



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
Pete Shroeder	Visitor
Dane Wadle	CSDA
Anna Palmer	CSDA
George Babcock	Visitor
Vanuhi Melikyan	Visitor
Aris Gukas	Visitor
Neil Tamagni	Staff
John Gospodnetich	Staff

Absent

Randy Marx	Board Member
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AGENDA ITEMS

I. Call to Order

- President Underwood called the meeting to order at 6:31 p.m.

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 8, 2016
- b. Personnel Committee Meeting of August 16, 2016
- c. Personnel Committee Meeting of August 30, 2016
2. Accept and file Treasurer's Report for the month of August, 2016
3. Accept and file Investment Report for the month of July, 2016
4. Accept and file Financial Expense Report for the month of August, 2016
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of August, 2016
7. Approval of Monthly Board Expense Report for the month of August, 2016

Vice President Sarkovich moved to approve the consent calendar.

Director McRae seconded the motion.

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

Absent: Director Marx

IV. Presentation & Correspondence

1. Presentation on the benefits of membership in the California Special Districts Association by CSDA staff

- Ms. Palmer stated that CSDA offers training and has a lot of information on governance. She believes FOWD can benefit greatly by joining CSDA as it is primarily focused on special districts. There are emerging regulations that the District would need to follow and CSDA is a great resource in providing that information.
- Mr. Wadle stated that CSDA is involved in legislative bills that would impact special districts. He provided an overview of several bills that CSDA was able to provide input on and that greatly benefited special districts.
- Ms. Palmer stated that FOWD would get a discount by joining by the end of September. FOWD would get 15 months membership for \$6,089 (20% savings).
- Director McRae inquired if the fees covered all costs for courses offered.
- Ms. Palmer stated some classes are free; while there are costs associated with other classes.
- General Manager Gray stated that FOWD would save 50% on classes by being a member. He stated CSDA offers Special District Certifications.
- The Board thanked CSDA representatives and stated FOWD will provide status at a later time.

*****closed session began 6:58 - see item XII*****

V. Discussion and Action Items: Old Business

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

- Operations Manager Nisenboym reported that the total 1,296.57 AC-FT of water demand in August was met from 14% (181.68 AC-FT) groundwater pumping and 86% (1,114.89 AC-FT) surface water provided by SJWD. The August 2016 total demand of 1,296.57 AC-FT represents a decrease of 22.6% from August 10-year average and 20.54% reduction from August 2013.
- Operations Manager Nisenboym stated that Northridge Well has been taken out of operation for repairs.
- General Manager Gray distributed the groundwater supply and demand chart; stating that based on the 2015 water demand, FOWD can meet total average day demand using FOWD's groundwater.

2. Discussion and possible action on the updated Policy No. 1010: "Conflict of Interest"

Vice President Sarkovich moved to approve the updated 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

3. Update and discussion on the SJWD Wholesale Water Management and Reliability Study (verbal)

- General Manager Gray stated FOWD is monitoring this item. SJWD staff will present the *SJWD Wholesale Water Management and Reliability Study* information on Wednesday September 14, 2016.

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

- General Manager Gray stated that at the September 19, 2016 joint Board meeting, there will be discussion on the Groundwater Reimbursement Agreement.

5. Update and discussion on Mutual Aid Agreements with FORPD and FOCD

- General Manager Gray reported that he is presenting information on this item to the FOCD Board. He stated FORPD recommended that no subsidy be given to them by FOWD. He stated that staff is working with FORPD on a 50/50 cost sharing for water savings devices. He stated that staff will place the normal rates for both the FORPD and FOCD in the 2017 Budget.

6. Update and discussion on the format of FOWD billing statement

- Customer Service Manager Huckaby stated that based on the July 8, 2016 regular Board meeting, customer's request to show gallons per day on the billing

statement, staff was able to make some modifications in-house as indicated on the example bill included in the Board packet.

- Mr. Babcock stated he used to design forms for the State in the past and that he can assist with the billing format before it is finalized.
- General Manager Gray stated that the billing statement will be brought to the public meeting and Mr. Babcock can provide input then. He reminded the Board that FOWD does the billing in-house and the ability to change the format could be limited based on cost relative to benefit.

7. Update and discussion on required improvements to 10317 Fair Oaks Boulevard (verbal)

- General Manager Gray stated abatement and remediation have been completed for 10317 FOB and funding was secured through an outside source. Staff is working on the bid proposal for rebuilding the damaged area.

