



District Attendees

Chris Petersen	Board President
Randy Marx	Board Member
Michael McRae	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Shawn Huckaby	Operations Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Technical Services Manager
Rebecca Simon	Human Resource Administrator
Nick Kepler	Operations Superintendent

Other Attendees

Roben C.	Visitor
Clara Jewel	Visitor
Scott Kenney	Visitor
Julie Kenney	Visitor
Carolyn Bramson	Visitor
Richard Luna	Visitor

Absent

Mark Dolby	Vice President
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AGENDA ITEMS

I. CALL TO ORDER

- President Petersen called the meeting to order at 6:33 p.m. He informed the public of the Public Comment Forms placed on the back table and requested anyone making a comment to introduce themselves for record keeping purposes. The forms can be handed to General Manager Gray.

II. PUBLIC COMMENT

- General Manager Gray stated Vice President Dolby is out of town and informed FOWD that he would not be attending tonight's meeting.

- Visitor S. Kenny thanked the District and stated his appreciation towards the FOWD staff for their good work and the low water rates.

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 19, 2024
 2. Accept and File Treasurer’s Report for the month of August 2024
 3. File Investment Report for the month of July 2024
 4. Accept and File Financial Expense Report for the month of August 2024
 5. Approval of Warrants
 6. Approval of Cal-Card Statements for the month of August 2024
 7. Approval of Board Expense Report for the month of August 2024
- Director Sarkovich stated that every single transaction made by FOWD is reflected in this section. Everything is visible and transparent. Financial transparency is presented on a monthly basis. FOWD has been doing this for a long time.
 - President Petersen stated there are hard copies of the entire Board Packet placed on the back table and it is also posted on the FOWD’s website in case the public is interested in reviewing this information before the meeting.
 - General Manager Gray pointed out that the approval of Minutes is part of the Consent Calendar. He highlighted that although the last meeting consisted of few attendees, most of them agreed that a Customer Advisory Committee was not necessary, given that transparency already exists at FOWD. A Customer Advisory Committee was portrayed as if the majority of customers were requesting it, but this was not the case at the last Board Meeting.

Director Sarkovich moved to approve the consent calendar as presented.

Director McRae seconded the motion.

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

Absent: Vice President Dolby

IV. PRESENTATIONS AND CORRESPONDENCE

1. Letter dated September 11, 2024 to all candidates running for the FOWD Board of Directors in the November 2024 General Election, California Fair Political Practices Commission, and others

- General Manager Gray provided an overview of this letter. He clarified he does not take any role in the election process. His duty is to ensure that accurate information is available to all candidates and ratepayers. He does not support current Board Members or candidates; he simply would like to make sure that the truth about the

District is available to all. There were previous public comments made stating that General Manager Gray was not following the law, he asked to be informed if someone believes this to be true. This letter was sent to every candidate, including the people running and incumbents.

- Director McRae stated that politicking and an attempt to create a negative persona about FOWD makes the General Manager look bad. He applauds General Manager Gray for being “Switzerland,” finding the middle ground and when an untruth is found, expose it for what it is. There are a lot of untruths being said because a certain person is trying to be creative for a political campaign.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on the New York Water Main Project Phase I

- Information only.
- General Manager Gray provided an overview. Based on field conditions, it was determined that minor modifications were needed, and a revised design was created. The final design has been submitted to the Sacramento County Department of Transportation for their review and approval.
- General Manager Gray pointed out that Phase I of the project was Board approved in the 2024 Budget.
- Director Sarkovich shared that his neighbor lives nearby and asked him what type of water pipes are being installed.
- General Manager Gray responded FOWD is using the Ductile Iron Pipes.
- Director Sarkovich inquired if these are the standard pipes FOWD normally uses.
- General Manager Gray stated that it depends on the location of the work being done. It was determined that the Ductile Iron Pipes would give the highest opportunity for lack of failure over multiple years.
- Director McRae inquired if there are any concerns given the extension of the project schedule (i.e. weather).
- General Manager Gray responded there are no concerns at this time. Hopefully with good effort, the work can be completed earlier.
- Director McRae inquired if the pot holing revealed there was a utility that needed to be avoided.
- General Manager Gray responded yes and provided an explanation.

