

AGENDA ITEM II-1

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes
February 23, 2011 – 7:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Mary Morris	Finance and Administrative Services Manager
George Machado	Field Services Manager
Rob Watson	Engineering Services Manager
Bill Sadler	Water Treatment Plant Superintendent
Greg Turner	Chief Operator
Jason Mayorga	Distribution Operator IV
Teri Hart	Board Secretary/Administrative Assistant
Paul Bartkiewicz	Counsel

OTHER ATTENDEES

Madelaine Kiliany	Customer
Dave Hodson	Customer
Jeanette Roberts	Customer
Ken Roberts	Customer
Lori Guishi	Customer
Lianne Peterson	Customer
Alex Enneking	Customer
Shannen Stover	GBHS Student
Elyse Fulcher	GBHS Student
Jennifer Goishi	GBHS Student

AGENDA ITEMS

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

President Costa called the meeting to order at 7:00 p.m.

Ms. Lorance requested that Agenda Item V. 3, Finance and Administrative Services Manager's Report, be moved up on the agenda to after the Consent Calendar due to a family emergency on behalf of the presenter. The meeting minutes will reflect the original agenda order.

I. PUBLIC FORUM

Ms. Peterson apologized to Ms. Lorance for assuming at the last Board meeting that an email that she sent to Ms. Lorance was received and not responded to. However, after reading the draft Board minutes, it was clarified that the email was diverted through the spam filter and not intentionally withheld. Ms. Peterson stated that she read Vice President Tobin's written transcript regarding discrepancies in Ms. Peterson's email, and Ms. Peterson informed the Board that she stands by her email regarding the 2006 Salary Survey with the exception where she listed San Jose as one agency that was used in the survey, which was not the case. Ms. Peterson stated that Dublin/San Ramon was used which is a bay area agency. She also wanted to remind the Board that they work for the rate payers and are tasked with keeping rates as low as possible and keeping employee compensation reasonable. President Costa thanked Ms. Peterson for her comments.

II. 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 February 9, 2011

Director Walters moved to approve the Consent Calendar. Director Peterson seconded the motion and it carried unanimously.

Ms. Lorance informed the Board that there were some minor changes to the Board minutes which consisted of changing Vice President to President when referring to Director Costa and changing Director to Vice President when referring to Director Tobin. These changes will be reflected in the final signed meeting minutes.

III. OLD BUSINESS

1. Penalties and Interest for Delinquent Water Charges

Ms. Lorance informed the Board that the 150-day requirement has been reached for the change to occur to this delinquency policy. At the last Board meeting, the Finance Committee recommended that the Board of Directors adopt the delinquency policy at this meeting.

Vice President Tobin moved to adopt the proposed delinquency policy. Director Walters seconded the motion and it carried unanimously.

Director Walters inquired if there should be a clause to waive penalties. Mr. Bartkiewicz explained that the Board has the authority to waive penalties, but should do so on a consistent basis with just cause.

2. FO 40 Pipeline Rehabilitation Project

Mr. Durkin informed the Board that there has not been a status change on the project since the last meeting, other than scheduling a joint meeting between SJWD, FOWD and OVWC for March 3rd. Mr. Durkin will report back at the next Board meeting.

Mr. Bartkiewicz reminded the Board that the wholesale water agreement gives the District the authority to determine operation, maintenance and capital improvement requirements on District facilities, which includes the FO 40 pipeline. The District is required to consult with the wholesale agencies and consider their comments; however, the District could make the determination if a concurrence was not arrived at with the agencies. Mr. Bartkiewicz pointed out that legally the MOU is not required; however, President Costa would like the District to cooperate with the other agencies and would like to wait for the joint meeting to occur before the District makes further decisions on this matter.

For information only; no action requested.

IV. COMMITTEE REPORTS

3. Legal Affairs Committee (2/10/11)

Director Walters reported that the committee met on February 10, 2011 and discussed the following:

- Acreage Agreement
- Sacramento Regional Water Legislation
- Regional Public Information
- Legal Counsel Contract
- Employee Benefits Recommendations Next Steps
- FO-40 Memorandum of Understanding
- ACWA Water Transfer Initiative
- AB 32 Compliance

The committee meeting minutes will be attached to the original board minutes.

Acreage Agreement

Ms. Lorance informed the Board that there is a property in the District that was under an acreage agreement. The owner of the property completed a complicated lot split and, in the process, the acreage agreement for the re-defined parcel was inadvertently signed by the wrong party. The committee discussed the issue and requested that a certified letter be sent to the property owner with regard to signing the agreement, the water budget and notifying subsequent owners of the water budget on the property.

For information only; no action requested.

Sacramento Regional Water Legislation

Mr. Bartkiewicz informed the Board that the ACWA Legislative Committee reviewed the Assembly Bill 134 and found no indication of the purpose for the bill and a necessity to change existing law, so they are taking an oppose position on the bill.

Ms. Lorance informed the Board that she met with Ken Payne (City of Folsom), City of Sacramento and two representatives from Sacramento Regional Water to work through some concerns regarding the legislation.

The Legal Affairs Committee agreed that the District keep a watch on these bills and remain neutral.

For information only; no action requested.

Regional Public Information

Director Walters informed the Board that RWA contracted with Larsen/Cazanis, a political public relations firm, for the work on the regional public information project. The cost allocation for San Juan Retail at \$10,000; Fair Oaks Water District and Citrus Heights Water District cost are also allocated at \$10,000, while Orange Vale Water Company cost is allocated at \$5,000. Ms. Lorance mentioned that the overall cost will be approximately \$180,000.

For information only; no action requested.

Legal Counsel Contract

Director Walters informed the Board that he met with Mr. Bartkiewicz to discuss the Legal Counsel Contract. There are some minor changes that need to be amended and Mr. Bartkiewicz will forward those amendments to the District.

For information only; no action requested.

Employee Benefits Recommendations Next Steps

Director Walters informed the Board that the next steps regarding the committee recommendations presented at the December workshop will be

will be to bring issues forward which need consideration as part of the overall policy and may be referred to another committee before the policy goes to the Board. Mr. Bartkiewicz informed the committee that care must be used when bringing topics to more than one committee since the same discussion could violate the Brown Act. Mr. Bartkiewicz suggested that if the Personnel Committee has topics which need review by the Legal Affairs Committee that they not be referred in whole, but rather compartmentalized so that the Legal Affairs Committee only reviews certain parts as requested based on the legal aspect of the item.

For information only; no action requested.

FO-40 Memorandum of Understanding

Director Walters referred to the previous Board agenda item where this item was discussed.

For information only; no action requested.

ACWA Water Transfer Initiative

Mr. Bartkiewicz informed the Board that an ACWA task force was developing a water transfer's initiative to provide suggestions on how to improve the efficiency of water transfers.

For information only; no action requested.

AB 32 Compliance

Director Walters informed the Board that the District will be looking at completing a greenhouse gas emissions baseline study in order to comply with AB 32.

For information only; no action requested.

4. Personnel Committee (2/14/11)

Director Walters reported that the committee met on February 14, 2011 and discussed the following:

- Merit and Incentive Policy Changes
- Employee Salary and Benefits Recommendations Next Steps
- General Manager and Legal Counsel Evaluation Process

The committee meeting minutes will be attached to the original board minutes.

