that are currently billed in arrears for the fixed charge to be billed in advance in accordance with the District's current approved policy.

XI. Public Comment

- None.

President Sarkovich closed the open session meeting at 8:25 p.m.

President Sarkovich called the closed session meeting to order at 8:33 p.m.

XII. Closed Session Pursuant to Government Code Section 54954.5

1. Public Employee Performance Evaluation – General Manager's performance evaluation and conference involving compensation.

President Sarkovich reopened the meeting to the public at 10:14 p.m.

XIII. Report from Closed Session

“The Board of Directors reported that it was determined that the General Manager's performance was excellent in 2013; resulting in an action to increase the General Manager's annual salary by 1.7 percent.”

M/S/C Sarkovich/Gossett
Absent: Director Healey

XIV. Public Comment

None.

XV. Adjournment

With no further business to come before the Board, President Sarkovich adjourned the meeting at 10:14 p.m.

The Board approved the preceding minutes on January 13, 2014

Tom R. Gray
General Manager/Board Secretary

Date