



District Attendees

Michael McRae	Board President
Gary Page	Board Vice President
Misha Sarkovich	Board Member
Randy Marx	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	San Juan Water District (SJWD), General Manager
Dan York	Sacramento Suburban Water District (SSWD), General Manager
Pete Schroeder	Fair Oaks Community Action Partnership (FOCAP)
Jeffrey Mitchell	Legal Counsel, Kronick, Moskovitz, Tiedemann & Girard
Tim Menezes	Visitor
George Babcock	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

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

II. PUBLIC COMMENT

- San Juan Water District General Manager Helliker stated that in response to Fair Oaks Water District's request, they have decided to restructure the wholesale rates. The rates will be structured on a rolling 5-year average and will reflect the District's usage.
- General Manager Gray stated that the fixed charges are locked in for 5 years. When the District pumps groundwater, the wholesale fixed charge will be reduced.
- President McRae thanked SJWD for listening to FOWD and other districts in the area.
- General Manager Gray stated that the next collaborative project is to get CVP water to SSWD.

President McRae moved items VI.3, V.1, V.10, IV.1 and V.9 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 July 8, 2019
2. Accept and File Treasurer's Report for the month of July 2019
3. Accept and File Investment Report for the month of June 2019
4. Accept and File Financial Expense Report for the month of July 2019
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of July 2019
7. Approval of Board Expense Report for the month of July 2019

Director McRae moved to approve the consent calendar as presented.

Director Sarkovich seconded the motion.

- Director McRae inquired as to the annual registration with the California Air Resources Board.
- General Manager Gray replied that the registration is for the generators.

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

IV. PRESENTATION & CORRESPONDENCE

- 1. Correspondence from the County of Sacramento Voter Registration and Election dated July 16, 2019**
 - General Manager Gray presented correspondence from the County of Sacramento Voter Registration and Election dated July 16, 2019.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

- 1. Discussion and possible action on FOWD participation in the Sacramento Region Water Utility Collaboration / Integration Study (Originally the SJWD & SSWD Consolidation Process)**
 - General Manager Gray provided a staff report for the Board, including additional information that has been provided by Dan York, General Manager of the SSWD.

- SSWD General Manager York provided a summary of the collaboration process between SJWD and SSWD. The process will include other water agencies in the area.
 - SJWD General Manager Helliker stated that the only agencies not participating are Del Paso Manner and Orange Vale Water and is requesting that the Fair Oaks Water District become an active participant in the collaboration/integration study.
 - Director Sarkovich stated that in his opinion the cost is not a good use of rate payer's money.
 - Director McRae expressed his appreciation for the presentation and was concerned that the study will impact FOWD employees from conducting regular business.
 - Director Page inquired on how much power the steering committee has.
 - SJWD General Manager Helliker replied that the steering committee will provide guidance to the consultant.
 - Director Page stated that he is opposed to participating in the study.
- 2. Update and discussion on the 2019 Corporation Yard Project**
- General Manager Gray provided an update on the 2019 Corporation Yard Project and public outreach plan.
- 3. Update and discussion on FOWD Water Supply for the month of July 2019**
- Operation Manager Nisenboym provided an update on the water supply for the month of July 2019. System Demand was 1,361 AC-FT, 10% of demand was supplied from groundwater sources. Surface water supplied 1,216 AC-FT, compared to 2013. FOWD's demand was reduced by 21.83%.
- 4. Update and discussion on the 2019 New Groundwater Wells Project**
- General Manager Gray presented an update on the 2019 New Groundwater Wells Project.
- 5. Update and discussion on FO-40 pipeline operations**
- General Manager Gray presented an update on the FO-40 pipeline operations. The SJWD does not require FOWD to keep the FO-40 open. Operations staff will determine the benefits of using the FO-40 and make a recommendation to the Board.
 - Director McRae stated that the Technical Committee should meet and discuss the usage of the FO-40 and until a decision is made the FO-40 should be turned off.
- 6. Discussion and possible action on adding and recruiting for an Inventory Technician position at the FOWD**
- Customer Service Manager Huckaby recommended that the Board authorize the addition and recruiting for an Inventory Technician position at the FOWD.
 - Director McRae inquired if the new building will house additional staff and if the additional staff will be able to receive shipments.
 - General Manager Gray stated that the new design will have an area specifically for an Inventory Technician.

Director Page moved to authorize to:

- a. Approve a new FOWD organizational chart with 31 positions;
- b. Approve an annual salary range for the Inventory Technician at \$45,864 to \$61,921.60 and the attached revised salary schedule;
- c. Approve a job description for the Inventory Technician; and
- d. Recruit and fill the new position of the Inventory Technician.

Director Marx seconded the motion.

- Director Marx stated that it is a good decision and staffing should be at the discretion of the General Manager.
- Director Sarkovich is opposed to adding positions when the Board worked hard to keep staff low.
- Director Page stated that he appreciates staff and their dedication to FOWD.
- Director McRae stated that if a position becomes unnecessary the District should look to eliminate it.

