



District Attendees

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

Other Attendees

Mitch Dion	Visitor
Diana Kindermann	Abbott & Kindermann, LLP
Glen Hansen	Abbott & Kindermann, LLP
Delinda Tamagni	Visitor
Lucinda Luttgen	Visitor

Absent

AGENDA ITEMS

I. Call to Order

- President McRae called the meeting to order at 6:31 p.m.
- The Board moved agenda item V.3: “Update and discussion on the Gastman Way Water Main Replacement Project” to follow the public comment.

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 August 10, 2015
2. Accept and file Treasurer's Report for the month of August, 2015
3. Accept and file Investment Report for the month of July, 2015
4. Accept and file Financial Expense Report for the month of August, 2015
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of August, 2015
7. Approval of Monthly Board Expense Report for the month of August, 2015

Director Marx moved to approve the consent calendar.

Director Underwood seconded the motion.

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

IV. Presentation & Correspondence

1. Correspondence dated August 27, 2015 from the State of California congratulating FOWD on water conservation efforts

- General Manager Gray stated the correspondence indicated that FOWD met/exceeded the required conservation target for June and July 2015.

2. Correspondence dated August 28, 2015 to Assemblyman Bigelow

- General Manager Gray stated the attached letter from Regional Water Authority expressed the Sacramento region's opposition to SB 20 and any short-term attempts to legislatively or administratively impose a water tax on California residents.
- General Manager Gray stated Director Marx responded that he and General Manager Gray were fine with FOWD being a signatory to the letter.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD Water Supply for the month of August, 2015

- Operations Manager Nisenboym reported that the total 1,034.28 AC-FT of water demand in August was met from 12.5% (128.89 AC-FT) groundwater pumping and 87.5% (905.39 AC-FT) surface water provided by SJWD. The District's overall consumption was 42% below the 10-year average with a 36.6% reduction from August 2013.
- General Manager Gray emphasized that the ability to conserve in the winter will be more challenging since most of the usage will be indoor.

2. Update and discussion on the Madison Well Project

- General Manager Gray reported that the consultant's key employees working on the Madison Well project left the company; thus causing the project to be behind

by three weeks. He stated that relative to reporting with RWA, it is not a problem at this time.

3. Update and discussion on the Gastman Way Water Main Replacement Project

- General Manager Gray reported that at the last Board meeting the Directors discussed and agreed on the next steps for the Gastman Way Project to be as follows:
 1. Approval of the record of survey by the County of Sacramento and establishing actual legal parcels.
 2. Field staking of the legal parcel owned by the Fair Oaks Water District would be completed in accordance with the record of survey.
 3. A meeting at the site with the neighboring property owners to visually assess the encroachments.
 4. Design and construction of final landscape & District boundary demarcation will be completed after the installation of a new pipeline.
- General Manager Gray stated the record of survey was submitted to the County of Sacramento prior to the last Board meeting. The record of survey is still not approved by the County of Sacramento at this time; despite the efforts put in by District staff.
- General Manager Gray stated that SMUD and AT&T conflicts have been resolved. The design of the pipeline for the Gastman project is 80% complete.
- Ms. Kindermann thanked the Board for the opportunity to speak. She stated that she is with Abbott & Kindermann, LLP and that she is representing two landowners. She stated that they received public request information timely but did not receive a survey with a civil engineer stamp on it and would like one.
- Ms. Kindermann stated that General Manager Gray has agreed to meet with her and she will have her staff contact General Manager Gray tomorrow to schedule a meeting.
- Mr. Hansen from Abbott & Kindermann, LLP stated his firm sent a letter to the Board reiterating some of the legal issues that were unstated at the last Board meeting.
- Director Sarkovich inquired if General Manager Gray received a copy of the letter.
- General Manager Gray stated that he did not receive a copy.
- Director Sarkovich stated General Manager Gray can have his copy. He directed General Manager Gray to forward the letter from Abbott & Kindermann, LLP to FOWD's legal team.