2. Update and discussion on the proposed merger of the SJWD and SSWD

- Information only.
- General Manager Gray provided an overview to the attendees and mentioned their next meeting will take place on October 3, 2024 at Sacramento Suburban Water District (SSWD). The Pre-1914 water is the most valuable and reliable water in the state of California. He explained that if this merger happens, FOWD’s 33,000 acre feet of water will get diluted in half and we are concerned about that on behalf of our ratepayers.
- An unknown visitor inquired what kind of say they have on the merger.
- President Petersen stated that we can state our opinion, attend their meetings, and voice our concerns.

- General Manager Gray shared that in 2015, San Juan Water District (SJWD) started a merger process. Today, it is happening again. FOWD and Citrus Heights Water District (CHWD) coauthored and submitted fifteen pages of questions and concerns that SJWD has yet to answer.
- Director McRae stated he was very vocal about the 2015 merger attempt. He stated that he asks SJWD to put it to the public to vote on it themselves. It never made it to that point. SSWD needs surface water supply. In a good year, SJWD has excess water but not every year is a good year. If you live in Fair Oaks, your retail water district is FOWD and in a larger family of water districts where the wholesale water supplier is SJWD. FOWD customers get to vote for both SJWD and FOWD Boards. SSWD has a larger population than FOWD; they can out drink us and out vote us. If there is a merger between the two organizations, SSWD could take control of FOWD's water supply. He is also concerned about SSWD's excessive debt.
- An unknown visitor asked what is in it for SJWD.
- President Petersen stated that SJWD was formed by Orange Vale Water Company (OVWD), FOWD and CHWD. It was decided that it would be more efficient if there was an agency that treats surface water for all of those communities. SJWD decided to build a huge treatment plant, much bigger than what was needed. They incurred a lot of debt in the process and additional operating expenses for such a large plant. SJWD is very motivated to increase revenue generation through water sales.
- Director Marx commented that another factor is that SJWD also does not have access to groundwater. SSWD has groundwater and if Folsom Lake goes dry, SJWD is stuck.
- General Manager Gray stated that FOWD has high quality groundwater and surface water is the best of the best. If the merger happens, and Granite Bay grows, SJWD could serve surface water to Granite Bay and send groundwater to FOWD from SSWD, which is not as good as current FOWD water. That is not a good deal.

3. Update and discussion on FOWD Administration Building Parking Signs

- General Manager Gray provided an update and shared the new language on the parking signs. Due to the parking shortage in the Village, FOWD is trying to be a good neighbor and updated the parking signs, as requested by the Board.
- Director Sarkovich complimented staff for the gesture. He stated that we are still good neighbors and still providing parking.
- President Petersen appreciated the prompt action from staff.
- General Manager Gray stated that he wished some of the people that asked for this were present so we could show them and celebrate it.
- An unknown visitor inquired about the idea of FOWD renting the parking spaces to restaurants in the Village.
- General Manager Gray responded that as a public entity and pay for service water district, FOWD cannot collect revenue from anything but water. New developments have been created but no additional parking was taken into consideration. Part of the plan without putting rate payers into liability, is to open up the space and share it as best as possible.

