



District Attendees

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

Other Attendees

Jeffrey Mitchell	Kronick, Moskovitz, Tiedemann and Girard
Dan Cucchi	Abbott & Kindermann LLP
Laurie Steffen	Visitor
George Babcock	Visitor
Kerry Gates	Visitor
Carol Eisenhower	Visitor
Lucinda Ernst Luttgen	Visitor
John Spinella	Visitor
John Gospodnetich	Visitor

Absent

AGENDA ITEMS

I. Call to Order

- President Underwood called the meeting to order at 6:32 p.m.

II. Public Comment

None.

President Underwood moved agenda Item IV.1 before the consent calendar.

III. Consent Calendar

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

1. Approval of minutes
 - a. Revised Regular Board Meeting of December 14, 2015
 - b. Regular Board Meeting of January 11, 2016
 - c. Special Board Meeting of January 14, 2016
 - d. Regular Board Meeting of November 9, 2015
 - e. Special Board Meeting of November 16, 2015
2. Accept and file Treasurer's Report for the month of January, 2016
3. Accept and file Investment Report for the month of December, 2015
4. Accept and file Financial Expense Report for the month of January, 2016
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of January, 2016
7. Approval of Monthly Board Expense Report for the month of January, 2016

General Manager Gray stated that the Minutes for November 9, 2015 and November 16, 2015 are not included for action. He would like to work with one of the Board members on these two sets of minutes prior to bringing them to the Board for action.

Director McRae moved to approve the consent calendar excluding the November 9 and November 16, 2015 meeting minutes (items 1.d and 1.e).

Director Marx seconded the motion.

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

IV. Presentation & Correspondence

1. Staff presentation and discussion on the Gastman Way Water Main Replacement Project

- General Manager Gray provided a presentation on the Gastman Way Water Main Replacement Project. He provided an overview of each property affected and included pictures of each property. He communicated to the Board the concerns that each property owner has. The property owners were provided an opportunity to comment as their properties were being discussed.
- The Board and the customers thanked General Manager Gray for a great presentation.
- The Board directed General Manager Gray to work with the customers to work out the details; then meet with the Technical Committee.
- General Manager Gray stated he can meet with customers; he would like to clarify whether the Board wants FOWD legal to meet with the customer's legal.

- Vice President Sarkovich stated that General Manager Gray can go ahead and meet with customers and their legal.
- General Manager Gray stated he would like to work with Legal to develop a standard template for the agreement.

V. Discussion and Action Items: Old Business

1. Discussion and possible action on funding for FO-40 Phase II Pipeline Project

- General Manager Gray provided the Board with the payment options for the FO-40 Phase II Project and the Sacramento County's updated payment schedule for Hazel Avenue Phases II and III. He stated originally the District had thought the FO-40 Phase II Project would be further out; therefore, direct pay would have been a better option. General Manager Gray noted that the current FO-40 Project schedule overlaps with the Haze Avenue Phases II and III and stated that the spread pay would be a better option now.
- Vice President Sarkovich stated that he only wanted to pay based on the actual cost incurred for the project.
- The Board directed General Manager Gray to execute the agreement with SJWD as soon as possible to avoid the facility charge in the second quarter.
- Vice President Sarkovich asked General Manager Gray to have SJWD place on its agenda, the FO-40 Phase II payment option for him to discuss.

Director Sarkovich moved to approve the first quarter invoice of \$98,325; directed General Manager Gray to approach SJWD to execute an agreement as soon as possible and have SJWD place the FO-40 payment option on their agenda.

Director Marx seconded the motion.

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

2. Update and discussion on FOWD water supply for the month of January, 2016

- Operations Manager Nisenboym reported that the total 319.18 AC-FT of water demand in December was met from 10.5% (33.45 AC-FT) groundwater pumping and 89.5% (285.73 AC-FT) surface water provided by SJWD. The District's overall consumption was 27.5% below the 10-year average. The total consumption for the period of June through December of 2015 is 5,808.65 AC-FT which is a reduction of 35.4% from the same period of 2013.

3. Update and discussion on the District Water Conservation Program

- General Manager Gray stated the new Executive Order extended the conservation requirements to October 2016 with a 33% reduction in water use.
- Vice President Sarkovich stated that most of the water usage is landscape. He stated that the Eco Landscape needs to be on the March 2016 Agenda.

