



District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Gary Page	Board Member
Misha Sarkovich	Board Member
Dave Underwood	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager

Other Attendees

Jeffrey Mitchell	Kronick, Moskovitz, Tiedemann & Girard
Adam W. Robin	Regional Water Agency (RWA) Advocacy Program Manager
George Babcock	Visitor
Tim Menezes	Visitor

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- None.

The Board moved item IV.1 “Presentation by Regional Water Authority on the ongoing Lobbying Subscription Program” 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 8, 2018
2. Accept and file Treasurer’s Report for the month of January 2018
3. Accept and file Investment Report for the month of December 2017

4. Accept and file Financial Expense Report for January 2018
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of January 2018
7. Approval of Board Expense Report for the month of January 2018
 - Director Underwood moved to approve the consent calendar as amended.
 - Vice President McRae seconded the motion.
 - Mr. Babcock stated that January Minutes do not reflect his suggestion related to FOWD placing a tank South of Madison.
 - The Board stated FOWD will revise the Minutes to reflect Mr. Babcock's comment.
 - General Manager Gray suggested amending the January 8, 2018 Regular Board Meeting Minutes to include:

“A member of the public, Mr. Babcock, recommended that additional storage at the west end of FOWD's system would be beneficial to the water system.”
 - Vice President McRae seconded the motion to amend.

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

IV. Presentation & Correspondence

1. Presentation by Regional Water Authority on the ongoing Lobbying Subscription Program

- RWA Advocacy Program Manager Adam Robin presented information on the RWA Advocacy Program and the statewide legislative and regulatory issues addressed in 2017, noting the Program funds the Fernandez lobbyist contract. Annual subscription dues are based on retail connections served with 13 of the 21 RWA agencies as members of the Lobbyist Subscription Program, including SJWD Wholesale.
- RWA Advocacy Program Manager Robin stated in 2017, 2,800 legislative measures were tracked, 164 were analyzed and 40 were presented to the program members and 16 bills were identified as critical and the organization adopted a position to engage (oppose, support or seek amendments) on these 16 bills. The program also sponsored two bills which did not advance but increased RWA presence to continue working in 2018 with a statewide coalition and present language to authors of the AB 1668 and SB 606 bill proposals currently under consideration.
- General Manager Gray asked what specifically is of benefit to FOWD from this effort, noting FOWD wells were not allowed to be used during drought.
- RWA Advocacy Program Manager Robin stated two-thirds of water users and voting legislature are south of the Tehachapi's, so it is important to incorporate the story of the Sacramento region as part of the RWA efforts. Additional water related

bills under legislative review were presented as well as positions being advanced with the State Water Board.

- General Manager Gray stated the FOWD Board cannot afford time to sit down at the Capitol and the RWA program gives FOWD the opportunity to have a voice on state water issues and participate at minimal cost.
- Director Sarkovich stated concern for the cost of a retainer for Lobbyist Fernandez and the \$9,000 cost to FOWD as a smaller participant in the RWA Program as the Advocacy Program Manager is a part of the RWA.
- General Manager Gray stated he and Board President Marx endorsed the funding and hiring of the Advocacy Program Manager as a position within the RWA Program as it was cheaper than contracting it out and provided more control.
- Director Sarkovich requested item V.1. be moved forward for discussion.
- The Board moved item V.1. “Discussion and possible action on continued participation in the Regional Water Authority Lobbying Subscription Program” as the next item for discussion before the consent calendar.

V. Discussion and Action Items: Old Business

1. Discussion and possible action on continued participation in the Regional Water Authority Lobbying Subscription Program

- General Manager Gray noted recommendation from staff for the payment for 2018 for the RWA Lobbying Subscription Program.
- Director Underwood moved to approve the payment of \$9,000 to RWA for the Lobbying Subscription Program in 2018.
- Vice President McRae seconded the motion.
- Director Sarkovich asked what did FOWD get for the 2017 subscription.
- RWA Advocacy Program Manager Robin noted active lobbying such as AB 1668 and SB 606 that would have negatively impacted Sacramento water agencies.
- Director Sarkovich stated his belief that lobbying is adding to the corruption of politics and would prefer to just pay into RWA and not separately into a lobbying program. He asked why all RWA agencies are not part of the program.
- RWA Advocacy Program Manager Robin stated the Program is adding members, from original 7 to current 13, and may fold into RWA at some point.
- Director Underwood is in support of having a Lobbyist as a necessary evil.
- Director Page stated the Lobbyist helps inform Board decision makers and helps advocate for FOWD interests and it is worth being represented so as not to hurt FOWD customers.
- Vice President McRae noted it is an unfortunate necessity to have a lobbyist and that RWA efforts have been rewarding to FOWD and he supports the 2018 payment.

- Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye, Sarkovich – no and Underwood – aye
- The Board directed staff to update bi-monthly on the Lobbyist program

2. Update and discussion on the Gastman Project (verbal)

- General Manager Gray reported that the total cost from 2014-17 for the Gastman Project is \$274,292.92 not including legal costs. He provided details on the amounts to be expensed, capitalized and pipe to sell back to the contractor.
- Director Sarkovich inquired on the legal costs.
- General Manager Gray stated he will report back on legal costs.

