



District Attendees

Michael McRae	Board President
Gary Page	Board Vice President
Randy Marx	Board Member
Misha Sarkovich	Board Member
Mike Carey	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

Paul Helliker	SJWD General Manager
Tim Menezes	Visitor
George Babcock	Visitor
Caleb Huiskens	Visitor
Chris Poncin	Visitor
John Petrovich	Visitor
Paul Petrovich	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

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

II. PUBLIC COMMENT

- SJWD General Manager Paul Helliker presented information on the CA State Water Board proposed undeclared flow methodology that could have a negative effect on the water supply operations in the American River Basin.
- General Manager Gray stated that San Juan or Fair Oaks can participate in the transfer. The state regulatory agency is looking at taking surface water from our region and

making it available for environmental uses. The state could make it a mandate and take the water unless agencies provide an alternate source.

- Board President McRae inquired as to who would be the customer of the water.
- SJWD General Manager Paul Helliker replied that the water is expected to be used to enhance flows of the American River, Sacramento River and the Delta. The water would be for environmental uses.

President McRae moved agenda item IV.1 and agenda item VI.1 to before the consent calendar.

III. CONSENT CALENDAR

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

1. Approval of Minutes
 - a. Regular Board Meeting of January 14, 2019
 - b. Special Board Meeting of January 30, 2019
 - c. Regular Board Meeting of February 11, 2019
2. Accept and File Treasurer's Report for the month of February 2019
3. Accept and File Investment Report for the month of January 2019
4. Accept and File Financial Expense Report
5. Approval of Warrants
6. Approval of Cal Card Statements for the month of February 2019
7. Approval of Board Expense Report for the month of February 2019

Director Marx moved to approve the consent calendar as presented.

Director Sarkovich seconded the motion.

- Board President McRae inquired about an invoice from San Juan for the Fair Oaks 40 Project.
- General Manager Gray replied that President McRae can pull the item out of the consent calendar and discuss it along with agenda item VI.4.

Director Marx amended his motion to remove the payment to SJWD from the consent calendar and include in agenda item VI.4.

Director Sarkovich seconded the amended motion.

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

IV. PRESENTATION & CORRESPONDENCE

1. Letter dated March 1, 2019 from Petrovich Development Company related to project located at 5442 Hazel Avenue

- Mr. Paul Petrovich presented an update on the development located at 5442 Hazel Avenue and requested that the District remove the condition to improve the water main located in the right of way of Hazel Avenue.
- Director Sarkovich stated that he does not see a benefit by increasing the main from 10 inch to 12 inch and he would like to see it resolved.
- General Manager Gray stated that he was just made aware of Petrovich Development's concern in the prior week.
- Board President McRae stated that the Board is going to direct staff to address the developers concerns and find a resolution.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on the 2019 New Groundwater Wells Project

- General Manager Gray provided information on the RFPs to design groundwater production wells. The RFP's were sent to engineering firms, posted on the FOWD website and advertised in the Sacramento Bee.
- President McRae inquired if there was anything about an environmental impact study.
- General Manager Gray replied that the study would be covered in design.
- President McRae inquired if staff has considered standardizing the above ground design to allow for interchangeability between the developed well sites.
- General Manager Gray replied that the above ground design is specific to the unique sites.
- President McRae inquired if there was value in the old pump.
- General Manager Gray stated that the RFPs will include using current equipment in the design.

2. Discussion and possible action on a contract to provide A/E services for the development of a new FOWD corporation yard and crew quarters

- General Manager Gray presented the updated contract with Gutierrez and Associates to provide A/E services for the development of a new FOWD corporation yard and crew quarters for the cost of \$238,120 with an additional 15% or \$36,000 to manage the project.
- Director Sarkovich stated that he does not want to approve \$36,000 for additional consulting to manage the project.
- General Manager Gray replied that the Board previously discussed allocating additional resources for project management to assist the FOWD staff.
- Board President McRae stated that he would like a technical review of the construction document prior to going out to bid.

Director Marx motioned to approve a contract to the tune of \$238,120 with Gutierrez and Associates to provide A/E services for the development of a new FOWD corporation yard and crew quarters.

Director Sarkovich seconded the motion.

- Director Page stated that the design criteria on page 17 requires a unique feature and he would like to see a water feature in front of the building that would give a message to the community.
- General Manager Gray stated that the Architect will take all the input from the stakeholders and incorporate them in to the design.

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

3. Update and discussion on FOWD Water Supply for the month of February 2019

- Operations Manager Nisenboym provided an overview of the water supply for the month of February. FOWD received almost 10 inches of rain, which is above average, and temperature was approximately 5 degrees cooler than average. Demand was recorded at 286.05 AC-FT. Wholesale connections provided 285.5 AC-FT while groundwater provided .55 AC-FT.
- Director Sarkovich inquired as to when FOWD will resume with groundwater production.
- General Manager Gray replied that the District is waiting for a letter proposal from Tesco to bring the SCADA system back online.
- Director Sarkovich inquired on the expected date.
- General Manager Gray replied that he believes that FOWD could be pumping groundwater in March.

4. Discussion and possible action on General Manager's compensation

- Director Sarkovich stated that the Board discussed the General Manager's contract in closed session and the Board has approved a new contract at the same terms and rate of pay with a one-time bonus of \$6,500.
- Board President McRae stated that he is happy to be working with the General Manager for the upcoming year.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion and possible action on a contract to provide Information Technology support services to FOWD

- General Manager Gray recommended that the Board authorize the General Manager to enter into an agreement with FUSE 3 Communications for Information Technology support services not to exceed an annual cost of \$63,000.
- Director Sarkovich inquired if the vacant IT position would be eliminated.
- General Manager Gray replied that ideally the District would continue to employ a person to manage routine IT task with the possibility of merging with a current position.