Merit and Incentive Policy Changes

Director Walters informed the Board that the intent of discussion was to clarify the meaning of the two policies and recommend changes to the policy definitions.

The committee discussed the Incentive Award Program and requested that Ms. Lorance provide her recommendations listing the pros and cons of the program.

For information only; no action requested.

Employee Salary and Benefits Recommendations Next Steps

Director Walters reported that the committee discussed the Personnel Committee recommendations and requested that Ms. Lorance lay out the process to work through the four recommendations and bring her suggestions to the next committee meeting. In addition, it was requested that Ms. Lorance look at the recommendations and give her opinion on whether any of them should be referred to another committee.

For information only; no action requested.

General Manager and Legal Counsel Evaluation Process

Director Walters reported that the committee discussed the evaluation process which was recently completed for the General Manager and Legal Counsel and agreed that it was a good process. The committee requested that Ms. Lorance bring the model that was used for the evaluations to the next meeting for review and recommendations for next year's evaluations.

For information only; no action requested.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 March 7, 2011 Joint Board Workshop

Ms. Lorance informed the Board that one topic was received for the Joint Board Workshop and the Executive Committee agreed that an outside facilitator should be utilized for the workshop instead of Ms. Lorance, as she will need to participate in discussions. In hearing that Mr. Fougères, the facilitator, was not available on March 7th, the Executive Committee agreed to postpone the Joint Board Workshop to a later date that will accommodate everyone's schedule.

Director Miller inquired what agenda topics have been submitted. Ms. Lorance stated that the topics are:

- Wholesale Rates
- Project Accounting for Wholesale Projects
- Financial Accounting Details/Transfers In & Out Reserves
- Wholesale Meter Project
- Family Salary Survey

- Concern of Liability on FO-40 Pipeline Project
- Pumpback of Groundwater through CTP for Emergency Situations

Director Peterson requested that the Board Workshop Summary be added to the agenda.

For information, no action requested

1.2 Report Back Items

Ms. Lorance reported that she met today with Assemblyman Roger Hernandez, who represents the West Covina/East Low Angeles area, regarding some of the water rights issues and conservation.

1.3 Miscellaneous District Issues and Correspondence

There were no items discussed.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Report Back Items

There were no items discussed.

2.2 Miscellaneous District Issues and Correspondence

There were no items discussed.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Director's Expense Reimbursement Report

Ms. Morris provided the Board with the Director Reimbursement information through December 2010. Ms. Morris requested that the budget amounts for Board of Director Expense Reimbursement be changed to evenly distribute to funds amongst the five director accounts. A copy of the Board of Directors Expense Reimbursement Summary will be attached to the meeting minutes.

Vice President Tobin moved to reallocate the budget amounts for the Board of Director Expense Reimbursement to evenly distribute the funds amongst the five director accounts. Director Peterson seconded the motion and it carried unanimously.

Director Peterson inquired why his account showed over \$700 in mileage, when that likely included other transportation items such as airfare. Ms. Morris will have the description updated on the report to reflect additional detail.

3.2. Quarterly Report on Investment

Ms. Morris informed the Board that investment earnings remain low and are estimated to be approximately \$179,000 for this fiscal year. A copy of the staff report will be attached to the meeting minutes.

Director Peterson requested that wholesale and retail be broken down into two accounts with detail. Ms. Morris informed the Board that the detail of accounts is maintained and available, but not shown in the pooled investments report. The full detail of reserve accounts will be discussed at the next Finance Committee meeting.

For information only; no action requested.

3.3. Quarterly Report on Financial Performance

Ms. Morris reviewed the year to date summary of the wholesale and retail financial performance for FY2010-2011, noting reasons for any variations. In addition, she distributed graphs to demonstrate patterns of wholesale water supply costs and revenues. Ms. Morris pointed out that Conservation will be below the budgeted amount since the conservation position for a recently retired employee will not be filled at this time. A copy of the wholesale and retail summary sheets will be attached to the meeting minutes.

For information only; no action requested.

3.4. FY 2012 Budget Revenue Projections (draft)

Ms. Morris reviewed the FY2011-12 wholesale and retail water revenue projections. A copy of the staff report will be attached to the meeting minutes.

Director Peterson inquired why the inactive connections are inactive and what the chance that they might become active is. Ms. Morris requested to refer the question to Ms. Judy Johnson, who was not in attendance, as she would be able to provide a forecast on the inactives.

For information only; no action requested.

3.5. Report Back Items

President Costa requested that Ms. Morris report back on scheduling the Placer County Tax Collector to conduct a presentation on pooled-money accounts.

3.6. Miscellaneous District Issues and Correspondence

There were no other items discussed.

4. LEGAL COUNSEL'S REPORT

Mr. Bartkiewicz reported on the appointment process of some of the key water positions in the new administration. Mark Cowan, Director of Water Resources, is continuing as interim director, and a few candidates have been interviewed for the position. There are two key appointments, an engineer position and lawyer position, within the State Water Resources Control Board.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA met on February 10, 2011. A copy of the written report will be attached to the meeting minutes.

5.2 RWA

Vice President Tobin reported that RWA met on March 10, 2011.

5.3 Executive Committee

Mr. Durkin reported that the Executive Committee met on February 22nd and all agencies were represented. The meeting minutes will be available at the next Board meeting. President Costa requested that the document that was distributed at the meeting regarding overview of Wholesale rate increases be added to the Finance Committee agenda for the next meeting.

5.4 ACWA/JPIA

Director Miller reported that ACWA JPIA moved into their new building in Roseville.

5.5 CVP Water Users Association

President Costa reported that they meet in March.

5.6 LAFCO

President Costa reported that they meet in March. Ms. Lorance mentioned that the agenda changed and the District's Municipal Service Review will be moved to the May agenda.

5.7 Other Reports and Comments

Director Miller read an article on arsenic and chromium in water and inquired what the potential impact for these contaminants is at the District. Ms. Lorance informed the Board that the surface water has been tested for these contaminants and there have been no trace of either in the water. As for the groundwater in the area, the District does not treat groundwater, but has heard that these contaminants have been found in the groundwater in the area.

Director Peterson requested that staff draft committee descriptions and provide a roster of committee members and District staff. President Costa requested that the Board Secretary add "Committee Structure" to each committee agenda to review the committee structure.

VI. UPCOMING EVENTS

1. 2011 ACWA DC Conference
March 1-3, 2011
Washington, DC

2. Water Education Foundation Executive Briefing
March 24-25, 2011
Sacramento, CA
3. CA-NV AWWA 2011 Spring Conference
March 28-31, 2011
Long Beach, CA
4. Metro Chamber Cap to Cap
May 7-11, 2011
Washington DC
5. ACWA Spring Conference
May 11-13, 2011
Sacramento, CA

VII. CLOSED SESSION

Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving construction contract claims of Preston Pipelines, Inc. related to WTP Pipeline Improvements Project.

President Costa informed the Board that the closed session was not needed.

VIII. OPEN SESSION

1. Report from Closed Session
There was no report from Closed Session.

IX. ADJOURN

The meeting was adjourned at 8:14 p.m.

EDWARD J. "TED" COSTA, President
Board of Directors
San Juan Water District

ATTEST:

TERI HART, Board Secretary

Legal Affairs Committee Meeting
February 10, 2011
1:30 p.m.