VI. Discussion and Action Items: New Business

1. Update and discussion on FOWD water supply for the month of January 2018

- Operations Manager Nisenboym reported that the FOWD total system demand from all sources for the month of January was recorded at 342.84 AF. The wholesale connections provided 205.66 AF (60%) and groundwater wells produced 137.18 AF (40%) of the total water demand. The January 2018 total demand of 342.84 AF represents a decrease of 17.81% from January 10-year average and 14.55% reduction from January 2013.
- General Manager Gray noted FOWD has the FO-40 off and noted SJWD management and staff willingness to listen to concerns with FO-40 and assurances of groundwater drought year allocations.
- Vice President McRae stated it may be good to look at cost of pumping groundwater and historical costs.
- General Manager Gray directed staff to draft something in the staff report and bring policy consideration forward in the next month as well as information for closed session on the aquifer.

2. Discussion and possible action on the upcoming FOWD Division 1 Board Vacancy

- General Manager Gray recommended that when Director Underwood's Board position becomes vacant the Board continue with only four members until the November election. He noted this position is up to be filled as part of the general election and can go through the normal process and save costs.
- Director Sarkovich motioned to accept the staff recommendation to post the Board position to be filled during the 2018 November general election.
- Director Underwood noted he is still active until March 13, 2018.
- Director Page seconded the motion.

- General Manager Gray stated FOWD posts the position on the FOWD website, in the Messenger, and at the Library. Recruiting is not done unless directed by the Board.
 - Director Page stated that he is concerned about the participation in the last election and would like FOWD to use new tools for outreach such as Facebook and social media.
 - General Manager Gray stated it is a decision not to work on social media as FOWD does not have the resources to keep information from becoming stale.
 - Director Sarkovich suggested a bill insert to advertise upcoming open positions
 - Board President Marx noted a bill insert with a map of the divisions might be an idea.
 - Vice President McRae noted as of April the next special election date would coincide with the general election.
- 3. Discussion and possible action on Resolution No. 18-01: “Resolution of Acceptance of Real Property Known as FOWD Water Production and Tank Site Located Within the FOWD Service Area”**
- The word “potentially” was added to the third paragraph to read “...District to potentially build...”
 - Mr. Mitchell from Kronick, Moskovitz, Tiedemann & Girard suggested modifying item #2 as follows: Replace “carry out the intentions of this Resolution” with “take all actions necessary to complete acceptance of the property described in Exhibit B.”
 - Director Underwood moved to approve Resolution No. 18-01 as amended.
 - Vice President McRae seconded the motion.
 - Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye, Sarkovich – aye and Underwood – aye

VII. Upcoming Events

- 1. San Juan Water District Board Meeting / February 28, 2018 / SJWD Administration Building**
 - Information only.
- 2. Fair Oaks Chamber of Commerce Business Luncheon / February 15, 2018 / Fair Oaks Community Club House**
 - Information only.

VIII. Representative Reports

- 1. Sacramento Groundwater Authority (SGA)**
 - No report.

2. Regional Water Authority (RWA)

- No report.

3. Other

- None.

IX. Directors' Reports & Comments

1. Budget Committee – (*Sarkovich, Underwood*)

- No report.

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

- No report.

3. Capital Improvement Committee – (*McRae, Sarkovich*)

- No report.

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

- No report.

5. Public Relations Committee – (*Underwood*)

- No report.

6. Wholesale Water Agreement Ad-Hoc Committee – (*Underwood, Marx*)

- Director Sarkovich stated he attended SJWD Board meeting on January 24, 2018 where President Hanneman said he will appoint himself and Vice President Rich to serve on a committee along with SJWD General Manager Helliker to meet with Director Sarkovich, General Manager Gray and Board President Marx.
- Director Sarkovich is looking to have official direction from SJWD Board regarding dates, times and the attendees to meet with FOWD. He requested that General Manager Gray contact them to add this to their February 28, 2018 agenda, so that when Director Sarkovich attends the meeting, SJWD can act upon the request.
- General Manager Gray noted that for any meeting where the whole Board intends to meet on what would have been a committee meeting, such as the January 23, 2018 meeting regarding the Wholesale Water Agreement, these will be called Special Board meetings.

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

- No report.

8. Other

- None.

X. General Manager’s Report

1. Monthly Maintenance Work Report

- Report provided; no discussion.

2. Capital Projects Status Report

- Vice President McRae inquired on the SCADA project invoices and budget. He asked if Phase I and II were scheduled to be completed in 2018.
- General Manager Gray confirmed work is planned for completion in 2018.

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 stated he will be providing a report in closed session on an employee. He added FOWD lost a lead operator; the individual went to Sacramento County to obtain treatment experience that FOWD does not offer. Replacement may be at a DSO I level which is a downgrade which could allow for current employees to step up.

7. Water Issues – Update on Regional Involvement

- General Manager Gray provided an update that the Delta Tunnel is down to one and Metropolitan Water is looking to pay more. The question is whether a new EIR will be required.

8. Other

- None.

XI. Public Comment

- Mr. Babcock thanked the Board and Management for doing an excellent job.

President Marx closed the open session meeting at 8:38 p.m.

President Marx called the closed session meeting to order at 8:53 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. Employee Performance Evaluation – General Counsel’s performance evaluation and conference involving compensation
3. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – one case.

President Marx reopened the meeting to the public at 10:28 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 10:28 p.m.

The Board approved the preceding minutes on April 9, 2018

Tom R. Gray
General Manager/Board Secretary

Date