

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

January 13, 2010 – 7:00 p.m.

BOARD OF DIRECTORS

Dave Peterson	President
Ted Costa	Vice-President
Kenneth Miller	Director
Pam Tobin	Director
Bob Walters	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
George Machado	Field Services Manager
Teri Hart	Administrative Assistant/Board Secretary
Paul Bartkiewicz	Counsel

OTHER ATTENDEES

None

AGENDA ITEMS

- I. Consent Calendar**
- II. Committee Reports**
- III. Information and Action Items**
- IV. Public Forum**
- V. Closed Session**
- VI. Open Session**
- VII. Upcoming Events**
- VIII. Adjourn**

President Peterson called the meeting to order at 7:02 pm

I. CONSENT CALENDAR

All items under the consent calendar are considered to be routine and are approved by motion. There will be no separate discussion of these items unless a member of the Board, audience, or staff request a specific item removed after the motion to approve the Consent Calendar.

1. BOARD OF DIRECTOR'S MEETING MINUTES

Approval of San Juan Water District's Board of Director's meeting minutes as follows:

1. Minutes of the Board of Directors Meeting December 9, 2009

Director Tobin moved to approve the December 9, 2009 Board of Director's Meeting Minutes. Director Miller seconded the motion and it carried unanimously.

President Peterson presented a gift of appreciation to the Former Board President Bob Walters.

II. COMMITTEE REPORTS

1. PERSONNEL COMMITTEE (1/8/10)

President Peterson reported that the committee met on January 8, 2010 and will be deferring items 1.1 and 1.2 to the Closed Session.

1.1. General Manager's Evaluation

Deferred to Close Session

1.2. General Manager's Employment Contract

Deferred to Close Session

1.3. Other Personnel Matters

President Peterson informed the Board that the committee would like to recognize Ms. Mary Morris for her years of service. He recommended some sort of commendation letter or resolution, whichever would be appropriate. Ms. Lorance suggested a letter that can be signed by the Board or the Board President. Mr. Peterson requested that this be completed and brought back to the next Board meeting.

President Peterson informed the Board that the committee would like to bring back the discussion of "Re-establishment of the Employee Share" which was deferred during the Second Tier discussions. He would like that to be on the agenda at an upcoming meeting. Vice President Costa commented that he had a document from the City of Citrus Heights that is similar to what the committee discussed and that he would like that routed to the board members. In addition, the committee would like the Board to review the employee medical cost share at the same time.

1.4. Public Comment

There was no public comment.

2. FINANCE COMMITTEE (1/12/10)

Vice President Costa reported that the committee met on January 12, 2010 and discussed the following:

2.1 Review and Pay Bills

The committee reviewed the presented bills and claims. In accordance with recommended practices, the committee specifically reviews any credit card charges and reimbursements for the General Manager, Assistant General Manager and Finance & Administrative Services Manager. Other randomly selected bills were discussed by the committee. All bills and claims reviewed were found to be in order.

Staff update: the total amount of bills and claims provided for approval for December payables is \$1,756,776.01.

Vice President Costa moved to approve Resolution 10-01. Director Tobin seconded the motion and it carried unanimously.

2.2 Roseville Groundwater Computer Model

Mr. Durkin reviewed the staff report that Ms. Lorange prepared:

Background

Currently, there are multiple, uncoordinated groundwater models in the Sacramento Region. Sacramento County has a groundwater model through the Sacramento Groundwater Authority that provides a high level evaluation of water levels. The City of Roseville is developing a more detailed groundwater computer model that will include groundwater interaction down to the Consumnes River. The model is designed to evaluate groundwater level, as well as the migration of groundwater contamination.

Current Status

With the migration of groundwater contamination into the SJWD wholesale service area, groundwater contamination is a serious threat to our groundwater supply. This computer model will assist in evaluating how groundwater use effects future migration of contamination.

The City of Roseville has requested a cost share of \$20,000 from SJWD towards the completion of the groundwater model.

Budget Impact

This is not a budgeted item. The \$20,000 would need to be allocated from the amount budgeted to be transferred to reserves.

Staff Recommendation

Staff recommends authorization to amend the budget to include a \$20,000 budget amount for contribution to the groundwater model.

