



District Attendees

Michael McRae	Board President
Gary Page	Board Vice President
Randy Marx	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

Katy Coss	Fair Oaks Recreation and Park District, Recreation Superintendent
Dan York	Sacramento Suburban Water District, General Manager
Paul Helliker	San Juan Water District, General Manager
Tim Menezes	Visitor

Absent

Misha Sarkovich

AGENDA ITEMS

I. CALL TO ORDER

- Board President McRae called the meeting to order at 6:32 p.m.

II. PUBLIC COMMENT

- Fair Oaks Recreation and Park District Recreation Superintendent Katy Coss expressed her appreciation towards Fair Oaks Water District and General Manager Gray for nominating her for a scholarship to attend the leadership summit for the California Association of Special Districts.

President McRae moved item IV.1 before the consent calendar.

III. CONSENT CALENDAR

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

1. Approval of Minutes
 - a. Regular Board Meeting of June 3, 2019
2. Accept and File Treasurer's Reports for the months of:
 - a. May 2019
 - b. June 2019
3. Accept and File Investment Report for the month of May 2019
4. Accept and File Financial Expense Reports for the months of:
 - a. May 2019
 - b. June 2019
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of June 2019
7. Approval of Board Expense Report for the month of June 2019

Director Marx moved to approve the consent calendar as presented.

Director Page seconded the motion.

- Director McRae inquired as to the poster contest T-shirts.
- General Manager Gray replied that every year the local water districts participate in holding an art contest for the water conservation calendars. The T-shirts are handed out to participants.
- Director McRae inquired about the warrant issued to San Juan Water District.
- General Manager Gray replied that the warrant was approved during the last Board meeting.

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

Absent: Sarkovich

IV. PRESENTATION & CORRESPONDENCE

1. Moment of silence in remembrance of Division 1 Director Leroy (Mike) Carey Jr.

- President McRae held a moment of silence in remembrance of Division 1 Director Leroy (Mike) Carey Jr.
- General Manager Gray provided a background on Director Carey. Director Carey was the 2nd longest serving Board Member and enjoyed his 2nd term serving the District.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Update and discussion on FOWD compliance with the California Voting Rights Act (CVRA)

- General Manager Gray provided an update on FOWD compliance with the California Voting Rights Act and will ask FOWD General Counsel to provide a presentation on the matter at the August Board Meeting.

2. Discussion and possible action on FOWD participation in the Sacramento Region Water Utility Collaboration / Integration Study (Originally the SJWD & SSWD Consolidation Process)

- General Manager Gray requested the Board to provide staff with direction on participation in the Sacramento Region Water Utility Collaboration / Integration Study. Cost to the rate payers is estimated at \$25,000.
- Board President McRae inquired as to which water districts are currently participating in the collaboration.
- General Manager Gray replied that the general consensus is that all listed agencies will participate in the study.
- Director Page stated that the law requires special districts to only operate in a specified geographical area and he is concerned that San Juan Water District may not have authority to operate outside of their geographic borders. He requested that an inquiry be made with LAFCO to determine if San Juan Water District is properly operating.
- General Manager Gray stated that this was presented for review of all participants to determine the benefits of comingling resources to reduce cost for the rate payers. The study would also investigate consolidation of districts.
- Director Marx inquired as to when must FOWD make a decision.
- Sacramento Suburban Water District General Manager York stated that they are hoping to have all participants approved by August.
- San Juan Water District General Manager Helliker stated that this process started in 2011 looking at ways to increase the collaboration between districts and share resources. Phase 1 study provided 3 options: business as usual, new contractual arrangements or full merger. In 2015 the legal procedures to execute the options were investigated.

