

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

August 10, 2011 – 7:00 p.m.

BOARD OF DIRECTORS

| | |
|---------------|----------------|
| Ted Costa | President |
| Pam Tobin | Vice President |
| Dave Peterson | Director |
| Ken Miller | 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 |
| Rob Watson | Engineering Services Manager |
| Tony Barela | Senior Engineer |
| Jason Mayorga | Distribution Operator IV |
| Teri Hart | Board Secretary/Administrative Assistant |

OTHER ATTENDEES

| | |
|---------------|-------------------------------|
| Rick Johnson | SAFCA Executive Director |
| Sandy Harris | Rate Payer |
| Bob Churchill | Citrus Heights Water District |

AGENDA ITEMS

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

President Costa called the meeting to order at 7:02 p.m.

I. PUBLIC FORUM

Ms. Harris commented that Ms. Lorance did a great job on her presentation to the Granite Bay MAC and attendees at the presentation mentioned that it was very informative.

II. PRESENTATIONS

1. Presentation on SAFCA Activities – Rick Johnson, SAFCA Executive Director

President Costa introduced Rick Johnson, Sacramento Area Flood Control Agency (SAFCA), Executive Director. Mr. Johnson conducted a presentation on flood control in the Sacramento area, including projects at Folsom Dam, such as the construction of a spillway on the southwest side of the dam.

III. 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 July 13, 2011

Vice President Tobin moved to approve the Consent Calendar. Director Walters seconded the motion and it carried unanimously.

IV. COMMITTEE REPORTS

1. Conservation Committee (7/14/11)

Director Miller reported that the committee met on July 14, 2011 and discussed the following:

- Status of School Water Efficiency Rebate Program (R)
- Tiered Water Rates (R)
- Anticipated Legislation (W)
- Other Conservation Matters (W/R)
 - ◆ Irrigation Field Day
 - ◆ Next Meeting Date

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

Status of School Water Efficiency Rebate Program

Director Miller reported that the committee discussed San Juan Unified School District's (Casa Robles High School) participation in the Water Efficiency Rebate Program. In addition, staff will be working with the Eureka Union School District for their participation in the Rebate Program starting in August. Staff will monitor the water usage with the schools and report back to the committee at a later date.

For information only, no action requested

Tiered Water Rates

Director Miller reported that the committee discussed the water rate structure and will continue to discuss the options available in order to comply with Bureau requirements. Staff will gather information and report back to the committee.

Director Miller reported that Ms. Johnson informed the committee that she contacted Citrus Heights Water District regarding their rates for schools and parks and was informed that they do not set a separate rate for those users.

Director Peterson inquired if there was a deadline established for completion of this item. Director Miller stated that the committee is working on the item and no deadline has been established.

For information only, no action requested

Anticipated Legislation

Director Miller reported that there was no water conservation related legislation update at this time.

For information only, no action requested

Other Conservation Matters

Irrigation Field Day

Director Miller informed the Board that the committee discussed the Irrigation Field Day with the City of Folsom which was held Saturday, July 9th in the WEL Garden and was a great success. The committee discussed the possibility of offering a fall and spring event with the help of other agency staff.

Next Meeting Date

The next meeting date is August 17, 2011 at 8:30 am.

2. Legal Affairs Committee (7/18/11)

Director Walters reported that the committee met on July 18, 2011 and discussed the following:

- Board Policies from Workshop (W/R)
- El Dorado Water and Power Authority Water Rights Application (W)
- Other Legal Affairs Matters (W/R)
 - ◆ Next Meeting Date

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

Board Policies from Workshop

Director Walters reported that the committee received the revised Board policies and the committee members will review the documents and discuss at the next meeting.

For information only; no action requested.

El Dorado Water and Power Authority Water Rights Application

Director Walters reported that the committee discussed the El Dorado Water and Power Authority (EDWPA) water rights application which seeks water rights from 1927. The District has commented, as part of the application process, that an environmental impact report needs to be completed. The new management at EDWPA seems more willing to work with the District, recognizing the District's senior water rights and working with downstream water right holders to make sure modeling is correct. Staff will keep the committee apprised of any new developments, however anticipates that this will be a lengthy process.

For information only; no action requested.

Other Legal Matters

Director Walters reported that the District was working with the Legislative Analyst's Office (LAO) regarding a response to Assemblyman Dickinson which comments on oversight and transparency. LAO is considering including case studies of consolidations that did and did not work. Ms. Lorance commented that there is a deadline to respond in October 2011.

