



**District Attendees**

Lonny Gossett	Board President
Michael McRae	Board Vice 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
John Woodling	RWA Executive Director
George Babcock	Visitor

**Absent**

**AGENDA ITEMS**

**I. Call to Order**

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

**II. Public Comment**

- None.

General Manager Gray requested approval to move item VI.1 “Discussion and possible action on proposed RWA membership fees” to follow item IV.1 “Presentation by Regional Water Authority Executive Director.” President Gossett approved the proposed revision to the meeting agenda.

**III. Consent Calendar**

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

1. Approval of minutes

- a. Regular Board Meeting of May 12, 2014
2. Accept and file Treasurer's Report for the month of May, 2014
3. Accept and file Investment Report for the month of April, 2014
4. Accept and file Financial Expense Report for the month of May, 2014
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of May, 2014
7. Approval of Monthly Board Expense Report for the month of May, 2014

Director Sarkovich moved to approve the consent calendar.

Director Marx seconded the motion.

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

- Vice President McRae inquired on the wage garnishment.
- General Manager Gray stated that the wage garnishment came directly from the employee's pay check.
- Vice President McRae inquired on Rayce Wilson Trucking expense.
- General Manager Gray stated the District contracted with Rayce Wilson to provide trucking services on an as needed basis to haul away spoils.
- Vice President McRae inquired on the dump truck purchase.
- General Manager Gray informed the Board that the dump truck cost approved by the Board previously has been reduced by the trade-in amount by approximately \$10,000.
- Vice President McRae inquired on the change order under item III.5 "Warrants."
- General Manager Gray stated that the change order was required for the completion of the project and that it had been previously Board approved in the projects budget.
- Vice President McRae inquired on the cell phone battery purchase and whether FOWD issues cell phones to employees.
- General Manager Gray stated he can report back for specifics on the cell phone battery purchase. The District issues cell phones to employees for business needs especially those who are on-call or required to respond 24/7 for emergencies.
- General Manager Gray emphasized that every single check and credit purchase made is included in the monthly Board packet for Board and public review.

## **IV. Presentation & Correspondence**

### **1. Presentation by Regional Water Authority Executive Director**

- General Manager Gray introduced RWA Executive Director John Woodling to the Board.
- RWA Executive Director John Woodling provided an overview of the strategic plan and other significant topics including regional planning, conjunctive water use, budget (fees structure/government relations) and upcoming grant applications.
- RWA Executive Director John Woodling stated the Executive Committee agreed to have a committee setup to look at the RWA fee structure before the next budget process to provide a more equitable fee structure. He stated they will address the Fair Oaks Water District and Citrus Heights Water District's concerns about the double payment of fees (through their agencies and also through SJWD).
- Director Sarkovich inquired on the method of RWA fee calculation.
- RWA Executive Director John Woodling stated the fee structure has a base for the smallest agencies of \$4,000; there is a cap for agencies with connections above 40,000 connections; in between is a sliding scale based on the number of connections.
- Director Sarkovich stated that if there was a ceiling, the smaller Districts are subsidizing the larger Districts.
- RWA Executive Director John Woodling stated that all these scenarios will be taken into consideration when establishing a more equitable fee structure.
- Director Sarkovich inquired on the "Public vs. Actual" document fees in the fees summary in the Board packet.
- General Manager Gray reported that based on the analysis, the actual fees paid by FOWD versus what was published was much higher (Current Fee as published in public documents is \$17,146 vs. Actual 2013 Fee \$25,943; proposed is \$36,833).
- General Manager Gray provided a brief summary of the grants received from and expenses paid to RWA. He stated FOWD gained from being a member of RWA.
- Director Marx stated that RWA has the experts to go after the grant funding. He also believes that the lobbyist is necessary based on current water issues.
- Director Underwood agreed with Director Marx that we need the lobbyist as everybody is focused on our water, that the region needs a voice.

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

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

- Operations Manager Nisenboym reported that the total 960.87 AC-FT of water demand in May was met from 12.8% (122.66 AC-FT) groundwater pumping and 87.2% (838.21 AC-FT) surface water provided by SJWD. The ratio of groundwater production to surface water purchase was close to the District goal of 90-10 (surface-groundwater) and in line with normal for this month. The District's overall consumption was 22.5% below the 10-year average for the month and a 29% reduction from 2013 for the month of May.
- After the discussions on SJWD groundwater billing, the Board directed staff to work with the Technical Committee and send out a bill to SJWD for the groundwater pumping, then report back at the next Board meeting.
- General Manager Gray stated that he asked SJWD if FOWD can buy into the Pump Back Project and was told FOWD cannot participate in the Pump Back Project.

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

- General Manager Gray provided information related to the drought in the Board packet.

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

- General Manager Gray stated the attached report from SSWD/SJWD provides a recommendation to move to a phase II study of SSWD/SJWD consolidation. General Manager Gray posed some concerns relating to the consolidation including: Pre-1914 water rights, dilution of surface water rights, and no real analysis on actual costs of groundwater that comes to existing customers as a result of this merger.