Attendees: Bob Walters, Chair
Ted Costa, Director
Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Teri Hart, Administrative Assistant/Board Secretary
Paul Bartkiewicz, Counsel

Topics: Acreage Agreement
Sacramento Regional Water Legislation
Regional Public Information
Legal Counsel Contract
Employee Benefits Recommendations Next Steps
FO-40 Memorandum of Understanding
ACWA Water Transfer Initiative
AB 32 Compliance
Public Comment
Other Legal Affairs Matters

1. Acreage Agreement

Ms. Lorance informed the committee that there is a property in the District that was under an acreage agreement. The owner of the property completed a complicated lot split and, in the process, the acreage agreement for the re-defined parcel was inadvertently signed by the wrong party. The District has attempted to correct the situation with an amended acreage agreement with the proper owner; however, the property owner has not responded to our requests. At this time, water usage on the property falls within the water budget and there are no associated fees with this acreage agreement. The issue is that there is not a valid acreage agreement on file with the existing property and if in the future the property owner sells the property, there is not an agreement filed against the property to notify the new purchaser.

The committee discussed the issue and requested that a certified letter be sent to the property owner with regard to signing the agreement, the water budget and notifying subsequent owners of the water budget on the property.

For information only; no action requested.

2. Water Sacramento Regional Water Legislation

Mr. Bartkiewicz informed the committee that Assemblyman Roger Dickinson and state Sen. Darrell Steinberg introduced legislation to allow the Sacramento County Regional Sanitation District (SCRSD) to sell water treated by an upgraded wastewater treatment plant in an effort to mitigate the estimated \$2 billion cost of mandated upgrades.

SCRSD processes the waste water it receives and puts it into the Sacramento River. Assembly Bill 134 would allow the district to apply for a state permit to sell up to 180,000 acre-feet of water a year.

Separately, Steinberg has introduced a bill that would appropriate \$50 million from previously voter-approved bonds to help pay for the upgrades.

Ms. Lorance informed the committee that the water agencies in the region would like to maintain a neutral position on these bills, while it is believed that ACWA will stand in opposition against the bills. The committee agreed that the District keep a watch on these bills and remain neutral.

For information only; no action requested.

3. Regional Public Information

Ms. Lorance informed the committee that RWA contracted with Larsen/Cazanis, a political public relations firm, for the work on the regional public information project. Ms. Lorance received a draft agreement which shows the cost allocation for San Juan Retail at \$10,000; Fair Oaks Water District and Citrus Heights Water District cost are also allocated at \$10,000, while Orange Vale Water Company cost is allocated at \$5,000. Ms. Lorance will provide the detailed scope of work at the March meeting.

For information only; no action requested.

4. Legal Counsel Contract

Director Walters informed the committee that Mr. Bartkiewicz and he met to discuss the Legal Counsel Contract. There are some minor changes that need to be amended and Mr. Bartkiewicz will forward those amendments to the District. The original contract and all amendments will remain in the same file at the District office.

For information only; no action requested.

5. Employee Benefits Recommendations Next Steps

Ms. Lorance informed the committee that the Personnel Committee will be meeting Monday, and included on that agenda is to discuss the next steps regarding the committee recommendations presented at the December workshop. Mr. Bartkiewicz informed the committee that care must be used when bringing topics to more than one committee since the same discussion could violate the Brown Act. He suggested that if the Personnel Committee has topics which need review by the Legal Affairs Committee that they not be referred in whole, but rather compartmentalized so that the Legal Affairs Committee only reviews certain parts as requested based on the legal aspect of the item.

For information only; no action requested.

6. FO-40 Memorandum of Understanding

Ms. Lorance informed the committee that she was in receipt of several email communications over the past few days from Fair Oaks Water District. Based on those emails, the District has concluded that FOWD is in dispute regarding the cost allocation of labor charges for SJWD staff and materials used on the initial work completed on the FO-40 pipeline to date.

The committee discussed the issue and agreed to discuss further after the joint meeting is held between SJWD Engineering Committee and FOWD Technical Committee to discuss the cost allocations and draft MOU. The joint meeting is anticipated to be scheduled the week of February 22, 2011.

For information only; no action requested.

7. ACWA Water Transfer Initiative

Mr. Bartkiewicz informed the committee that an ACWA task force was developing a water transfer's initiative to provide suggestions on how to improve the efficiency of water transfers

For information only; no action requested.

8. AB 32 Compliance

Ms. Lorance informed the committee that the District will be looking completing a greenhouse gas emissions baseline study in order to comply with AB 32, the California Air Resources Board's Green House reduction targets, and new CEQA guidelines. The District needs to establish the baseline in order to get credit for the anticipated energy savings from the Solar Project, pressure zone revisions, and other projects. The District will begin the baseline study in-house, but anticipates utilizing a consultant to complete the study. This assumption will be placed in the 2011-12 budget.

For information only; no action requested.

9. Public Comment

There was no public comment.

10. Other Legal Matters

There were no other matters discussed.

The meeting was adjourned at 2:47 p.m.

AGENDA ITEM IV-2

DRAFT

**Personnel Committee Meeting
San Juan Water District
February 14, 2011
8:30 a.m.**

Committee Members: Bob Walters, Chair
Ken Miller, Director

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Teri Hart, Board Secretary/Administrative Assistant

Topics: Merit and Incentive Policy Changes
Employee Salary and Benefits Recommendations Next Steps
General Manager and Legal Counsel Evaluation Process
Other Personnel Matters
Public Comment

1. Merit and Incentive Policy Changes

Ms. Lorance informed the committee that the intent of discussion was to clarify the meaning of the two policies and recommend changes to the policy definitions. As explained in her staff report, a merit increase raises the employee's base pay with increases given within the salary range of a position until the top of the range is reached, and an incentive award is a one-time payment to an employee which does not increase the base pay. A copy of the staff report will be attached to the meeting minutes.

The committee discussed the Merit Increases policy and requested that Ms. Lorance rewrite the policy based on discussions and bring back to the next committee meeting.

The committee discussed the Incentive Award Program and requested that Ms. Lorance provide her recommendation to the committee which lists the pros and cons of the program and bring back to the next committee meeting.

For information only; no action requested.

2. Employee Salary and Benefits Recommendations Next Steps

The committee discussed the Personnel Committee recommendations and requested that Ms. Lorance lay out the process to work through the four recommendations and bring her suggestions to the next committee meeting. In addition, it was requested that Ms. Lorance look at the recommendations and give her opinion on whether any of them should be referred to another committee.

For information only; no action requested.

3. General Manager and Legal Counsel Evaluation Process

The committee discussed the evaluation process which was recently completed for the General Manager and Legal Counsel and agreed that it was a good process. The committee requested that Ms. Lorance bring the model that was used for the evaluations to the next meeting for review and recommendations for next year's evaluations.

For information only; no action requested.

4. Other Personnel Matters

The committee set the next meeting date to March 14, 2011 at 8:30 am.

Director Miller commented that the District should not spend time on the intake project and let the Bureau figure out how they will supply water to the District in low lake situations. Ms. Lorance informed the committee that this topic is on the workshop agenda for this week.

For information only; no action requested.

5. Public Comment

There was no public comment.

The meeting was adjourned at 10:07 am.

STAFF REPORT

To: Board of Directors
From: Shauna Lorance
General Manager
Date: January 4, 2011
Subject: Merit Increases and Incentive Awards

Background

At the Board of Directors workshop on employee benefits, further clarification on the difference between merit increases and incentive awards was requested.

