



District Attendees

Lonny Gossett	Board President
Michael McRae	Board Vice President
Randy Marx	Board Member
Dave Underwood	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager

Other Attendees

Absent

Misha Sarkovich	Board Member
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AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- A customer inquired on funding for alternative landscaping.
- General Manager Gray stated that the District does not offer any alternative landscaping programs at this time due to funding availability. He stated that the District does offer landscape audits, toilet and washing machine rebates. The District will try to seek grant funding for alternative landscaping and will offer the program when the funding is available.

III. Consent Calendar

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

1. Approval of minutes
 - a. Special Board Meeting of March10, 2014

- b. Regular Board Meeting of March 10, 2014
2. Accept and file Treasurer's Report for the month of March, 2014
3. Accept and file Investment Report for the month of February, 2014
4. Accept and file Financial Expense Report for the month of March, 2014
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of March, 2014
7. Approval of Monthly Board Expense Report for the month of March, 2014

Director McRae moved to approve the consent calendar.

Director Marx seconded the motion.

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

Absent: Director Sarkovich

IV. Presentation & Correspondence

- 1. Oath of Office for the new member of the FOWD Board representing Division I**
 - General Manager Gray administered the oath of office to Director Dave Underwood.
- 2. Correspondence dated March 19, 2014 from ACWA JPIA regarding: "Underground Line Locator Training"**
 - General Manager Gray reported that ACWA JPIA thanked the District for hosting the "Underground Line Locator Training."
- 3. Correspondence dated March 27, 2014 from the Department of Water Resources regarding the FOWD Urban Water Management Plan**
 - General Manager Gray stated that the Department of Water Resources (DWR) has reviewed the District's 2010 Urban Water Management Plan (UWMP). DWR stated that the UWMP addressed the requirements of the California Water Code.
 - General Manager Gray provided a brief overview of the UWMP and its requirements. He noted that FOWD is currently operating with a 75% fixed and 25% commodity charge. He believes the District should continue to operate around 70% fixed and 30% commodity. He also suggested that the District include an emergency rate in the next rate adoption.

V. Discussion and Action Items: Old Business

- 1. Update and discussion on FOWD Water Supply for the month of March, 2014**
 - General Manager Gray stated that there was a 33% reduction in water demand from March of this year compared to March of 2013.

- Operations Manager Nisenboym reported that the total 439 AC-FT of water demand in March was met from 98.6% (433 AC-FT) groundwater pumping; with 6 AC-FT provided by SJWD. The District's overall consumption was 15.7% below the 10-year average for the month of March.
- Director Marx inquired on the impact of the District's revenues relative to the 33% water consumption reduction.
- General Manager Gray stated that 33% of the 25% budgeted commodity water revenues should be covered through the District's operating under budget in the operating expenses.

2. Update on discussion on the Drought and Water Supply Planning

- General Manager Gray stated that the attached draft San Juan Water District's Surface Water Supply and Water Shortage Management Plan contained revisions from San Juan Water District only. He indicated that the revisions did not address the concerns previously communicated to SJWD; instead, the revisions put the District in a worse position. He stated that SJWD removed the fixed cost related to groundwater.
- Director Marx inquired on the status of the draft San Juan Water District's Surface Water Supply and Water Shortage Management Plan.
- General Manager Gray informed the Board that FOWD will mark up the documents and forward them to SJWD.
- General Manager Gray reported on the complaints from *Save the American River Association* and environmental and fishing groups demanding the State to increase flow in the American River.
- General Manager Gray stated that SJWD General Manager Lorange noted on the SJWD Executive Committee meeting minutes that the surface water is projected to remain above the intake through the Fall.
- General Manager Gray highlighted from the SJWD Executive Committee meeting minutes that SJWD has yet to provide a written response regarding the level of water service, allocations and water assets that was requested two months ago.
- General Manager Gray reported that based on the SJWD Executive Committee meeting minutes, SJWD General Manager Lorange stated that they are proceeding with a permanent Pump Back Project. She also indicated that this year groundwater from CHWD and FOWD would need to be used to offset surface water reductions and after the project is completed next year, each agency should be able to provide alternative water supplies for shortage years. General Manager Gray stated that SJWD did not intend to pay FOWD for the groundwater investments.

- General Manager Gray commented that the Pump Back Project should be handled similarly to the Cooperative Transmission Pipeline; where participating agencies would own a portion of the rights based on the investments into the infrastructure.
- Director McRae inquired on the makeup of the SJWD Executive Committee.
- General Manager Gray stated that one Board Member and the General Manager of each agency participates in the Executive Committee.
- General Manager Gray highlighted from SJWD Executive Committee meeting minutes the legal requirement for CHWD and FOWD to supply water to Granite Bay.