Vice President Costa inquired who would own the software. Mr. Durkin explained that the City of Roseville would own the software and the District would be able to access the information to use for our needs including our wholesale agency needs. Director Miller inquired if the wholesale agencies would be accessing the data from the District or through the City of Roseville. Mr. Durkin stated that the District would be the facilitator obtaining access for the wholesale agencies to the City of Roseville Model.

The committee discussed the matter and agreed with the staff recommendation.

Director Walter questioned that the District uses mostly surface water. Ms. Lorange explained that this would benefit the wholesale area. Besides basic

groundwater modeling, the model will also allow the modeling of groundwater contamination movement resulting from various groundwater pumping scenarios.

Ms. Lorance explained that the City of Roseville is spending approximately \$200,000 for the project and that the portion that the District would be funding would cover the portion within the District's wholesale area. Director Walters suggested that the District inform the wholesale agencies if the Board approves this expenditure since it will most likely benefit them. Ms. Lorance informed the Board that she has been in communication with the wholesale agencies to make sure that there would be no issues and to be sure that they know this would be available if approved by the Board.

The Board discussed the project and long-term benefit of the data that should become available over the years via this model.

Vice President Costa moved to amend the wholesale budget to include \$20,000 to participate in the development of the Roseville Groundwater Computer Model and transfer \$20,000 from capital reserves. Director Miller seconded the motion and it carried unanimously.

2.3 Collaborative State Lobbying

Mr. Durkin reviewed the staff report that Ms. Lorance prepared:

Background

As part of the District's Strategic Plan, staff is working to obtain a stronger voice in state government. The legislature will be addressing many "clean up" bills from the water legislation passed last year, as well as the state developing implementation plans for the legislation.

Last year, the region was playing defense with the water legislation. It is important to be in at the front end to have input into the development of policy, rather than trying to change already developed policy. The region is working to be more proactive this year. The first step was to create a governmental affairs committee at the RWA. At the first meeting of the committee, it became apparent that RWA hiring a state lobbyist is a process that will take much discussion and time. As time is of the essence, six of the agencies met separately to identify a way to obtain a lobbyist for the region.

Current Status

The cities of Folsom, Roseville and Sacramento, SSWD, PCWA, and SJWD decided to jointly fund a lobbyist through SJWD. Each agency will fund 1/6 of the total cost. The intent is to eventually transfer this to a "below the green line" activity at RWA. In the interim, John Woodling will be involved in the areas where RWA has unanimous policies.

The group interviewed Soyla Fernandez from Fernandez Government Solutions. The entire group was impressed with her capabilities and approach. The group has agreed to contract her services.

Budget Impact

Though a contract has not yet been developed, it is estimated that the total cost will be approximately \$8,000 per month. The annual cost for each agency would be approximately \$16-\$20,000, with a total amount of \$96,000. The entire cost will be funneled through SJWD, with reimbursement for 5/6 of the costs from the other agencies.

This cost is not budgeted. SJWD recommends adding an additional \$20,000 to the wholesale auditing and consulting budget to cover this cost. The actual budget will show a budget amount of \$100,000, with reimbursement of approximately \$80,000.

Staff Recommendation

Staff recommends adoption of two motions, one authorizing the General Manager to sign the agreement with Fernandez Government Solutions, and a second to authorize increasing the wholesale auditing and consulting budget by \$100,000 with \$80,000 being reimbursed.

The committee reviewed the information and agreed with the staff recommendations.

Ms. Lorance explained to the Board that the cities of Folsom and Roseville have communicated that they would participate while PCWA and the City of Sacramento have not fully confirmed their participation.

Director Walters voiced concern regarding the numerous relationships that Ms. Fernandez has in the LA area and, even though there are no water conflicts, he is concerned that there may be some indirect lobbying.

Director Walters also wanted clarification on what "below the green line" refers to in the staff report. Ms. Lorance explained that there has been discussions on whether this should be a RWA activity; however, it was decided that since the District could potentially get this started faster that it will start with the District then if it makes sense will be transferred to RWA. Mr. Bartkiewicz explained that "below the green line" is a term that RWA uses that means a program that is under the auspicious of RWA but is funded by fewer than all of the members.

Director Walters asked if the scope of services was defined and if it contains a legislative bill service. Ms. Lorance stated that the contract and scope of services is being worked on. Mr. Bartkiewicz stated it was his understanding that bills of interest would be brought to the group's attention, discuss positions, and coordinate within the region.

