



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 & Girard

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 items V.2, V.9, and VI.2 before the consent calendar.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of March 14, 2016
2. Accept and file Treasurer's Report for the month of March, 2016
3. Accept and file Investment Report for the month of February, 2016
4. Accept and file Financial Expense Report for the month of March, 2016
5. Approval of Warrants

6. Approval of Cal-Card Statements for the month of March, 2016
7. Approval of Monthly Board Expense Report for the month of March, 2016

- Director McRae inquired about bidding and stated he would like to have items that are not competitively bid (i.e. sole source) presented to the Board.
- Vice President Sarkovich stated this will all be resolved once the policies are revised. He suggested scheduling a Budget Committee meeting in May and reporting to the Board in June.
- General Manager Gray stated Director McRae has a valid point and staff can present the meter bid that is currently sole source to the Board.
- Director McRae stated staff can present the meter sole source in May.
- Director Marx suggested noting on the warrant how the purchase was approved.

Vice President Sarkovich moved to approve the consent calendar.

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. Presentation by staff of insurance refund due to positive District performance

- General Manager Gray provided a brief overview.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD water supply for the month of March, 2016

- Operations Manager Nisenboym stated that Folsom Lake is at 75% capacity; which is above normal for the year. He reported that the total 348.11 AC-FT of water demand in December was met from 17.9% (62.3 AC-FT) groundwater pumping and 82.1% (285.81 AC-FT) surface water provided by SJWD. The District's overall consumption was 31.4% below the 10-year average. The total consumption for the period of June through March of 2016 is 6,474.97 AC-FT which is a reduction of 47.4% from the same period of 2013.

2. Discussion and possible action on providing water service to the project known as "Traditions II" located near Fair Oaks Boulevard and Archer Avenue and within the existing District service area

- It was discussed that item 5b would be removed from the agreement.

Vice President Sarkovich moved to direct the General Manager to execute a Memorandum of Understanding (MOU) in substantial conformance with the attached document (as amended) and complete water improvement plans to provide public

water service to the proposed 19-lot subdivision in accordance with the conditions contained in the MOU.

Director Marx seconded the motion.

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

3. Update and discussion on the status of the Groundwater Reimbursement Agreement with the San Juan Water District (verbal)

- General Manager Gray stated he is meeting with SJWD, CHWD and Mitch Dion at FOWD’s office building to discuss the past Groundwater pumping. He reported that Folsom and Orangevale will not be attending.

4. Update and discussion on the FO-40 Phase II Project Payment Agreement (verbal)

- Vice President Sarkovich stated he spoke to SJWD Director Costa who agrees with pay as you go invoicing (based on actual only). Staff is going to send a draft agreement with pay as you go invoicing to SJWD. He inquired on the administrative fee.
- General Manager Gray stated he will work with President Underwood and Vice President Sarkovich to amend the agreement as recommended and will look into the administrative fee.

5. Update and discussion on FOWD Water Wise Landscape Workshop (verbal)

- General Manager Gray believed that the Water Wise Landscape Workshop was successful.
- Vice President Sarkovich concurred. He stated it was well organized and that the room was full. He stated the presenter would like to come back; she likes the layout.
- Director McRae suggested using this workshop for Public Relations.
- General Manager Gray stated FOWD provided handouts as part of Public Outreach. He stated FOWD should host this annually. He stated FOWD could allow the presenter to use the facility and have FOWD’s fees waived.

6. Update and discussion on Collaborative Water Transfer Project

- General Manager Gray stated staff is working collaboratively to provide information. He reported that SSWD recently provided notice that they will not be participating in the water transfer. He mentioned that there is limitation outside of the District’s control such as the availability of capacity to do the water transfer.

7. Update and discussion on the Madison Well Project (verbal)

- Director McRae inquired on the timeline for the Madison Well completion.

- Operations Manager Nisenboym stated that it would be around October 2016 as the contract has 180 days to completion.

8. Update and discussion on the River Front Main Replacement Project

- General Manager Gray stated the River Front Main Replacement Project was budgeted in 2015 for \$87,000. FOWD does not have easement to complete the project. District staff met in January 2016 with property owners at 8115 River Front Lane and three other impacted property owners. FOWD received a letter from the owners at 8115 River Front Lane acknowledging that they need to establish an easement if needed.
- General Manager Gray stated that time is essential due to the potential risk; additional water leaks would have relative possible land erosion. Staff will try to work collaboratively with the impacted customers and will attempt to establish firm timeframes in order to address existing risk of future leaks from the existing eroded steel water main.
- General Manager Gray stated if there is no easement for River Front, FOWD will put meters in the existing location.
- Director McRae stated the property owners wanted some kind of written agreement.
- General Manager Gray stated that he will use item 5 on the document to write a letter to the property owners.

9. Update and discussion on the Gastman Main Replacement Project (verbal)

- General Manager Gray reported that he is working with legal on a template for the general agreement. The Gastman property will be a priority between this meeting and the next meeting.

10. Discussion and possible action on FOWD Resolution No. 16-04: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election”

- General Manager Gray stated the resolution is modified to include that the Candidate shall pay for the Candidate’s Statement at the Voter Registration and Elections Office.

Vice President Sarkovich moved to approve Resolution No. 16-04: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election.”

