



District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Gary Page	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager
Shawn Huckaby	Customer Service Manager
Ben Voight	Operations Superintendent

Other Attendees

Tim Menezes	Visitor
George Babcock	Visitor

Absent

AGENDA ITEMS

I. Call to Order

- President Marx 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 March 12, 2018
 - b. Regular Board Meeting of February 12, 2018
 - c. Special Board Meeting of January 23, 2018
2. Accept and File Treasurer's Report for the month of March 2018
3. Accept and File Investment Report for the month of February 2018

4. Accept and File Financial Expense Report for the month of March 2018
5. Approval of Warrants
6. Approval of Cal Card Statements for the month of March 2018
7. Approval of Board Expense Report for the month of March 2018

Vice President McRae moved to approve the consent calendar.

Director Page seconded the motion.

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

IV. Presentation & Correspondence

1. Correspondence to Regional Water Authority regarding the “Update in Sacramento Groundwater Authority Representation”

- General Manager Gray stated the Board took action at the last meeting to have Director McRae replace outgoing Director Underwood as an alternate, and a letter noting this change was delivered to RWA.

V. Discussion and Action Items: Old Business

1. Update and discussion on FOWD’s Information Technology Infrastructure (verbal)

- General Manager Gray noted at the September 2017 Board meeting it was approved to move to a cloud network infrastructure. At the January 2018 meeting the Board approved carrying over the budget of \$40,000 from 2017 to complete the project. General Manager Gray recognized the Board’s encouragement to move to the cloud and efforts of Customer Service Manager Shawn Huckaby and management team on the project.
- General Manager Gray discussed the budget where service and maintenance costs will become the bulk of expense going forward, noting implementation and annual cost bids are coming in lower than expected and carrying cost is expected to be significantly less.
- General Manager Gray noted SCADA system applications are very proprietary and not will not be in the cloud soon due to vendor limitations. Tesco recommends FOWD review cloud options in 3-5 years.
- General Manager Gray praised the efforts of Curt Burgess and informed the Board that the IT Technician for FOWD on the project has submitted his retirement notice.

2. Update and discussion on the 2018 annual contract to supply water system parts to FOWD (verbal)

- General Manager Gray informed the Board the contracted supplier, Corix, may terminate the current annual parts contract due to upcoming manufacturing and supplier price increases. He noted FOWD may have to renegotiate the contract and will update the Board.

- Vice President McRae stated it may be worth going out to bid again, especially if the vendor can't be trusted to keep to the annual contract.
 - General Manager Gray recommended that FOWD negotiate with Corix and if the price is still under other bids, to keep the contract.
- 3. Update and discussion on Regional Water Authority (RWA) Lobbying Subscription Program activities**
- General Manager Gray provided an update to the Board on the program activities.
 - President Marx asked about AB 401 for the Low-Income Water Rate Assistance.
 - General Manager Gray noted it has not passed and could affect FOWD.
 - Director Page stated San Juan Water District hosted a table at an RWA event called “Making safe, clean, affordable and accessible water a reality” and the presentation and attendees shared statewide perspectives.

VI. Discussion and Action Items: New Business

1. Discussion and possible action on a RFQ to provide Planning, Design and Construction Management for the Proposed Corporation Yard and Crews Quarters

- General Manager Gray presented information on the proposed RFQ for planning, design and construction management services for phase 1 of 10317 Fair Oaks Boulevard.

Director Sarkovich moved to adopt the proposed RFQ to seek proposals from architects with substantial conformance with the comments of Director Sarkovich and Vice President McRae.

Vice President McRae seconded the motion.

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

- Director Sarkovich suggested the following changes to page 4 of 9: (1) Change the closing date from June 1 to July 1 to extend the bid response period to encourage more bids. (2) Move the paragraph containing the drainage and flooding problems to the top of the list as that is one of the primary reasons for needing another building.
- Director Sarkovich stated FOWD residents complained about the blighted look of the current 10317 FOB site and he would like the new facility to be visually complimentary to the area and the FOWD building across the street. He suggested the following changes to page 5 of 9: (1) Add to the sixth bullet, “the Architect will be required to design the facility that is visually attractive and in harmony with the existing FOWD facility (10326 FOB).” (2) Add to the 7th bullet “including

additional parking spaces/public places that can be used by Fair Oaks residents after hours.”

- Director Sarkovich suggested the Capital Improvement Committee be involved and questioned how this RFQ will be disseminated.
- It was decided that the Capital Improvement Committee will be part of the review panel.
- Vice President McRae asked if other District facilities could be leveraged to move equipment to during the upgrade. He suggested respondents should help with design criteria and have experience with corporate yards, storage for materials, chemicals, equipment, spoils storage, repair and maintenance facilities.
- General Manager Gray said no other District facilities really match the upgrading structure. He prefers to limit movement of equipment to minimize potential damage.
- General Manager Gray stated firms receiving the RFQ will be posted on the FOWD website and that some part of the process will be public outreach as suggested by the selected firm. He noted any environmental studies would be the responsibility of the architect, not presupposed in the RFQ.
- Vice President McRae noted he would like to attend the mandatory site visit meeting scheduled on May 15, 2018.

