



**District Attendees**

Lonny Gossett	Board President
Randy Marx	Board Member
Misha Sarkovich	Board Member
Dave Underwood	Board Member
Tom R. Gray	General Manager
Chi Ha-Ly	Finance Manager
Shawn Huckaby	Operations Superintendent

**Other Attendees**

Ted Costa	SJWD Board Member
Keith Durkin	SJWD Assistant General Manager
Joe Hensler	Visitor

**Absent**

Michael McRae	Board Vice President
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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**

- Mr. Hensler stated that there is a significant on impact fees based on the size of the tap at FOWD. He stated that the County requires all new construction to have fire sprinklers. He asked the Board to consider reducing the impact fees for fire sprinklers. He suggested FOWD post terms of the Board of the Directors on the website.
- General Manager Gray stated that the fire sprinklers are required by County code. The District charges the tapping fees by size of the service.
- General Manager Gray reported that FOWD just took action on a resolution for the next general election. He will forward the information to the County Election Office next week.

- Mr. Hensler stated that he had to increase from a 1-inch service to 1.5-inch based on the current calculation to include the fire sprinklers and the costs are much higher for 1.5” compared to a 1-inch.
- General Manager Gray stated that it is up to the customers to determine the size of the service not FOWD.
- Mr. Hensler stated that he will recalculate to get back to 1-inch and obtain the refund for the payment for the 1.5-inch.

### **III. Consent Calendar**

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

1. Approval of minutes
  - a. Regular Board Meeting of April 14, 2014
2. Accept and file Treasurer’s Report for the month of April, 2014
3. Accept and file Investment Report for the month of March, 2014
4. Accept and file Financial Expense Report for the month of April, 2014
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of April, 2014
7. Approval of Monthly Board Expense Report for the month of April, 2014

Director Sarkovich moved to approve the consent calendar.

Director Marx seconded the motion.

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

Absent: Director McRae

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

#### **1. Correspondence dated April 17, 2014 from the Sacramento Local Agency Formation Commission**

- General Manager Gray provided an overview of Sacramento LAFCo’s 2014-2015 proposed budget. He stated that Sacramento LAFCo will conduct a public hearing for the final budget on June 4, 2014 at 5:30 PM. He stated FOWD is generally obligated to pay approximately \$1,800 annually.

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

### **1. Update and discussion on FOWD Water Supply for the month of April, 2014**

- General Manager Gray reported that the total 545 AC-FT of water demand in April was met from 25.2% (137.18 AC-FT) groundwater pumping; with 74.8% (407.82 AC-FT) provided by SJWD. The District's overall consumption was 22.2% below the 10-year average and 35% reduction from 2013 for the month of April.
- Director Sarkovich inquired on the status of the Groundwater Pumping reimbursement.
- General Manager Gray stated that FOWD is working with Citrus Heights on invoicing SJWD for groundwater.

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

- General Manager Gray stated that the District approved the budget for the Madison Well drilling. FOWD has executed the contract with the driller and should start within the next few weeks. He stated that the District is also seeking grant funding for this project.

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

- Director Marx reported that SJWD approved with a Phase II project; to start a more detailed analysis/implementation of the SSWD/SJWD consolidation. He stated that he and General Manager Gray expressed concerns about water rights and rate stabilization. He and General Manager Gray provided testimony before the joint committees that FOWD is not for or against the consolidation; however, FOWD would like to preserve the pre-1914 water rights for existing customers.
- President Gossett inquired on the Pump Back project.
- SJWD Assistant General Manager Durkin provided an overview of the planned conjunctive use of surface water and groundwater water related to the "Pump Back Project." He stated that SJWD is trying to effectively put the water to beneficial use and to secure the water rights. He stated that the Pump Back project will be completed regardless of the consolidation.
- President Gossett inquired on how FOWD can be guaranteed not to lose its water rights.
- SJWD Director Costa stated that the SJWD-W must show beneficial use on all the water rights. If the water is not being used, it will be taken away. The water cannot be used outside of the SJWD-W borders. LAFCo is given the power to change the border lines. If SSWD and SJWD combine there will be savings. He stated that FOWD will get full allocation and nothing will change that. The goal is to keep the basin full of water.