Director Walters voiced concern that if SJWD collects the funds to pay the lobbyist then we would be the lobbyist's employer and the District would have to comply with reporting the full amount of \$100,000. Ms. Lorance informed the Board that she was informed when there is a MOU that is signed by all parties, then the lobbying firm has to list all parties as clients and all six clients will need to do their reporting as well. Ms. Lorance will check into the lobbying reporting requirements to make sure that the District shows paying \$20,000 in one year and not the combined total of \$100,000.

President Peterson inquired how the selection process worked. Ms. Lorance informed the Board that it was somewhat difficult to find someone who was current on water issues and at the same time did not represent Southern California or the Delta, as these areas would most likely pose conflicts of interest. The city lobbyists suggested the group obtain a separate lobbyist for water. A few names were suggested and the group discussed the options and decided to interview Ms. Fernandez, as she came highly recommended.

Vice President Costa moved to authorize the General Manager to sign a contract with Fernandez Government Solutions. Director Tobin seconded the motion.

Vice President Costa moved to amend the motion to increase the wholesale auditing and consulting budget by \$100,000, with approximately \$83,000 as a reimbursed cost, and to authorize the General Manager to sign a contract with Fernandez Government Solutions. Director Tobin seconded the motion and it carried unanimously.

Director Walters voiced concern that the FPPC looks at lobbying reporting and suggests that the reporting show all the participants.

2.4 Service Vehicle Replacements

2.4.1 Wholesale Vehicle Purchase

Mr. Durkin informed the committee that the District included replacing service vehicle #15 in the Fiscal Year 2009-2010 Wholesale Budget. Vehicle # 15 is a 1995 Chevy Sonoma Pickup that is used by water treatment plant operators as a utility and pool vehicle and it is at the end of its service life. Staff budgeted \$20,000 for purchasing a replacement vehicle.

Current Status

Staff has reviewed the State of California Contract Vehicle List from which the District purchases vehicle replacements. The appropriate replacement vehicle is a Ford F150 4-door regular cab pickup with a total vehicle cost of \$21,505.26, including all applicable fees. Staff is

prepared to move forward with the vehicle replacement purchase upon approval by the Board of Directors.

Budget Impact

The budget amount of \$20,000 does not fully cover the actual vehicle cost of \$21,505.26. However, the additional \$1,505.26 required for this vehicle purchase is available in the vehicle replacement reserve fund.

Staff Recommendation

Staff recommends approval to purchase a replacement for Service Vehicle #15 in the amount of \$21,505.26.

Director Miller moved to approve the purchase of a replacement vehicle in the amount of \$21,505.26. Director Tobin seconded the motion and it carried unanimously.

2.4.2 Retail Vehicle Purchase

Mr. Durkin informed the committee that the District needs to replace service vehicle #17 and included \$23,000 in the Fiscal Year 2009-2010 Retail Budget for a replacement vehicle. Vehicle #17 is used on a daily basis by the Meter Technician. The vehicle, a 1998 GMC Sonoma Pickup, was damaged in November 2009 and was sold at auction because it was due to be replaced and not worth repairing.

Current Status

Staff has reviewed the State of California Contract Vehicle List from which the District purchases vehicle replacements. The appropriate replacement vehicle is a Chevy Colorado regular cab pickup with a total vehicle cost of \$18,296.28, including all applicable fees. Staff is prepared to move forward with the vehicle replacement purchase upon approval by the Board of Directors.

Budget Impact

The budget amount of \$23,000 more than covers the actual cost of \$18,296.28. The remaining budgeted amount will be retained in the vehicle replacement reserve fund.

Staff Recommendation

Staff recommends approval to purchase a replacement for Service Vehicle #17 in the amount of \$18,296.28.

Director Tobin moved to approve the purchase of a replacement vehicle in the amount of \$18,296.28. Director Walters seconded the motion and it carried unanimously.

2.5 Sedimentation Basin Improvement Project Update

Mr. Durkin informed the committee that Kaweah Construction is in the process of performing the rehabilitation work on the sedimentation basin. In the process, it has been discovered that there is more work that needs to be completed in order to fully rehabilitate the basin. This extra work includes repairing concrete in the basin that could not be discovered until the basin was drained and the concrete exposed. The additional work includes replacing spalled and deteriorated concrete and filling all major cracks with a special sealant and then resurfacing the concrete areas that are in need of repair.