Below are the definitions of each:

- a. The definition of a merit increase is the stepping through the salary range. In most public agencies, the employee moves through the salary range in 5% increments every year they are in the position, regardless of whether their job performance is ok or great. The District has moved an employee from the bottom to the top of the salary range based on job performance, not length of time spent at the position.

However, the title “merit” increase is confusing, as even if someone has a spectacular job performance, if they are at the top of their salary range, they do not get a merit increase. The top of the range is effectively a maximum salary available for that position. “Within Range” increases would be a better title for these types of increases.

- b. Incentive Awards are one time payments that do not increase the salary for an employee. They are based on the performance of that employee over the past year. Incentive awards range between 0 to 10% of the employee’s annual salary. Incentive awards are provided when the employee’s performance is better than the job description. In other words, is the performance better than would be expected to consider the performance average?

Current Status

A clearer policy to describe both increases within salary ranges and incentive awards would be beneficial. Recommended modifications to both the Salary Range and Incentive Awards policies are included with this staff report.

The “Merit Increases” have been renamed “Within Ranges Increases” for better clarity. The incentive awards have retained the same title.

Staff Recommendation

Staff recommends discussing the recommended revisions to Policy 3080 Salary Ranges and Policy 3090 Incentive Award Program in the personnel committee.

SAN JUAN WATER DISTRICT
EMPLOYEE MANUAL

POLICY TYPE : Payroll Practices and Hours of Work
POLICY TITLE : Salary Ranges
POLICY NUMBER : 3080
DATE ADOPTED : May 12, 2002
DATES AMENDED : February 14, 2007

3080.00 SALARY RANGES

The District has established pay ranges for the various job classifications of employees. In doing this, several factors were considered, including the prevailing rates for similar positions in other water districts, the level of responsibility, technical qualifications and the relative degree of interaction/decision-making. Employee salary ranges may be changed from time to time by the Board of Directors.

3080.01 MERIT-WITHIN RANGE INCREASES

Employees may progress through the salary range, up to the maximum salary amount in the range, based on their job performance. The bottom of a salary range is similar to the apprentice level of a job, with the top of the salary range equating to a journey level position. Set step increases based on the amount of time in the position are not used by the District. An employee progresses through the salary range to journey level at the rate which their job performance dictates they are approaching journey level performance, within limitations set by the Board. The within range increases must be included in the budget approved by the Board of Directors.

The assumptions used by CalPERS in calculating the actuarial projections in retirement costs includes a component related to the amount of merit increase each employee will receive. The assumptions are based on the age of employee, and number of years of service. Each year, the actuarial valuation is updated using actual salary costs, so the actuarial assumptions are not interdependent from year to year.

The intent of the Board of Directors is to reduce the possibility of increasing the retirement liability of the District, as well as forbid the policy of spiking salaries for the purpose of increasing retirement. The Board of Directors recognizes the benefits of allowing the General Manager the authority to award merit increases based on actual work performance and merit. Directly implementing the CALPERS assumptions and mandating a merit increase for each individual employee does not provide adequate flexibility for the General Manager to effectively manage the District.

The Board has provided the General Manager the authority to determine the specific

advancement within the salary range for each employee, under the condition that the total increase for all employees does not exceed the total assumed increase used by CalPERS for merit increases. The assumed [merit within range](#) increase used by CalPERS is defined as the total assumed increase in payroll costs for the district. Should the total increase in payroll costs for recommended [merit within range](#) increases exceed the estimated assumed merit increase used by CalPERS, the General Manager will obtain Board approval prior to implementation.

SAN JUAN WATER DISTRICT
EMPLOYEE MANUAL

POLICY TYPE : Payroll Practices and Hours of Work
POLICY TITLE : Incentive Award Program
POLICY NUMBER : 3090
DATE ADOPTED : May 12, 2002
DATES AMENDED : February 14, 2007

3090.00 INCENTIVE AWARD PROGRAM

Incentive Award Programs have been in existence for many years in the private sector. As a tool to improve efficiency and effectiveness, the District has implemented a performance incentive award program.

3090.01 Performance Evaluations

At least annually, the performance of all staff shall be evaluated in writing. Evaluation of performance shall include, but not be limited to, goals and objectives, budget compliance, operational standards, peer evaluation, organization evaluation results, outstanding accomplishments, educational achievement, Board assessment and priority areas identified by the Board and General Manager. Descriptions of the categories, and the definitions of; does not meet expectations, meets expectations, and exceeds expectations, were included in the initial adoption of this policy and are attached to this policy. An employee must reasonably exceed expectations in multiple categories that are applicable to the employee's job to receive an incentive award.

3090.02 Performance Incentive

The General Manager, at the end of each fiscal year, shall compute the actual performance incentive as a function of collective and individual performance over the past fiscal year. The performance incentive is for performance above and beyond the job description and basic expectations for the position.

The payment of performance incentives shall be subject to budgetary appropriations prescribed by the Board of Directors. Performance incentives shall be paid in one installment after the performance evaluation period in June of each fiscal year.

3090.03 Administration

The appropriate Department Manager, under delegation from the General Manager, shall administer the compensation of subordinate employees.

Any employee subject to these regulations who is affected by a decision under the authority of these regulations may appeal the decision by filing a grievance in accordance with this Manual.

3090.04 Incentive Award Compensation

The potential is 0-10% of base wages for all regular staff.

BOARD OF DIRECTORS EXPENSE REIMBURSEMENT SUMMARY

OCTOBER - DECEMBER 2010 RECAP

NAME	MEETINGS ATTENDED	QUARTER PAID	QUARTER BUDGET	COMPENSATION	REIMBURSED EXPENSES	DISTRICT EXPENSES	TOTAL	REMAINING
Ted Costa	16	Oct-Dec	\$ 1,500.00	\$ 2,000.00	\$ -	\$ 35.35	\$ 2,035.35	\$ (535.35)
Ken Miller	16	Oct-Dec	\$ 1,650.00	2,000.00	66.00	-	\$ 2,066.00	\$ (416.00)
Dave Peterson	13	Oct-Dec	\$ 2,350.00	1,625.00	745.02	55.00	\$ 2,425.02	\$ (75.02)
Pam Tobin	16	Oct-Dec	\$ 1,622.00	2,000.00	72.00	55.00	\$ 2,127.00	\$ (505.00)
Bob Walters	17	Oct-Dec	\$ 1,375.00	2,125.00	1,370.90	953.40	\$ 4,449.30	\$ (3,074.30)
TOTAL	78		\$ 8,497.00	\$ 9,750.00	\$ 2,253.92	\$ 1,098.75	\$ 13,102.67	\$ (4,605.67)

YEAR -TO-DATE RECAP

NAME	MEETINGS ATTENDED	ANNUAL BUDGET	COMPENSATION	REIMBURSED EXPENSES	DISTRICT EXPENSES	TOTAL	REMAINING
Ted Costa	28	\$ 6,000.00	\$ 3,500.00	\$ -	\$ 66.35	\$ 3,566.35	\$ 2,433.65
Ken Miller	33	\$ 6,600.00	4,125.00	142.40	-	\$ 4,267.40	\$ 2,332.60
Dave Peterson	26	\$ 9,400.00	3,250.00	784.02	715.00	\$ 4,749.02	\$ 4,650.98
Pam Tobin	28	\$ 6,489.00	3,500.00	72.00	86.00	\$ 3,658.00	\$ 2,831.00
Bob Walters	25	\$ 5,500.00	3,125.00	1,370.90	1,403.40	\$ 5,899.30	\$ (399.30)
TOTAL	140	\$ 33,989.00	\$ 17,500.00	\$ 2,369.32	\$ 2,270.75	\$ 22,140.07	\$ 11,848.93

