



**District Attendees**

Randy Marx	Board President
Mark Dolby	Board Vice President
Misha Sarkovich	Board Member
Chris Petersen	Board Member
George Babcock	Board Member
Tom R. Gray	General Manager
Chi Ha-Ly	Finance Manager
Paul Siebensohn	Water Supply Superintendent
Nick Kepler	Operations Superintendent
Blake Chetcuti	Engineer

**Other Attendees**

Ingrid Shepline	Richardson & Company, LLP
Margge Wood	Visitor

**Absent**

**AGENDA ITEMS**

**I. CALL TO ORDER**

- President Marx called the Regular Meeting of the Board of Directors of the Fair Oaks Water District to order at 6:30 p.m., noting that all five Board Members were present.

**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 February 23, 2026

- Staff to amend the minutes under section IX.3 to read “Director Babcock stated that FOWD could start demolition as phase I of the project during bidding of the full construction.”
2. Accept and File Treasurer’s Report for the month of February 2026
  3. File Investment Report (none)
  4. Accept and File Financial Expense Report for the month of February 2026
  5. Approval of Warrants
  6. Approval of Cal-Card Statements for the month of February 2026
  7. Approval of Board Expense Report for the month of February 2026

Director Petersen moved to approve the consent calendar as amended.

Director Babcock seconded the motion.

Motion carried with the following votes: Babcock – aye, Dolby – aye, Marx – aye, Petersen – aye, and Sarkovich – aye.

#### **IV. PRESENTATIONS AND CORRESPONDENCE**

##### **1. Presentation by Richardson & Company, LLP on Fair Oaks Water District’s Draft Comprehensive Annual Financial Audit for the year ended December 31, 2025**

- Ms. Sheipline presented the annual financial audit for the fiscal year ending December 31, 2025. The audit resulted in a clean opinion and FOWD has good internal controls.
- The Board discussed reserves, pension obligations, capital investments, and overall financial condition.
- Director Sarkovich inquired on the financial condition of FOWD.
- Ms. Sheipline reported FOWD remains in strong financial condition with no outstanding long-term debt and an excellent level of reserves.

#### **V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS**

##### **1. Update and discussion on the FOWD Northridge Well Project (verbal – no written staff report)**

- Staff reported Phase I drilling is complete and all deliverables received. Phase II, well equipping design, is progressing with bidding anticipated later in 2026. Grant reimbursement invoices have been submitted.

##### **2. Update and possible action on the New York Well Phase II Project – Equipping & Site Work (verbal – no written staff report)**

- Staff reported the consultant contract amendment has been executed. Permitting, submittals, and coordination with the contractor are ongoing. Grading and demolition will proceed once encroachment permits are approved.

3. **Update and discussion on the Riverfront Main Replacement Project (verbal – no written staff report)**
  - Staff provided an update on project alignment, easements, and property owner coordination. Design work is being performed in-house.
  - Alternate meter placement will be considered if easements cannot be obtained.
4. **Update and discussion on providing water service to the Rollingwood Homeowners Association common areas (verbal – no written staff report)**
  - Staff summarized discussions regarding irrigation service connections, clarified fee structure, and presented regional comparisons.
  - The Board discussed equity and consistency in the application of FOWD policies.
  - Staff to create a written formal letter to Rollingwood Homeowners Association with information about providing water service.

## **VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS**

1. **Discussion on FOWD Water Supply for the month of February 2026**
  - Staff presented the February 2026 water supply report, noting above-average temperatures, moderate precipitation, and increasing seasonal demand.
  - System operations were reported as normal.
2. **Discussion and possible action on additional funding for 2026 expenses**
  - The Board authorized the General Manager to transfer \$367,000 from reserves to fund previously approved 2026 project expenses.

Director Sarkovich moved to authorize General Manager Gray to transfer \$367,000 from reserves to fund previously approved 2026 project expenses.

Director Dolby seconded the motion.

Motion carried with the following votes: Babcock – aye, Dolby – aye, Marx – aye, Petersen – aye, and Sarkovich – aye.

3. **Discussion and possible action on FOWD Resolution No. 26-02: “A Resolution of the Board of Directors of the Fair Oaks Water District Calling for a General Election”**

Director Sarkovich moved to approve FOWD Resolution No. 26-02.