- Ms. Kindermann stated that she will have a copy emailed to General Manager Gray.
- A customer inquired whether the District intends to claim all of the property and if the District considers it necessary to replace the water main.
- General Manager Gray stated that the District intends to establish property rights and ownership of the property first. The District will then work directly with the property owners on encroachment issues.
- Director Sarkovich inquired on certain encroachments related to the house at the Gastman property and what General Manager Gray intended to do with it.
- General Manager Gray emphasized that he will only make recommendations to the Board and the Directors will make the decision. He stated his recommendations will be on behalf of the customer's best interest and the best interest of the Board of Directors. He stated that staff will work with the property owners and hopefully both can come to an agreement. If the property owners and District staff cannot come to an agreement, the owners can discuss with the Board.
- A customer requested that the District consider relocating the water main next to the existing water main rather than replacing at the current location to minimize the impact to the affected owners.
- Ms. Tamagni provided pictures taken from the back deck of her house and stated that she and her family love the beautiful foliage and greenery. It was the neighbors, community and beautiful landscape that made her family decide to reside in Fair Oaks. She added that she read and researched the CEQA. She explained that CEQA is a statute that requires agencies to assess any impact that a project has. She noted General Manager Gray stated that this project was exempt from CEQA. She stated she read and contacted people and could not find the exemptions.
- General Manager Gray stated that the District is replacing in kind; thus it would be exempt. General Manger Gray stated that the District will work with Ms. Tamagni on her property and hope that both can come to an agreement.
- Ms. Tamagni stated she has a lot of trees that she estimated would cost around \$10,000 to cut down and asked that the District consider finding ways to preserve the trees. She stated she would like this project to be carefully monitored and inquired if District staff will be present.
- General Manager Gray stated that generally, a District construction inspector monitors all District projects.

- Vice President Underwood stated that he would like to take a field trip and look at the affected properties prior to making decisions.
- General Manager Gray stated that he believes the homeowners would endorse any Board members touring the site.
- A customer stated that she is not contesting nor that the other owners are contesting the District's ownership of the property. She is concerned about the landscaping and demarcation. She believes that demarcation is not necessary.
- General Manager Gray stated that the Board will not allow him to proceed with phase III (final landscaping and FOWD parcel demarcation) without the Board's approval and public input. He stated that once the construction starts, the District will be able to determine what needs to be done. At this time, he cannot make any promises.
- President McRae stated at this time, the District is waiting for the record of survey to be approved, once it is approved, FOWD will stake the property and then will continue the discussion on the marking process.

4. Update and discussion on FOWD partnership with the American River Parkway Foundation

- General Manager Gray stated that this item was placed on the Agenda upon Director Marx's request. He stated that there seems to be a miscommunication between his interpretations of the Board approved action related to the American River Parkway Foundation. He stated that he worked with Chris McQuire on water conservation messaging that could be achieved with a partnership between FOWD and ARPF. He indicated FOWD would: 1) have its logo on the American River Parkway Foundation website for one year; 2) put FOWD's booth at their events; and 3) be a working partner with team activity.

5. Update and discussion on proposed operations to test the SSWD / SJWD Antelope Pump Station Project – pumping SSWD groundwater into the SJWD Wholesale service area

- General Manager Gray provided an overview of the proposed District operations during the Pump Station Project. He stated that FOWD is collaborating with the testing exercise unless the Board decides not to.

6. Update and discussion on the 2009 – 2014 groundwater reimbursement agreement

- General Manager Gray stated that conceptually, all have agreed upon the 2009-2014 reimbursement. An agreement is needed to receive the reimbursement. He stated the attached document has been vetted through CHWD and FOWD Board's and also through SJWD's legal. FOWD has not responded to this yet and it is currently a working document.

7. Update and discussion on the 2016 FOWD budget process

- General Manager Gray reported that staff is working on the 2016 Budget and should be meeting with the District Budget Committee in October. Staff will present the proposed capital improvements for the next five years for financial planning at the subcommittee meeting. The Budget will be presented to the full Board in November. He stated as part of the process, staff is developing the Five-Year Financial Plan. He stated FOWD has several capital improvement projects including Hazel Avenue and the FO 40 that will cost more than \$6M over the next five years.
- Vice President Underwood inquired whether SJWD General Manager Lorange talked to General Manager Gray on the \$62 per AF infrastructure restoration fee.
- General Manager Gray stated no.
- Vice President Underwood provided an overview of the 2016 water transfer and stated that he invited SJWD General Manager Lorange to present to FOWD and see if FOWD can participate in the water transfer.
- General Manager Gray stated that what they are proposing now is transfer of conserved water which is unique. He stated that there is opportunity if FOWD, along with other agencies, can work collaboratively to do the groundwater substitution transfer; which is a known transfer that has been done all the time.
- President McRae stated that he asked General Manager Gray to have SJWD General Manager Lorange make a presentation on potential 2016 water transfers at the December 2015 FOWD Board meeting.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on Sacramento LAFCo nominations for Special District representation

- None of the Board members had an interest in the LAFCo nominations. None of the Board members made a nomination.