BOARD OF DIRECTORS EXPENSE REIMBURSEMENT SUMMARY

Quarterly Activity - October 2010 - December 2010

NAME	MEETING DATE	DESCRIPTION	DATE PAID	COMPENSATION	REIMBURSED EXPENSES	DISTRICT EXPENSES	
Ted Costa							
	10/5	Ad Hoc Meeting	11/10/2010	\$ 125.00			
	10/12	Finance Meeting	11/10/2010	125.00			
	10/13	Board Meeting	11/10/2010	125.00			
	10/20	Legal Committee	11/10/2010	125.00			
	11/2	Personnel Committee	12/8/2010	125.00			
	11/9	Finance Meeting	12/8/2010	125.00			
	11/10	Board Meeting	12/8/2010	125.00			
	11/15	CUIA	12/8/2010	125.00			
	11/17	Public Information Committee	12/8/2010	125.00			
	11/22	Meeting with Shauna/Keith	12/8/2010	125.00			
	11/30	Meeting with Kim Silvers	12/8/2010	125.00			
	12/6	Legal Committee	1/12/2011	125.00			
	12/7	Executive Committee	1/12/2011	125.00			
	12/7	Finance Meeting	1/12/2011	-			
	12/8	Board Meeting	1/12/2011	125.00			
	12/14	Board Workshop	1/12/2011	125.00			
	12/15	District Party	1/12/2011	-			
	12/20	Meeting with Shauna/Keith	1/12/2011	125.00		35.35	
	12/20	Meeting with Kim Silvers	1/12/2011	-			
				Total	\$ 2,000.00	\$ -	\$ 35.35
Ken Miller							
	10/4	SAS SSWD Board Workshop	11/10/2010	125.00			
	10/5	AD Hoc	11/10/2010	125.00			
	10/12	Finance Committee	11/10/2010	125.00			
	10/13	Board Meeting	11/10/2010	125.00			
	10/31	Mileage	11/10/2010		16.00		
	11/2	Personnel Committee	12/8/2010	125.00			
	11/9	Finance Committee	12/8/2010	125.00			
	11/10	Board Meeting	12/8/2010	125.00			
	11/12	Personnel Committee	12/8/2010	125.00			
	11/17	Public Information Committee	12/8/2010	125.00			
	11/30	Meeting with Kim Silvers	12/8/2010	125.00			
	11/30	Mileage	12/8/2010		25.00		
	12/6	GM Meeting	10/13/2010	125.00			
	12/7	Finance Committee	10/13/2010	125.00			
	12/8	Board Meeting	10/13/2010	125.00			

12/14	Board Workshop	10/13/2010	125.00		
12/22	Meeting with Kim Silvers	10/13/2010	125.00		
12/27	Meeting with Kim Silvers	10/13/2010	125.00		
12/31	Mileage	10/13/2010		25.00	

Total	\$	2,000.00	\$	66.00	\$	-
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Dave Peterson

10/4	SSWD Workshop	11/15/2010	125.00		
10/5	AD Hoc	11/15/2010	-		
10/7	Meeting with Shauna/Keith	11/15/2010	125.00		
10/13	Board Meeting	11/15/2010	125.00		
10/19	Engineering Committee	11/15/2010	125.00		
10/31	Mileage	11/15/2010		18.00	
11/2	Personnel Committee	12/9/2010	125.00		
11/10	Board Meeting	12/9/2010	125.00		
11/12	Personnel Committee	12/9/2010	125.00		
11/23	Phone conference with Kim Silvers	12/9/2010	125.00		
11/29	Phone conference with Kim Silvers	12/9/2010	125.00		
11/30	ACWA Conf	12/9/2010	125.00		
11/30	Mileage	12/9/2010		727.02	
11/30	RWA Social	12/9/2010			55.00
12/8	Board Meeting	1/13/2011	125.00		
12/14	Board Workshop	1/13/2011	125.00		
12/16	Meeting with Kim Silvers	1/13/2011	125.00		

Total	\$	1,625.00	\$	745.02	\$	55.00
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Pam Tobin

10/5	Wholesale Budget Meeting	11/15/2010	125.00		
10/13	Board Meeting	11/15/2010	125.00		
10/14	SGA	11/15/2010	125.00		
10/14	Placer County Squaw Valley	11/15/2010	125.00		
10/19	Engineering Committee	11/15/2010	125.00		
10/31	Mileage	11/15/2010		72.00	
11/4	RWA	12/9/2010	125.00		
11/10	Board Meeting	12/9/2010	125.00		
11/18	Conservation Committee	12/9/2010	125.00		
11/23	Meeting with Shauna	12/9/2010	125.00		
11/30	Phone Survey	12/9/2010	125.00		
11/30	RWA Social	12/9/2010			55.00
12/8	Board Meeting	1/13/2011	125.00		
12/9	SGA	1/13/2011	125.00		
12/13	Meet with Shauna/Keith	1/13/2011	125.00		
12/14	Board Workshop	1/13/2011	125.00		
12/17	Q&A Dorian Facilitator	1/13/2011	125.00		
12/21	Meet with Kim Silvers	1/13/2011	125.00		

Total	\$	2,000.00	\$	72.00	\$	55.00
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Bob Walters

9/30	ACWA Legal Conference	11/10/2010	125.00		
10/1	ACWA Legal Conference	11/10/2010	125.00		
10/13	Board Meeting	11/10/2010	125.00		
10/19	Meeting with Shauna	11/10/2010	125.00		
10/20	Legal Committee	11/10/2010	125.00		
10/29	ACWA Fall Conf Registration	11/10/2010			635.00
10/31	ACWA Legal Conference	11/10/2010		433.40	
11/10	Board Meeting	1/12/2011	125.00		
11/18	Conservation Committee	1/12/2011	125.00		
11/22	Meeting with Shauna/Keith	1/12/2011	125.00		
11/28	Meeting with Kim Silvers	1/12/2011	125.00		
11/30	RWA Social	1/12/2011			55.00
11/30	ACWA Conference Flight	1/12/2011			263.40
11/30	ACWA Conference	1/12/2011	125.00		
12/1	ACWA Conference	1/12/2011	125.00		
12/2	ACWA Conference	1/12/2011	125.00		
12/3	ACWA Conference	1/12/2011	125.00		
12/6	Legal Committee	1/12/2011	125.00		
12/8	Board Meeting	1/12/2011	125.00		
12/14	Board Workshop	1/12/2011	125.00		
12/20	Meetin with Kim Silvers	1/12/2011	125.00		
12/31	ACWA Expenses	1/12/2011		937.50	
Total			\$ 2,125.00	\$ 1,370.90	\$ 953.40
			<u>\$ 9,750.00</u>	<u>\$ 2,253.92</u>	<u>\$ 1,098.75</u>

STAFF REPORT

To: Board of Directors
From: Mary Morris, Finance & Administrative Services Manager
Date: February 23, 2011
Subject: Investment Portfolio for Quarter Ended December 31, 2010

Background

In compliance with the State of California Government Code and the District's Investment Policy, the San Juan Water District Investment Report for the quarter ended December 31, 2010 is submitted for your review.

