



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
Shawn Huckaby	Customer Service Manager

Other Attendees

Ken Payne	Visitor
Tim Menezes	Visitor
Roger Camfield	Visitor
George Babcock	Visitor
Jim Murphy	Visitor

Absent

AGENDA ITEMS

I. Call to Order

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

II. Public Comment

- Mr. Payne from the Auburn Dam Council provided an update on the Auburn Dam Project. He stated he provided General Manager Gray three documents: the first one is a report from the Army Corp of Engineers released in January 2016 showing Sacramento with 32 years flood protection, the second document is the draft application to the water commission for the water storage investment program and the third document he provided General Manager Gray is the draft joint power agreement for a new authority to be the local sponsor for the Auburn Dam Project.
- Director Sarkovich inquired on the funding for the Auburn Dam Project.

- Mr. Camfield stated it would be funded by the sale of water, electricity and recreational fees. The flood control portion could be funded by assessments imposed on people in the flood area.

III. Consent Calendar

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

1. Approval of minutes
 - a. Regular Board Meeting of December 11, 2017
2. Accept and file Treasurer's Report for the month of December 2017
3. Accept and file Investment Report for the month of November 2017
4. Accept and file Financial Expense Report (no report)
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of December 2017
7. Approval of Monthly Board Expense Report for the month of December 2017

Director Sarkovich moved to approve the consent calendar.

Vice President McRae seconded the motion.

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

IV. Presentation & Correspondence

1. Correspondence dated December 4, 2017 from ACWA JPIA congratulating FOWD on receiving the "President's Special Recognition Award"

- Information only.

2. Correspondence dated November 9, 2017 from Regional Water Authority (RWA) regarding Elections

- Information only.

3. Presentation to Misha Sarkovich for his service as Board President in 2017

- General Manager Gray presented the plaque to Director Sarkovich and thanked him for serving as Board President in 2017.

V. Discussion and Action Items: Old Business

1. Consider appointments to serve as District representatives to various organizations and committees

- President Marx stated that the committee members will remain the same as 2017.

2. Update and discussion on the Gastman Project

- General Manager Gray stated the main will be abandoned and relocated due to a change in conditions. He stated that the litigation has been settled and a portion of FOWD owned land was transferred to private property. Staff will approach the

remaining property owners along the FOWD owned Gastman property with an offer to transfer ownership in to their name with a condition of retaining an exclusive FOWD easement.

- General Manager Gray informed the Board that staff is working with a contractor to sell the unused parts that were purchased for the Gastman Project.
- Director Sarkovich inquired on the cost of the Gastman Project.
- General Manager Gray stated staff will report back on the cost of the Gastman Project.

VI. Discussion and Action Items: New Business

1. Update and discussion on FOWD water supply for the month of December 2017

- Operations Manager Nisenboym reported that the FOWD total system demand from all sources for the month of December was recorded at 407.88 AC-FT. The wholesale connections provided 178.02 AC-FT (43.65%) and groundwater wells produced 229.86 AC-FT (56.35%) of the total water demand. The December 2017 total demand of 407.88 AC-FT represents a decrease of 8.6% from December 10-year average and 22.98% reduction from December 2013.
- Director McRae inquired if the cost per unit referenced in the report is the same monthly.
- General Manager Gray stated it varies depending on the month as it is impacted by the energy costs (i.e. peak hours).
- Director Sarkovich stated FOWD should not pump water during the peak hours (between 3-7 PM).
- Operations Manager Nisenboym stated staff has to pump continuously to meet the goal set by the Board of 40% groundwater. He also explained that during the summer FOWD has to pump to meet customer demands. He also noted that good operation of the wells includes minimizing the stop and start of the pump during the day.
- Mr. Babcock stated that additional storage west end of FOWD's system would be beneficial to the water system.
- General Manager Gray stated the cost per unit in the report is operational only; it does not include capital costs.
- Director Sarkovich stated he would like to learn more about FOWD groundwater pumping.