Director McRae seconded the motion.

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

VI. Discussion and Action Items: New Business

1. Discussion and possible action on FOWD Policy No. 5090: “Credit Card Policy”

- Vice President Sarkovich stated that the Budget Committee met and worked on the Credit Card Policy 5090.
- The Board and staff discussed business lunches, the use of the credit card for travel and per diem allowances.
- General Manager Gray stated that FOWD needs to work on a per diem policy. He also stated that he would like to work on the prohibited food purchases exclusion.
- The following were changes to Policy 5090:
 1. Remove from section 2.1.1 bullet #6: “..while attending approved conference or training classes outside Sacramento area.”
 2. Remove from section 3.1: “Disciplinary actions will be taken if there is intentional misuse or abuse of the credit card, up to and including termination of employment.”
 3. Remove from section 5.1: “If the vendor refuses to credit the credit card account or replace the item, the cardholder needs to follow appropriate procedures required by the credit card issuer in handling the disputed transactions as directed by the FOWD.”
 4. Replace section 7.2 to state: “FOWD reserves the right to revoke or cancel any District credit card at any time.”

Vice President Sarkovich moved to approve the Policy No. 5090: ‘Credit Card Policy’ as amended.

Director Tafoya seconded the motion.

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

2. Discussion and possible action on FOWD Policy No. 6060: “Water Conservation”

- Vice President Sarkovich stated that the Budget Committee met and removed the following sections under Stage 4 Long-term Water Crisis:
 - Section 16 – Water use for pools, spas, and ornamental fountains/ponds is prohibited for newly constructed homes and buildings.
 - Section 17 – Water Crisis/Emergency tiered pricing will be implemented.
 - Section 18 – No commitments will be made to provide service for new water service connections.

- Director McRae recommended and the Board agreed that the same language be removed from the Short-term Stage 4.
 - Section 16 – Water use for pools, spas, and ornamental fountains/ponds is prohibited for newly constructed homes and buildings.

Director Sarkovich motioned to approve Resolution No. 6060: “Water Conservation” as amended.

Director McRae 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 to approve and accept a water easement from the Missionary Gospel Church

- Director McRae inquired if there is cost associated with accepting the easement.
- General Manager Gray stated there is no cost associated with accepting this easement.

Director Sarkovich motioned to approve the water easement from the Missionary Gospel Church

Director McRae seconded the motion.

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

4. Update and discussion on SJWD Water Supply and Reliability

- Information only.

VII. Upcoming Events

1. Fair Oaks Chamber of Commerce Business Luncheon / April 21, 2016 / Fair Oaks Community Club House

- Information only.

2. 67th Annual Fair Oaks Fiesta / Sunday May 1, 2016 / Fair Oaks Village

- Information only.

3. ACWA 2016 Spring Conference / May 3-6, 2016 / Monterey

- Information only.

4. Special District Leadership Conference / July 10-13 / Napa

- Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - No report.
- 2. Regional Water Authority (RWA)**
 - Director Marx provided brief overview.
- 3. San Juan Family of Agencies Executive Committee**
 - No report.
- 4. Other**
 - None.

IX. Directors' Reports & Comments

- 1. Budget Committee – (*Sarkovich, Underwood*)**
 - Vice President Sarkovich stated the Committee met and discussed policies 5090: “Credit Card Policy” and 6060: “Water Conservation Policy.”
- 2. Technical Advisory Committee – (*Marx, McRae*)**
 - No report.
- 3. Capital Improvement Committee – (*McRae, Sarkovich*)**
 - No report.
- 4. Personnel Committee – (*Tafoya, McRae*)**
 - No report.
- 5. Public Relations Committee – (*Underwood, Tafoya*)**
 - No report.
- 6. Wholesale Water Communications Committee**
 - Director Marx reported that related to the cost-sharing/flow chart, SJWD Assistant General Manager indicated that there is no similar project like the FO-40 within the next two years. It was mentioned that this should wait until a similar project comes up.
 - The Board stated that the Wholesale Water Communications Committee shall be an Ad-Hoc committee and will add Ad-Hoc to the name.
- 7. Other**
 - None.

X. General Manager's Report

- 1. Monthly Maintenance Work Report**
 - Report provided; no discussion.

2. Capital Projects Status Report

- Report provided; no discussion.

3. Authorizations of Additional Funding

- General Manager Gray stated staff updated the Additional Funding report based on Board's request and he has backup to the fund transfers.

4. Water Transfer Status Report

- Discussed earlier.

5. Claims Against District

- Customer Service Manager Huckaby stated the District just received a claim and it will be included in the May's claims report.

6. Employee Update

- General Manager Gray reported that management, human resources and direct supervisors spent two days (afternoons) going through the performance evaluations and comments.

7. Water Issues – Update on Regional Involvement

- General Manager Gray reported that the Metropolitan Water District signed a \$175M agreement to pay for the Delta islands.

8. Other

- None.

XI. Public Comment

- None.

President Underwood closed the open session meeting at 8:56 p.m.

President Underwood called the closed session meeting to order at 9:11 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 10:03 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 10:03 p.m.

The Board approved the preceding minutes on May 9, 2016

Tom R. Gray
General Manager/Board Secretary

Date