



**District Attendees**

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

**Other Attendees**

Paul Helliker	SJWD General Manager
George Babcock	Visitor
Tim Menezes	Visitor

**Absent**

Page	Board Member
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**AGENDA ITEMS**

**I. CALL TO ORDER**

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

**II. PUBLIC COMMENT**

- General Manager Gray requested to add an item to “Approval of Warrants” in the Consent Calendar – adding the SJWD water bill that just came in.
- General Manager Gray noted that he received verification that FOWD can submit an application for the Skyway Well Phase II Project and New York Well Pipeline Project for Grant Funding.

**III. CONSENT CALENDAR**

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

1. Approval of Minutes
  - a. Special Board Meeting October 27, 2021

2. Accept and File Treasurer’s Report for the month of October 2021
3. Accept and File Investment Report for the month of September 2021
4. Accept and File Financial Expense Report for the month of October 2021
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of October 2021
7. Approval of Board Expense Report for the month of October 2021

President Sarkovich moved to approve the consent calendar as amended to include the SJWD water bill of \$572,596.90.

Vice President Marx seconded the motion.

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

Absent: Page

#### **IV. PRESENTATION & CORRESPONDENCE**

- None.

#### **V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS**

##### **1. Discussion and possible action on FOWD Resolution No. 21-08: “A Resolution Establishing 2022 Water Rates and Approving the Proposed 2022 FOWD Annual Budget”**

- General Manager Gray stated the Board met and discussed the Proposed 2022 FOWD Annual Budget at the Special Board Meeting on October 27, 2021. The Board did not make any changes to the Proposed 2022 FOWD Annual Budget presented at the October 27, 2021 Special Board Meeting and directed staff to bring the Proposed Budget to the November 8, 2021 Regular Board Meeting for approval.
- General Manager Gray stated that in the attached FOWD Resolution No. 21-08, the water rates did not change. However, there were changes to the “*Proposed Schedule of Fees and Charges*” (pages 44-45) included in the Proposed 2022 FOWD Annual Budget.
- General Manager Gray noted that the Proposed 2022 FOWD Annual Budget does not meet the emergency fund reserve requirement per FOWD reserve policy #5050. The 2022 emergency fund reserve requirement is \$2.5M. FOWD is expected to end 2022 with \$1.7M in cash reserves, \$0.83M below reserve requirement.
- Director McRae stated that in the Resolution No.21-08, the verbiage under item #2 should be changed to be consistent with item #3 and shall be read as follows:

*“Metered commodity charges are \$0.50 per CCF and will not be changed with the approval of the proposed 2022 FOWD Annual Budget.”*

- President Sarkovich stated the 2022 Budget Summary was good and directed staff to post it on the FOWD’s website.
- Mr. Babcock indicated that the maps on pages one and three of the 2022 Proposed Budget should be updated.

President Sarkovich moved to approve the FOWD Resolution No. 21-08: “A Resolution Establishing 2022 Water Rates and Approving the Proposed 2022 FOWD Annual Budget.”

Vice President Marx seconded the motion.

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

Absent: Page

**2. Update and discussion on FOWD Corporation Yard Redevelopment Project**

- General Manager Gray stated that FOWD received an updated schedule from the architect and the project completion is set for January 11, 2024.
- President Sarkovich stated he did not anticipate the project to take this long. He stated the Planning Commission should be voting on January 10, 2022 or January 24, 2022 on the Corp. Yard Project. He does not foresee any problems with the passing of the project.

**3. Update and discussion on FOWD Groundwater Well Projects**

- General Manager Gray stated that FOWD received three solid bids for the Skyway Well Phase II Project. He provided a brief overview of the bids and stated that the bids came in close to the engineer’s estimates. He stated that the results will be posted on the website.
- Staff to bring the selected bid for Board Approval at the December 2021 Board meeting.

**4. Update and discussion on plan to fill the vacant seat on the FOWD Board of Directors - Division**

- General Manager Gray stated the FOWD did not receive any applications for the vacant seat to date.
- The Board directed staff to send a direct mailing to customers and requested FOWD staff involvement with the recruitment.

**5. Update and discussion on the Riverfront Lane Main Replacement Project**

- General Manager Gray stated that staff needs to obtain easements from six property owners. The project will begin immediately upon receiving the easements.

**VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS**

**1. Discussion and possible action on FOWD employee retention plan**

- General Manager Gray introduced Rebecca Simon, FOWD’s Human Resource Administrator.

- Human Resource Administrator Simon stated that during the exit interviews, most employees' feedback on reason for leaving has been higher pay and retirement medical. She indicated that for the past year, she has conducted 12 recruitments and it is a significant amount for a small agency.
- General Manager Gray stated that FOWD has experienced significant loss of employees to other public service employers over the past year as mentioned by Human Resource Administrator Simon. The District is currently working with 26 of 31 Board approved positions filled. General Manager Gray proposed the following action plan items as part of an Employee Plan for FOWD Board consideration.

Action Item One:

Immediately provide all employees with a one-time \$500 essential worker stipend for current and future work through COVID-19 operational impacts.

- a. As of November 1, 2021 FOWD has 26 current employees
- b. Cost to fund is  $(26 \times \$500) = \$13,000$
- c. Fund from existing 2021 Budget
  - i. \$6,000 from Employee Recognition Budget Balance
  - ii. \$7,000 from Professional Services Budget Balance

Action Item Two:

Convert all non-exempt employees to a single ten-step salary structure.