- Director Marx stated there isn't enough agreement in the Board tonight and would like to bring it to the next Board meeting.
- Director Page stated that he is opposed to the idea of the merger and the study. He feels that the problem is San Juan Water District. He suggested that San Juan Water District look internally before trying to merge with outside districts.
- Director Marx stated he sides more with the idea of consolidation and feels that there are too many water districts in the same area. However, he stated that he does not want to participate but wants to stay informed. He is concerned that if they participate in the study, they would have no say in any decision making.
- San Juan Water District General Manager Helliker stated that the RFP states that the decision is made by a steering committee with representatives from each participating organization.
- Sacramento Suburban Water District General Manager York stated that the last study was swayed towards consolidation. The new study is not going to focus on consolidation.
- General Manager Gray stated that Sacramento Suburban Water District invested in water supply beyond the needs of their customers. San Juan Water District has done the same. FOWD has built a portfolio to create redundant water supply as a regional approach.
- President McRae stated that Director Sarkovich needs to be a part of the vote and directed staff to leave this item on the August Board meeting agenda.

3. Update and possible action on closeout of the Main Replacement Project on Hazel Avenue North of Madison Avenue

- General Manager Gray recommended that the Board authorize the General Manager to pay the submitted change orders in the amount of \$55,359 to Western Engineering for the Main Replacement on Hazel Avenue North of Madison Avenue.

Director Page moved to authorize the General Manager to pay the submitted change orders in the amount of \$55,359 for the Main Replacement the on Hazel Avenue North of Madison Avenue.

Director Marx seconded the motion.

- Director McRae stated that he reviewed all the documentation and does not have any questions.

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

Absent: Sarkovich

4. Update and discussion on the 2019 Corporation Yard Project

- General Manager Gray presented a brief overview of the current stage of the design process for the Corporation Yard Project. He expects a design rendering ready for review at the next Board meeting.

5. Update and discussion on FOWD Water Supply for the months of:

a. May 2019

- Operations Manager Nisenboym provided a summary of the water supply for the month of May. FOWD hit the target set by the Board of 70% surface water and 30% groundwater.

b. June 2019

- Operations Manager Nisenboym provided a summary of the water supply for the month of June. He stated that Folsom Lake is at 96%.

6. Update and discussion on the 2019 New Groundwater Wells Project

- General Manager Gray provided an update on the new Groundwater Wells Project. The report provided by GEI recommended the construction of a groundwater well at the Skyway Site. The well is projected to produce 1,000 gallons per minute with acceptable water quality to meet the state requirements.

7. Discussion and possible action on County of Sacramento Hazel Avenue Phase II Project

- General Manager Gray stated that he has received new information and recommends deferring to the next Board meeting

The Board deferred this item to next meeting.

8. Update and discussion on FOWD Transmission Main operation and maintenance issues

- General Manager Gray provided an update on the FOWD Transmission Main operation and maintenance issues.
- Director Marx stated that he would like staff to investigate the optimal time to replace the pipe rather than spend more money with temporary fixes.

9. Update and discussion on FO-40 pipeline operations

- General Manager Gray provided an update on the FO-40 pipeline operations. San Juan Water District requested that FOWD turn on the FO-40 for a month. The original time of a month passed, and staff contacted San Juan Water District to see if they can close the FO-40. San Juan Water District requested that the pipeline remain open through the end of July.
- Director McRae stated that it is ok to leave open until the end of July.

The Board directed the General Manager to leave the FO-40 pipeline open through the end of July at the request of San Juan Water District.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Discussion and possible action on Resolution No. 19-01: “A resolution of the Board of Directors of the Fair Oaks Water District adopting an update to the American River Basin Integrated Regional Water Management Plan”

- General Manager Gray recommended that the Board adopt Resolution No. 19-01: “A resolution of the Board of Directors of the Fair Oaks Water District adopting an update to the American River Basin Integrated Regional Water Management Plan.”

Director Marx moved to adopt Resolution No. 19-01: “A resolution of the Board of Directors of the Fair Oaks Water District adopting an update to the American River Basin Integrated Regional Water Management Plan”

Director Page seconded the motion.

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

Absent: Sarkovich

2. Discussion and possible action on the Regional Water Authority Project Agreement for the 2019 Proposition 1 Implementation Grant Application Project

- General Manager Gray recommended that the Board authorize the General Manager to execute an agreement with the Regional Water Authority for the 2019 Proposition 1 Implementation Grant Application.

Director McRae moved to authorize the General Manager to execute an agreement with the Regional Water Authority for the 2019 Proposition 1 Implementation Grant Application.

Director Page seconded the motion.