The total project cost is close to \$4 million, with Kaweah Construction work being budgeted at \$1,725,130 and the equipment purchase costs of \$2.2 million, funded through the Corps of Engineers. The initial project budget included approximately \$150,000 contingency for additional work. The additional concrete work will require the majority of the contingency funds, and the project is only one-half complete. To allow adequate funds for the remainder of the project, staff recommends that an additional \$150,000 be allocated from CIP reserves to cover any additional unexpected changes that may be needed during the remainder of this project. This amount is less than 10% of the total cost of the entire project.

Director Walters moved to increase the project construction budget to cover unexpected repairs by the amount of \$150,000, with the funds being transferred from CIP reserves. Director Tobin seconded the motion and it carried unanimously.

2.6 Baldwin Reservoir Fill and Grading Project

Mr. Durkin informed the committee that Western Engineering Contractors, Inc., was awarded the contract with Placer County to perform the road widening on Auburn Folsom Road. During communications with Western Engineer Contractors it was discovered that they will have excess fill material to dispose of and have offered to sell it to the District at \$2.00 per cubic yard including delivery, spreading and compaction. The fill material will be used at the Baldwin Reservoir to fill in the area previously used as sludge drying beds. There is approximately 45,000 yards needed to fill in the sludge bed areas.

Mr. Durkin informed the Board that the District offered the area for free to Western Engineering Contractors, but they had another place to dispose of the material and it wasn't worth it to them not to charge us. The fill is estimated to be worth \$8-\$10 and we'd be getting it for \$2 including delivery, spreading and compaction. The area is anticipated to be used for the solar project; however, in any case it needs to be returned to its original state prior to the District's use for the sludge drying beds.

Director Tobin moved to approve a contract with Western Engineering Contractors, Inc. to furnish fill material and provide site grading at

Baldwin Reservoir for a not-to-exceed construction cost of \$90,000. Director Walters seconded the motion and it carried unanimously.

2.7 Other Finance Matters

Vice President Costa inquired if there was any resolution with the Chlorination System Improvements Project contractor. Mr. Durkin informed the committee that there has been no resolution of the matter to date.

Ms. Lorance informed the committee that the Finance and Administrative Services Manager open position was posted in several locations. The District is utilizing Bryce Consulting to assist in filling the position. Ms. Kathy Kitchell, who is retired from the City of Roseville, is working on a part-time basis to perform some of the duties that need to be completed in the interim period until the position is filled. It is anticipated that the position will be filled in February.

2.8 Public Comment

There was no public comment.

The meeting was adjourned at 4:40 p.m.

III. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1. Legislative Update

Ms. Lorance stated that there was no update on this standing agenda item.

1.2. Conservation Implementation

Ms. Lorance informed the Board that the water legislation passed last year by the State of California included requirements for water conservation. Below are excerpts from a summary of the water legislation provided by Ryan Bezerra, BKS, which Ms. Lorance modified slightly:

SB 7 will require that every urban retail water supplier in the state that serves potable water to "more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail" develop – by July 1, 2011 – a conservation target to be met by December 31, 2020 based on one of four calculation methods. The methods for calculating a conservation target are:

(1) "Eighty percent of the urban retail water supplier's baseline per capita daily water use";

(2) A standard based on the sum of: (a) indoor residential water use or 55 gallons per capita per day, subject to possible further change by the Legislature after 2016; (b) water savings derived from implementing the state's model water efficient landscape ordinance "as in effect the later of the

year of the landscape's installation or 1992;" and (c) a 10% reduction from baseline water use by commercial, industrial and institutional water users;

(3) 95% of the applicable hydrologic region target stated in DWR's April 30, 2009 draft 20x2020 water conservation plan, which is a standard that essentially only coastal areas can meet; and

(4) A method to be developed by DWR by December 31, 2010 to meet a statewide goal of a 20% reduction in daily urban per capita water use by December 31, 2020, which method will consider, among other factors: (a) climatic differences; (b) population density differences; (c) plant water need differences; and (d) consideration of "avoiding placing undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low".

Consequences for Non-Compliance: As of July 1, 2016, suppliers are not eligible for state water grants or loans unless they comply with the legislation requirements, except that they can obtain those grants or loans if they submitted to DWR "for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for achieving the per capita reductions". DWR also can waive the compliance requirement for a supplier whose entire service area is a disadvantaged community. A supplier's failure to meet a conservation target "shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2021," but that protection sunsets as of that date. (§ 10608.8(a)(2).) Effectively, this language provides protection against claims that non-compliance with conservation targets is waste or unreasonable use of water, but only before the final conservation targets take effect at the end of 2020.

