



District Attendees

Gary Page	Board President
Misha Sarkovich	Board Vice President
Michael McRae	Board Member
Randy Marx	Board Member
Nadine Reid	Board Member
Tome Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager
Shawn Huckaby	Customer Service Manager
Josh Heavenston	Operations Superintendent

Other Attendees

None.

Absent

AGENDA ITEMS

I. CALL TO ORDER

- Board President Page called the meeting to order at 6:33 p.m.
- General Manager Gray stated that in accordance with the California Department of Public Health's and the Governor's Executive Orders N-29-20 and N-33-20, the District's boardroom is closed, and this meeting will take place solely by teleconference.

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 July 13, 2020
2. Accept and File Treasurer's Report for the month of July 2020
3. Accept and File Investment Report for the month of June 2020
4. Accept and File Financial Expense Report
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of July 2020
7. Approval of Board Expense Report for the month of July 2020

Director Sarkovich moved to approve the consent calendar as presented.

Director Marx seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

1. **None.**

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on FOWD Water Supply for the month of July 2020

- Operations Manager Nisenboym reported that during the month of July the average temperature was 76° with zero precipitation. The total system demand for the month was recorded at 1,642 AC-FT. Wholesale connections provided 71% and groundwater sources provided 29%. All surface water was provided by the CTP connection. FOWD participated in a water transfer of 186 AC-FT, transferred to Carmichael Water District.

2. Update and discussion on FOWD Groundwater Wells Projects (verbal)

- General Manager Gray provided an update on the FOWD groundwater wells projects.
- Director Reid inquired if she can visit the construction site.
- General Manager Gray replied that once the project is in the drilling phase it would be a good opportunity for the Board to visit the site.
- Director Sarkovich inquired about notices to the neighbors around the project.
- General Manager Gray replied that he has a draft letter that will be distributed prior to construction. Additionally, staff will be meeting with the grant agency for funding of up to $\frac{3}{4}$ of a million dollars to develop the well.
- Director Sarkovich inquired about the project construction times during the day.

- General Manager Gray replied that most of the project will be within normal operating hours. The drilling phase will need to drill for 24 hours a day for a window of 5 days.

3. Update and discussion on the FOWD Corporation Yard Project

- General Manager Gray provided an update on the FOWD Corporation Yard and is seeking full Board approval for the estimated project cost of \$7 million.
- Director Sarkovich inquired about the cost of the temporary corporate yard.
- General Manager Gray replied that the estimated cost includes any site improvements to the temporary location, utilities and associated fees.
- Director Sarkovich stated that there are only a few companies that deal with commercial buildings and staff can locate the property in lieu of hiring a consultant at cost to the District.
- General Manager Gray stated that staff wants to inform the Board of the estimated increase in project budget and some cost may come in lower than estimated.
- Director Sarkovich stated that he is aware the project could cost \$7 million; however, he believes it will not reach that number.
- Director McRae stated that he is aware of the project cost increase and believes once the District receives bids from contractors the project cost will be finalized.
- Director Reid stated that the building will improve the Fair Oaks village area. She inquired if Management is comfortable with the estimate and if it will include all the construction cost.
- General Manager Gray replied that it is unknown if the estimate will include all the costs. He stated that staff will follow best practices in keeping the cost down while getting the best value.
- President Page stated that he is on board with this project.
- Director Sarkovich stated that he doesn't want the project to be delayed and directed staff to stick to the new schedule.
- Director Marx stated the schedule is realistic and staff could look into mutual agreements with local agencies to share resources.
- General Manager Gray replied that staff will explore relationships with other local agencies.
- Director McRae stated that in order to make this project successful, the District could hire a full-time construction management person.
- Director Reid stated that she is concerned about the project being completed on time.
- General Manager Gray stated that once the design is done, staff can assist with completion of the project within the revised schedule.
- President Page stated that hiring a construction management person should be considered.

4. Update and discussion on the 2020 Water Transfer Project (verbal)

- General Manager Gray provided the Board with an update on the 2020 Water Transfer Project.

- Director Reid inquired about other agencies that FOWD can transfer water to besides Carmichael.
- General Manager Gray replied that this allows FOWD to transfer water outside the region for a financial gain.

5. Report back, discussion and possible action on the purchasing a Vacuum Excavator in accordance with the Board approved 2020 annual budget

- General Manager Gray recommended that the Board authorize staff to purchase a Vacuum Excavator in accordance with the Board approved 2020 annual budget.

Director Sarkovich moved to authorize staff to purchase a Ditch Witch HX50 for \$104,223.07.

Director Marx seconded the motion.

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

6. Update and discussion on providing online bill pay for FOWD customers

- Customer Service Manager Huckaby provided the Board with an update on providing online bill pay for FOWD customers.

7. Discussion on a new groundwater well site

- General Manager Gray recommended that the Board put the new well site on hold until development of the 2021 budget.
- Director Sarkovich stated that the intention was to initiate the start of site exploration.
- Director Marx stated that the District needs to look at the big picture of water delivery for the rate payers.
- Director McRae stated that the District should consider future grants as they become available.
- President Page stated that it is in the interest of the District to have a well site identified for development and that the Technical Committee should prepare the information.

8. Report back and discussion on FOWD’s Financial Impact due to COVID-19

- Finance Manager Ha-Ly provided the Board with an overview of the financial impact due to COVID-19.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion on the 2021 FOWD Annual Budget (verbal)

- General Manager Gray requested that the Board provide guidelines for developing 2021 FOWD Annual Budget.

