



District Attendees

Misha Sarkovich	Board President
Randy Marx	Board Vice President
Chris Petersen	Board Member
George Babcock	Board Member
Tom R. Gray	General Manager
Shawn Huckaby	Operations Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Water Supply Superintendent
Rebecca Simon	Human Resource Administrator

Other Attendees

Carolyn Bramson	Visitor
Richard Luna	Visitor
Margge Wood	Visitor
Barbara Beck	Visitor
Diana Babcock	Visitor
Mike McRae	SJWD Board Member

Absent

Mark Dolby	Board Member
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AGENDA ITEMS

I. CALL TO ORDER

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

Director Sarkovich noted that Director Dolby has an excused absence.

II. PUBLIC COMMENT

- A visitor asked the Board to consider asking the contract for the Field Service Center to identify permanent locations that FOWD could be moved to. She stated that it would go a long way to assure the rate payers.

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 21, 2025
 - b. Special Board Meeting of January 27, 2025
2. Accept and File Treasurer's Report for the month of January 2025
3. File Investment Report for the month of December 2024
4. Accept and File Financial Expense Report for the month of January 2025
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of January 2025
7. Approval of Board Expense Report for the month of January 2025

President Sarkovich moved to approve the consent calendar as presented.

Director Marx seconded the motion.

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

Absent: Dolby

IV. PRESENTATIONS AND CORRESPONDENCE

1. Oath of Office for the Director Representing Division 2 on the FOWD Board of Directors
 - Director Babcock was sworn into office.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. **Discussion and possible action on an agreement with MC Engineering related to FOWD Field Services Center Project**
 - General Manager Gray provided an overview of the proposal from MC Engineering, Inc. as requested by the Board for the Field Services Center Project.
 - President Sarkovich provided an overview of the February 5, 2025, meeting at MC Engineering, Inc. that included Director Sarkovich, Director Petersen and General Manager Gray about the project. He stated that the Board does not have to make a decision about the proposal today. The consensus at the meeting is that there are three phases: relocation, demolition, and construction. He stated that FOWD should plan ahead for each phase and perhaps create separate contracts for each one.
 - General Manager Gray addressed the public comment about the contractor identifying permanent locations for the FOWD Field Services Center Project, stating that adding this to the scope of the work could double the cost to FOWD.
 - President Sarkovich stated it is impossible to go back and revisit the same issue over and over again.

- President Sarkovich proposed that the Capital Improvement Committee continue to work on this before the Board hires anyone. He would like to use MC Engineering, Inc. for technical assistance. He questioned why FOWD needs a third party to come in and tell FOWD about operations.
- Director Petersen stated he had no problem spending the money now to start identifying different properties and planning. Staff are pretty busy with existing work and could use help from MC Engineering, Inc. The price is not too high for what FOWD is getting. The scope of work is thorough, and they have the bandwidth to get it done quickly.
- President Sarkovich stated he does not want to spend money until FOWD has a building permit.
- Director Petersen stated that MC Engineering, Inc. has relocated several facilities and there is a lot of logistics to think through.
- President Sarkovich believes they can do it, but it is expensive. He stated that FOWD staff is qualified, competent, and well paid. Staff should step in and deal with these types of questions.
- General Manager Gray stated that in the proposal, they are not seeking to tell FOWD how to run its business, they want to ask FOWD and get the information to find an appropriate site.
- General Manager Gray stated that staff are already project managing the Skyway Well, New York Well, New York Main, designing the Transmission Main Replacement Project Phases 1 and 2 and Northridge Well. This is the work every other district pays to have somebody else do. At the meeting on February 5, 2025, an independent third party stated that this is a full-time job and General Manager Gray questions how staff will do all of it.
- President Sarkovich stated that during construction there will be a general contractor and now FOWD is proposing to hire a third party to manage the general contractor. FOWD is outsourcing way too many things at the rate payers' dime. He is okay with finding someone local for construction management services because Gutierrez and Associates (GA) are in Oakland and aren't coming to FOWD to provide these services that were in the original contract. He is not okay with paying the cost in the proposal.
- Vice President Marx stated that the proposal is fairly reasonable with only 16 hours to review operations, and it is a huge effort. They need the background to make recommendations while looking at scheduling, red flags and costing out different alternatives. It important for the Board to make a good decision.
- Vice President Marx stated that he is okay with all the tasks in the proposal and thinks FOWD could cut 10%. Vice President Marx has worked with MC Engineering, Inc. and rates are consistent, they do good work, and it is a good value for FOWD.
- Director Babcock agreed with Vice President Marx and Director Petersen about the proposal. He stated if FOWD needs to go out to bid quickly, do not want to stall.
- A visitor asked if it is a pipe dream, or it is possible that the FOWD Gum Ranch site could be used temporarily by FOWD for this project. FOWD picked MC Engineering, Inc. for a reason and it doesn't seem outrageous as a rate payer to have added confidence of a professional company telling FOWD this is a good one and