Director Sarkovich moved to authorize the General Manager to enter into an agreement with FUSE 3 Communications for Information Technology support services not to exceed an annual cost of \$63,000.

Director Marx seconded the motion.

- Director Page stated that he wants to give thanks to General Manager Gray for the work performed in finding a reasonable way to address the IT needs of the District.

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

2. Discussion and possible action on revisions to the FOWD Policy 2040 – Compensation for Directors

- Director Carey stated that the Director compensation is currently low and has not been changed in many years. When he left the Board in 1994 the Director compensation was \$100 and has not changed. He would like to increase the Director's compensation to \$150.
- Director Sarkovich stated that he agrees with Director Carey in that the Board has not kept up with inflation. However, he is against the increase. He stated that he is not on the Board for money. His tenure on the Board is a community service. He feels it is the wrong message.
- Director Page stated that he does not want to increase the Director's compensation.

- Director Marx stated that any increase would not be in line with the District's goal of low cost.
- Board President McRae stated that the \$100 stipend is a reflection of what the Board stands for.

3. Discussion and possible action on FOWD Policy 3010 – Board Meeting Agendas

- General Manager Gray stated that the practice has been to send all Board Agenda items to the Board President for approval. The policy states that any Board member can request an item to be included.
- Director Sarkovich stated that he likes the policy as worded. It allows for any Board member to place an item on the agenda.
- General Manager Gray stated that FOWD should keep the wording as is but as a practice have the Board President review and approve the agendas.
- Director Carey inquired as to the reason for having the agenda approved by the President.
- Director Marx stated that the practice is appropriate for operation of the organization

4. Discussion and possible action on the progress payment to SJWD for the Fair Oaks 40-inch Transmission Pipeline Rehabilitation Project

- General Manager Gray recommended that the Board authorize district staff to pay invoice 024885 in the amount of \$1,276,065.79 as a 50% progress payment for the Fair Oaks 40-inch Transmission Pipeline Rehabilitation Project.

Director Cary moved to authorize district staff to pay invoice 024885 in the amount of \$1,276,065.79 as a 50% progress payment for the Fair Oaks 40-inch Transmission Pipeline Rehabilitation Project.

Director Page seconded the motion.

- Board President McRae stated that the amount was so large that it was important to include it in the open session.

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

VII. UPCOMING EVENTS

- 1. Fair Oaks Chamber of Commerce Business Luncheon/ March 21, 2019/ Fair Oaks Clubhouse**
 - Information only.
- 2. San Juan Water District Finance Committee Meeting / March 26, 2019 / SJWD Administration Building**
 - Information only.
- 3. San Juan Water District Regular Board Meeting / March 27, 2019 / SJWD Administration Building**
 - Information only.

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - None.
- 2. Regional Water Authority (RWA)**
 - None.
- 3. Sacramento Water Forum**
 - Director Page stated that the Sacramento Water Forum is requesting the state to notice the unique situation with the American River and consider the conditions.
 - General Manager Gray stated that the Director of the Water Forum sent a letter regarding the work already done on how to manage the water in the area and will include it in the next Board meeting.
- 4. Other**
 - None.

IX. DIRECTORS' REPORTS & COMMENTS

- 1. Budget Committee – (Sarkovich, Carey)**
 - None.
- 2. Technical Advisory Committee – (Marx, McRae)**
 - None.
- 3. Capital Improvement Committee – (Sarkovich, Carey)**
 - None.

- 4. Personnel Committee – (McRae, Page)**
 - None.
- 5. Public Relations Committee – (Page, Carey)**
 - None.
- 6. Wholesale Water Agreement Ad-Hoc Committee – (McRae, Page)**
 - None.
- 7. Carmichael Water District Ad-Hoc Committee – (Marx, McRae)**
 - Director Sarkovich inquired as to when the 2 x 2 meeting will take place.
 - General Manager Gray replied that Carmichael Water District’s General Manager Steve Nugent will meet with General Manager Gray to set up a meeting.
- 8. Other**
 - None.

X. GENERAL MANAGER’S REPORT

- 1. Monthly Maintenance Work Report**
 - Report provided; no discussion
- 2. Capital Projects Status Reports**
 - None.
- 3. Authorizations of Additional Funding**
 - Report provided; no discussion.
- 4. Water Transfer Status Report**
 - None.
- 5. Claims Against District**
 - Report provided; no discussion.
- 6. Employee Update**
 - General Manager Gray stated that FOWD is 100% staffed.
- 7. Water Issues – Update on Regional Involvement**
 - None.
- 8. Other**
 - None.

XI. PUBLIC COMMENT

- Mr. Babcock inquired on what the IT issue was.
- General Manager Gray replied that FOWD was unable to use the IT system.
- Mr. Babcock stated that the requirements placed on the Petrovitch Development project could bring litigation to the District.
- General Manager Gray stated that staff will work with Mr. Petrovich on the project.
- Mr. Babcock stated that he feels it is wise to have someone help with the management of the new building project prior to the design being completed.

President McRae closed the open session meeting at 9:18 p.m.

President McRae called the closed session meeting to order at 9:23 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54954.5 AND 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – Two cases
2. Public Employee Performance Evaluation – General Manager’s performance evaluation and conference involving compensation

President McRae closed the closed session meeting at 9:58 p.m.

President McRae reopened the meeting to the public at 10:03 p.m.

XIII. REPORT FROM CLOSED SESSION

- None.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

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

The Board approved the preceding minutes on April 8, 2019

Tom R. Gray
General Manager/Board Secretary

Date