



District Attendees

Dave Underwood	Board President
Misha Sarkovich	Board Vice President
Michael McRae	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
George Babcock	Visitor
Pete Shroeder	Visitor

Absent

Randy Marx	Board Member
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AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- None.

General Manager Gray reported that Director Marx is absent because he is out of town.

*****closed session began 6:32 - see item XII*****

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 11, 2016
 - b. Technical Committee Meeting of July 21, 2016

2. Accept and file Treasurer's Report for the month of July, 2016
3. Accept and file Investment Report for the month of June, 2016
4. Accept and file Financial Expense Report for the month of July, 2016
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of July, 2016
7. Approval of Monthly Board Expense Report for the month of July, 2016

Director McRae stated that the Minutes for July 21, 2016 should be Technical Committee and not Personnel Committee.

Director McRae moved to approve the consent calendar as amended.

Vice President Sarkovich seconded the motion.

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

Absent: Director Marx

IV. Presentation & Correspondence

1. Correspondence dated August 2, 2016 from SJWD – “150-Day Advance Written Notice of Proposed Changes in Water Rates and Charges”

- General Manager Gray reported that based on the attached draft financial plan, SJWD proposed the following wholesale rate increases: 16% in 2017, 9% in 2018, 9% in 2019, 9% in 2020 and 5% in 2021. He stated that the overall increases would be around 50% without compounding and with compounding around 60%.
- Director McRae stated he would like to see the overall impact to FOWD.
- General Manager Gray stated he will bring a table of SJWD Wholesale rates to the next Board meeting.

V. Discussion and Action Items: Old Business

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

- Operations Manager Nisenboym reported that the total 1,344 AC-FT of water demand in July was met from 13% (180 AC-FT) groundwater pumping and 87% (1,164 AC-FT) surface water provided by SJWD. The July 2016 total demand of 1,165 AC-FT represents a decrease of 22% from July 10-year average and 22.8% reduction from July 2013.
- General Manager Gray stated FOWD self-certified to the State with zero percent water conservation requirement. The Board prior took action requesting 20% reduction compared to 2013 and FOWD is on target.

2. Update and discussion on the Gastman Main Replacement Project

- One of the Gastman property owners inquired on the status of the Gastman Project. He felt like his property is being held hostage.

- President Underwood stated that the District is still working with the property owners and that there is no update at this time.
- General Manager Gray stated that he hopes to have some information at the next Board meeting.

3. Discussion and possible action on approving an agreement to help fund the RWA Water Reliability Study

- General Manager Gray stated RWA staff provided a Water Reliability Study presentation to the Technical Committee on July 21, 2016. He stated that the RWA Water Reliability Study has several phases with a phase I proposed cost to FOWD of \$13,000. RWA requests payment of \$7,800 to be paid in 2016 and \$5,200 in 2017 if needed. He emphasized once the FOWD is committed to the project, the cost to FOWD could be up to \$100,000.

Vice President Sarkovich moved to approve the \$13,000 funding of the RWA Reliability Study.

Director McRae seconded the motion.

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

Absent: Director Marx

4. Update and discussion on the SJWD Water Reliability Study

- General Manager Gray stated SJWD is looking at everything including drilling wells in the FOWD service area. He would like to provide this report to Greg Young to review.
- Board members agreed that Greg Young would be a good resource for reviewing the study document for FOWD.
- General Manager Gray stated he will ask Citrus Heights Water District if they would like to participate in a joint review of the study documents.

5. Update and discussion on the FOWD and FORPD Mutual Aid Agreement

- General Manager Gray reported that per Board action, effective September 1, 2016, FOWD will adjust the FORPD rate. FOWD wrote a letter to FORPD on July 25, 2016 notifying them of the fixed charge rate change.

6. Discussion and possible action on renewing a contract with Neptune Technology Group, Inc. for meter procurement

- Vice President Sarkovich stated the Technical Committee met with staff to go over the meter procurement and staff had answered all questions to his satisfaction.
- General Manager Gray recommended that staff conduct a meter component presentation to the Board when time allows.

Vice President Sarkovich moved to authorize the General Manager Gray to enter into a two year agreement with Neptune Technology Group, Inc. for the purchase of water meters and corresponding registers.

President Underwood seconded the motion.

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

Absent: Director Marx

7. Discussion and possible action on Policy No. 6300: “Meter Maintenance”

- Vice President Sarkovich stated the Technical Committee went through the policy line by line and he is happy with the policy.

Vice President Sarkovich moved to adopt Policy No. 6300: “Meter Maintenance.”

Director McRae seconded the motion.

