



District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Chris Petersen	Board Member
Gary Page	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Shawn Huckaby	Operations Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Technical Services Manager

Other Attendees

Paul Helliker	SJWD General Manager
George Babcock	Visitor
Gutierrez & Associates	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

- Board President Marx called the meeting to order at 6:34 PM.

II. PUBLIC COMMENT

- SJWD General Manager Helliker commented that water condition is looking better this year compared to last year. SJWD will have no issues providing water supply to wholesale agencies.
- General Manager Gray replied that FOWD appreciates a high-quality supply of surface water from SJWD. FOWD projects obtaining 100% of the demand in surface water, given any condition changes throughout the year. General Manager Gray inquired about SJWD's approach to the wholesale area in case there is a need for conjunctive use within the Sacramento region, in accordance with environmental needs.
- SJWD General Manager Helliker replied that they expect to maximize the use of surface water when it is available. The approach during water shortages is to rely on groundwater and reduce the use of surface water. The American River Basin currently

has an adequate amount of surface water available, saving groundwater for future dry years.

- Vice President McRae recalled when SJWD declared an excess amount of water a few years ago. The excess water was sold to outside wholesale agencies at a reduced rate. It was much less than what SJWD originally purchased it for. There is no current solution for this problem, but Vice President McRae would like to create awareness.

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 10, 2022
2. Accept and File Treasurer's Report for the month of January 2022
 - Director Petersen inquired about the frequency of the \$25,000 fee from Regional Water Authority (RWA) Water Bank.
 - General Manager Gray explained it's a one-time fee based on a subscription program.
3. Accept and File Investment Report for the month of December 2021
4. Accept and File Financial Expense Report (no report)
5. Approval of Warrants
 - Board Vice President McRae inquired about the Sacramento County Warrant.
 - General Manager Gray clarified it refers to the Hazel Avenue Project, Phase III progress payment.
 - Board Vice President McRae mentioned the verbiage used on the invoice is misleading and unclear. Given the warrant's significant dollar amount, the misuse of terms like "revision", "removal", and "additional" charges reflected throughout the invoice, makes it seem as those these are change orders.
 - General Manger Gray responded that the change order listing is for the entire project and is the format Sacramento County uses. Many of the change orders do not apply to FOWD. The change orders that apply to FOWD tally up to be around \$237,500. FOWD's Staff rounded this number up to \$250,000 as a placeholder to reconcile and pay FOWD's share. General Manager Gray stated the \$237,500 has already been approved in the field, and the project is running under the Board's approved budget.
 - Vice President McRae stated he understands this invoice reflects the amount for the entire project and FOWD is only responsible for paying a portion of it.
 - General Manager Gray stated that the County's contractor does the water work at a significant cost savings and then bills FOWD. He added that FOWD is not required to pay for any paving.
 - Director Petersen inquired about the \$53,654.54 charge from the State Water Resource Control Board.

- General Manager Gray explained it is the annual inspection cost. The fee includes the review of any compliance reports that FOWD produces annual and monthly. FOWD has no control over the fee amount, time or hours the State Water Resource Control Board claims were spent to perform these compliance inspections.
 - Director Page agreed with Vice President McRae's concern regarding the ambiguity of the charges reflected on the invoice. He recommended that moving forward staff provide a brief description of each warrant in the staffing report.
 - General Manager Gray stated this is a fair request.
6. Approval of Cal-Card Statements for the month of January 2022
 7. Approval of Board Expense Report for the month of January 2022

President Marx moved to approve the consent calendar as presented.

Vice President McRae seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

1. None.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on FOWD Corporate Yard Redevelopment Project

- General Manager Gray stated that Sacramento County Planning Commission Notice of Public Hearing had a meeting at 5:30 PM today. Gutierrez & Associates requested that it be continued to March 14, 2022, taking place at their next Planning Commission meeting. Since the Commission only had a quorum and not a full Board, Gutierrez & Associates decided not to move forward.
- Director Sarkovich stated he understood Gutierrez and Associates' decision to postpone the voting. He also noted the additional request for the cost of \$16,490 from Gutierrez & Associates. He stated that the amount requested by Gutierrez & Associates is excessive, given that FOWD did the outreach.
- Director Page stated there was additional work done by Gutierrez & Associates and the plan had to be revised. They should be compensated for the additional work done. Director Page does not have a problem with the compensation request.
- President Marx inquired about what the contract states regarding any change orders or out of scope orders.
- General Manager Gray responded that FOWD staff will evaluate the contract documents and will generate a staff report for the Board to review.
- Vice President McRae inquired whether Gutierrez and Associates is under a fixed fee or time and materials rate.