4. Update and discussion on the Madison Well Project

- General Manager Gray reported that the specification for the Madison Project is complete and being reviewed. The public notice was placed on January 25, 2016 and February 1, 2016. The walk through is on February 16, 2016 and the bid due date is March 1, 2016.
- Director McRae complimented on the Madison Well bid packet.

5. Update on annual District financial audit for the year ended December 31, 2015

- General Manager Gray reported that the District will not be able to finalize the audit in March as planned due to the GASB 68 requirements. The CalPERS actuarial report may not be released until spring. He stated that the audit can be performed but will not be finalized.
- The Board directed staff to have the audit as scheduled pending the pension/GASB 68.

VI. Discussion and Action Items: New Business

1. Discussion on 2016 San Juan Water District's Wholesale Water Rates

- General Manager Gray reported that based on the 2016 wholesale water rates, there is approximately a 13% rate increase from the 2015 actual compared to the 2016 rates for fixed charge, debt and commodity (projected). The District budgeted for surface water in 2016 using a lower percentage; thus, the District estimates having a short-fall of approximately \$77,600.

2. Discussion and possible action on request to revise Policy 6200: "Meter Reading"

- Customer Service Manager Huckaby stated that at the January 2016 Board meeting, a customer came in and requested an adjustment to her water bill due to a leak. The Board directed staff to present recommendations for a leak adjustment policy. Attached is the revised Policy 6200 which allows District customers the opportunity to apply for a billing adjustment when a private leak causes excess water usage.
- Director McRae suggested putting on the leak adjustment form a maximum 500 CCF with the 50/50 split.

Director Marx moved to approve the Policy 6200: "Meter Reading" with a maximum 500 CCF and 50/50 split on the form.

Director Tafoya seconded the motion.

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

3. Discussion and possible action on approval of a contract for the 2015 Urban Water Management Plan

- General Manager Gray recommended that the Board authorize him to sign the contract with Peterson.Brustad.Inc. to complete the 2015 Urban Water Management Plan in the amount of \$50,626. The District budgeted \$65,000 for this work.

Director Sarkovich moved to authorize General Manager Gray to sign the contract with Peterson.Brustad.Inc. to complete the 2015 Urban Water Management Plan for \$50,626.

Director Marx seconded the motion.

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

4. Discussion and possible action on disposal of District vehicle

- General Manager Gray stated that the District would like to dispose of the 2008 GMC dump truck due to maintenance problems that deem it out of compliance with the California Air Resource Board regulations. The District received two offers for this truck, one in the amount of \$17,000 and one in the amount of \$17,500. The District recommends taking the offer from GM Construction & Developers, Inc. for \$17,500.
- General Manager Gray stated typical government agencies would go to auction but would most likely receive much less money for it.
- Vice President Sarkovich inquired on the current market value for the GMC truck and whether the \$17,500 was a good price.
- Mr. Spinella stated that he believes that it is a good price based on his online research. He stated with the truck not being in compliance, the District could spend up to \$25,000/\$30,000 to retrofit it for use. He does not recommend retrofitting the truck. He stated going to auction may be the proper way to do this; however, the District may get only \$5,000. He deferred to the Board to make the decision.
- Vice President Sarkovich stated that he wished there were more bids.
- General Manager Gray stated the safest way to go is take this to auction.
- Director Tafoya suggested advertising it on Craigslist; it is open to the world. He agreed that the District will not get much money by going to the auction.
- Vice President Sarkovich recommended changing the District's policy.
- General Manager Gray agreed that the District should change the policy. He stated staff would bring a surplus liquidation policy to the Board in the near future.
- Mr. Babcock suggested advertising outside of California.

- Director McRae emphasized that these types of sales should be advertised. He stated it should be placed on the District’s website or advertised in the newspaper. He stated that a quote is not a bid.

Director Sarkovich moved to authorize General Manager Gray to dispose of the 2008 GMC dump truck (079) based on the highest quote received from GM Construction & Developers, Inc. in the amount of \$17,500.

Director Marx seconded the motion.

Motion carried with the following votes: Marx – aye, McRae – no, Sarkovich – aye, Tafoya – aye and Underwood – no.