2. Discussion on providing water service to the FO EcoHousing Project located on New York Avenue

- General Manager Gray reported that he provided a written response to the applicant and that the document was included in the Board Packet. He stated that FO EcoHousing requested that the District setup a public water system on private property, own and maintain it, and supply the water based on one connection.
- General Manager Gray stated that he believes that the applicant will come back with an alternate proposal for public water service.

3. Update on SJWD discussions on water management and reliability options

- General Manager Gray stated that water management and reliability options were presented at the September 2015 SJWD Board meeting. SJWD wants to study

anything that would allow them to control more water supply such as building storage upstream of the American River.

4. Discussion and possible action on hiring one part-time staff for the remainder of 2015

- General Manager Gray stated that current staff workload is full and he needs some assistance to complete some of the projects. He would like to hire a part-time employee, Mitch Dion, from now until the end of 2015 to assist with the projects. He stated there is money available in the 2015 Budget for a part-time position. He stated that he had the opportunity to work with Mr. Dion in the past related to SJWD groundwater reimbursement.
- The Board approved the request and decided that Vice President Underwood will work with General Manager Gray to come up with a project task list for the limited-term employee.

VII. Upcoming Events

1. Sacramento County OES Winter Weather Briefing / October 8, 2015 / Sacramento

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- Vice President Underwood reported that RWA discussed pending legislation that would affect water purveyors in the area. He stated that there was a vote for RWA Executive Director's pay raise. He stated that he voted for the increase.

3. San Juan Family of Agencies Executive Committee

- General Manager Gray stated that the FOWD Board approved to host a user meeting at the District using the time allotted previously for the San Juan Family of Agencies Executive Committee. He stated that all the concerned agencies can meet and have a workshop on a specific topic such as the merger or groundwater banking. The first meeting has yet to be scheduled.

4. Other

- None.

IX. Directors' Reports & Comments

1. Budget Committee – (Sarkovich, Underwood)

- No report.

2. Technical Advisory Committee – (Marx, McRae)

- President McRae stated that he would like to meet in September to work on the response to SJWD President Ted Costa's letter.

3. Capital Improvement Committee – (McRae, Sarkovich)

- No report.

4. Personnel Committee – (Tafoya, McRae)

- President McRae stated that he met with General Manager Gray. He stated that if something developed with the hiring of Mitch Dion that requires the personnel committee, he will be glad to meet.

5. Public Relations Committee – (Underwood, Tafoya)

- No report.

6. Wholesale Water Communications Committee

- Director Marx stated that they have established a level of trust among the four Board members and committed to work on the problems. He indicated that the two Boards seem to have different documents and they would like for General Manager Gray and SJWD General Manager Lorange to agree on the agreements/documents and provide both Boards identical documents to review.
- Director Marx stated that the four Board members can look at the Wholesale Water Agreement and then present to the two Boards on the framework.

7. Other

- None.

X. General Manager's Report

1. Monthly Maintenance Work Report

- No report.

2. Capital Projects Status Report

- Information is provided. No discussion.

3. Safety Issues Update

- General Manager Gray reported that during a localized power outage due to a power line that went down, District employees immediately rerouted the traffic. He stated this provided an opportunity for the District to handle an emergency situation. Within fifteen minutes, the District was working using the emergency generator. He stated that from this experience, the District will be providing a stand-alone emergency power supply for Customer Service.

4. Financial Issues Update

- None.

5. Employee Update

- None.

6. Delta Issues – Update on Regional Involvement

- No report.

7. Other

- General Manager Gray reported that, in accordance with Board direction, he provided a written response to a customer; a copy of which was included in the Board Packet.

XI. Public Comment

- None.

XII. Adjournment

With no further business to come before the Board, President McRae adjourned the meeting at 9:06 p.m.

The Board approved the preceding minutes on October 12, 2015

Tom R. Gray
General Manager/Board Secretary

Date