- a. 3% One-Time Lump Sum Years 11-15
- b. 5% One-Time Lump Sum Years 16-20
- c. 7% One-Time Lump Sum Years 21 Forward
- d. No change to current Board approved salary structure
- e. No change to current Board approved salary minimums and maximums for each position

Action Three:

Starting January 1, 2022 provide a 3% District match for individual employee contributions into the FOWD sponsored Deferred Compensation Plan (457 Plan).

- a. 2022 Base Salaries Budget is \$2,538,900
- b. Cost to fund is  $(\$2,538,900 \times 3\%) = \$76,167$ 
  - i. This assumes 100% participation by all 31 Board approved positions
- c. Cost to fund is a 1% increase to the proposed 2022 Operating Budget

Vice President Marx stated that staff should have brought this to the Personnel Committee first.

General Manager Gray stated that this was urgent, and he did not have time to vet it through the Personnel Committee.

President Sarkovich stated that he is okay with Action Items One and Two. However, he believes Action Item Three is a gift of public funds and he is opposed to it.

Director McRae stated that FOWD's recent compensation study shows that FOWD benefits are very good. He is okay with Action Items One and Two. He is not ready to consider Action Item Three yet.

Director Marx is okay with Action Items One and Two.

President Sarkovich moved to act as follows:

Action Item One – Approved

Action Item Two – Approved

Action Item Three – Not Approved

Vice President Marx seconded the motion.

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

Absent: Page

- General Manager Gray thanked the Board for approving Action Items One and Two and for considering Action Item Three.

- **Discussion and possible action on FOWD Resolution No. 21-09: “A Resolution Accepting a Waterline Easement at 9181 Madison Avenue”**

President Sarkovich moved to approve the FOWD Resolution No. 21-09: “A Resolution Accepting a Waterline Easement at 9181 Madison Avenue”

Vice President Marx seconded the motion.

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

Absent: Page

- **Discussion and possible action on the California State Governor’s Proclamation of a State of Emergency due to Drought dated October 19, 2021**

General Manager Gray stated that this new Governor’s Proclamation has no impact on FOWD. FOWD has already implemented the suggested actions.

- **Discussion and possible action on additional funding for 2021**

President Sarkovich moved to approve transferring \$8,150 from reserves to cover 2021 expenses.

Director McRae seconded the motion.

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

Absent: Page

## **VII. UPCOMING EVENTS**

### **1. SJWD Board Meeting / December 8, 201**

- Information Only.

### **2. ACWA Fall Conference / November 30 – December 3, 2021 / Pasadena, CA**

- Information Only.

## **VIII. REPRESENTATIVE REPORTS**

### **1. Sacramento Groundwater Authority (SGA)**

- None.

### **2. Regional Water Authority (RWA)**

- Director Marx reported that there was a presentation by the FBI on cyber security and ransomware.
- General Manager Gray stated there were discussions about the Region speaking in one voice on significant issues.

### **3. Sacramento Water Forum**

- General Manager Gray provided a brief overview of the Water Forum Agreement renegotiations.

### **4. Other**

- None.

## **IX. DIRECTORS' REPORTS & COMMENTS**

### **1. Budget Committee – (Sarkovich, Vacant)**

- None.

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

- None.

### **3. Capital Improvement Committee – (Sarkovich, Vacant)**

- None.

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

- None.

**5. Public Relations Committee – (Page, Vacant)**

- None.

**6. Wholesale Water Agreement Ad-Hoc Committee – (Page, McRae)**

- None.

**7. Carmichael Water District Ad-Hoc Committee – (Marx, McRae)**

- None.

**8. Other**

- President Sarkovich stated that he would like the following items on the December Regular Board Meeting Agenda:
  - Agreement between FOWD and Fair Oaks Recreation & Park District for funding the replacement of a water main in front of the FO Community Clubhouse;
  - Agreement between FOWD and San Juan Unified School District for the Northridge Elementary School Soccer Field Project;
  - COVID-19 Protocols; and
  - Closed Session General Manager Evaluation.

**X. GENERAL MANAGER’S REPORT**

**1. Maintenance Work Report**

- Report provided, no discussion.

**2. Capital Projects Status Reports**

- Report provided, no discussion.

**3. Authorizations of Additional Funding**

- Report provided, no discussion.

**4. Water Transfer Status Report**

- No discussion.

**5. Claims Against District**

- None.

**6. Employee Update**

- Director McRae inquired about the current number of vacancies at FOWD.
- General Manager Gray reported that FOWD currently has five vacancies.

**7. Water Issues – Update on Regional Involvement**

- None.

**8. Other**

- None.

**XI. PUBLIC COMMENT**

- SJWD General Manager Helliker stated that SGA will have a Special Board Meeting this Wednesday with a motion to authorize continuing video conferencing and declaration of emergency.

President Sarkovich closed the open session meeting at 7:54 p.m.

The Board did not have a closed session.

**XII. ADJOURNMENT**

With no further business to come before the Board, President Sarkovich adjourned the meeting at 7:54 p.m.

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The Board approved the preceding minutes on December 13, 2021

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Tom R. Gray  
General Manager/Board Secretary

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Date