Director Walters reported that the committee discussed the importance to watch HR 1837 in order to get language in the bill to protect upstream water rights and area of origin.

Director Walters informed the Board that Mr. Horowitz mentioned that CalPERS issued a memo discussing pensions as vested rights. As soon as he reviews the memo, he will inform the committee of the contents.

Director Walters reported that the committee discussed the 150-day notice which was sent to Fair Oaks Water District and Orange Vale Water Company and decided to schedule a committee meeting for the first week of October which falls right after the deadline.

For information only; no action requested.

Next Meeting Date

The next meeting date is scheduled for August 16, 2011 at 8:30 am.

3. Public Information Committee (7/25/11)

Director Miller reported that the committee met on July 25, 2011 and discussed the following:

- WaterGram (R)
- Door Hanger Notices (R)
- Other Public Information Matters (W/R)
 - ◆ Next Meeting Date

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

Review WaterGram

Director Miller reported that the committee reviewed the WaterGram and recommended minor revisions.

For information, no action requested.

Door Hanger Notices

Director Miller reported that Ms. Johnson informed the committee that FedEx delivered 285 late notices to customers instead of using the standard door hanger notice which is delivered by District staff. This service is also used by Sacramento Suburban Water District and Citrus Heights Water District. The service was well received and customer complaints and requests to waive late fees were reduced.

For information, no action requested.

Other Public Information Matters

Director Miller informed the Board that Ms. Quinonez reviewed the email statistics with the committee for the July/August 2011 WaterGram which showed 39% of the recipients opened the email.

Director Miller reported that the committee discussed the Solar Project dedication which was handled excellently by District staff and Crocker & Crocker, with a concise agenda and exceptional media coverage.

For information, no action requested.

Next Meeting Date

The next committee meeting date is September 20, 2011 at 9:00 am.

4. Engineering Committee (7/26/11)

Director Peterson reported that the committee met on July 26, 2011 and discussed the following:

- Wholesale Capital Improvements Program (W)

- Fair Oaks 40-Inch Pipeline – Status of Planning and Design (W/R)
- Emergency Response Planning – Capital and Operational Improvements (W/R)
- Solar Power Facilities Site Security (W)
- Solar Power Facilities Initial Performance Data (W)
- Other Engineering Matters (W/R)
 - ◆ Next Meeting Date

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

Wholesale Capital Improvements Program (W)

Director Peterson reported that the committee reviewed the wholesale capital projects that were scheduled for the FY 2010-11 year. A table describing each project, what was accomplished, and budget status was attached to the committee minutes.

For information only; no action requested.

Fair Oaks 40-Inch Pipeline – Status of Planning and Design (W/R)

Director Peterson reported that the committee reviewed the FO-40 Transmission Main Rehabilitation Project Planning and Design Status Report Summary. A copy was attached to the committee meeting minutes. Design work is progressing satisfactorily and on schedule.

Director Peterson reported that the committee discussed the project and reiterated that different size pipes or flow restrictors will not be considered as it's past the time to discuss changes in design. In addition, demands were based on historical metered data and the committee discussed FOWD's past use of the pipeline which contributed, in large part over the years to the pipeline's need for rehabilitation. The committee suggested that the Legal Affairs Committee review and discuss the legal aspects of the project.

For information only; no action requested.

Emergency Response Planning – Capital and Operational Improvements (W/R)

Director Peterson reported that staff is finalizing work on the Emergency Operations Plan, Mutual Aid and Assistance Agreements, and other planning efforts to help the District respond to emergency situations. In the process, staff has identified several items, including a security survey, capital improvements, and equipment and supply needs which need to be addressed. A list of those items was attached to the committee meeting minutes. Staff will prioritize the list, develop budgets, and provide recommendations to the committee at a future meeting.

For information only; no action requested.

Solar Power Facilities Site Security (W)

Director Peterson reported that the committee discussed the existing Solar Power Facilities site security and potential future enhancements. Staff will report back at a future committee meeting. Director Miller mentioned that he received a letter from JPIA which informed the District to install caution signs regarding the razor ribbon on the fence. Ms. Lorance reported that the signs have been installed.

For information only; no action requested.

Solar Power Facilities Initial Performance Data (W)

Director Peterson reported that the committee reviewed SunPower's first monthly performance report which showed that the system produced 100.5% of its expected energy. The report was attached to the committee meeting minutes. Mr. Durkin explained that the CSI rebate is based on actual production and rebate checks are expected monthly beginning in August.