- Director Sarkovich inquired on the fixed water contract.
- SJWD Director Costa stated that contracts take a long time to complete. He stated he would like all the family members to have the same contract.
- General Manager Gray stated that the upcoming SJWD financial plan included a component of an analysis for the fixed water allocation of “Take or Pay.”
- General Manager Gray suggested that SJWD staff present the Pump Back Project to FOWD Board.
- Director Costa stated that SJWD will have three meetings about the Pump Back Project at the end of this month, the 27<sup>th</sup>, 28<sup>th</sup> and 29<sup>th</sup>. FOWD is welcome to attend.
- Director Sarkovich inquired about the quality of water that FOWD would receive relative to the Pump Back Project.
- SJWD Assistant General Manager Durkin stated that the Pump Back project is intended to serve San Juan Retail, Orange Vale and the City of Folsom. FOWD will most likely not receive this water.
- Director Underwood asked for clarification of the water rights and the hierarchy of the water rights.
- SJWD Assistant General Manager Durkin stated that if SSWD water is included in the plan, if it is a dry year and the family is required to cut back, the family still retains the water rights with groundwater substitution transfer. Another scenario under the CVP shortage policy, SSWD can turn on wells and utilize the groundwater so that the total water portfolio would stay the same. Thus nobody has to cutback.
- SJWD Assistant General Manager Durkin stated there were comments related to the phase I study and it was restated at the joint workshop that there is recognition the pre-1914 water rights are high priority valuable water rights. The existing customers do not want to share the pre-1914 water and that an agreement is needed to make it clear.

**4. Report back on payment to Sacramento County for water main easement and work completed within Hazel Avenue bridge structure**

- General Manager Gray stated the Board had previously approved building a pipeline across the American River Bridge within Hazel Avenue. He stated that the attached payment to Sacramento County is for the design and installation of the pipeline sleeves through the south and north abutments of the bridge. This was originally budgeted for \$420,000 and the District settlement is for \$34,000.

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

**1. No Report.**

## **VII. Upcoming Events**

- 1. Fair Oaks Chamber of Commerce Business Luncheon / May 15, 2014 / Fair Oaks Community Club House**
  - Information only.
- 2. 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)**
  - General Manager Gray stated that Executive Director John Woodling from RWA agreed to attend our June Board meeting to discuss proposed RWA fee increases.
- 3. San Juan Family of Agencies Executive Committee**
  - General Manager Gray stated there were discussions on:
    - i. The 2x2 (SSWD/SJWD) consolidation
    - ii. Overview of the SJWD wholesale budget
    - iii. Preliminary analysis of the wholesale financial plan
    - iv. Discussions on drought planning and the Pump Back Project
  - President Gossett inquired on the 1% rate increase vs. 5% rate increase discussed at the last meeting at SJWD.
  - SJWD Assistant General Manager Durkin stated the 5% was for the retail rate increase and the 1% was for the temporary drought increase because of conservation which makes it 6% total.
- 4. Other**
  - Director Marx provided a brief overview of the ACWA Conference. He stated the ACWA conference focused on drought planning. Most of the discussions were conservation and increasing water supply by building more dams. He distributed related articles to the Board of Directors.

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

- 1. Budget Committee – (Sarkovich, Underwood)**
  - No meeting.

- 2. Technical Advisory Committee – (Marx, McRae)**
  - No meeting.
- 3. Capital Improvement Committee – (McRae, Sarkovich)**
  - No meeting.
- 4. Personnel Committee – (Gossett, McRae)**
  - Director Underwood stated that he attended the staff meeting and the employees provided good presentations.
- 5. Public Relations Committee – (Underwood, Gossett)**
  - No meeting.
- 6. Other**
  - None.

## **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.
- 2. Capital Projects Status Report**
  - General Manager Gray stated that the Capital Project status report included information on all projects included in the approved 2014 budget.
- 3. Safety Issues Update**
  - General Manager Gray stated the District had a blood borne pathogen training for all employees.
- 4. Financial Issues Update**
  - General Manager Gray stated the District is 24% under budget for the YTD operating expenses as of April 30, 2014.
- 5. Delta Issues – Update on Regional Involvement**
  - No report.
- 6. Other**
  - General Manager Gray reported that the District participated in the local parade with two dump trucks with kids. Director Underwood took pictures.
  - General Manager Gray stated the District provided a water information tour for 90 students, parents and teachers, from Earl LeGette School. The District

provided education covering Water Conservation, career opportunity within the water industry, and demonstrated water meters.

- General Manager Gray provided copies of the National Geographic news article that highlighted FOWD's ability to share water regionally and for environmental purposed.

**XI. Public Comment**

- None.

President Gossett closed the open session meeting at 7:55 p.m.

President Gossett called the closed session meeting to order at 8:00 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 8:49 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 8:49 p.m.

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The Board approved the preceding minutes on June 9, 2014

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Tom R. Gray  
General Manager/Board Secretary

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Date