Current Status

During the legislative process, this region was playing defense, attempting to modify already crafted legislation and proposals. For option 4, the intent is to develop the option that meets our needs. PCWA retained Brown and Caldwell to analyze the effects of density and ETO (climate) on the water use targets in the State of California. The District has retained Brown and Caldwell to develop a draft process proposal for option 4. The intent is to work with the regional agencies to obtain consensus on the option 4 proposal, and at the same time, introduce the proposal for option 4 into the ACWA workgroup as a starting point for discussion. The ultimate goal is to provide to DWR for their consideration as an alternative for option 4.

The District has begun developing a process to meet the requirements of option 1, a 20% reduction in water use as a backdrop in case option 4 does not become a reasonable option that addresses the unique situation of the Sacramento region.

Additional discussion on the implementation of conservation alternatives in the SJWD wholesale service area will be held during the annual board workshop.

Budget Impact

The cost for the work is set at a not to exceed amount of \$25,000. This cost will either be from savings in other areas, or from the dollars currently budgeted to be transferred from operating to reserves.

Ms. Lorance reported that she met with Mary Lou Cotton from Kennedy/Jenks, and Bill Jacoby on January 12th. They are both conservation experts who work for ACWA. They discussed basic principles and direction that SJWD is headed. Ms. Lorance received some suggestions that should work for the District's benefit and was informed that they are going to stop and wait for this and introduce it from ACWA.

For information, no action requested.

1.3. Board Annual Workshop

Ms. Lorance asked the Board if they wanted a facilitator at the Annual Board Workshop. Vice President Costa suggested using a facilitator if there are new issues on the agenda and recommends Marilyn Snider. President Peterson recommended contacting the Center for Collaboration (Mr. Dorian Fougères). Director Tobin agrees that a facilitator is needed. Director Miller commented that the last person used was good. Ms. Lorance will research the facilitator and obtain one for the workshop.

The Board discussed the workshop and set the workshop for February 23, 2010 at 4:00 pm.

1.4. Record Retention Policy

Ms. Lorance informed the Board that the SJWD Record Management Policy was created to establish and describe the Record Management Policy ("Policy") of the San Juan Water District ("District"). The Policy establishes the guidelines and procedures, under which District staff will retain, organize, purge, and destroy District records maintained by all departments. In addition, this Policy contains record retention schedules and provides references to the applicable state and federal statutes that regulate public records retention.

Current Status

The SJWD Record Management Policy was last updated on May 16, 2007. The document does not cover meeting audio recordings and therefore needs to be revised. The meeting audio recording is sometimes utilized to refer back to when preparing the meeting minutes and, therefore, is considered a draft form of the meeting minutes and not a permanent record. As instructed by legal counsel, the board recording is to be kept 30 days from the time of the recording or until the minutes are approved, whichever is the latter.

Staff Recommendation

Staff recommends a motion to accept the revised SJWD Record Management Policy.

President Peterson commented that he did not think that 30 days was long enough and suggests 60 or 90 days. Director Walters suggested amending to 90 days. Vice President Costa commented that once the meeting minutes are approved then those are the official record of the meeting and no reference to the audio recording should be made. In addition, it is the board member's responsibility to read the minutes prior to them being approved, so that any amendments can be made at that time.

The Board discussed the timeline for keeping the draft audio recordings. Vice President Costa commented that if someone felt that the minutes were incorrect, then they could write a letter to the board to be attached to the minutes. Ms. Lorange stated that they could also request that the minutes be revised.

Director Walters motioned to accept the revised SJWD Record Management Policy. Director Miller seconded the motion and it carried unanimously.

1.5. Candidate Statements

Ms. Lorange reported that the Board requested Mr. Bartkiewicz to look into having San Juan Water District fund all or part of the candidate's ballot statements. Mr. Bartkiewicz found that it is legal for the District to fund ballot statements, as long as it is done for all candidates.

Vice President Costa moved that any qualified candidate, who wants to run for the Board of Directors, should deposit \$500 at the San Juan Water District office with the Board Secretary for the ballot statement and if that doesn't cover the full cost then the District will cover the full cost. President Peterson seconded the motion. The motion failed with 2 Aye votes (Peterson and Costa) and 3 No votes (Miller, Tobin and Walters)

Director Miller stated that the fee still puts a stumbling block in front of potential candidates, if the intent was to remove the fee. Vice President Costa commented that the amount paid by a candidate to the county is estimated and the amount is pro-rated. Some districts cover this fee while others do not. This is decided prior to the election and the District submits a form stating whether the candidate or the District pays for the statements.