- Director Sarkovich stated that the District should continue to pay as you go for the current projects including Corporate Yard and T-Mains. The 2021 Draft Budget should not have any new rate increase, no new debt, complete a 5-year pro forma and keep the ratio of 70% surface water and 30% groundwater. Director Sarkovich stated that FOWD can issue debt for capital improvements as needed during 2021. Director Sarkovich emphasized that a special Board Meeting should be held to discuss the Draft 2021 Annual Budget to allow all Board Members to attend rather than scheduling the Finance Committee and Capital Improvements Committee.
- Director Marx stated that the 2021 Budget should include the Corporation Yard, infrastructure, T-main, and future water needs.
- Director McRae stated that the consent calendar has good financial savings and that the District can defer borrowing/rate increases to 2022.
- Director Reid inquired if there are any guiding documents used for developing the budget.
- Director Sarkovich replied that the District projects 5 years in the future.
- Director Marx stated that the District historically had a 5-year master plan and he would like to develop one to address future capital project needs.

2. Discussion and possible action on additional funding for 2020 expenses

- General Manager Gray recommended that the Board authorize the General Manager to transfer from 2020 contingency fund the amount of \$927.27 to cover 2020 expenses.

Director Sarkovich moved to authorize the General Manager to transfer from 2020 contingency fund the amount of \$927.27 to cover 2020 expenses.

Director Marx seconded the motion.

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

3. Report back and discussion on the letter from Elliot Homes dated June 26, 2020

- General Manager Gray provided the Board with a letter from Elliot Homes dated June 26, 2020.

The Board directed staff to review the policy to see if the District can do something for our customers without impacting the safety of the water.

4. Discussion and possible action on an updated 2020 Salary Ranges

- General Manager Gray recommended that the Board approve the updated 2020 Salary Ranges.

Director Sarkovich moved to authorize the updated 2020 Salary Ranges.

Director Marx seconded the motion.

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

5. Discussion and possible action on purchasing a replacement vehicle in accordance with the Board approved 2020 annual budget

- General Manager Gray recommended that the Board authorize the General Manager to purchase a replacement vehicle in accordance with the Board approved 2020 annual budget.

Director Sarkovich moved to authorize the General Manager to purchase a Chevrolet Colorado from Folsom Chevrolet for \$27,262.49.

Director Marx seconded the motion.

- Director McRae stated that he did some research on leasing the vehicle for 9 years with an estimated lease expense of \$35,500. Purchasing of the vehicle is more cost effective than leasing.

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

6. Discussion and possible action on the Fire Hydrant Tampering Fee (verbal)

- General Manager Gray stated that this does not need to be an action item. He stated staff would like to include a tampering fee in the 2021 Budget to deter people from tampering with FOWD's Fire Hydrants.
- Customer Service Manager Huckaby recommended the Board approve developing a tampering fee and placing a tampering message sticker on every FOWD's fire hydrant.
- Directors Misha, Randy, Reid and McRae are on board with staff's recommendation.
- President Page would like more evaluation on this whole process. He would like to see more thought put into this before a program is developed and a tampering fee is charged. He would like staff to look at other districts to see what they have done to achieve success with this matter.

7. Updated and discussion on the November 2020 General Election

- General Manager Gray informed the Board that Director Sarkovich and Director Marx ran unopposed in the November 2020 election and are elected to another term. Additionally, Director McRae is on the ballot for a Board seat on the San Juan Wholesale Water District.
- Director McRae stated that San Juan Wholesale Water District is redistricting to elect Board members by District and now is the time to get elected to the San Juan Wholesale Water District's Board before changes to the election process. He continued that the current San Juan Wholesale Board is made primarily of San Juan Retail Water District members and presents a conflict of interest. No other water agency Board receiving surface water from San Juan Wholesale can serve on the

Wholesale Board. He feels that as a retail member, he needs to be able to have input. Finally, he stated that San Juan Wholesale continues to seek a merger with Sacramento Suburban Water District. The merge would make Sacramento Suburban Water District the major voting contingency and could change the water landscape of the San Juan Wholesale Water District member agencies.

8. Discussion and possible on the SJWD Board Election Reform Project- District Maps

- General Manager Gray provided the Board with an update on the SJWD Board Election Reform Project - District Maps.

VII. UPCOMING EVENTS

1. San Juan Water District Board Meeting / August 19, 2020 / SJWD Teleconference or webcam

- Information Only.

VIII. REPRESENTATIVE REPORTS

1. Sacramento Groundwater Authority (SGA)

- None.

2. Regional Water Authority (RWA)

- General Manager Gray stated there was a special meeting on strategic planning for legislative outreach and the regional water bank.

3. Sacramento Water Forum

- General Manager Gray stated there was a water caucus on the renegotiation process.

IX. DIRECTORS' REPORTS & COMMENTS

1. Budget Committee – (Sarkovich, Reid)

- None.

2. Technical Advisory Committee – (Marx, McRae)

- None.

3. Capital Improvement Committee – (Sarkovich, Reid)

- None.

4. Personnel Committee – (McRae, Page)

- None.

5. **Public Relations Committee – (Page, Reid)**
 - None.
6. **Wholesale Water Agreement Ad-Hoc Committee – (Page, McRae)**
 - None.
7. **Carmichael Water District Ad-Hoc Committee – (Marx, McRae)**
 - 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, no discussion.
4. **Water Transfer Status Report**
 - None.
5. **Claims Against District**
 - None.
6. **Employee Update**
 - None.
7. **Water Issues – Update on Regional Involvement**
 - None.

XI. PUBLIC COMMENT

- None.

President Page closed the open session meeting at 9:03 p.m.

President Page called the closed session meeting to order at 9:12 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9) - one case

President Page closed the closed session meeting at 10:10 p.m.

President Page reopened the meeting to the public at 10:10 p.m.

XIII. REPORT FROM CLOSED SESSION

- None.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

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

The Board approved the preceding minutes on September 14, 2020

Tom R. Gray
General Manager/Board Secretary

Date