5. Discussion and possible action on approval of a contract for Landscaping Improvement Project at the Skyway Tank site

- Operations Manager Nisenboym stated that the District sent the RFP to 12 contractors and received 2 bids back (\$23,640.75 from Arbowell Professional and \$54,360 form Tree Care Inc. He recommended the Board authorize the General Manager to sign a contract with Arbowell Professional to complete the Landscaping improvements at Skyway Tank for \$23,640.75.
- Operations Manager Nisenboym stated the 2016 Budget included the 2015 estimated expense of \$17,500 for the Landscaping project. He requested to carryforward the \$17,500 to 2016 and process a budget transfer of \$6,140 from the contingency fund to cover the difference.
- Director McRae stated that he needs the District to do competitive bidding and make it public. He stated that the District should include this process as part of the procurement policy.

Director Sarkovich moved to authorize the General Manager to sign a contract with Arbowell Professional to complete the Landscaping improvements at Skyway Tank for \$23,640.75 and to transfer \$6,140 from contingency fund.

Director Tafoya seconded the motion.

Motion carried with the following votes: Marx – aye, McRae – no, Sarkovich – aye, Tafoya – aye and Underwood – aye.

VII. Upcoming Events

1. Fair Oaks Chamber of Commerce Business Luncheon / February 18, 2016 / Fair Oaks Community Club House

- Information only.

2. 2016 ACWA Legislative Symposium / March 9, 2016 / Sacramento

- Information only.

3. 2016 Water Education Foundation Executive Briefing / March 17, 2016 / Sacramento

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- Director Marx provided a brief overview of the nomination at RWA.

3. San Juan Family of Agencies Executive Committee

- No report.

4. Other

- None.

IX. Directors' Reports & Comments

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

- No report.

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

- No report.

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

- Director McRae mentioned that staff was to bring a recommendation to the Capital Improvement Committee on the building at 10317 FOB based on the last Board meeting.
- General Manager Gray stated staff is working on it.
- Director McRae stated there is no rush; he just wants to remind staff.

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

- No report.

5. Public Relations Committee – (*Underwood, Tafoya*)

- General Manager Gray requested, prior to the next Board meeting, to work with the Public Relations Committee members to go over the minutes from November 2016 before bringing to the Board.
- The Board said yes.
- General Manager Gray stated he is ready to go over the IT upgrade to provide full disclosure on what the District has done in the past, current and the plan for the future.

- It was decided that Vice President Sarkovich and Director Tafoya will work with General Manager Gray on the IT upgrade after the March 2016 Board meeting.

6. Wholesale Water Communications Committee

- President Underwood stated the Committee met and invited Michael and Keith Durkin to provide input on the CIP flowchart. The indicated CIP flowchart has been worked on by the Committee and Bob wrote up the narrative to attach to it. He stated the Committee will present the information to the two Boards once all the comments have been vetted.
- Vice President Sarkovich inquired on the CIP.
- President Underwood stated this is related to the Capital Improvement downstream of Hinkle.
- President Underwood stated that SJWD is receptive and he believes that SJWD agreeing to the facility charge exception is good.
- Director McRae stated that he wanted FOWD and SJWD to find a common ground and commended the Committee of a job well done.

7. Other

- None.

X. General Manager's Report

1. Monthly Maintenance Work Report

- Report provided.

2. Capital Projects Status Report

- Report provided.

3. Authorizations of Additional Funding

- No report.

4. Water Transfer Status Report

- General Manager Gray provided a brief overview on the water transfer including certifying the meters and water production data.

5. Claims Against District

- Staff will provide a listing of claims and status monthly to the Board.

6. Employee Update

- No report.

7. Water Issues – Update on Regional Involvement

- No report.

8. Other

- None.

XI. Public Comment

- None.

President Underwood closed the open session meeting at 10:33 p.m.

President Underwood called the closed session meeting to order at 10:40 p.m.

XII. Closed Session Pursuant to Government Code Section 54954.5

1. Public Employee Performance Evaluation – General Manager

President Underwood reopened the meeting to the public at 11:54 p.m.

XIII. Report from Closed Session

- None.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Underwood adjourned the meeting at 11:54 p.m.

The Board approved the preceding minutes on March 14, 2016

Tom R. Gray
General Manager/Board Secretary

Date