



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

Other Attendees

Bob Reisig	Director, Rio Linda Elverta Community Water District
Mary Harris	Director, Rio Linda Elverta Community Water District
Efren Gutierrez	Gutierrez and Associates, Principle Architect
Efren Gutierrez	Gutierrez and Associates, Architect
Mari Gutierrez	Gutierrez and Associates, Architect
George Babcock	Visitor
Jerry Madson	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

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

II. PUBLIC COMMENT

- Rio Linda Elverta Community Water District Board Member Bob Reisig requested that FOWD's Board endorse Rio Linda Elverta Community Water District Board Member Jason Green for LAFCo's Alternate Commissioner.

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

Director Sarkovich moved to approve the consent calendar as presented.

Director Page seconded the motion.

- Director McRae inquired about the Skyway Tank inspection.
- Operations Manager Nisenboym replied the inspection looked good overall.
- Director Sarkovich inquired the reason for the high number of customer refunds.
- Customer Service Manager Huckaby replied that FOWD bills the fixed portion in advance and when there is an ownership change the District refunds any prorated prepayments.

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

IV. PRESENTATION & CORRESPONDENCE

1. Presentation by Gutierrez/Associates on the FOWD's Corporate Yard Project

- General Manager Gray commented that the design team took the comments from the last Board meeting and incorporated the feedback into the updated design.
- Gutierrez/Associates Architect Mari Gutierrez presented the updated designs for the FOWD's Corporate Yard Project.
- Director Sarkovich stated that he would like all of parking spaces open to the public.
- General Manager Gray stated that the design allows for the entire parking lot to be open for public use or keep a portion closed to for District use.
- Mr. Babcock stated that he appreciates the modifications to the plans.
- Director McRae stated that he is very impressed with all the graphics provided.
- Director Page acknowledged the architects design and was impressed with the courtyard.

- Director McRae inquired how staff would operate in the space.
- General Manager Gray replied that the team worked with the Architect to maximize the efficient use space and provide flexibility for future Board direction.
- Director McRae inquired if FOWD can get permission for a crosswalk connecting the two sides.
- General Manager Gray replied that there will be a request made to the county to install a crosswalk between the two buildings. The next step in the process is for the design team to develop a public outreach plan and present it at the next regular Board meeting.

2. Presentation by Staff on the FOWD Division Boundary and Election Modification Project

- General Manager Gray recommends that the Board approve a resolution related to the FOWD boundary modification at a Special Board Meeting October 24, 2019 at 6:30 pm.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Discussion and possible action on the hiring of a new certified public accounting firm to provide financial audit services in accordance with Fair Oaks Water District's Policy No. 5010

- General Manager Gray recommended that the Board interview Gilbert CPAs and JJACPA, Inc. at the next Board meeting.

The Board directed the General Manager to schedule interviews with Gilbert CPAs and JJACPA, Inc. at the next Board meeting, November 18, 2019.

2. Discussion on FOWD Water Supply for the month of September 2019

- Operations Manager Nisenboym provided an update on the water supply for the month of September 2019. System demand was 1,130 AC-FT, 9.80% of demand was supplied from groundwater sources. Surface water purchased from San Juan Water District supplied 90% of demand.
- Director Page inquired on the cost of groundwater and the cost of surface water.
- General Manager Gray stated he will provide the Board with a comparison of the cost of water at a subsequent meeting.

The Board directed General Manager Gray to pump 70% groundwater for the remainder of the year.

3. Update on selection of Special District Commissioner and Alternate Special District Commissioner for the Sacramento Local Agency Formation Commission

- General Manager Gray recommended that the Board direct the General Manger to nominate FOWD Director Page to LAFCo Commissioner and Rio Linda Elverta Community Water District Director Jason Green as Alternate Commissioner.

The Board directed the General Manager to proceed with the recommendation.

4. Discussion and possible action on FOWD Transmission Mains Replacement Program

- Operations Manager Nisenboym presented the results from the RFP process for the FOWD Transmission Mains Replacement Program.
- Director Sarkovich inquired about the proposed completion of the study.
- Operations Manager Nisenboym replied that the study will be completed around the middle of 2020.

Director Page moved to authorize the General Manager to enter into a contract with Peterson Brustad for the FOWD Transmission Mains Replacement Program for \$152,416 with an additional 10% for contingency.

Director Marx Second the motion

- Director McRae stated that he wants to see a phase approach to the replacement program. Additionally, he wants staff to research the possibility of trenchless solutions and look at all the options.
- General Manager Gray replied that the Board's request for replacement programming would be addressed in the final contract with the consultant.

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

5. Update and discussion on the Kenneth Tank Site Phase I Improvement Project

- General Manager Gray presented an update on the Kenneth Tank Site Phase I Improvement Project.

6. Update and discussion on providing a wireless internet connection at the FOWD

- Customer Service Manager Huckaby provided an update on providing a wireless internet connection at the FOWD.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion on Resolution No. 19-03: Yet to be Titled - Resolution of the Board of Directors of the Fair Oaks Water District related to FOWD Division Boundary Adjustments

- No action.