The attached Portfolio Summary Report provides a summary of the District's investments by type including: par value, market value, cost basis, maturity, rates and percentage of portfolio. The attached schedule provides these details, a graph representing the overall composition of District investments and Treasury Yield Curve as of quarter end for 2009 and 2010 for comparative purposes. The market value of the securities is provided by US Bank Trust and Custody, the District's third party custodian for safekeeping of the investments.

Current Status

The investment portfolio is in compliance with the Government Code and District's Investment Policy and demonstrates the District's ability to meet its cash flow requirements based upon the cash on deposit with US Bank and LAIF, which can be withdrawn during any period within the next 180 days.

The principal cost (book value) and market value of the cash and investment portfolio was \$46,055,337 and \$46,108,790, respectively. Increased market interest rates after the purchase of an investment decrease the value, while declining market interest rates have the opposite effect. Holding investments until the maturity date eliminates the market risk. Market values have remained fairly stable this quarter reflecting market conditions.

Budget Impact

Investment earnings for the fiscal year are currently estimated to be approximately \$179,087.

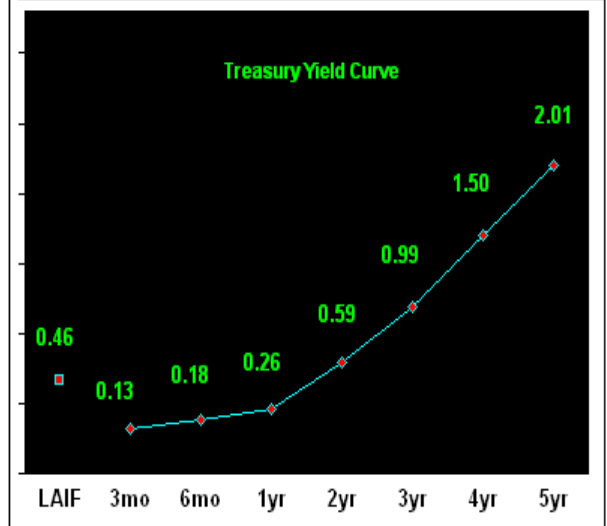
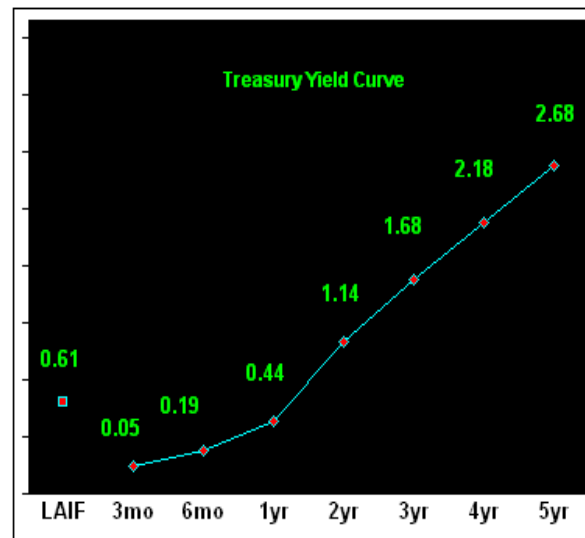
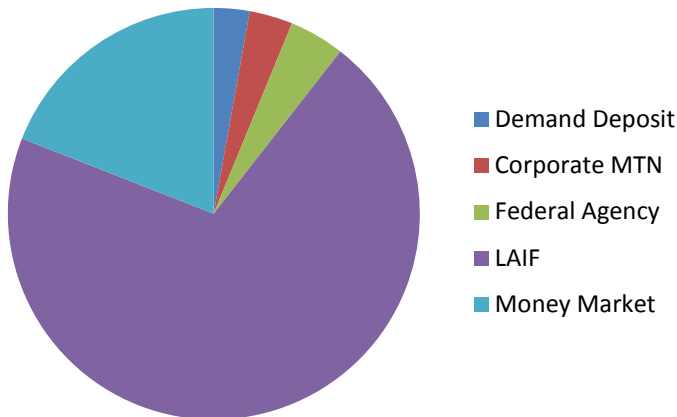
Staff Recommendation

For information only, no action is required.

San Juan Water District
Investments as of 12.31.2010

Institution	Category	Issuer	Purpose	Dates		Coupon	Purchase		Date	Rating	Market Price	Value
				Settle	Maturity		Par Amount	Cost Basis				
US Bank	Demand Deposit	Demand Deposit	General Funds	N/A	N/A	0.130%	324,069.71	\$324,069.71	12/31/10	N/A	\$1.00	\$324,069.71
US Bank	Demand Deposit	Demand Deposit	Payroll	N/A	N/A	0.130%	909,699.31	909,699.31	12/31/10	N/A	\$1.00	909,699.31
US Bank	Demand Deposit	Demand Deposit	EE Sect 125	N/A	N/A	0.130%	9,861.24	9,861.24	12/31/10	N/A	\$1.00	9,861.24
US Bank	Demand Deposit	Demand Deposit	Cust Deposits	N/A	N/A	0.130%	42,500.71	42,500.71	12/31/10	N/A	\$1.00	42,500.71
US Bank	Demand Deposit	Demand Deposit	Emergency	N/A	N/A	0.130%	4,000.00	4,000.00	12/31/10	N/A	\$1.00	4,000.00
Demand Deposit Total							1,290,130.97	1,290,130.97				1,290,130.97
US Bank Trust	Corporate MTN	Citigroup, Inc.	Pooled		2/14/2011	5.125%	500,000.00	500,890.00	12/31/10	A+	\$100.49	502,455.00
US Bank Trust	Corporate MTN	General Electric Corp	Pooled		5/1/2013	4.800%	1,000,000.00	990,940.00	12/31/10	AA+	\$106.91	1,069,090.00
Corporate MTN Total							1,500,000.00	1,491,830.00				1,571,545.00
US Bank Trust	Federal Agency	FNMA-Fannie Mae	Pooled	1/27/2010	1/27/2015	2.000%	1,000,000.00	1,000,000.00	12/31/10	AAA	\$100.56	1,005,550.00
US Bank Trust	Federal Agency	FHLMC-Freddie Mac	Pooled	12/22/2010	12/22/2015	2.250%	1,000,000.00	1,000,000.00	12/31/10	AAA	\$99.15	991,520.00
Federal Agency Total							2,000,000.00	2,000,000.00				1,997,070.00
LAIF	LAIF	LAIF	Pooled	N/A	N/A	0.460%	32,462,977.89	32,462,977.89	12/31/10	N/A	\$1.00	32,462,977.89
LAIF Total							32,462,977.89	32,462,977.89				32,462,977.89
US Bank Trust	Money Market	First American Gov't	Pooled	N/A	N/A	0.000%	2,767,565.60	2,767,565.60	12/31/10	AAA	\$1.00	2,767,565.60
US Bank	Money Market	Money Market	Reserve Funds	N/A	N/A	0.130%	1,187,291.03	1,187,291.03	12/31/10	N/A	\$1.00	1,187,291.03
Merrill Lynch	Money Market	Money Market	Pooled	N/A	N/A	0.014%	19,865.39	19,865.39	12/31/10	N/A	\$1.00	19,865.39
Union Bank	Money Market	Money Market	Debt Svc Reserve	6/23/2003	6/23/2033	1.070%	1,924,506.29	1,924,506.29	12/31/10	N/A	\$1.00	1,924,506.29
Union Bank	Money Market	Money Market	Debt Svc Reserve	6/30/2009	6/30/2039	0.700%	2,911,170.24	2,911,170.24	12/31/10	N/A	\$1.00	2,887,838.08
Money Market Total							8,810,398.55	8,810,398.55				8,787,066.39
Grand Total							\$46,063,507.41	\$46,055,337.41				\$46,108,790.25