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

- Operations Manager Nisenboym stated that the contractor completed block building and all conduits. The roofing will be done in a week.
- Director McRae inquired if the Madison Well will be online by the end of the year.
- Operations Manager Nisenboym stated he is hopeful that it will be completed by the end of the year.

9. Update and discussion on the FOWD salary survey process (verbal)

- Director McRae stated that the District hired Bryce Consulting to complete a salary survey. He inquired on the he status of the contract.
- General Manager Gray reported that the District had executed a contract with Bryce Consulting.

10. Update and discussion on the 2017 budget process

- General Manager Gray stated staff would like to schedule a Board Budget Committee and Board Technical Committee meeting to provide input and review on the development of a proposed budget for operating FOWD in 2017.
- Vice President Sarkovich stated staff can agendize the meeting and have everyone attend in one meeting.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on a new phone system and exchange server for FOWD

- The new phone system is tabled to October meeting. Staff to provide additional pricing for transparency.

Director McRae moved to authorize staff to establish a service agreement with TelePacific Communications to provide a hosted exchange server for Microsoft Office 365 Business Premium.

Vice President Sarkovich seconded the motion.

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

Absent: Director Marx

2. Discussion and possible action on unbudgeted repairs to the Northridge Well

- General Manager Gray informed the Board of the Northridge Well repairs. He stated that, based on the Board discussion, staff will transfer \$10,000 from the contingency fund reserve for the repairs. No action needed.

3. Discussion and possible action to approve additional funding for paving projects in 2016

- General Manager Gray stated that the District’s paving costs exceeded budget due to revised County requirements.

Vice President Sarkovich moved to authorize staff to transfer \$130,000 from reserves to fund the additional paving costs.

Director McRae seconded the motion.

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

Absent: Director Marx

4. Discussion on an outreach plan relative to the 100-year anniversary of FOWD (verbal)

- General Manager Gray stated he would like to put \$10,000 in the 2017 budget for the 100-year anniversary of FOWD celebration.
- The Board agreed that staff should include \$10,000 in the 2017 proposed budget.
- President Underwood recommended that the Public Relations Committee meet to discuss this 100-year celebration.

VII. Upcoming Events

1. Joint Board Meeting between FOWD, SJWD, CHWD, OVWC, City of Folsom representatives / September 19, 2016 / FOWD Board Room

- General Manager Gray stated that District staff will be preparing food for this meeting and that he will distribute the detailed agenda to the Board members.

2. Fair Oaks Cemetery District Board Meeting with FOWD Presentation on MOU / September 14, 2016 / Fair Oaks Cemetery District 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 evaluation of the RWA Executive Director and legislative issues.
- 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*)**
 - No report.
- 4. Personnel Committee – (*Underwood, McRae*)**
 - Discussed earlier.
- 5. Public Relations Committee – (*Underwood*)**
 - General Manager Gray inquired if President Underwood would like to assign another Board member to the Public Relations Committee.
 - The Board stated it is only a couple of months until the end of the year; not assigning another Director to this committee at this time.
 - General Manager Gray suggested that since the Public Committee meeting will be public, Mr. Schroeder can attend and volunteer to be assigned to the Committee as a member of the public.
- 6. Wholesale Water Communications Committee**
 - Discussed earlier.
- 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

- Report provided; no discussion.

4. Water Transfer Status Report

- No report.

5. Claims Against District

- Report provided; no discussion.

6. Employee Update

- No report.

7. Water Issues – Update on Regional Involvement

- General Manager Gray stated that the Delta Issues are at a hearing stage; with Sacramento County involved in providing testimony.

8. Other

- General Manager Gray stated at the August 8, 2016 regular Board meeting, Director McRae inquired on the impact of the SJWD wholesale water rates on FOWD. He provided the Board an overview of the SJWD wholesale water rate increase impact on FOWD stating that the impact over the five years (2017-2021) would be approximately \$1.4 million dollars; 86% wholesale rate increase, 24% increase in FOWD's Operations Budget and a 20% rate increase to each FOWD customer, an increase of \$101 per FOWD customer annually.

XI. Public Comment

- None.

President Underwood closed the open session meeting at 6:58 p.m.

President Underwood called the closed session meeting to order at 6:58 p.m.

XII. Closed Session Pursuant to Government Code Section 54956

1. Existing Litigation (Subdivision (a) of Section 54956.9) Name of case: Luttgen vs. Fair Oaks Water District et al. Sacramento County Superior Court

2. 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 9:25 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 9:25 p.m.

The Board approved the preceding minutes on October 10, 2016

Tom R. Gray
General Manager/Board Secretary

Date