Director Babcock seconded the motion.

Motion carried with the following votes: Babcock – aye, Dolby – aye, Marx – aye, Petersen – aye, and Sarkovich – aye.

**4. Discussion and possible action to accept and file the Fair Oaks Water District's Annual Comprehensive Financial Report (AFCR), with Independent Auditor's Report, for the year ended December 31, 2025**

- Staff will post Richardson & Company, LLC presentation on FOWD website.

Director Sarkovich moved to accept and file the Fair Oaks Water District's Annual Comprehensive Financial Report (AFCR), with Independent Auditor's Report, for the year ended December 31, 2025.

Director Petersen seconded the motion.

Motion carried with the following votes: Babcock – aye, Dolby – aye, Marx – aye, Petersen – aye, and Sarkovich – aye.

**VII. UPCOMING EVENTS**

- 1. March 17, 2026 / RWA Executive Committee Meeting**
- 2. March 18, 2026 / SJWD Board Meeting**
- 3. April 9, 2026 / SGA Board Meeting**
- 4. May 5-7, 2026 / ACWA 2026 Spring Conference / Sacramento**
- 5. May 11, 2026 / WF 2050 Signing Celebration / Sacramento**

**VIII. REPRESENTATIVE REPORTS**

- 1. Sacramento Groundwater Authority (SGA)**
  - None.
- 2. Regional Water Authority (RWA)**
  - Staff reported that RWA met at the FOWD on March 12, 2026.
  - Staff reported another grant funding opportunity RWA is focused on for disadvantaged communities under Proposition 4.
  - Discussion on priority being the water bank before other projects.
- 3. Sacramento Water Forum**
  - Sacramento Water Forum signing celebration with the updated Water Forum 2050 Agreement is scheduled for May 11, 2026.
- 4. Other**
  - None.

## **IX. DIRECTORS' REPORTS & COMMENTS**

### **1. Budget Committee – (Sarkovich, Marx)**

- Staff will bring a budget schedule to July Board Meeting, looking for input from the Board on direction.

### **2. Technical Advisory Committee – (Marx, Petersen)**

- None.

### **3. Capital Improvement Committee – (Sarkovich, Petersen)**

- None.

### **4. Personnel Committee – (Babcock, Dolby)**

- None.

### **5. Public Relations Committee – (Babcock, Dolby)**

- None.

### **6. FOWD and SJWD 2x2 Ad-Hoc Committee – (Petersen, Marx)**

- None.

## **X. GENERAL MANAGER'S REPORT**

### **1. Maintenance Work Report**

- Report provided.

### **2. Capital Projects Status Report**

- Report provided.

### **3. Authorizations of Additional Funding**

- Report provided.

### **4. Water Transfer Status Report**

- None.

### **5. Claims Against the District**

- Report provided.

### **6. Employee Update**

- Staff stated 2026 total compensation survey to be complete by June 2026 for use in the budget process.

### **7. Water Issues – Update on Regional Involvement**

- None.

**8. Other**

- Staff reported that 2025 Urban Water Management Plan was done in 2026 due to the Department of Water Resources providing guidance for the plan at the end of 2025.
- Board approved negotiating a contract for up to \$65,000 and FOWD negotiated and entered a contract for \$59,485 with no cut to the proposed scope of work.

**XI. PUBLIC COMMENT**

- Visitor Margge Wood stated that staff has done a great job, thoroughly impressed with the report from Water Supply Superintendent and the auditor report.

President Marx closed the open session meeting at 7:30 p.m.

President Marx opened the closed session meeting at 7:35 p.m.

**XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54954 AND 54956**

1. Conference with legal counsel on existing litigation; Government Code Sections 54954.5 and 54956.9; Citrus Heights Water District & Fair Oaks Water District v. San Juan Water District; Sacramento Superior Court Case No. 23WM000064
2. Conference with legal counsel on existing litigation; Government Code Sections 54954.5 and 54956.9; Corcos & FOVEC v. Fair Oaks Water District; Sacramento Superior Court Case No. 26VVM000022

President Marx closed the closed session meeting at 8:53 p.m.

President Marx reopened the meeting to the public at 8:53 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 8:53 p.m.

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The Board approved the preceding minutes on April 20, 2026



Tom R. Gray  
General Manager/Board Secretary



Date