Category



Source: Foothill Securities/Robinson Capital Management

AGENDA ITEM V-3.3

San Juan Water District
 FY 2010-2011 Financial Performance
 Wholesale

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Revenues/Sources:				
Water Sales	\$7,081,966	\$5,233,491	\$1,848,475	73.90%
PILOT Water Project	500,000	0	500,000	0.00%
Property Taxes	850,000	0	850,000	0.00%
Debt Service	445,872	29,694	416,178	6.66%
Interest Income	175,000	46,048	128,952	26.31%
Connections	0	3,445	(3,445)	0.00%
Other	271,000		271,000	0.00%
Capital Contributions	1,500,000	1,283,677	216,323	85.58%
Total Revenues/Sources	\$10,823,838	\$6,596,355	\$4,227,483	60.94%

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Expenses/Uses:				
Administrative & General	\$1,473,389	\$376,461	\$1,096,928	25.55%
Conservation	281,295	99,848	181,447	35.50%
Engineering	184,125	12,956	171,169	7.04%
PILOT	450,000	0	450,000	0.00%
Pumping & Telemetry	472,732	272,145	200,587	57.57%
Source of Supply	831,000	301,824	529,176	36.32%
Transmission	214,627	33,245	181,382	15.49%
Water Treatment	2,142,672	1,075,720	1,066,952	50.20%
Debt Service	2,262,856	861,249	1,401,607	38.06%
CIP Reserve	2,102,080	626,040	1,476,040	29.78%
Hinkle Reservoir	50,000	25,000	25,000	50.00%
PERS Stabilization	100,000	50,000	50,000	50.00%
Total Expenses/Uses	10,564,776	3,734,488	6,830,288	35.35%

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Total Revenues/Sources	\$10,823,838	\$6,596,355	\$4,227,483	60.94%
Total Expenses/Uses	10,564,776	3,734,488	6,830,288	35.35%
Net Sources/(Uses) of funds	\$259,062	\$2,861,867	(\$2,602,805)	

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Revenues:				
Water Sales	\$7,350,726	\$4,832,311	\$2,518,415	65.74%
Property Taxes	850,000	0	850,000	0.00%
Interest Income	87,500	44,980	42,520	51.41%
Connections/Annexations	50,000	50,308	(308)	100.62%
Other	100,000	41,905	58,095	41.91%
Total Revenues	\$8,438,226	\$4,969,504	\$3,468,722	58.89%

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Expenses:				
Administrative & General	\$1,308,548	\$707,214	\$601,334	54.05%
Conservation	540,889	188,005	352,884	34.76%
Customer Service	562,061	325,352	236,709	57.89%
Engineering	463,958	141,666	322,292	30.53%
Pumping & Telemetry	165,085	90,121	74,964	54.59%
Source of Supply	2,411,484	1,782,456	629,028	73.92%
Transmission	1,570,606	810,460	760,146	51.60%
Debt Service	1,241,390	424,873	816,517	34.23%
CIP Reserve	0	0	0	0.00%
Connection Reserve	50,000	50,308	(308)	100.62%
Kokila Reservoir	10,000	10,000	0	100.00%
PERS Stabilization	100,000	50,000	50,000	50.00%
Total Expenses	8,424,021	4,580,455	3,843,566	54.37%

FY 2010 - 2011				
Category	Budget	Actual	Variance	% Actual vs Budget
Total Revenues	\$8,438,226	\$4,969,504	\$3,468,722	58.89%
Total Expenses	8,424,021	4,580,455	3,843,566	54.37%
Net Sources/(Uses) of funds	\$14,205	\$389,049	(\$374,844)	

STAFF REPORT

To: Board of Directors
From: Mary Morris, Finance & Administrative Services Manager
Date: February 23, 2011
Subject: Wholesale Water Revenue Projections

Background

As part of the upcoming Fiscal Year 2011-2012 Budget process, staff is providing revenue projections for Wholesale Water Revenue as detailed in the attachment. This information is provided as an estimate of Fiscal Year 2010-2011 and Fiscal Year 2011-2012 Wholesale Water Revenue given rate increases as projected in the Wholesale Water Rate Study and Financial Plan.

Current Status

Wholesale Water Revenues as projected in the attachment are expected to be within the financial plan, with the addition of revenue from Sacramento Suburban Water District (SSWD). While this revenue has been received in some years and not in others, the District conservatively does not include this in the budget so there will not be a major operational impact if water is not delivered to SSWD. Alternatively, if the remaining revenues and expenses are within budget, this may be a potential offset to any increase in the next fiscal year if chosen by the Board of Directors.

Budget Impact

As the attached report indicates, revenues are anticipated to be within budget. As the budget process continues, staff and the Finance Committee will evaluate impacts to the Fiscal Year 2011-2012 Wholesale Water Revenues and any rate increase.

Staff Recommendation

For information only, no action is required.

San Juan Water District
Budget Calculations
Wholesale Water Revenue

	Fiscal Year 2010-2011					Fiscal Year 2011-2012			
	Acre Feet Total	Water Use	Service Charge	Debt		Water Use Total	Service Charge Total	Debt	
		Total	Total	Water	Direct Debt			Water	Direct Debt
SJWD									
Placer	9,640.27	\$1,109,600	\$303,321	\$562,895	\$1,204,974	\$888,363	\$318,857	\$563,319	\$1,202,380
Sac	3,010.86	345,480	0	0	0	277,585	0	0	0
	12,651.13	\$1,455,080	\$303,321	\$562,895	\$1,204,974	\$1,165,948	\$318,857	\$563,319	\$1,202,380
CHWD	12,165.48	1,067,722	368,554	621,390	0	1,121,406	376,637	621,894	0
FOWD	10,606.41	931,722	231,218	415,036	233,604	978,561	213,549	415,415	232,724
OVWC	4,324.01	379,861	81,726	172,954	103,539	398,956	82,308	173,073	112,149
Folsom	1,331.46	116,998	33,966	50,090	98,261	122,880	36,039	50,114	98,328
SSWD	15,514.02	860,873	0	0	0	868,730	0	0	0
GBGC	258.16	9,211	0	0	0	8,053	0	0	0
	56,850.67	\$4,821,467	\$1,018,785	\$1,822,365	\$1,640,378	\$4,664,534	\$1,027,390	\$1,823,815	\$1,645,581
Excluding Debt Service			\$5,840,252				\$5,691,924		
Excluding SSWD			\$4,979,379				\$4,823,194		

STAFF REPORT

To: Board of Directors
From: Mary Morris, Finance & Administrative Services Manager
Date: February 23, 2011
Subject: Retail Water Revenue Projections

Background

As part of the upcoming Fiscal Year 2011-2012 Budget process, staff is providing revenue projections for Retail Water Revenue as detailed in the attachment. This information is provided as an estimate of Fiscal Year 2010-2011 and Fiscal Year 2011-2012 Retail Water Revenue given rate increases of 0% or 2% (as was the case last year) simply for comparative purposes since the Retail Water Rate Study and Financial Plan is in the process of being updated and not yet complete.