2. Update and discussion on FOWD water supply for the month of March 2018

- Operations Manager Nisenboym reported actual precipitation recorded at 7.37” by the DWR and that the FOWD total system demand from all sources for the month of March was recorded at 373.06 AC-FT. The wholesale connections provided 294.50 AC-FT (78.94%) and groundwater wells produced 78.94 AC-FT (21.06%) of the total water demand. Per Board direction, FOWD did not pump as aggressively after March 10. The March 2018 total demand of 373.06 AC-FT represents a decrease of 22.42% from March 10-year average and 43.62% reduction from March 2013.
- Director Sarkovich asked about the rationale for the change in March from 60/40 to the 90/10 ratio of surface to groundwater production in preparation for water transfers later in 2018.
- General Manager Gray said it is to reset the groundwater baseline in preparation for possible water transfers. He also noted that in the approved minutes of the SJWD February meeting Director Costa urged RWA to sponsor a region-wide assessment on groundwater which could mean FOWD would get taxed for pumping of groundwater and that would increase groundwater costs.

- General Manager Gray also noted that on March 8, 2018, SJWD sent a formal request to SSWD to restart merger discussions.
- 3. Discussion and possible action on FOWD Resolution No. 18-02: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election”**
- Director Sarkovich motioned to adopt the Resolution No. 18-02.
 - President Marx seconded the motion.
 - Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye and Sarkovich – aye
 - General Manager Gray shared recommendations with the Board including the District 3 inclusion of Gum Ranch so that he can certify there are no changes to boundaries at the correct time before the election. There will be an outreach flyer.
- 4. Discussion and possible action on a contract with Tesco Controls to replace two VFD’s at the Skyway Booster Station**
- Director Sarkovich motioned to authorize the General Manager execute the contract.
 - President Marx seconded the motion.
 - Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye and Sarkovich – aye
 - General Manager Gray referred to the staff report and the bid for \$39,780, noting Tesco replaced the first VFD after bids in 2017 and this is to complete the last two VFDs. He noted this would be sole sourced and it is coming in under budget.
 - Director Sarkovich inquired how the booster pumps work at the Skyway station and if they are gravity fed.
 - General Manager Gray noted due to elevation issues for a 4,000-home area, the VFDs enable boosted pressure for the homes.
 - Director Page inquired if there would be any issues with water delivery during the replacements and if there are any issues working with Tesco.
 - General Manager noted the VFDs would be replaced one at a time. He noted the responsiveness of Tesco for current and past work.
- 5. Discussion and possible action on distribution of Division 1 Director responsibilities until the end of 2018 (verbal)**
- Director Sarkovich volunteered to fill in for Director Underwood’s vacated Personnel and Public Relations Committee positions until the end of the year.
 - President Marx appointed Director Sarkovich to the Personnel and Public Relations Committees.

- General Manager Gray also brought up Board representation at the monthly Water Forum meetings.
- Director Page agreed to attend the Water Forums with General Manager Gray.

VII. Upcoming Events

- 1. San Juan Water District Board Meeting / April 25, 2018 / SJWD Administration Building**
 - Information only.
- 2. 2018 ACWA Spring Conference / May 8-11, 2018 / Sacramento**
 - General Manager Gray stated he will have HR Administrator, Stacy Miller, register Director Page to attend the ACWA Conference.
- 3. CSDA General Manager Leadership Summit / June 24-27, 2018 / Lake Tahoe**
 - General Manager Gray will attend as this provides his CE units for certifications.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - No report.
- 2. Regional Water Authority (RWA)**
 - No report.
- 3. Sacramento Water Forum**
 - No report.
- 4. Other**
 - None.

IX. Directors' Reports & Comments

- 1. Budget Committee – (Sarkovich, Page)**
 - No report.
- 2. Technical Advisory Committee – (Marx, McRae)**
 - No report.
- 3. Capital Improvement Committee – (McRae, Sarkovich)**
 - No report.
- 4. Personnel Committee – (Vacant, McRae)**
 - No report.

5. Public Relations Committee – (Vacant, Page)

- No report.

6. Wholesale Water Communications Committee – (Vacant, Marx)

- Director Sarkovich had a few questions on the documentation of the March 1, 2018 meeting with FOWD and SJWD and whether it was appropriate at this time to list specific costs of water if these are still to be verified.
- General Manager Gray responded numbers vary when accounting for water and chemicals, or water, chemicals, electricity and capital, and debt. The goal is to list these out so that there are agreed upon numbers.
- Director Sarkovich wanted the numbers defined and differentiated and not committed to as only one number as part of the meeting summary.
- President Marx stated it is not correct to have any numbers listed yet and suggested to remove the two sentences with costs.
- Vice President McRae asked about the detailed cost structures, loaded and unloaded and what FOWD pays through 2021. He would also like the draft of the meeting notes to be amended by SJWD at the next meeting to remove specific costs.
- General Manager Gray said they are working on these numbers in preparation for the next meeting.
- Director Sarkovich will share cost tables with the Board as these are developed. He suggested the meetings be titled 2 x 2 Wholesale Water Agency Committee.

7. Interagency Ad-Hoc Committee – (Sarkovich, Page)

- No report.

8. 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

- General Manager Gray shared that Curt Burgess, FOWD’s IT Technician, is retiring after 9 years with FOWD and that management will assess how best to fill the role going forward.

7. Water Issues – Update on Regional Involvement

- No report.

8. Other

- None.

XI. Public Comment

- None

President Marx closed the open session meeting at 8:10 p.m.

President Marx called the closed session meeting to order at 8:17 p.m.

XII. Closed Session Pursuant to Government Code Sections 54954.5 and 54956

1. Public Employee Performance Evaluation – General Manager’s performance evaluation and conference involving compensation
2. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – one case
3. Conference with Real Property Negotiators on the possible sale of water to buyers outside of the current FOWD service area in California
 - a. Negotiating parties: Board President Marx & General Manager Gray
 - b. Under negotiation: price and terms of payment

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

XIII. Report from Closed Session

- None.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 10:12 p.m.

The Board approved the preceding minutes on May 14, 2018

Tom R. Gray
General Manager/Board Secretary

Date