- Director Sarkovich stated that this was FOWD’s plan all along. The Corporate Yard will look similar to the Administration Building and the plan is to share the parking space after business hours. This was the plan from day one. FOWD is adding to the parking and enhancing the Fair Oaks Village.
 - An unknown visitor stated some restaurants may be opened past midnight and inquired if that would be an issue.
 - General Manager Gray stated that FOWD does not want to invite trouble that may happen from midnight to morning.
 - Director Sarkovich stated FOWD does not want any overnighters in the parking lot. He does not believe anyone from the District will be patrolling at 1:00 am.
 - General Manager Gray stated that if there are any issues, FOWD will revoke the signs. FOWD’s mission is to serve water, not to provide parking. FOWD does not want to put ratepayers at risk and incur liability.
 - An unknown visitor inquired about the number of spaces FOWD will be providing.
 - General Manager Gray and Director Sarkovich described FOWD parking. FOWD takes on a liability when it opens up the parking to the public that has nothing to do with its mission. FOWD is trying to be a good neighbor and compromise with those in the community who need additional parking.
 - Director McRae summarized the “Move The Yard Campaign,” and addressed the posted recall signs. He believes they want to purchase the property for high density housing. It would change the character of the Village. He provided a brief summary of the California Surplus Land Act and what it entails.
 - An unknown visitor inquired about the greater impact on parking issues if the Corporate Yard becomes affordable housing.
 - Director McRae provided his view on what the high-density housing could look like in the Village.
 - An unknown visitor inquired if the Board candidates running for the 2024 election is public information.
 - Director McRae stated that the information is included in the Board Packet.
 - General Manager Gray stated that Sacramento County Elections has a list of all the candidates running for public office in Sacramento County.
 - The unknown visitor replied she would like the current Board to stay.
 - An unknown visitor stated that in the Board Packet and on agenda, the letter that General Manager Gray wrote, they (Board candidates running for the 2024 election) received letter, their names are on it. We were wondering the same thing, who are these people? How interested are they? They are not here.
 - An unknown visitor stated that they are too busy putting up signs.
- 4. Update on the “Request for Qualifications” to select a new Special District Financial Auditor – prior Auditor termed out in accordance with District policy**
- General Manager Gray provided an overview and update. Three auditing firms submitted their responses and are pending FOWD review.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion on FOWD Water Supply for the month of August 2024

- Technical Services Manager Siebensohn provided a summary of the water supply report.
- General Manager Gray explained the Board’s reasoning to opt for a water supply mix, consisting of 90% surface water and 10% groundwater. The Board directed staff to continue with current water supply mix for financial reasons.
- Director Sarkovich provided a brief summary of the conjunctive use.
- President Petersen expressed how hopeful he is to work with SJWD conjunctively.
- Director Sarkovich mentioned that Director McRae is a candidate for the SJWD Board.
- General Manager Gray mentioned there are three candidates running for the SJWD Board Election for one open seat, representing the Fair Oaks community.
- Director McRae clarified he will not be able to serve both districts, due to conflict of interest.
- President Petersen commented that none of the wholesale customers, composed of FOWD, CHWD and Orange Vale Water Company, are in favor of the merger.

2. Discussion and possible action on the Transmission Main Phase I Design Request for Qualifications

- General Manager Gray presented staff recommendation to the Board to combine two scheduled transmission main replacement phases into one project for long-term cost savings and to expedite retirement of the existing transmission main.
- General Manager Gray also introduced staff recommendation for the Board to approve the “Request for Qualifications” and direct FOWD staff to distribute to consulting firms.
- General Manager Gray provided an overview, explained the qualifications process, and addressed questions from the Board. Completion date for design services in the RFQ is January 31, 2025. The target date for construction to be completed is May 31, 2025.
- An unknown visitor agreed with General Manager Gray on the qualifications process and structure.
- The Board discussed the qualifications process, the selection criteria for design proposals and the fiscal impact of combining the projects.
- The Board compromised on the design proposals selection criteria; staff will be responsible to review bids based on qualifications and will be responsible for cost negotiations.
- General Manager Gray addressed questions from the public regarding the transmission main leak.

Director McRae moved to:

- a. approve combining two scheduled transmission main replacement phases into one project;
- b. approve the amended “Request for Qualifications,” which allows a subcommittee, consisting of President Petersen and Director Sarkovich, to participate in the review panel alongside staff; and

- c. distribute the amended qualifications to consulting firms by staff.

Director Sarkovich seconded the motion.

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

Absent: Vice President Dolby

3. Discussion on mandated Service Line Inventory

- Information only. General Manager Gray provided an overview.

4. Discussion and possible action on additional funding for 2024 expenses

- Finance Manager Ha-Ly recommended for the Board to authorize a transfer of \$14,000 from the contingency fund to cover 2024 expenses and provided a summary of each expense.
- General Manager Gray provided an overview of how the contingency fund operates.
- Director Sarkovich and General Manager Gray addressed questions from the public.

