



AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

April 12, 2021

District Attendees

Misha Sarkovich	Board President
Randy Marx	Board Vice President
Michael McRae	Board Member
Gary Page	Board Member
Nadine Reid	Board Member
Tom Gray	General Manager
Chi Ha-Ly	Finance Manager
Josh Heavenston	Operations Superintendent

Other Attendees

Brett Jones	JJACPA, Inc.
Ted Costa	Director, San Juan Water District
Kristine Courdy	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

- Board President Sarkovich called the meeting to order at 6:30 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.

President Sarkovich moved items IV.1 and VI.4 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 March 8, 2021
2. Accept and File Treasurer's Report for the month of March 2021
3. Accept and File Investment Report for the month of February 2021
4. Accept and File Monthly Financial Expense Report March 2021
5. Approval of Warrants
6. Approval of Cal-Card Statements for the month of March 2021
7. Approval of Board Expense Report for the month of February 2021

President Sarkovich moved to approve the consent calendar as presented.

Vice President Marx seconded the motion.

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

IV. PRESENTATION & CORRESPONDENCE

- 1. Presentation by JJACPA, Inc. on Fair Oaks Water District's Draft Comprehensive Annual Financial Audit for the year ended December 31, 2020**
 - General Manager Gray introduced Brett Jones with JJACPA, Inc.
 - Engagement Manager Brett Jones with JJACPA, Inc. provided an overview of the Comprehensive Annual Financial Audit for the year ended December 31, 2020, including the auditors' reports. He stated overall the audit went well.
- 2. Correspondence dated March 29, 2021 related to Fair Oaks Village Parking**
 - General Manager Gray presented a correspondence dated March 29, 2021, related to Fair Oaks Village Parking.
- 3. Correspondence from Sacramento Local Agency Formation Commission Dated March 17, 2021**
 - General Manager Gray presented correspondence from Sacramento Local Agency Formation Commission dated March 17, 2021.
- 4. Other**
 - None.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

- 1. Update and discussion on FOWD Groundwater Well Projects**
 - General Manager Gray provide an update on the FOWD groundwater well projects.

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Update and discussion on FOWD Water Supply for the month of March 2021

- President Sarkovich stated that the water supply report for the month of March 2021 has been provided to the Board.
- Director McRae inquired if the District was able to achieve 30% groundwater production.
- President Sarkovich replied that the District was able to pump 31% groundwater to meet system demand.

2. Discussion and possible action on the replacement of a 10-inch gate valve on Illinois Avenue and Madison Avenue

President Sarkovich moved to authorize the General Manager to transfer \$41,000 from contingency for the replacement of a 10-inch gate valve on Illinois Avenue and Madison Avenue.

Vice President Marx seconded the motion.

- Director Page inquired if the valve would need to be replaced when the transmission main replacement program is implemented.
- General Manager Gray replied that the valve would remain in service and not be replaced during the transmission main replacement program implementation.
- Director McRae stated that he does not view the gate valve replacement as an emergency project and should be included in the budgeting process.
- General Manager Gray replied that in the past the Board decided to require staff to request funds for each of the unforeseen projects.

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

3. Discussion and possible action on the replacement of a 10-inch gate valve on Hazel Avenue South of Madison Avenue

President Sarkovich moved to authorize the General Manager to transfer \$44,000 from contingency fund for the replacement of a 10-inch gate valve on Hazel Avenue South of Madison Avenue.

Vice President Marx seconded the motion.

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

4. Discussion and possible action on abandonment of easements

- General Manager Gray recommended that the Board authorize the General Manager to release the public utility easement.

President Sarkovich moved to authorize the General Manager to release the public utility easement for 7728 Westover Court and 8998 Leedy Lane in Fair Oaks.

Vice President Marx seconded the motion.

- Director McRae inquired if there was a future need for the easements.
- General Manager Gray replied that there are not any future needs for these easements.
- Director McRae inquired if the District will be abandoning any facilities in place.
- General Manager Gray replied that the District will not be abandoning any facilities in place.
- Kristine Courdy stated that she appreciates the staff for being professional and easy to work with.

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

5. 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, 2020

President Sarkovich moved 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, 2020.

Vice President Marx seconded the motion.

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

VII. UPCOMING EVENTS

- 1. SJWD Finance Committee Meeting – April 27, 2021**
 - Information Only.
- 2. SJWD Board Meeting – April 28, 2021**
 - Information Only.
- 3. ACWA Spring Conference – Virtual – May 12-13, 2021**
 - Information Only.

