



**District Attendees**

Lonny Gossett	Board President
Michael McRae	Board Vice President
Randy Marx	Board Member
Misha Sarkovich	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
Marcia Fritz	Visitor
Dave Underwood	Visitor

**Absent**

**AGENDA ITEMS**

**I. Call to Order**

President Gossett called the meeting to order at 6:30 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 January 13, 2014
2. Accept and file Treasurer's Report for the month of January, 2014
3. Accept and file Investment Report for the month of December, 2013
4. Accept and file Financial Expense Report for the month of January, 2014

5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of January, 2014
7. Approval of Monthly Board Expense Report for the month of January, 2014
  - Director McRae inquired on the labor and benefits capitalized under the financial reports, item III.4.
  - General Manager Gray responded that the labor and benefits are overhead that are being allocated to the capital projects. They are being deducted from the operating expenses and included in the capital to avoid double counting of the expenses.
  - Director McRae inquired if the capital projects are reported to the Board.
  - Finance Manager Ha-Ly stated that the capital projects are reported under agenda item X.2 “Capital Project Status Report.”
  - Director McRae inquired on the debt service listed on the San Juan Water District invoice under item III.5.
  - General Manager Gray stated that the debt service is part of the SJWD fixed charge water billing.

Director Marx moved to approve the consent calendar.

Director Sarkovich seconded the motion.

Motion carried with the following votes: Gossett – aye, Marx – aye, McRae – aye, and Sarkovich – aye.

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

- 1. Correspondence dated January 17, 2014 from the California Water Resources Control Board regarding “Notice of surface water shortage and potential for curtailment of water right diversions”**
  - General Manager Gray stated this is an informational item.
- 2. Correspondence dated January 24, 2014 from the County of Sacramento office of Voter Registration and Elections**
  - General Manager Gray informed the Board of the costs associated with the 2014 elections.

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

- 1. Update and discussion on FOWD Water Supply for the month of January, 2014**
  - Operations Manager Nisenboym reported the District’s overall consumption was 6.5% above the 10-year average for the month of January. Wholesale connections provided approximately 383 AC-FT of water supply and groundwater wells produced approximately 133 AC-FT of water supply for the month.

- General Manager Gray stated the higher consumption was due to dry year.

## **2. Update on discussions with Aerojet relative to GW pumping**

- General Manager Gray stated that at the January 13, 2014 Regular Board Meeting, there was a public discussion related to a request for FOWD to maximize groundwater production to benefit other agencies. The Board directed staff to discuss the affect increased groundwater pumping would have on the approved groundwater remediation plan developed by Aerojet.
- General Manager Gray stated that, at the request of FOWD, Aerojet performed updated groundwater modeling that included a simulation of the proposed increased groundwater production by FOWD. The modeling results indicated that the proposed FOWD pumping scenario will not have a negative effect on the currently approved Aerojet groundwater remediation plan.
- General Manager Gray informed the Board that Aerojet agreed to reimburse the District for prior water sampling costs of \$6,620.

## **3. Update and discussion on the Drought and Water Supply Planning**

- General Manager Gray provided a copy of the presentation delivered by SJWD to the community of Granite Bay on the drought conditions.
- General Manager Gray stated that the past weekend's rain increased storage at Folsom Lake by approximately 50,000 AF.
- General Manager Gray stated that the District has developed the following plan for drought operations.

### **1. February, March, April 2014**

Operate wells on a rolling schedule with each well resting after two days of pumping approximately 24/7; production estimated at 485 AF per month

### **2. May, June, August**

Operate wells on a rolling schedule with each well resting after two days of pumping approximately 24/7 and include a third well running every day during peak AM and PM demand hours (6 hours total); production estimated at 545 AF per month

### **3. No Surface Water Available**

All wells pumping continuously; while keeping the 3MG tank full at all times for emergency fire supply; production estimated at 735 AF per month

4. General Manager Gray emphasized that at any given time, if there is health or safety issue involved within our member agencies, FOWD will run all of its wells 24/7.
- General Manager Gray mentioned that Citrus Heights Water District requested each General Manager and the Board President to meet and discuss the water supply agreement this week.
  - General Manager Gray stated there is a water shortage agreement in place but not an agreement for emergency water supply. He believes that the agreement should be in place whether or not the water agencies obtain enough rain water in the next few months and move out of the drought operations.
  - Director Sarkovich stated he would like FOWD to have an agreement on the water supply sooner rather than later.
  - SJWD Director Costa stated that SJWD committed to serve Granite Bay because FOWD, CHWD and OVWC did not want to serve these customers. He believes that FOWD and CHWD have the obligation to serve SJWD-Retail customers during these times of need.
  - SJWD Assistant General Manager Durkin stated that SJWD General Manager Lorange sent an email to the Districts asking everyone to track the costs of the additional groundwater pumping. He stated they are considering having the additional costs credited back or added to the agencies through the quarterly billing. He also agreed with General Manager Gray to have the water supply agreement in place since so much effort has been put into it.

#### **4. Update and discussion on Madison (Well) Gum Ranch**

- General Manager Gray stated FOWD received a letter from the Department of Health Services indicating the District will be able to proceed with the Madison Well Project. He stated FOWD already developed the specifications and is waiting for the response from the contractors.
- General Manager Gray stated that he is seeking outside funding opportunities to see if the District can obtain grant money to offset some of the costs for the Madison Well Project.

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

- General Manager Gray reported on the findings and recommendations of the SJWD and SSWD Water Reliability Study. General Manager Gray has questions on the water rights and higher quality water.
- SJWD Director Costa suggested that FOWD forward a written request to SJWD and have the answers from SJWD Board in writing.