2. Discussion on Resolution No. 19-04: Yet to be Titles – Resolution of the Board of Directors of the Fair Oaks Water District related to Election by Division

- No action.

3. Discussion and possible action on calling for a Special Board Meeting to be held on Thursday October 24, 2019

- General Manager Gray recommended that the Board hold a Special Board Meeting on Thursday, October 24, 2019.

Director Page moved to hold a Special Board Meeting on October 24, 2019.

Director Sarkovich seconded the motion.

- General Manager Gray stated that the agenda will be as follows:
 - a. Hold public hearing related to the District election at large.
 - b. Staff presentation on the division boundaries and election modification project.
 - c. Schedule 2nd required public hearing.
 - d. Pass a Board resolution for changing the division boundaries.
 - e. Workshop and discussion on 2020 annual budget.

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

4. Discussion and possible action on naming a FOWD delegate to participate in election of ACWA’s President and Vice President for the 2020-2021 term

- General Manager Gray recommended that the Board designate the General Manager as the voting representative to participate in election of ACWA’s President and Vice President for the 2020-2021 term.

Director Sarkovich moved to designate the General Manager as the voting representative to participate in election of ACWA’s President and Vice President for the 2020-2021 term.

Director Page Second the motion

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

5. Discussion on November 5, 2019 presentation by FOWD at Orange Vale Water Company Board Meeting

- General Manager Gray presented an overview of the presentation by FOWD at Orange Vale Water Company Board Meeting scheduled for November 5, 2019.
- Director McRae stated that he would like the General Manager to inform him on the start time of Orange Vale Water Company’s next Board meeting.

6. Update and discussion on SMUD’s Seasonal Tariff Change

- General Manager Gray presented information on SMUD’s Seasonal Tariff Change.
- Director Sarkovich inquired if the District pumps groundwater during the peak hours and if the pumps can be turned off during peak times to reduce cost.
- General Manager Gray replied that staff will present to the Board an analysis of the cost of pumping groundwater at a future meeting.

7. Discussion and possible action on the purchase of a new audio/video system for the FOWD Board Room

- Operations Manager Nisenboym stated that the current audio/video system was installed in 2009. The FOWD received a quote for \$9,286 for presentation equipment in the Board room.

Director Page moved to authorize the General Manager to purchase a new audio/video system for the FOWD Board Room

Director Marx seconded the motion.

- Director Sarkovich stated that he wants to use the current system until it fails. When the system fails, he will be the first to champion the replacement.
- Director Page stated that he appreciates Director Sarkovich’s frugality; however, the technology would help the District do more.
- Director McRae directed staff to research lower cost alternatives.

8. Discussion and possible action on additional funding for 2019

- Finance Manager Ha-Ly recommended that the Board authorize the General Manager to transfer \$35,000 from reserves and contingency fund to cover expenses related to service upgrades and \$1,200 from reserves to cover Air Quality Expenses. These transfers will decrease the 2019 reserves by \$30,559 and contingency fund by \$5,641.

Director Sarkovich moved to approve additional funding for 2019 for \$35,000 and \$1,200 as recommended.

Director Page seconded the motion.

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

VII. UPCOMING EVENTS

1. Fair Oaks Chamber of Commerce Business Luncheon / October 17, 2019 / Fair Oaks Community Club House / Fair Oaks

- Information only.

2. **San Juan Water District**
 - a. **Finance Committee Meeting / October 22, 2019 / SJWD Administration Building**
 - Information only.
 - b. **Regular Board Meeting / October 23, 2019 / SJWD Administration Building**
 - Information only.
3. **Water Education Foundation – 2019 Water Summit / October 30, 2019 / Sacramento**
 - Information only.
4. **ACWA 2019 Fall Conference / December 3-6, 2019 / San Diego, CA**
 - Information only.

VIII. REPRESENTATIVE REPORTS

1. **Sacramento Groundwater Authority (SGA)**
 - General Manager Gray presented an update on the SGA meeting.
2. **Regional Water Authority (RWA)**
 - Information only.
3. **Sacramento Water Forum**
 - Director Page reported that he attended the Sailor Bar presentation by Sacramento Water Forum. The area takes a balance approach to conservation of the river habitat to encourage native salmon to thrive in the ecosystem.
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 the District separated employment with a long-term employee. The managers met, looked at the District’s needs and developed a new position of Senior Accounting Analyst. That position was filled by current Operations Superintendent. The Operations Superintendent position will be evaluated, and duties will be covered by the current managers in the interim. The District filled the open operator positions with experienced water operators and is operating at near full employment capacity.
7. **Water Issues – Update on Regional Involvement**
 - None.
8. **Other**
 - None.

XI. PUBLIC COMMENT

- Mr. Babcock provided his input on the audio/visual upgrade.
- Rio Linda Elverta Community Water District Board Member Mary Harris stated that she is impressed with the FOWD’s General Manager and the Board.

President McRae closed the open session meeting at 9:33 p.m.
President McRae called the closed session meeting to order at 9:33 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 10:42 p.m.
President McRae reopened the meeting to the public at 10:42 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 10:42 p.m.

The Board approved the preceding minutes on November 18, 2019

Tom R. Gray
General Manager/Board Secretary

Date