- General Manager Gray explained that Gutierrez & Associates provided the Board with a response to an RFP that had a defined scope of work and a fee was provided for each phase of the work.
- Vice President McRae requested clarification on whether the contract states if a bid reflects what they think the cost will be, but once the work is done, the actual charges are higher. Vice Present McRae does not consider this to be a true fixed fee contract. A true fixed fee contract will provide a bid amount and the actual charges, but even if the actual charges are higher, it will not be more than the bid price.
- General Manager Gray stated he is not prepared to provide a definitive answer. He will research and report back to the Board.
- Vice President McRae stated he looks forward to obtaining a report and information from FOWD staff.
- Gutierrez & Associates explained their reasoning for a continuance. They received a call from the Planning Commissioner approximately ten minutes before the CPAC meeting, advising them to request a continuance, given that a full Board was not present.
- Mara Gutierrez, from Gutierrez Associates, provided a description regarding the change orders that included additional hours to do community outreach with adjacent neighbors, public outreach and Board Member meetings. In regard to civil work, the civil engineer had to make relocation adjustments and revisions according to the County's new requirements.

2. Update and discussion on FOWD Groundwater Well Projects

- General Manager Gray reported the Skyway Well Project is under preliminary construction with a tentative completion date of May 2023. FOWD is finalizing plans and bid documents for equipping the New York Well.

3. Update and discussion on FOWD representation on the Sacramento Groundwater Authority Board

- General Manager Gray reported that Sacramento Groundwater Board Members must be elected officials of the agency represented. Board President Marx is the primary FOWD representative. The Board directed staff to make Director Petersen the FOWD alternate voting member.
- General Manager Gray stated that staff will submit the required paperwork to have this change made by the March FOWD Board Meeting.

Vice President McRae approved the changes.

4. Discussion and possible action on the 2022 Salary Ranges for all Board approved positions

- General Manager Gray noted this is a procedural item for CalPERS compliance based on the action taken by the Board to increase salary ranges by 3.2%. He also informed the Board that the four managerial positions at FOWD unanimously decided not to take

part of this salary increase. Instead, they considered it prudent to keep it in the budget for other opportunities.

- Director Page commented the Management team has provided very good service and would prefer the managers receive the 3.2% salary range increase as approved.
- Vice President McRae suggested amending the existing motion to include the 3.2% in the 2022 salary range for Management positions.

President Marx approved the amended motion.

Vice President McRae seconded the amended motion.

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

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Update and discussion on FOWD Water Supply for the month of January 2022

- General Manager Gray reminded the Board that they directed staff to maximize surface water use to the end of March 2022 and then reevaluate.
- Technical Services Manager Siebensohn provided a summary of the water supply report.
- Director Page brought up water rights, where FOWD had fundamental rights to water. About 27% of those water rights were sent to Sacramento Suburban Water District, transferred by San Juan Water District. This is a point of information that the Board would like to follow. He also inquired about the quantity of water at Folsom Lake being used by families versus the quantity that is being transferred.
- General Manager Gray mentioned that FOWD can meet its 2022 demands with surface water.
- Director Petersen agreed that increasing conjunctive use will help ensure long term water supply reliability for Fair Oaks.
- SJWD General Manager Helliker mentioned that SJWD owns and provides water rights to its customer agencies. SJWD notified General Manager Gray that they are considering a transfer this year. SJWD anticipates having 58,000-acre feet available through both water rights and water entity supply. He would like confirmation that this would meet FOWD's needs so they can proceed to provide the water transfer.

2. Discussion and possible action on approving contributed assets provided to the Fair Oaks Water District (accepting public water system improvements from development)

- General Manager Gray explained that this item is on the agenda with recommendation from staff to approve adding \$673,764 of contributed capital assets to the financial value of FOWD.
- Vice President McRae inquired about FOWD's responsibility in providing maintenance to the new system.