Director Miller commented that he would not support using taxpayer's funds to contribute to a political candidacy. The candidate is not required to have the candidate statement in order to run for office. Director Walters stated that this would actually be using rate payer's funds and he generally agrees with Director Miller's position.

1.6. Report Back Items

There were no items to discuss.

1.7. Miscellaneous District Issues and Correspondence

1.7.1 ACWA Regional Implementation Workshops

Ms. Lorance informed the Board that the workshops are related to the legislative water package and will be attended by staff. The location has not been determined yet, however, the event is January 26th.

1.7.2 CalPERS

Ms. Lorance informed the Board that CalPERS reported that the fund has gone up approximately \$40 billion since the market low.

Vice President Costa would like this topic referred to the Personnel Committee. CalPERS was at \$280 billion and went down to \$150 billion, now they are at \$198 billion, which is still below what they are suppose to have. Vice President Costa stated that this type of announcement gives a false sense of security and needs to be watched closely.

Director Walters inquired if the 25% increase is normal in the risk pool. In addition, should the District be in the risk pool. Ms. Lorance would like to defer the question until the Finance & Administrative Services Manager position is filled.

President Peterson inquired about the committee selection process. Ms. Lorance informed the president that they would get together and discuss the committees.

1.7.3 LAFCO Election Results

Ms. Lorance informed the Board that Gay Jones and Jerry Fox were elected as Commissioner and Alternate Commissioner, respectively.

1.7.4 Other

Ms. Lorance informed the Board that Marcia Fritz & Company, who completed the District's audit, sent a letter thanking the District and reported on the peer review that was completed. In addition, Ms. Lorance reported that the District received ACWA JPIA's President's Special Recognition Awards for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Workers' Compensation, Liability and Property Programs.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1. Wholesale Construction Projects Update

Mr. Durkin gave an update to the Board on the Wholesale Construction Projects. The presentation is attached to the original meeting minutes. The presentation covered the following projects:

- Bypass Pipeline Project
- Sedimentation Basin Rehabilitation Project
- Emergency Generator Project
- WTP Raw Water Pipeline Rehabilitation Project

Director Miller inquired if any projects were below budget. Mr. Durkin stated that he anticipates a savings with the WTP Raw Water Pipeline Rehabilitation project. Ms. Lorange informed the Board that when a project is completed, staff will report back and give the Board an update which will cover finance.

2.2. Report Back Items

Mr. Durkin had no items to report back on.

2.3. Miscellaneous District Issues and Correspondence

There were no items to discuss.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Report Back Items

There were no items to report back on.

3.2. Miscellaneous District Issues and Correspondence

There were no items to discuss.

4. DIRECTORS' REPORTS

4.1. SGA

Director Tobin reported that SGA held their elections. Walt Sadler was elected Chair and Randy Marx was elected Vice-Chair. The Holiday Social was held in December.

4.2. RWA

Director Tobin reported that RWA meets January 14, 2010.

4.3. Executive Committee

Ms. Lorange reported that the draft meeting minutes were passed out prior to the board meeting for the November meeting and will be attached to the original meeting minutes. She stated that she has covered most everything that is in the minutes and there is nothing new to report. Vice President Costa reported that he also attended the meeting.

4.4. ACWA/JPIA

No report.

4.5. ACWA Region IV

President Peterson reported that he is no longer on the Region IV board – Rob Roscoe and Bill Neeves are now representatives. However, he reported that Region IV met on January 8th to discuss ACWA's support of the legislation and invited Regions II through VI to attend. Regions V and VI did not attend. Mr. Roscoe was tasked with asking Mr. Bartkiewicz to draft a motion (recommendation) that could be made to the ACWA board from those regions which recommends that the board make a policy which states that the board cannot take a position on legislation without a super-majority of the board. The legislative committee can take a position by consensus; however, if it was referred to the board then a super-majority would be needed. President Peterson stated that it was discussed that a super-majority should be 75% of the full board, not just those in attendance.