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

Absent: Sarkovich

3. Discussion and possible action on the required payment of the employer accrued unfunded liability for pension benefits

- General Manager Gray recommended that the Board authorize the payment of \$141,200 to CALPERS for the employer accrued unfunded liability for pension benefits for fiscal year 2019.

Director Page moved to authorize the payment of \$141,200 to CALPERS for the employer accrued unfunded liability for pension benefits for fiscal year 2019.

Director Marx seconded the motion.

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

Absent: Sarkovich

4. 2019 Public Health Goal Report - Public Hearing held to respond to comments on the report in accordance with California Health and Safety Code Section 116470(c) requirements

- General Manager Gray recommended that the Board accept and direct staff to file the 2019 Public Health Goal Report - Public Hearing held to respond to

comments on the report in accordance with California Health and Safety Code Section 116470(c) requirements.

Director McRae moved to accept and direct staff to file the 2019 Public Health Goal Report - Public Hearing held to respond to comments on the report in accordance with California Health and Safety Code Section 116470(c) requirements.

Director Marx seconded the motion.

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

Absent: Sarkovich

5. Discussion and possible action on open positions at the FOWD

- General Manager Gray recommended that the Board approve one additional position for a total staff of 31.
- Director Marx stated that he is reluctant on voting without the full Board present and would like to have it on the next Board meeting agenda.

Director McRae tabled the action item.

6. Update and discussion on the recently approved SJWD Budget and Wholesale rates

- General Manager Gray presented the approved SJWD Budget and Wholesale rates.

7. Update and discussion on the appointment of a new Executive Director at RWA

- General Manager Gray presented an overview of the appointment process for the new Executive Director at RWA.

8. Discussion and possible action on vacant FOWD Division 1 Director Position.

- Director McRae stated that the county requires the Board to appoint a new Board member or hold elections on the next election cycle.
- General Manager Gray stated that since there is not a general election within the allowable timeframe, the options are to either appoint a new Board member or hold an election fully funded by FOWD. Additional research on all of the procedures is needed, and a recommendation will be presented at a later Board meeting.

VII. UPCOMING EVENTS

1. Fair Oaks Chamber of Commerce Business Luncheon / July 18, 2019 / Smokey Oaks Tavern / Fair Oaks

- Information only

2. San Juan Water District Regular Board Meeting / July 24, 2019 / SJWD Administration Building

- Information only

3. **2019 CSDA Annual Conference / September 25-28, 2019 / Anaheim, CA**
 - Information only.

VIII. REPRESENTATIVE REPORTS

1. **Sacramento Groundwater Authority (SGA)**
 - None.
2. **Regional Water Authority (RWA)**
 - None.
3. **Sacramento Water Forum**
 - None.
4. **Other**
 - None.

IX. DIRECTORS' REPORTS & COMMENTS

1. **Budget Committee – (Sarkovich, Vacant)**
 - None.
2. **Technical Advisory Committee – (Marx, McRae)**
 - None.
3. **Capital Improvement Committee – (Sarkovich, Vacant)**
 - None.
4. **Personnel Committee – (McRae, Page)**
 - None.
5. **Public Relations Committee – (Page, Vacant)**
 - 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 for the months of:

a. May 2019

- Report provided; no discussion

b. June 2019.

- Report provided; no discussion

2. Capital Projects Status Reports for the months of:

a. May 2019

- Report provided; no discussion

b. June 2019

- 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

- None.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- General Manager Gray presented information on the American River Voluntary Settlement Agreement.

General Manager Gray distributed a letter to the Board restating the Board's position on the American River Voluntary Settlement Agreement.

- Director Page stated that the Board still hasn't received clarification on the agreement.
- Director Marx stated that he is fine with the letter and feels like additional mechanisms are in place as the American River Voluntary Settlement Agreement progresses.

XI. PUBLIC COMMENT

- None.

President McRae closed the open session meeting at 8:29 p.m.

President McRae called the closed session meeting to order at 8:34 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956) – Two cases

President McRae closed the closed session meeting at 9:24 p.m.
President McRae reopened the meeting to the public at 9:24 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 9:24 p.m.

The Board approved the preceding minutes on August 12, 2019

Tom R. Gray
General Manager/Board Secretary

Date