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

Opposed: Sarkovich – nay

7. Update and discussion on FOWD Transmission Main operation and maintenance issues

- General Manager Gray presented an update on the FOWD Transmission Main operation and maintenance issues.
- Director McRae stated that the Technical Committee needs to meet and review the FOWD Transmission Main operation and maintenance.

8. Update and discussion on the Kenneth Tank Site

- General Manager Gray presented an update on the Kenneth Tank Site. FOWD will receive \$125,000 from Elliot Homes in lieu of site improvements.

9. Discussion and possible action on vacant FOWD Division 1 Director Position

- Legal Counsel Jeffrey Mitchell presented the options for the Fair Oaks Water District to fill the vacant Division 1 Director. The options are to appoint a new Director or call an election.

Director Sarkovich moved to call an election for the vacant Division 1 Director Position in accordance with Governmental Code 1780.

Director Marx seconded the motion.

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

The Board directed staff to work with FOWD’s legal counsel and prepare a resolution accordingly.

10. Update and discussion on FOWD compliance with the California Voting Rights Act (CVRA)

- Legal Counsel Jeffrey Mitchell presented an update on FOWD’s compliance with the California Voting Rights Act.

The Board discussed the need of hiring a demographer and budgeting \$10-\$15k to review changing the District’s boundaries within FOWD during this process.

The Board directed staff to start the process to align the FOWD with the California Voting Rights Act and bring a resolution to the September Board meeting.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion and possible action on the “Request for Qualification” to select a new Special District Financial Auditor – prior Auditor termed out in accordance with District policy

- Finance Manager Ha-Ly stated that the previous auditor has completed the maximum allowable attestation services according to Board policy. The plan is to release the Request for Qualifications to select a new Special District Financial Auditor.
- Director Marx inquired as to the term of the new auditors.
- General Manager Gray replied that the term could be renewed yearly up to a maximum of five years.

2. Discussion and possible action on nominations for the Sacramento LAFCo Special District Commissioner for Office No. 6 and Alternate Special District Commissioner for Offices 6 & 7

- Director Page stated that he would be willing to serve if he was nominated for the Sacramento LAFCo Special District Commissioner for Office No. 6 and Alternate Special District Commissioner for Offices 6 & 7.

Director Sarkovich motioned to authorize the General Manager to complete all necessary paperwork and filings to nominate Director Page for the Sacramento LAFCo Special District Commissioner for Office No. 6 and Alternate Special District Commissioner for Offices 6 & 7.

Director McRae seconded the motion.

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

Abstained: Page

3. Discussion and possible action on the Fair Oaks Community Action Partnership (FOCAP) facility usage request

- General Manager Gray stated that the original request for use of facilities was denied under the assumption that FOCAP was meeting monthly. It has come to light that the request to use the facility is once every 15 months.
- Mr. Schroeder stated that the meeting is rotated and is held from 4 p.m. to 5 p.m. on the last Wednesday of the month.
- Director Sarkovich stated that the Board room should be available for public use.
- Director Marx stated that a use of facilities policy should be developed in order to allow organizations to use the room.
- President McRae directed staff to bring back a policy for the Board to discuss.

VII. UPCOMING EVENTS

1. Fair Oaks Chamber of Commerce Business Luncheon / August 15, 2019 / Wild Rooster Bistro / Fair Oaks

- Information only.

2. San Juan Water District Regular Board Meeting / August 28, 2019 / SJWD Administration Building

- Information only.

3. 2019 CSDA Annual Conference / September 25-28, 2019 / Anaheim, CA

- Information only.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- Director Marx reported from the SGA meeting that water levels have recovered from the drought. The bad news is the Government continues to regulate water in a stricter manner and increase water cost.

2. Regional Water Authority (RWA)

- Director Marx reported from the RWA meeting. The Regional Water Reliability Plan includes the FOWD Well at New York and has a 50% price match.

3. Sacramento Water Forum

- None.

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 – (McRae, Page)**
 - None.
- 7. Carmichael Water District Ad–Hoc Committee – (Marx, McRae)**
 - None.
- 8. Other**
 - None.

X. GENERAL MANAGER'S REPORT

- 1. Monthly 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**
 - None.
- 5. Claims Against District**
 - Report provided; no discussion.

6. Employee Update

- General Manager Gray stated that a 15-year employee who left the District earlier this year has returned. The management team communicated that the employee is value added to FOWD and is glad to have him back.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- None

XI. PUBLIC COMMENT

- None.

President McRae closed the open session meeting at 8:57 p.m.

President McRae called the closed session meeting to order at 9:00 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – Two cases

President McRae closed the closed session meeting at 9:48 p.m.

President McRae reopened the meeting to the public at 9:48 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 9:48 p.m.

The Board approved the preceding minutes on September 9, 2019

Tom R. Gray
General Manager/Board Secretary

Date