this one is not. She also asked how staff will do their jobs while this is going on and how people can wear that many hats at once (referring to staff managing the project). She stated that it behooves FOWD to pay someone to check.

- General Manager Gray clarified that FOWD acquired Gum Ranch for a future tank site. FOWD thought it could be used to relocate equipment and materials during construction, but it is not practical to house all operations during construction.
- President Sarkovich asked former FOWD Director and current SJWD Director Mike McRae if he had a take on the proposal.
- SJWD Director McRae stated that he had not read or seen the proposal, but that staff are pretty busy with projects and will need help moving forward with Field Services Center. He suggested the Sears Automotive Repair Center as a potential site to be used for field staff and vehicles.

President Sarkovich moved to direct the General Manager to negotiate and execute the contract with MC Engineering, Inc. not to exceed \$33,000.

Director Marx seconded the motion.

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

Absent: Dolby

2. Update and discussion on the Northridge Well Project

- General Manager Gray provided an overview and update. The bid packet went out last Friday.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion on FOWD Water Supply for the month of January 2025

- Water Supply Superintendent Siebensohn provided a summary of the water supply report.
- General Manager Gray stated that water sales were up 23% in the first 6 months of the fiscal year for SJWD, while net revenues were up 10%. He highlighted this because it is a result of their rate structure.
- SJWD Director McRae stated he is hopeful that a resolution will be reached that is happy for all parties involved.
- General Manager Gray is equally hopeful that with the change in leadership starting at SJWD, some of the angst between FOWD and SJWD will reduce and that we can operate for mutual benefit in the near future or within a few years.

2. Discussion on FOWD owned property located in Phoenix Park

- General Manager Gray provided a brief summary of how staff discovered FOWD owns a parcel within Phoenix Park for a well site.
- General Manager Gray stated that staff recommends the Board direct the General Manager to schedule a meeting with the Fair Oaks Recreation and Park District (FORPD) to include Director Sarkovich, General Manager Gray, FORPD

Administrator Aho and Director Carhart. FOWD will present more information to that group for a resolution that can be brought to the full FOWD Board.

- Director Petersen asked about the objective of the meeting.
- General Manager Gray stated that FOWD will present information uncovered and that it has to do with negotiations between FOWD and FORPD years ago. FOWD has an agreement executed with this FOWD Board to help FORPD with the club house project. General Manager Gray stated FOWD would like to bring it all together to see what is fair and reasonable to resolve in one package.
- A visitor asked about the size of the parcel.
- President Sarkovich stated that it is small, big enough to drill a water well.
- President Sarkovich directed General Manager Gray to schedule a meeting and give information FOWD discovered to the FOPRD.

3. Discussion and possible action on FOWD Resolution No. 25-01 related to the Northridge Well Project

- General Manager Gray provided staff recommendation to approve FOWD Resolution No. 25-01 and authorize the General Manager to sign the categorical exemption for the proposed replacement of the Northridge Well.