3. Update and discussion on SSWD / SJWD water supply and consolidation discussions

- General Manager Gray reported on the response from SJWD related to FOWD’s written request letter dated March 6, 2014 on SSWD and SJWD consolidation. General Manager Gray commented that the consultant hired to evaluate the three alternatives ([1] Continue existing processes, [2] Inter-Agency Agreements; and [3] Consolidation of SJWD & SSWD). The consultant recommended consolidation of SJWD and SSWD.
- General Manager Gray provided an overview of the SJWD surface water rights/ contracts and usage restrictions including the pre-1914, PCWA and CVP.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on FOWD Resolution No. 14-02: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election” on November 4, 2014

Director Marx moved to approve Resolution No. 14-02: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election” on November 4, 2014

Director Underwood seconded the motion.

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

Absent: Director Sarkovich

2. Discussion and possible appointment of a Director to the FOWD Budget and Public Relations Committees

- Board President Gossett appointed Director Underwood to be part of the FOWD Budget and Public Relations Committees.

VII. Upcoming Events

- 1. Fair Oaks Chamber of Commerce Business Luncheon / April 17, 2014 / Fair Oaks Community Club House**
 - Information only.
- 2. Fair Oaks Fiesta Days / May 3-4, 2014 / Fair Oaks Village**
 - Information only.
- 3. ACWA Spring Conference / May 6-9, 2014 / Monterey**
 - Information only.
- 4. Supervisor Susan Peters Community Coffee Meeting / May 21, 2014 / Fair Oaks Water District**
 - Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - No meeting.
- 2. Regional Water Authority (RWA)**
 - Director Marx reported he attended two meetings which covered strategic planning and fee schedule. He distributed the strategic plan to Board members. He stated that FOWD currently pays \$17,000 per year for the annual dues. He stated RWA is seeking to hire a lobbyist to influence legislation for Northern California interests which could raise the dues from \$17,000 to \$32,000 per year.
 - Director Marx stated that some larger agencies are seeking alternatives as they have their own lobbyists. One of the alternatives was to make participation voluntary. The informal consensus was to have mandatory participation.
 - General Manager Gray stated that FOWD could be paying twice if it is paying RWA for a lobbyist. He noted that FOWD could be paying RWA and then also paying SJWD as a SJ Family member.
 - The direction is to have Director Marx express to John Woodling that FOWD would be okay paying for a lobbyist as long as FOWD does not have to pay twice.
- 3. San Juan Family of Agencies Executive Committee**
 - Discussed earlier.
- 4. Other**
 - None.

IX. Directors' Reports & Comments

1. Budget Committee – (*Sarkovich, Vacant*)

- No meeting.

2. Technical Advisory Committee – (*Marx, McRae*)

- Vice President McRae reported that there was a discussion on the Gum Ranch/Madison Well. He stated that General Manager Gray is working on a signed contract and ensuring that the CEQA document is in place for the drilling.
- General Manager Gray stated that CEQA is the California Environmental Quality Act that is generally required for a project. FOWD received an informal notice from the Department of Health Services stating that this project can start without going through the formal CEQA process because it was included in the subdivision submittal and approved by the County.

3. Capital Improvement Committee – (*McRae, Sarkovich*)

- No meeting.

4. Personnel Committee – (*Gossett, McRae*)

- No meeting.

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

- No meeting.

6. Other

- President Gossett asked that staff email all the Board of Directors of the employee monthly meeting. He stated that the meeting was informative and other Directors can benefit from attending these meetings. He stated the employees are engaged and have good ideas.

X. General Manager's Report

1. Monthly Maintenance Work Report

- General Manager Gray stated that the monthly maintenance work report provides detailed information of work completed; including addresses for the work.

2. Capital Projects Status Report

- General Manager Gray stated that the Capital Project status report included the projects with the budget.

- General Manager Gray informed the Board that FOWD has a signed contract with the driller for Madison Well.
- The 24-inch water main installation on Walnut Avenue allows the District to abandon the 30-inch steel main. FOWD sent out seven bid requests and received three bids back. The District awarded Rawles Engineering based on the submitted bid of \$562,000. The District budgeted \$715,000 for the job. The remaining funds are for contingency, design and inspection.

3. Safety Issues Update

- General Manager Gray provided a brief overview of the safety issues update.

4. Financial Issues Update

- General Manager Gray stated the 2013 operating expenses are 14.42% under budget. He stated that the District is 24% under budget for the YTD operating expenses as of March 31, 2014.

5. Delta Issues – Update on Regional Involvement

- General Manager Gray provided a brief overview of the Delta issues and regional involvement.

6. Other

- General Manager Gray reminded the Board that all new employees pay the employee portion of PERS.
- General Manager Gray reported on the will serve letter/conditions for Gum Ranch subdivision project.

XI. Public Comment

- None.

President Gossett closed the open session meeting at 8:32 p.m.

President Gossett called the closed session meeting to order at 8:40 p.m.

XII. Closed Session Pursuant to Government Code Section 54956

1. Conference with Legal Counsel on Anticipated Litigation (Subdivision (d) of Section 54956.9) – one case

President Gossett reopened the meeting to the public at 10:12 p.m.

XIII. Report from Closed Session

None.

XIV. Public Comment

None.

XV. Adjournment

With no further business to come before the Board, President Gossett adjourned the meeting at 10:12 p.m.

The Board approved the preceding minutes on May 12, 2014

Tom R. Gray
General Manager/Board Secretary

Date