Director Sarkovich moved to authorize the transfer \$14,000 from the contingency fund to cover 2024 expenses as presented.

Director Marx seconded the motion.

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

Absent: Vice President Dolby

VII. UPCOMING EVENTS

- 1. September 18, 2024 / SJWD Board Meeting / SJWD Office**
- 2. September 21, 2024 / Fair Oaks Chicken Festival, Fair Oaks Park**
- 3. October 3, 2024 / SJWD & SSWD Joint Board Special Meeting / SSWD Office**
- 4. December 3-5, 2024 / 2024 ACWA Fall Conference / Palm Desert, CA**

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - None.

2. Regional Water Authority (RWA)

- General Manager Gray and Director Marx attended the meeting. Director Marx provided an overview.

3. Sacramento Water Forum

- Report provided.

4. Other

- None.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Dolby)

- None.

2. Technical Advisory Committee – (Marx, Petersen)

- None.

3. Capital Improvement Committee – (Petersen, Dolby)

- None.

4. Personnel Committee – (McRae, Dolby)

- None.

5. Public Relations Committee – (McRae, Dolby)

- None.

6. FOWD and SJWD 2x2 Ad-Hoc Committee – (McRae, Petersen)

- None.

7. FOWD and CWD 2x2 Ad-Hoc Committee – (McRae, Marx)

- None.

8. FOWD Field Services Center Ad-Hoc Committee – (Sarkovich, Petersen)

- None.

X. GENERAL MANAGER'S REPORT

1. Maintenance Work Report

- Report provided.

2. Capital Projects Status Report

- Report provided. General Manager Gray provided a summary of capital projects.
- President Petersen commented that the listed 2024 budget vs. year-to-date amount spent is way less than the budgeted amount. These capital projects are meant to extend through many years. These types of projects are not completed in one year.

He requested staff to budget closely to match what will actually be spent in 2025, taking into consideration the resources FOWD currently has.

- General Manager Gray stated that this is something that could be discussed in the upcoming Budget Committee meetings and public hearings.
- Director Sarkovich pointed out that some of the construction projects are totally out of staff's control, like permitting and wells equipment.
- General Manager Gray stated that FOWD has been very successful with the construction of projects. Almost every major project has been covered by grants.

3. Authorizations of Additional Funding

- Report provided.

4. Water Transfer Status Report

- None.

5. Claims Against District

- Report provided.

6. Employee Update

- General Manager Gray provided an update. The Construction Inspector position has been repurposed into a recruitment for another Engineer or a Project Administrator position to assist in the completion of projects. The Project Administrator would have some field and design experience as well as project management. At this level, the inspection aspect will be covered in addition to having another technical staff. FOWD is also recruiting for the Maintenance Lead Worker position. This position requires a water operator certification and inventory experience.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- None.

XI. PUBLIC COMMENT

- A visiting customer introduced herself. She has been a Fair Oaks resident and homeowner for twenty years. Loves the community and has been very happy with the District. The water quality, water rates, and the transparency reflected on the FOWD website is very impressive. She attended the meeting in support of all because she believes FOWD is doing a fantastic job.
- General Manager Gray thanked all customers that came to support FOWD.

President Petersen closed the open session meeting at 8:42 p.m.

President Petersen opened the closed session meeting at 8:50p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54954 AND 54956

1. Conference with legal counsel on existing litigation; Government Code Sections 54954.5 and 54956.9; Citrus Heights Water District & Fair Oaks Water District v. San Juan Water District
2. Conference on Anticipated Litigation; Government Code Section 54956.9(d) – two cases

President Petersen closed the closed session meeting at 10:15 p.m.

President Petersen reopened the meeting to the public at 10:15p.m.

XIII. REPORT FROM CLOSED SESSION

- None.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

With no further business to come before the Board, President Petersen adjourned the meeting at 10:15 p.m.

The Board approved the preceding minutes on October 21, 2024



Tom R. Gray
General Manager/Board Secretary

10-22-2024

Date