- General Manager Gray confirmed this will be part of FOWD’s assets.

President Marx approved the motion.

Vice President McRae seconded the motion.

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

3. Discussion and possible action on additional funding for 2021 / 2022 and 2021 funds for work in progress projects to be carried forward to 2022

- General Manager Gray recommended authorizing the General Manager to carry forward \$2,113,466.38 of unused funds from the 2021 approved budget for work that started in 2021, but it will be completed in 2022. In addition, he recommended authorizing the transfer of \$166,717 from the 2022 contingency and reserved funds to complete unbudgeted projects.
- Director Page discussed there is over \$2 million of funds, but projects are not being done. He inquired about the District’s capacity to get work done.
- General Manager Gray responded that since 2004, FOWD has built five wells and a building with a small staff and very little consultant support. FOWD’s record in completing projects is better than most of its peers in the region.

President Marx approved the motion.

Vice President McRae seconded the motion.

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

4. Discussion and possible action on an agreement between FOWD and Fair Oaks Recreation & Park District for funding the replacement of a water main in California Avenue and Temescal Street

- General Manager Gray recommended authorizing the General Manager to finalize negotiations and approve an agreement between FOWD and Fair Oaks Recreation & Park District (FORPD). This agreement provides FOWD the opportunity for an additional large well site in a prime location where there is not an abundance of groundwater supply for the east area.
- Director Sarkovich mentioned he is glad to see a draft agreement in place.
- Director Page complemented the draft agreement done by staff. He sees this as a partnership rather than a contract.
- General Manager Gray clarified this is an agreement and not a contract.

President Marx approved the motion.

Vice President McRae seconded the motion.

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

VII. UPCOMING EVENTS

1. None.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- Director Petersen mentioned the main discussion point was the merger between SGA and SCGA. SJWD asked for the motion to be modified to include a more open and inclusive process in terms of having workshops and having a larger participation scale.
- General Manager Gray confirmed the original motion passed.
- General Manager Gray offered to schedule a presentation at a full Board meeting by SGA Executive Director Jim Peifer and acting Director of SCGA John Woodling.

2. Regional Water Authority (RWA)

- None.

3. Sacramento Water Forum

- General Manager Gray reported that FOWD was requested by the Regional Water Authority and the Water Forum to support and participate in a tour for our State Congressional Assembly Member. FOWD started with a tour of the Madison Well site, explained conjunctive use and ended with a presentation in FOWD's Board room.
- General Manager Gray will send out an email to all Board Members about FOWD returning to in person Board meetings.

4. Other

- None.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Page)

- None.

2. Technical Advisory Committee – (Marx, McRae)

- None.

3. Capital Improvement Committee – (Sarkovich, Page)

- None.

4. Personnel Committee – (McRae, Page)

- None.

5. Public Relations Committee – (Page, McRae)

- None.

6. Wholesale Water Agreement Ad-Hoc Committee – (McRae, Petersen)

- None.

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

- None.

8. Other

- None.

X. GENERAL MANAGER’S REPORT

1. Maintenance Work Report

- Report provided, no discussion.

2. Capital Projects Status Reports

- Report provided, no discussion.

3. Authorizations of Additional Funding

- Report provided.

4. Water Transfer Status Report

- None.

5. Claims Against District

- Report provided.

6. Employee Update

- General Manager Gray reported that 16 out of 31 Board approved positions have been filled with employees that have less than 5 years’ experience. He stated that in the past month, FOWD has had 18 employees out sick with 6 confirmed cases of COVID.
- Vice President McRae mentioned FOWD has done whatever it takes to keep the business running.
- Director Page commented that every employee needs to wear a mask to be in compliance with FOWD’s regulations.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- None.

XI. PUBLIC COMMENT

- None.

President Marx closed the open session meeting at 8:50 PM.

The Board did not have a closed session.

XII. PUBLIC COMMENT

With no further business to come before the Board, President Marx adjourned the meeting at 8:50 PM.

The Board approved the preceding minutes on March 14, 2022

Tom R. Gray
General Manager/Board Secretary

Date