President Peterson commented that the ACWA Bylaws do require certain notice for meetings; he believes it is 10 days written notice for meetings, and not certain if there is an alternate notice requirement for emergency or special meetings. He stated that either the policy or the Bylaws will be requested to be amended. The Board discussed ACWA Region IV and ACWA's structure.

President Peterson reported that the ACWA board meets later in the month for strategic planning.

4.6. CVP Water Users Association

Vice President Costa reported that CVPWUA meets on January 19, 2010.

4.7. LAFCO

Vice President Costa reported that LAFCO meets on the 5th Tuesday.

4.8. Other Reports

Director Miller reported that the District's greater retail area falls within Placer County. The county is revising the Granite Bay General Plan. Director Miller has been attending some of the meetings, and at the last meeting the issue of the night was considering zoning for allowance of three hens on residential lot subdivisions.

5. LEGAL COUNSEL'S REPORT

Mr. Bartkiewicz has previously reported on the State Board process on the Delta Flow Criteria and has been participating on behalf of the District, with a workshop in January. They have been coordinating with others to have joint presentations. They have found that the export carriers are very much aligned with the District's position on the proceedings, underscoring that the work product of the State Board will not be binding and should not include specific flows, but should identify the framework of things that the State

Board determines in an evidentiary proceeding, such as delta water quality, outflow/inflow, standards, etc.

In addition, they are monitoring the Bay Delta Conservation Planning process. The milestone will be the issuance of a draft EIR/EIS on the delta plan and reviewing for upstream impacts. One of the major wins in the Delta legislation was getting the new water rights enforcement provisions (Pavley bill) removed from the package.

Mr. Bartkiewicz commented that, with the state budget situation, it is likely that fee legislation, such as water fees/taxes, will be introduced to fund prop-water resources, all of the budget for DWR, State Board, Regional Boards, Fish and Game, basically anything that can be removed from the General Fund. Additional legislation is anticipated that could have water taxes to help fund the \$11 billion bond.

Vice President Costa inquired why it is illegal to have a life-line rate under Prop 218. Mr. Bartkiewicz stated that Prop 218 doesn't look at the end-user but instead the cost of service. The District has discussed a different level of service, such as using water only during off-peak hours for small agriculture users. Ms. Lorance stated that a rate study is schedule for this year.

IV. PUBLIC FORUM

No comment.

President Peterson called for Closed Session at 9:15 pm

V. CLOSED SESSION

General Manager's performance evaluation, and conference with negotiating committee involving compensation of General Manager, under Government Code sections 54954.5(e) and 54954.5(f), 64947 and 54957.6.

VI. OPEN SESSION

The Board of Directors reported from closed session that they conducted a review of the General Managers performance in 2009 with the negotiating committee. By unanimous consent, the Board of Directors adopted the annual report as the General Manager's performance evaluation. The Board of Directors commended the General Manager on the excellent effort and performance in 2009; the year was an extraordinary year and significantly exceeded expectations. The Board of Directors commended the General Manager on her work towards goals identified in previous evaluations.

M/S/C to adopt the annual report as the General Manager's written evaluation for 2009.

The Board of Directors expressed the desire to pay the General Manager a 10% pay-for-performance payment (as provided in section 6 a of the General Manager's employment agreement) due to the excellent performance this past year. Due to the current freezing of incentive awards and merit increases for all staff at the District, however, the Board and the General Manager stated that such a pay-for-performance increase for the General Manager would reflect different treatment from all other District staff. Although the General Manager's compensation would not increase above previous years and is the only employee with an employment contract, the Board agreed with the General Manager that this could cause perception issues with the rest of the District staff. The General Manager informed the Board that the excellent performance this year was due to outstanding performance by other staff at the District. Accordingly, the General Manager declined to accept such a pay-for-performance payment. The Board requested the General Manager to review the status of the budget and develop a proposal for employee pay-for-performance for the Board to discuss at a future Board Meeting.

M/S/C to request the General Manager to develop for future consideration by the Board a proposal to provide pay-for-performance to District employees, taking into consideration the District's budget and general economic conditions.

VII. UPCOMING EVENTS

1. AMWA Climate Change Impacts on Water
January 27-29, 2010
Washington, DC
2. 2010 ACWA DC Conference
February 23-25, 2010
Washington, DC

VIII. ADJOURN

The meeting was adjourned at 10:30 p.m.

DAVE PETERSON, President
Board of Directors
San Juan Water District

ATTEST:

TERI HART, Board Secretary