President Sarkovich moved to approve FOWD Resolution No. 25-01 and authorize the the General Manager to sign the categorical exemption for the proposed replacement of the Northridge Well.

Director Petersen seconded the motion.

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

Absent: Dolby

4. Discussion on FOWD policy and procedures for the selection of consultants to perform professional services

- General Manager Gray read the staff report related to professional services, reviewing FOWD policy and applicable California Government Codes.
- After Board discussion, Director Petersen stated that he wanted a legal opinion.
- President Sarkovich agreed to obtaining a legal opinion.
- General Manager Gray stated that the Board has to follow government code and regulations.
- Director Marx stated that a compromise could be to provide price in the proposal as part of evaluation criteria at 10% of the ranking.
- Director Petersen stated it was a good compromise.
- Director Sarkovich stated it would work, but not sure of 10%. He reiterated that he wanted to see the price in proposals.
- General Manager Gray recommended sending the staff report to FOWD General Counsel for a legal review and edits.
- President Sarkovich directed General Manager Gray to send staff report to FOWD General Counsel for a legal review.

VII. UPCOMING EVENTS

- 1. February 19, 2025 / SJWD Regular Board Meeting / SJWD Office**
- 2. March 13, 2025 / RWA Board Meeting / Sacramento**
- 3. April 10, 2025 / SGA Board Meeting / Sacramento**

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - None.
 - General Manager Gray stated that FOWD is fighting hard to be recognized with a starting balance in the water bank.
- 2. Regional Water Authority (RWA)**
 - None.
- 3. Sacramento Water Forum**
 - None.
- 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)**
 - Committee met on February 5, 2025.
- 4. Personnel Committee – (Vacant, Dolby)**
 - Committee did not meet.
 - President Sarkovich assigned Director Babcock to the Personnel Committee.
- 5. Public Relations Committee – (Vacant, Dolby)**
 - Committee did not meet.
 - President Sarkovich assigned Director Babcock to the Public Relations Committee.
 - General Manager Gray stated businesses in Fair Oaks Village are responsible for sidewalks and through Supervisor Desmond's office FOWD understands some businesses are receiving a threatening notice to bring the sidewalks up to standard within 60 days. General Manager Gray approached the County about

providing the contact information for the FOWD contractor to businesses in the Fair Oaks Village. This would enable those businesses to get the FOWD pricing for work needed in front of their business and they would not have to purchase an encroachment permit from the County. The County approved that process. The County is currently considering waiving the inspection fees. There is no cost to FOWD rate payers for FOWD trying to accommodate and help those in the Fair Oaks Village.

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

- Committee did not meet.
President Sarkovich assigned Director Marx to the FOWD and SJWD 2x2 Ad-Hoc.

X. GENERAL MANAGER’S REPORT

1. Maintenance Work Report

- Report provided.

2. Capital Projects Status Report

- Report provided.

3. Authorizations of Additional Funding

- Report provided.

4. Water Transfer Status Report

- None.

5. Claims Against District

- Report provided.

6. Employee Update

- None.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- None.

XI. PUBLIC COMMENT

- A visitor inquired about where the line is between a low bid and if it’s too low and suspect.
- General Manager Gray stated that FOWD is working hard to take everything into consideration for this process to award contracts for professional services and that he will bring updated information back for Board and public review.

- SJWD McRae stated that February 19, 2025 SJWD Board Agenda will have a letter to FOWD requesting to discuss groundwater.

President Sarkovich closed the open session meeting at 8:15 p.m.

President Sarkovich opened the closed session meeting at 8:25 p.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 Sarkovich closed the closed session meeting at 9:37 p.m.

President Sarkovich reopened the meeting to the public at 9:37 p.m.

XIII. REPORT FROM CLOSED SESSION

- None.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

With no further business to come before the Board, President Sarkovich adjourned the meeting at 9:38 p.m.

The Board approved the preceding minutes on March 17, 2025



Tom R. Gray
General Manager/Board Secretary

3-31-2025

Date