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

### **1. Update and discussion on Board of Directors vacancy: Division I**

- General Manager Gray reported that Director Healey resigned to go sailing around the world. The District posted the vacancy as required by Government Code. He noted that this position will be appointed by the Board to serve out the rest of the term expiring December 2014. The position will be up for election in November, 2014.
- General Manager Gray stated that he has already received interest from two people relative to the opening on the FOWD Board.

### **2. Discussion and possible action on California Water Action Plan**

- General Manager Gray asked that the Board review the Plan and inform him of any comments.
- Director Sarkovich stated that he read the California Water Action Plan and noticed the plan only discussed the management of water supply. He would like to know where they will get the funding for this plan.

### **3. Discussion and possible action on a commitment to serve water to the Talmont Subdivision (Gum Ranch Phase I)**

- General Manager Gray stated that the developer already paid the fees for this project in 2006. He stated that the District proposed the following conditions for developing these 89 homes including:
  - No outside landscaping for these new homes, except for the model homes, until the drought is over.
  - The one acre park's landscaping will be deferred (to be worked out with the County of Sacramento / Office of Parks and Recreations) or have drought tolerant plants to be approved by FORPD.
  - All agreed upon well site improvements must be completed.

Director Marx moved to approve the Gum Ranch development project with the above conditions.

Director Sarkovich seconded the motion.

Motion carried with the following votes: Gossett – aye, Marx – aye, McRae – aye, and Sarkovich – aye.

## **VII. Upcoming Events**

### **1. Supervisor Susan Peters Community Meeting / March 19, 2014 / FOWD Board Room**

- Information only.

2. **Fair Oaks Chamber of Commerce Business Luncheon / February 20, 2014 / Fair Oaks Community Club House**
  - Information only.
3. **Other**
  - General Manager Gray informed the Board of a meeting hosted by ACWA on February 14, 2014 on the impacts of the current drought (Crest Theater 9 a.m. - 12:30 p.m).

## **VIII. Representative Reports**

1. **Sacramento Groundwater Authority (SGA)**
  - No report.
2. **Regional Water Authority (RWA)**
  - No report.
3. **San Juan Family of Agencies Executive Committee**
  - General Manager Gray reported that the SJWD went over the drought and water supply presentation he included in the Board packet.
  - President Gossett stated that they discussed conservation and new connections.
4. **Other**
  - None.

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

1. **Budget Committee – (Sarkovich, Vacant)**
  - No meeting.
2. **Technical Advisory Committee – (Marx, McRae)**
  - Director Marx stated the Committee met and discussed the water supply. Director Marx recommended the Committee meet prior to each Board meeting.
  - Vice President McRae added they discussed the Gum Ranch project. He indicated that they want to ensure expediting the drilling would not impact the quality of water produced.
3. **Capital Improvement Committee – (McRae, Sarkovich)**
  - No meeting.
4. **Personnel Committee – (Gossett, McRae)**

- President Gossett stated he attended the last monthly all employee meeting and it was insightful. He stated the other Directors should consider attending these meetings.

**5. Public Relations Committee – (*Vacant, Gossett*)**

- No meeting.

**6. Other**

- Director Healey announced his resignation as of January 13, 2014. He stated that he is taking a trip around the world at the end of January 2014 and would not be able to serve as Board of Director for the Fair Oaks Water District. He stated that it was a pleasure serving as a Board member of the District. He thanked Tom R. Gray and Board members.
- Director Sarkovich thanked Director Healey for his years of service.
- General Manager Gray thanked Director Healey for his valuable input during his service at the Fair Oaks Water District.

**X. General Manager’s Report**

**1. Monthly Maintenance Work Report**

- General Manager Gray provided a brief overview of the January Maintenance Report.

**2. Capital Projects Status Report**

- General Manager Gray stated that the District began the Twin Lakes Phase II Project. He noted that the design was completed in-house which saved the District money. The project will allow the District to abandon approximately 2,100 linear feet of large diameter steel pipe installed in 1933; with some located in customers’ back yards.

**3. Safety Issues Update**

- No report.

**4. Financial Issues Update**

- General Manager Gray stated that the District will be bringing the final 2013 financial reconciliation to the Board in March. He stated the District just completed the interim audit and is still finalizing the 2013 numbers. He estimated that the District’s operating expenses will be around 15% under budget for 2013.

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

- No report.

**6. Other**

- General Manager Gray stated that effective January 1, 2014, all the actions taken by the Board will be recorded by individual Board member vote as aye, nay or abstain based on the Brown Act Amendment – Senate Bill 751. He indicated this has been reflected on the FOWD’s January meeting minutes.

**XI. Public Comment**

- Ms. Marcia Fritz stated that she is interested in applying for the Division 1 Director position. She is an inactive CPA and stated she used to own a practice and audited many water agencies including Del Paso Water District, Regional Water Authority, San Juan Water District and Rio Linda Water District. She and her family have many connections with the water industry. She would like the Board to consider her for the position. She mentioned that the Board needs diversity and that a woman will be a good thing.
- Mr. Dave Underwood stated that he is interested in the Division 1 Director position. He stated that he works for the Sacramento County Water Agency as a Senior Engineer managing \$16,000,000 budget. He stated that he has worked in the water industry for approximately 20 years and understands the operations of water. He believes that he will be an asset to the District and would like to be considered for the position.
- The Board asked both candidates to send in their letter of qualifications and interest for consideration.

**XII. Adjournment**

With no further business to come before the Board, President Gossett adjourned the meeting at 8:41 p.m.

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The Board approved the preceding minutes on March 10, 2014

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Tom R. Gray  
General Manager/Board Secretary

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Date