### **4. Update on November 4, 2014 General Election**

- General Manager Gray reported that he submitted the documents required for the November 4, 2014 General Election. General Manager Gray stated three Directors (Underwood, McRae and Gossett) will be up for the election on November 4, 2014. General Manager Gray stated SJWD will have three Director positions (Walters, Peterson and Costa) up for election in the upcoming General Election. General Manager Gray will provide the Directors with the candidate guide and deadline schedule once they are available. General Manager Gray stated the candidate statement fee is generally \$400.

**5. Update and Discussion on providing water supply to the North Ridge Country Club**

- General Manager Gray stated North Ridge Country Club elected not to use the water service provided in the Interim Standby Domestic Service Agreement beyond May 31, 2014. However, North Ridge Country Club will continue to use the Standby Fire Service Protection as provided in the agreement. General Manager Gray emphasized that domestic service can be provided to North Ridge Country Club in the future only through annexation.

**6. Update and Discussion on FOWD water conservation activities**

- General Manager Gray reported that FOWD staff has recently provided multiple public presentations on conservation and he believes they have been very effective. General Manager Gray stated the average bi-monthly use for FOWD residential customers from January 1 to May 31 of last year compared to this year is 42 units to 27 units.
- Vice President McRae would like to obtain a copy of the National Geographic Article that General Manager Gray took part in.

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

**1. Discussion and possible action on proposed RWA membership fees.**

Director Marx moved to approve the proposed 2014-2015 fee schedule as presented in the Board Packet and to seek a more equitable RWA fee structure in the future.

Director Underwood seconded the motion.

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

**2. Discussion and possible action on FOWD Resolution No. 14-03; “A resolution of the Board of directors of the Fair Oaks Water District adopting the American River Basin Integrated Water Management Plan”**

Director Marx moved to approve the Resolution No. 14-03.

Director Sarkovich seconded the motion.

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

**3. Discussion and possible action on FOWD participation in the Orangevale Food Bank “Adopt-a-Month” program”**

- General Manager Gray recommended that the Board direct staff to participate in the Orangevale Food Bank “Adopt-a-Month” program as part of the FOWD customer outreach program. Staff would like to sponsor July, 2014’s food drive.
- Director Sarkovich stated he endorsed this program 100% and suggested staff to approach Orangevale Water Company and do it together.

Director Sarkovich moved to authorize staff to participate in the Orangevale Food Bank “Adopt-a-Month” program.

Director Underwood seconded the motion.

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

**4. Discussion on SJWD wholesale water rates**

- President Gossett stated that SJWD will be increasing FOWD’s wholesale water rates 5% each year over the next three years.

**VII. Upcoming Events**

**1. Fair Oaks Chamber of Commerce Business Luncheon / June 19, 2014 / Fair Oaks Community Club House**

- Information only.

**2. Concerts in the Park / Sponsored by: FOWD & FORPD / June 26, 2014 / Fair Oaks Village Park**

- Information only.

**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 stated he included comments/questions related to the Pump Back Project in the Board packet.

- President Gossett inquired on the advantage of being part of the Pump Back Project.
- General Manager Gray stated that it would be good opportunity to secure water. General Manager Gray stated that FOWD participated indirectly through wholesale.

**4. Other**

- None.

**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 McRae inquired if FOWD has a uniform service.
- General Manager Gray stated no.
- Director McRae stated at the last employee meeting, he saw some staff's uniforms were soiled and recommended staff to monitor their uniform and replace as necessary. He indicated that FOWD has budgeted uniforms and only \$763 YTD was spent compared to YTD budget of \$7,500.
- President Gossett inquired on the recruitment of a new employee. Did FOWD lose an employee?
- General Manager Gray stated the District provided opportunities for two field individuals to pass the D-1 certification within one year of employment. The District requires D-1 certification to work on the public water system. One of the employees did not get the certification within the required timeframe and was let go. It was unfortunate because the employee was well-liked by all the District employees.

**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**

- Director McRae stated the District conducted "safe driving" training for all employees.
- Director Sarkovich inquired on number of accidents FOWD has.
- General Manager Gray stated accidents occurred once a year on average and that the District documents all incidents.

### **4. Financial Issues Update**

- General Manager Gray stated the District is approximately 20% under budget for the YTD operating expenses as of May 31, 2014.

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

- General Manager Gray provided a brief overview of the current water bond proposals.

### **6. Other**

- None.

## **XI. Public Comment**

- Mr. Babcock voiced his concerns over Folsom Lake being dry. He was impressed with FOWD Board and General Manager of the way the things are being managed and he is a proud customer.

President Gossett closed the open session meeting at 9:22 p.m.

President Gossett called the closed session meeting to order at 9:30 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 10:25 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 10:25 p.m.

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The Board approved the preceding minutes on July 14, 2014

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Tom R. Gray  
General Manager/Board Secretary

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Date