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

Absent: Director Marx

8. Update and discussion on the Groundwater Reimbursement Agreement with the San Juan Water District

- General Manager Gray reported that SJWD has the GW reimbursement in its financial plan. SJWD has agreed to the number; it is a matter of the timing of the reimbursement. He stated that the timing of reimbursement payments has yet to be determined.

9. Report back on customer’s billing format change request

- Customer Service Manager Huckaby stated that he will check with Cogsdale to see if they can incorporate the change to show water consumption as gallons per day. He stated staff already contacted the customer to inform him that FOWD received his letter and is in the process of obtaining more information.
- Mr. Babcock stated that having the gallons in the bill would be valuable as the customers can relate to gallons.

10. Update and discussion on required improvements to 10317 Fair Oaks Boulevard

- General Manager Gray stated the Board authorized \$25,000 to be spent on the repairs at 10317 FOB. The removal of the damaged areas totaled around \$14,000. Staff contacted the insurance company and FOWD will be reimbursed up to \$40,000.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on Policy No. 1010: “Conflict of Interest”

Vice President Sarkovich moved to approve the Policy No. 1010: “Conflict of Interest.”

Director McRae seconded the motion.

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

Absent: Director Marx

2. Update on the State Water Resources Control Board – Department of Drinking Water’s new fee structure

- General Manager Gray stated the DDW has new fee structure based on the number of connections. The cost to FOWD has increased from \$15,000 to \$40,000.

3. Public Hearing and possible action on adoption of Public Health Goals (PHG) for 2016

Vice President Sarkovich moved to adopt and direct staff to file the Public Health Goals report.

Director McRae seconded the motion.

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

Absent: Director Marx

VII. Upcoming Events

1. Fair Oaks Community Coffee Meeting with Supervisor Susan Peters / August 17, 2016 / Fair Oaks Water District

- Information only.

2. Fair Oaks Chamber of Commerce Business Luncheon / August 18, 2016 / Fair Oaks Community Club House

- Information only.

3. Joint Meeting between SJWD/FOWD / September 19, 2016 / FOWD Office

- Information only.

VIII. Representative Reports

1. Sacramento Groundwater Authority (SGA)

- No report.

2. Regional Water Authority (RWA)

- General Manager Gray reported that RWA discussed the Water Reliability Study.

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 needs to meet in September to go over the 2017 Budget.

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

- Vice President Sarkovich reported that the Committee met and discussed the meters and RWA Water Reliability Study.
- General Manager Gray discussed the CSDA presentation and IT information.
- Vice President Sarkovich directed staff to schedule a Technical Advisory Committee meeting between now and September to go over the IT information. It has been discussed at the last Board meeting to place the proposed CSDA presentation on the September regular Board agenda.

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

- No report.

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

- General Manager Gray reported that the Personnel Committee will meet with the Consultant on August 16, 2016 to discuss completing a salary survey.
- The Board stated staff needs to prepare an agenda for the meeting.

5. Public Relations Committee – (*Underwood*)

- No report.

6. Wholesale Water Communications Committee

- President Underwood reported that there will be a special joint Board meeting in September between all SJWD Agency Boards; with FOWD hosting. He stated SJWD will provide an agenda for the meeting.

7. Other

- Vice President Sarkovich provided an overview of the Fair Oaks Harvest Festival and he mentioned Eco Landscape. He stated that FOWD should promote our Eco Landscape workshop longer and get more customers to attend.

X. General Manager's Report

1. Monthly Maintenance Work Report

- Report provided; no discussion.

2. Capital Projects Status Report

- General Manager Gray provided a brief overview of the Madison Well project status.

3. Authorizations of Additional Funding

- No discussion.

4. Water Transfer Status Report

- No report.

5. Claims Against District

- Report provided; no discussion.

6. Employee Update

- General Manager Gray stated FOWD made an offer to Neil Tamagni for the Operations Superintendent position and he accepted the job. He stated that the interview panel included Operations Manager Nisenboym, Customer Service Manager Huckaby, Human Resources Administrator Miller and an outside agency representative. He would like to introduce the Operations Superintendent to the Board in September.

7. Water Issues – Update on Regional Involvement

- General Manager Gray provided a brief overview of the water related issues.

8. Other

- None.

XI. Public Comment

- None.

President Underwood closed the open session meeting at 6:32 p.m.

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

XII. Closed Session Pursuant to Government Code Section 54956

1. Conference with Legal Counsel on Existing and Anticipated Litigation (Subdivision (d) of Section 54956.9) – two cases

President Underwood reopened the meeting to the public at 7:06 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 8:33 p.m.

The Board approved the preceding minutes on September 12, 2016

Tom R. Gray
General Manager/Board Secretary

Date