



District Attendees

Michael McRae	Board President
Gary Page	Board Vice President
Randy Marx	Board Member
Misha Sarkovich	Board Member
Mike Carey	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

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

- None.

III. CONSENT CALENDAR

The following consent calendar items were considered and acted upon as follows:

1. Approval of Minutes
 - a. Regular Board Meeting of April 8, 2019
 - b. Special Board Meeting of April 16, 2019
2. Accept and File Treasurer's Report for the month of April 2019

3. Accept and File Investment Report for the month of March 2019
4. Accept and File Financial Expense Report for months of:
 - a. January 2019
 - b. February 2019
 - c. March 2019
 - d. April 2019
5. Approval of Warrants
6. Approval of Cal Card Statements for the month of April 2019
7. Approval of Board Expense Report for the month of April 2019

Director Marx moved to approve the consent calendar as presented.

Director Page seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

- 1. Correspondence dated April 17, 2019 from Sacramento Local Agency Formation Commission regarding “Proposed/Final FY 2019-20 Budget”**
 - General Manager Gray presented a letter from Sacramento Local Agency Formation Commission regarding the final budget for fiscal year 2019-2020. Affected agencies will be billed in July.
 - President McRae inquired if FOWD is one of the affected agencies to be billed.
 - General Manager Gray replied that FOWD is an affected agency and the commitment to LAFCO is an estimated \$2,000.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

- 1. Update and discussion on the Main Replacement Project on Hazel Avenue North of Madison Avenue**
 - General Manager Gray stated that the budget was estimated at \$280,000. The actual amount will be between \$350,000 and \$400,000. The Project is 80% complete.
- 2. Discussion and possible action on selecting a consultant for the New Groundwater Wells Project**
 - General Manager Gray presented an update on the new groundwater wells project. FOWD advertised a Request for Qualifications and received responses from five firms. Of the five, four firms submitted by the deadline. Staff recommends the

Technical Committee conduct interviews with the top two firms and the Chairman of the Technical Committee provide a recommendation to the Board.

- Director Sarkovich inquired on the cost of each firm.
- General Manager Gray replied that the evaluation is based on qualifications and services.

3. Update and discussion on the 2019 Corporation Yard Project

- General Manager Gray presented an update on the Corporation Yard Project. The design team met and went through different design options. Currently there is one design ready for feedback. A design may be presented at the next Board meeting. After Board approval, the next step is to conduct public outreach.

4. Update and discussion on FOWD Water Supply for the month of April 2019

- Operations Manager Nisenboym presented an update on FOWD Water Supply for the month of April 2019. FOWD started pumping groundwater April 25 and during that period the ratio was 37% groundwater. Total system demand was 529.48 AC-FT, with wholesale connection providing 505.63 AC-FT and groundwater providing 23.85 AC-FT.
- Director Sarkovich inquired if the wells are operating during peak electrical usage hours.
- General Manager Gray replied that under the Board's direction FOWD has pumped aggressively to achieve the desired ratio of groundwater to surface water.
- Director Sarkovich stated that he would like some analysis on possible electrical cost savings by pumping groundwater during non-peak electrical usage hours.
- General Manager Gray stated that staff will prepare a plan to operate the wells around the peak usage hours.

5. Update and discussion on the relocation of water meter for the proposed Fair Oaks Founders Monument

- General Manager Gray presented an update on the relocation of water meter for the proposed Fair Oaks Founders Monument.

6. Update and discussion on RWA and ACWA lobbying and legislative activities

- General Manager Gray provided an update on RWA and ACWA lobbying and legislative activities. He stated the water tax is going to happen. Currently there are four plans being discussed. The first plan is \$.50 per connection charged monthly. The second plan is \$.92 per connection charged monthly. The per connection charge would be implemented as a surcharge listed on the bill and the District would act as a tax collector for the state. The third option is a per District fee based on the number of connections and each district will have power to determine collection methods for the tax.

- Director Carey inquired as to who is enacting the tax.
- General Manager Gray replied that the state of California is enacting a tax to fund disadvantaged communities who cannot afford clean drinking water. The fourth proposal would leave the water districts out of the process and create a general fund account that puts aside a fund balance for ongoing cost of supplying clean drinking water. Current RWA leadership and ACWA are supporting the fourth option.

7. Update and discussion on the FO-40 Pipeline Phase II Project

- General Manager Gray presented an update on the FO-40 Pipeline Phase II. He stated the construction and inspection budget has been increased by \$50,000.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion and possible action to accept and file the Fair Oaks Water District's Comprehensive Annual Financial Report (CAFR), with Independent Auditor's Report, for the year ended December 31, 2018

- General Manager Gray recommended that the Board accept and file the Fair Oaks Water District's Comprehensive Annual Financial Report (CAFR), with Independent Auditor's Report, for the year ended December 31, 2018.

Director Sarkovich moved to adopt the report as presented.

Director Carey seconded the motion.

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

VII. UPCOMING EVENTS

1. 2x2 Committee Meeting with CWD / May 15, 2019 / Carmichael Water District

- Information Only

2. Fair Oaks Chamber of Commerce Business Luncheon / May 16, 2019 / Fair Oaks Clubhouse

- Information Only.

3. San Juan Water District Regular Board Meeting / May 22, 2019 / SJWD Administration Building

- Information Only.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- Director Marx reported that the SGA had a meeting. Groundwater is recovering from the drought and there are continuing attempts to regulate by the state.

2. Regional Water Authority (RWA)

- General Manager Gray reported that RWA held a special meeting to discuss the selection of an Executive Director.

3. Sacramento Water Forum

- Director Page reported that when habitat restoration has taken place, there has been an increase in salmon. Additionally, discussion was held about the voluntary groundwater agreement and how it would be managed.

4. Other

- None.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Carey)

- None.

2. Technical Advisory Committee – (Marx, McRae)

- None.

3. Capital Improvement Committee – (Sarkovich, Carey)

- None.

4. Personnel Committee – (McRae, Page)

- None.

5. Public Relations Committee – (Page, Carey)

- 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 one separation occurred. The employee was with the District for 14 years. The employee left for a position at the County treatment plant.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- Customer Service Manager Huckaby provided an update of the current work being performed by the IT consultant. Mr. Huckaby also provided an overview of Conservation activities at the Fair Oaks Fiesta Days.

XI. PUBLIC COMMENT

- Mr. Babcock expressed his enthusiasm for contracting the work at 5442 Hazel Avenue. He also voiced his concern about the state regulating water.

President McRae closed the open session meeting at 7:28 p.m.

President McRae called the closed session meeting to order at 7:33 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 8:55 p.m.

President McRae reopened the meeting to the public at 8:56 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 8:56 p.m.

The Board approved the preceding minutes on June 3, 2019

Tom R. Gray
General Manager/Board Secretary

Date