



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
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager

Other Attendees

Shauna Lorance	SJWD General Manager
Ted Costa	SJWD Board Member
George Babcock	Visitor
Karen Hallagan	Visitor

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Mr. Babcock inquired whether the Conservation Stages are universal around the State.
- SJWD General Manager Lorance stated that the Conservation Stages are similar among the agencies but slightly different in that different agencies can declare the Stage it is in. SJWD currently has a 25% water consumption reduction.
- General Manager Gray stated that FOWD is currently in a Stage 3-Water Warning with a 20% cutback. FOWD is on target with the 20% water consumption reduction as of July 2014.

- Mr. Babcock inquired whether FOWD has stages beyond Stage 5.
- General Manager Gray stated that Stage 5 is the highest and the District will take extreme measures when it reaches Stage 5. He suggested that Mr. Babcock schedule an appointment and he will be happy to discuss the Conservation Stages in detail or any other questions/concerns Mr. Babcock may have.
- Director Sarkovich inquired (SJWD General Manager Lorance) on the action plan for the 4th year drought.
- SJWD General Manager Lorance stated that currently SJWD is working on the Pump Back Project. On the retail end, they are working with the tie-ins. They are also working with the US Bureau of Reclamation for the alternative if the lake drops below the intake.

III. Consent Calendar

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

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

- Director McRae inquired whether East Bay Tire Company under III.2 “Treasurer’s Report” was local.
- Operations Manager Nisenboym stated East Bay Tire Company is a local company.
- Director McRae inquired on the customer overpayment refund of \$7,320 under III.2 “Treasurer’s Report.”

- General Manager Gray stated that the customer made the wrong payment amount on the water account and the District refunded the customer the overpayment amount.
- Director McRae inquired on the claims for damages of \$295 under III.2 “Treasurer’s Report.”
- General Manager Gray stated the District damaged the customer’s property and reimbursed for the damaged incurred.

IV. Presentation & Correspondence

1. Correspondence dated August 4, 2014 from Heather Road customer

- General Manager Gray introduced Ms. Karen Hallagan, a Fair Oaks Water District customer requesting to place a community lending library at the Heather Road Well.
- Ms. Karen Hallagan provided a brief overview of the Little Free Libraries. She stated that there are 15,000 of these libraries in the United States and they are little structures on a post, similar to a bird house, where neighbors can donate or borrow a book or magazine. She asked the Board to consider allowing the Little Free Libraries to be placed in front of the brick planter along the road at the Heather Well site.
- General Manager Gray stated there will be no cost to the District and it will be on the County’s easement; it seems like good public relations.
- Director Sarkovich supports having the lending library at the Heather Well site.
- Director Underwood stated he believes having the structure there is a great idea; however, he would like to see that someone takes the responsibility of cleaning it.
- Vice President McRae is concerned about, liability, safety issues and the adult content of the book/magazine.
- General Manager Gray stated he will inquire with legal on the liability. He stated that he will contact Ms. Hallagan at a later date on this matter.
- Ms. Hallagan thanked the Board for their time and consideration.

2. Correspondence dated August 4, 2014 from The Office of Congressman Ami Bera

- General Manager Gray stated The Office of Congressman Ami Bera contacted the District concerning a water conservation / drought resource workshop. There will be various representatives including CA DWR’s to provide an overview of statewide drought and RWA to provide an overview of best conservation

practices. The workshop will be at the District and the meeting will start at 9 a.m. on August 27, 2014.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD Water Supply for the month of July, 2014

- Operations Manager Nisenboym reported that the total 1,400.67 AC-FT of water demand in July was met from 28.75% (402.64 AC-FT) groundwater pumping and 71.25% (998.03 AC-FT) surface water provided by SJWD. The ratio of groundwater production to surface water purchase was higher than normal (90-10) due to wholesale water provider requesting for additional groundwater pumping during part of July. The District's overall consumption was 25.5% below the 10-year average for the month and a 19.6% reduction from 2013 for the month of July.
- Director Sarkovich inquired on the need for SJWD to request FOWD to reduce groundwater pumping.
- General Manager Gray stated that due to the drought conditions and balancing with the availability of surface water (Folsom Lake), FOWD was asked to change its pumping at different times. Recently a flow restriction has been placed on the surface water.
- SJWD General Manager Lorance stated our water rights have a limit of instantaneous flow of 75 cfs. FOWD and Citrus Heights have been helping to keep below 75 cfs. Ms. Lorance stated the operators worked well together and she appreciates the excellent support FOWD provided.
- Director McRae inquired on the 75 cfs; whether it was always there.
- SJWD General Manager Lorance stated that it has always been there. We have not had to encounter this situation since the Lake has not been this dry in prior years.
- Director Sarkovich inquired on the counter measure SJWD would take should there be a 4th dry year.
- SJWD General Manager Lorance stated that the Pump Back Project will allow SJWD to provide the same level of service to the agencies.
- Director Sarkovich inquired on the allocation of the Pump Back Project.
- SJWD General Manager Lorance stated that the reduction of the 30% surface water would be supplemented by groundwater.