Current Status

Retail Water Revenues as projected in the attachment are expected to be slightly higher than the budget which may be due to water conditions, economic conditions or a combination of the two. The additional amount could possibly be utilized to offset a future rate increase, fund capital projects or other purpose as determined by the Board of Directors.

Budget Impact

As the budget process continues with more information from the Retail Water Rate Study and Financial Plan, staff and the Finance Committee will evaluate impacts to the Fiscal Year 2011-2012 Retail Water Revenues and any rate increase for discussion and decision by the Board of Directors.

Staff Recommendation

For information only, no action is required.

San Juan Water District
Retail Water Revenue Projections
Fiscal Year 2010-2011 and 2011-2012

Account/Service Type	Meter Size	Rate			# of Connections			Base Charge FY10-11		Base Charge FY11-12 @ 0% increase		Base Charge FY11-12 if 2% increase	
		2010	2011	2012 (if 2%)	Active	Inactive	Total	Active connections only	Total connections (Active & Inactive)	Active connections only	Total connections (Active & Inactive)	Active connections only	Total connections (Active & Inactive)
Commercial	1"	\$1.13	\$1.15	\$1.17	195	9	204	\$ 81,134	\$ 84,878	\$ 82,076	\$ 85,864	\$ 82,785	\$ 86,606
Commercial	1 1/2"	\$3.01	\$3.07	\$3.13	97	1	98	107,622	108,732	108,991	110,115	110,050	111,185
Commercial	2"	\$4.80	\$4.90	\$5.00	152	2	154	269,055	272,595	272,597	276,184	275,363	278,986
Commercial	3"	\$9.56	\$9.75	\$9.95	27	0	27	95,142	95,142	96,350	96,350	97,332	97,332
Commercial	4"	\$14.89	\$15.19	\$15.49	2	0	2	10,978	10,978	11,119	11,119	11,228	11,228
Commercial(Fire)	4"	\$5.79	\$5.91	\$6.03	2	0	2	4,270	4,270	4,326	4,326	4,370	4,370
Fireline 4"	N/A	\$0.43	\$0.44	\$0.45	12	0	12	1,905	1,905	1,932	1,932	1,954	1,954
Fireline 6"	N/A	\$0.64	\$0.65	\$0.66	56	0	56	13,183	13,183	13,322	13,322	13,424	13,424
Fireline 8"	N/A	\$0.86	\$0.88	\$0.90	18	0	18	5,715	5,715	5,797	5,797	5,863	5,863
Fireline 10"	N/A	\$1.03	\$1.05	\$1.07	8	0	8	3,037	3,037	3,074	3,074	3,104	3,104
Residential	1"	\$1.13	\$1.15	\$1.17	9863	57	9920	4,103,698	4,127,414	4,151,337	4,175,328	4,187,238	4,211,437
Residential	1 1/2"	\$3.01	\$3.07	\$3.13	9	0	9	9,986	9,986	10,113	10,113	10,211	10,211
Residential	2"	\$4.80	\$4.90	\$5.00	4	0	4	7,080	7,080	7,174	7,174	7,246	7,246
Total Base Charge Projections								\$4,712,805	\$4,744,915	\$4,768,208	\$4,800,698	\$4,810,168	\$4,842,946
Consumption Projections using uniform commodity rate								\$3,113,778	\$3,130,267	\$3,150,179	\$3,166,848	\$3,163,783	\$3,180,535
Total Revenue Projections								\$7,826,583	\$7,875,182	\$7,918,387	\$7,967,546	\$7,973,951	\$8,023,481

SGA Meeting, February 10, 2010

SGA Report By Director Tobin

Alex MacDonald, Central Valley Regional Water Quality Control Board, gave an informational presentation from on the clean up progress at Aerojet.

Aerojet is made up of 8,500 acres and was put on the “Super Fund List” in 1983. The property is marked in sectors with indicators that show how the contaminated ground water flows. On the East side of Aerojet ground water is 10’ below the surface, but on the West side it’s at 100’ feet below the surface.

Contaminates like solvents, fuels (ie. Kerosene, etc), perclorate is the major concern.

The clean up process involved investigating, doing a feasibility study, devising a USEPA Plan, a USEPA record of decision, design remediation and then implementation and monitoring the remedy. Some wells have been lost due to the pollution but they are constructing new wells and pipeline with plans for water supply replacement.

Update on threats to ground water quality sustainability study. In June 2008, SGA was awarded a \$249K grant through the CA Dept of Water Resources Local Groundwater Assistance Grant Program (AB303 Grant). The study is to conduct an assessment of the various threats to the long-term sustainability of groundwater quality underlying the SGA area. Commencement of the work was delayed for nearly a yr due to the State’s suspension of funds resulting from its ongoing fiscal concern. In late 2009, SGA was notified that it was authorized to commence work again on the project. Because of the delay, SGA was given an extension to complete the project in May 2011. The next steps to completing the study will be presented to the SGA Board.

At the direction of the board, SGA staff submitted a request to the Dept of Water Resources to be recognized as a monitoring entity for SGA’s jurisdictional area. DWR must respond to this request within 3 months. If SGA is recognized as a monitoring entity, Water Code Section 10931 (a) states: “The department shall work cooperatively with each monitoring entity to determine the manner in which groundwater elevation information should be reported to the dept. pursuant to this part. In determining what information should be reported to the dept., the dept. shall defer to existing monitoring programs if those programs result in information that demonstrates seasonal and long-term trends in groundwater elevations”.

Key planning action for 2011 includes preparation of a basin management report, completing the regional contamination threats study, and applying for AB303 grant funds to study the increased number of detections of tetrachloroethylene (PCE) and trichloroethylene (TCE) in a series of Cal Am service area production wells.

The water accounting framework will go into effect Jan. 1, 2012. Staff will be collecting information from members during 2011 to develop a baseline account balances for each water purveyor.

Staff attended the Assembly Water, Parks and Wildlife Committee hearing on groundwater management issues Feb 1, 2011. Assembly member Huffman opened the meeting by commenting that while CA is often the leader on many important issues, we are severely lagging behind the rest of the nation in our approach to regulating groundwater usage. Mr. Huffman also indicated that the hearing was just an initial step in what he saw as being a long process. Finally, Mr. Huffman concluded the hearing with a somewhat rhetorical inquiry as to why CA has continued to maintain its disconnect between the way in which surface water and ground water rights are treated. While there is no specific groundwater related legislation introduced yet this session, a number of bills may be of interest to SGA members, including AB134 (Dickinson) that would provide for Sacramento Regional County Sanitation District to seek a water rights permit for the treated wastewater from the State Water Resources Control Board. SB 52 (Steinberg) would provide \$50 Million from Prop 1E and 84 funds to support upgrades to the SRCSD treatment plant. AB 157 (Jeffries) proposed reducing the amount of the 2012 Water Bond by 25% across the board. SB 34 (Simitian) supports a fee-based structure for water infrastructure improvements across the state AB 19 (Fong) would require the installation of submeters for multi-family residential housing.

Next SGA Board of Directors' Meeting – Thursday, April 14, 2011