2. Update and discussion on 2017 water supply – surface water and groundwater use

- General Manager Gray provided an overview of the year-end results. He stated the Board provided the goal of 40% groundwater pumping; staff pumped 35% groundwater.

3. Discussion and possible action on 2018 water supply targets for surface water and groundwater use

- Director Sarkovich stated that the 2018 budget is based on 60% (surface water)/40% (groundwater). He stated staff will not be penalized if they do not meet the ratio. The Board can meet and change the ratio when needed during the year.
- Director Page agreed that FOWD should keep 60% (surface water) and 40% (groundwater).
- The Board directed staff to continue the 60% (surface water) and 40% (groundwater) in 2018.
- Director Underwood inquired on the baseline for groundwater substitution transfer.
- General Manager Gray stated in theory once FOWD established the pumping baseline amount and filed it properly, FOWD can substitute surface water for that amount. He cautioned that SJWD is calculating based on a five-year rolling average for surface water allocation.
- President Marx suggested providing more detail on surface water cost on the water supply report, similar to the groundwater cost per unit.
- The Board directed staff to schedule a Technical Advisory Committee meeting to discuss groundwater vs. surface water.

4. Update and discussion on 2017 water conservation results

- Customer Service Manager Huckaby reported that FOWD has an overall water use reduction of 22% in 2017 compared to 2013.

5. Update and discussion on 2017 water loss results

- Staff reported a 6.6% water loss.
- Director Page asked if staff can try to reduce that percentage.
- Operations Manager Nisenboym stated it would take a lot of staff's time to look at the system as some of the loss could be leaks from old pipes but is generally recognized as unaccounted for water loss.

6. Discussion and possible action on the Draft Environmental Report for the El Dorado Water Reliability Project – use and storage of up to 40,000 AF of water from the American River

- The Board directed General Manager Gray to report back on the impact of the Draft Environmental Report for the El Dorado Water Reliability Project on SJWD's surface water supply.

7. Discussion and possible action on 2018 FOWD Salary Ranges for all Board approved positions

Director Sarkovich motioned to approve the 2018 FOWD Salary Ranges.

Director Underwood seconded the motion.

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

8. Discussion and possible action on changing November 12, 2018 Regular Board Meeting to a different date due to the Veterans Day holiday

- The Board suggested November 5, 2018.
- Staff noted that holding the meeting on November 5, 2018 is early and that some reports will not be included.
- The Board is okay with not having all information for the meeting.

Director Sarkovich motioned to approve to change the hold the November Board Meeting on November 5, 2018.

Director Underwood seconded the motion.

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

9. Discussion and possible action on additional funding for 2017 and funds for 2017 work in progress projects to be carried forward to 2018

Director Sarkovich motioned to approve to carryforward 2017 work in progress funds of \$1,229,420 to 2018 and transfer \$774.68 from contingency to fund training/travel.

Director Underwood 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 / January 24, 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 Communications Committee – (*Underwood, Marx*)

- No report.

7. Interagency 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

- Report provided; no discussion.

3. Authorizations of Additional Funding

- Discussed earlier.

4. Water Transfer Status Report

- No report.

5. Claims Against District

- Report provided; no discussion.

6. Employee Update

- General Manager Gray reported that one of the field employee submitted his resignation to go work for the County of Sacramento.

7. Water Issues – Update on Regional Involvement

- No report.

8. Other

- None.

XI. Public Comment

- Mr. Babcock asked FOWD to consider not abandoning the Gastman Project.

President Marx closed the open session meeting at 8:34 p.m.

President Marx called the closed session meeting to order at 8:55 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. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) – one case.

President Marx reopened the meeting to the public at 11:05 p.m.

XIII. Report from Closed Session

The Board deferred a formal evaluation of the General Manager and gave some informal input.

XIV. Public Comment

- None.

XV. Adjournment

With no further business to come before the Board, President Marx adjourned the meeting at 11:10 p.m.

The Board approved the preceding minutes on February 12, 2018

Tom R. Gray
General Manager/Board Secretary

Date