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - Vice President Marx reported that costs are going up 15% due to regulatory requirements.

2. Regional Water Authority (RWA)

- Vice President Marx reported that RWA saved \$75,000 last year. They discussed priorities for next year including the water bank.
- Director Page read the following statement:

“Thank you for providing the briefing materials. I appreciate the strategic approach being taken by the RWA. In particular, the planning goals, objectives and sub-objectives are comprehensive, on “point” and clearly written.

It is important going forward to clearly understand the various roles and responsibilities being undertaken by the RWA, the SGA and the Water Forum. Each of these organizations are developing, and each serve with a regional perspective. This is important because their work counters the need for merging the operations of independent water agencies.

Because we are a ground water producer, we take steps to ensure that any water that is put into the ground is clean and safe and that steps are taken to ensure inferior water is treated before transferred to others. For example, many wells in the Mather Field area have cancer causing contaminants. If SSWD wants to share their ground water with others, it should be required to source the water from wells that are not contaminated or treat the contaminated water before transferring it.

I understand that water can be “legally used” for consumption even though it is known to contain cancer-causing elements. But my view is that we should continue to strive and insist on using only the best available water for our customers. Perhaps there is a role for RWA to develop polices around this issue and perhaps we need a water treatment plant to function as a “clearing house” for ground water that is shared within the region.

At our last meeting we had a presentation by SJWD regarding the Hinkle Reservation Project, and the plans SJWD has made to facilitate the relining of the reservoir and other work. I bring this up now because SJWD has decided to serve ground water from SSWD within its service area. It is important that SJWD more clearly defines its roles and responsibilities. I think RWA, SWA and the Water Forum are providing all the regional collaboration we need. But within the SJWD service area, we need better planning and communication around strategic plans and how we can work better together.

I am not satisfied with the plan SJWD presented at our last meeting. That plan is to pump inferior ground water about 11 miles uphill to then serve to SJWD customers primarily in the Orangevale area. We have better ground water within the service area from the Citrus Heights and Fair Oaks area that could be used to support the Hinkle project. Better water, and less transfer difference. I would like to see a better plan.

Finally, FOWD needs to find ways to be compensated for its ground water. The ground water we have in the Fair Oaks area is a type of “wealth” that belongs to the property

owners. We are fortunate to have the water to meet our needs. But when we pump water in lieu of taking surface water during drought periods and/or transfer ground water for use outside of our service area, our ratepayers should be compensated for the investments they have made and for the water they have rights to.”

3. Sacramento Water Forum

- None.

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.

- President Sarkovich inquired to when in person Board Meetings should resume.
- Director Page stated that he would like to meet in person.
- Director McRae stated that he would like to meet in person.
- Director Reid stated that she would like to stay virtual.
- Vice President Marx stated that he would like to wait and discuss during the June Board Meeting.

X. GENERAL MANAGER’S REPORT

1. Maintenance Work Report

- Report provided, no discussion.

2. Capital Projects Status Reports

- Reports provided, no discussion.
 - a) March 2021
 - b) December 2020 (Final)

3. Authorizations of Additional Funding

- Report provided, no discussion.

4. Water Transfer Status Report

- None.

5. Claims Against District

- None.

6. Employee Update

- General Manager Gray stated that an offer was made to a candidate for the vacant Operations Manager position.

7. Water Issues – Update on Regional Involvement

- None.

8. Other

- President Sarkovich requested that the May Board Meeting include an update from the Corporate Yard Architect to determine the reason for the project delay. He directed staff to invite Gutierrez Associates to attend the May 2020 regular Board Meeting.
- Director Page inquired on the Transmission Main project.
- General Manager Gray replied that the Technical Committee has met and provided the engineering firm with comments and planned to have the report finished in two weeks.

XI. PUBLIC COMMENT

- None.

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

President Sarkovich called closed session meeting to order at 7:45 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956

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

President Sarkovich closed the closed session meeting at 8:37 p.m.

President Sarkovich reopened the meeting to the public at 8:37 p.m.

XIII. REPORT FROM CLOSED SESSION

- None

XIV. ADJOURNMENT

With no further business to come before the Board, President Sarkovich adjourned the meeting at 8:37 p.m.

The Board approved the preceding minutes on May 10, 2021

Tom R. Gray
General Manager/Board Secretary

Date