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

- General Manager Gray reported that the District will be test pumping the Madison Well on August 12, 2014.
- General Manager Gray added that on Thursday August 14, 2014, the general managers will meet to discuss groundwater invoicing. The general managers and one of the Board members will meet the following week to discuss groundwater invoicing.
- President Gossett inquired on the gallon per minute for the Madison Well.
- General Manager Gray stated it is projected at 1,200 gpm.
- Director Sarkovich inquired on the drilling and equipping of the well expenses.
- General Manager Gray stated the District budgeted \$600,000 for the drilling of the well. The District is hoping to receive the \$750,000 grant to help offset the costs of phase II. He also noted that the developers donated the well site and paid for a portion through the connection fees.

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

- General Manager Gray reported that SJWD/SSWD approved for a phase II study of the SSWD/SJWD consolidation.

4. Update and Discussion on FOWD water conservation activities

- General Manager Gray stated RWA put out a press release stating that Sacramento is on target with the water demand reduction. He stated that SJWD is having an open house and asked that FOWD have a booth and provide conservation information.

5. Update and discussion on SJWD wholesale water rates

- General Manager Gray stated the Budget included a 5% wholesale water rate increase for FOWD in 2015; with the compounded rate of 61% through 2024.
- President Gossett inquired on the change from 5%/5%/5% last drafted version for the three years vs. 5%/7%/7% on the revised budget.
- SJWD General Manager Lorance responded the 5%/5%/5% were from the old financial plan document.
- The Board inquired on the Fair Oaks 40-inch project included in the SJWD 2015 Budget document under the Capital Program.
- General Manager Gray stated that per the agreement, work being done on FO 40-inch requires FOWD input and agreement.

- SJWD General Manager Lorance stated that the 2015 Budget did not include the Fair Oaks 40-inch project; it was included in the 2015 Budget for information only.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on the “Request for Qualification” to select a new Special District Financial Auditor – prior Auditor termed out in accordance with District policy

- General Manager Gray stated in accordance with District policy, prior auditor termed out. He recommended the Board to approve the attached Request for Qualifications (RFQ) to select a new Special District Financial Auditor. He stated the RFQ will be sent out to nine companies on 8/12 or 8/13.

Director Sarkovich moved to approve the Request for Qualifications to select a new Special District Financial Auditor.

Director Underwood seconded the motion.

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

VII. Upcoming Events

1. Senator Ted Gaines Town Hall Meeting / August 12, 2014 / Orangevale Community Center

- Information only.

2. Supervisor Susan Peters 2014 Community Coffee Meeting / August 20, 2014 / Fair Oaks Water District

- Information only.

3. San Juan Water District Community Open House / August 20, 2014 / SJWD Office

- Information only.

4. Fair Oaks Chamber of Commerce Business Luncheon / August 21, 2014 / Fair Oaks Community Club House

- Information only.

5. Congressman Ami Bera Drought Resource Workshop / August 27, 2014 / Fair Oaks Water District

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- SGA is scheduled to meet Thursday, August 15, 2014.

2. Regional Water Authority (RWA)

- General Manager Gray reported the RWA meeting included policy updates and discussions on Water Efficiency Program and drought applications.
- Director Marx stated he attended meeting on the RWA fees structure and they might go on a percentage base.

3. San Juan Family of Agencies Executive Committee

- No meeting.

4. Other

- None.

IX. Directors' Reports & Comments

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

- No meeting.

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

- Director Marx reported the Technical Committee met and discussed the Pump Back Project.

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

- No meeting.

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

- No meeting.

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 contains information on all projects included in the approved 2014 budget.
- President Gossett inquired on the status of the steel main.
- General Manager Gray reported that FOWD abandoned a portion of the 30-inch steel main.

3. Safety Issues Update

- General Manager Gray reported briefly on safety issues.

4. Financial Issues Update

- General Manager Gray stated the District is approximately 17% under budget for the YTD operating expenses as of July 31, 2014.

5. Delta Issues – Update on Regional Involvement

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

6. Other

- None.

XI. Public Comment

- Mr. Babcock commented on the need to monitor customer's water usage.
- General Manager Gray stated that currently, the District provides in the customers' billing statements, a six month comparison for water consumption. With the smart register, the District has the ability to monitor water consumption by the minute if need be. At any given time, should the District need to monitor more closely, a smart register can be installed, if it is not already, at the address requiring more closely monitored.

President Gossett closed the open session meeting at 8:11 p.m.

President Gossett called the closed session meeting to order at 8:21 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 9:36 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 9:36 p.m.

The Board approved the preceding minutes on September 8, 2014

Tom R. Gray
General Manager/Board Secretary

Date