Director Miller suggested that the online data information regarding the energy production at the site should be on the District's webpage. Ms. Lorance will look into this and report back to the Public Information Committee.

For information only; no action requested.

Other Engineering Matters

Next Meeting Date

The next meeting date was originally set for August 16, 2011; however, at the Board meeting the date was changed to September 1, 2011 at 4:00 pm.

5. Finance Committee (8/9/11)

President Costa reported that the committee met on August 9, 2011 and discussed the following:

- Review and Pay Bills (W/R)
- Wholesale Metering Improvements Cost Allocation (W/R)
- Other Finance Matters (W/R)

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

Review and Pay Bills (W/R)

President Costa reported that the committee reviewed bills and claims in the amount of \$1,488,296.49 and found them to be in order.

President Costa moved to approve Resolution 11-14. Vice President Tobin seconded the motion and it carried unanimously.

Wholesale Metering Improvements Cost Allocation (W/R)

Mr. Durkin reported that, as directed by the Board and the Finance Committee, the cost allocations were revised to be allocated by benefit to the wholesale customer agencies. In doing this, there were a couple changes made to the allocations with costs being re-directed to San Juan Retail from a FOWD charge, and costs being re-directed to CHWD from a charge that was previously charged to San Juan Retail and OVWC.

Mr. Durkin informed the Board that a summary sheet of the Wholesale Metering Improvements Cost Allocations and revised payment schedule are attached to the committee meeting minutes. Mr. Durkin explained that the payment schedule was revised to reflect the new cost allocations, and shows a 3 year re-payment schedule by San Juan retail instead of the original 7 year timeframe.

Mr. Durkin mentioned that the general managers are in agreement with the revised cost allocations and the committee discussed the summary sheet and payment schedule and agreed with staff to recommend approval of the cost allocations.

Mr. Durkin commented that he received an email at 7:09pm this evening from FOWD inquiring why their first payment/credit is not received until the 2nd year of the payment schedule. The Board discussed the issue and agreed with the payment schedule presented by Mr. Durkin.

Director Walters voiced concern that there is not a written acceptance from the wholesale customer agencies regarding the cost allocations. Mr. Durkin explained that the first step was to get Board approval on the revised cost allocations then a letter will be sent to the wholesale customer agencies. SJWD will request an email response acknowledging receipt of the letter.

President Costa moved to approve the Wholesale Transmission Pipeline System Metering Improvement Project Proposed Cost Allocation Summary. Vice President Tobin seconded the motion and it carried with 4 Aye votes and 1 Abstain vote (Walters).

Other Finance Matters (W/R)

Ms. Lorance introduced Tony Barela, who acted as the incident command officer during the recent event that occurred associated with flushing the new pipeline under construction at our site. He gave an update on the incident which occurred on August 5, 2011, at Pinebrook Village Mobile Home Park.

Ms. Lorance informed the Board that she received a call from Neva Cimaroli, Pinebrook manager, letting the District know that she has instructed tenants to contact the park management if there are any future problems. In addition, Ms. Cimaroli commented that tenants were pleased with the fast response and courteous staff who were onsite during the incident. Ms.

Lorance commented that the Fish and Game Warden complimented the District for their response to the situation. Ms. Lorance commends staff for their excellent work during this situation and to those who monitored the ponds every two hours throughout the night and into Saturday afternoon.

Ms. Lorance will be talking with the City of Folsom regarding the level of response and corresponding charges.

For information only; no action requested.

Public Comment

President Costa reported that Director Peterson requested that the District look into either providing a remote or installing a keypad at the front entrance gate for exiting the facility. Those who do not drive on-site do not have the ability to open the gate after hours. Mr. Durkin will look into a solution.

President Costa mentioned that he attended the FOWD Board meeting and it was mentioned that the FOWD Technical Committee will be meeting on August 15th and will be discussing the Fair Oaks 40 Pipeline Project. He suggested that Director Peterson attend the meeting. Mr. Gray commented that Mr. Durkin should also attend if Director Peterson plans to attend. The committee discussed the Fair Oaks 40 Project with Mr. Gray, and the District will await written comments from FOWD. Mr. Gray requested that FOWD be given an additional 10 days on the requested written comment period and informed the committee that he would be submitting comments on August 29th to the District. The committee confirmed that this would not extend the 150-day period and is enough time for comments to be reviewed by the Board.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 ACWA Region 4 Election for the 2012-2013 Term

Ms. Lorance informed the Board that the recommended slate for ACWA Region 4 Board of Directors has been prepared by the ACWA Nominating Committee.

Director Peterson moved to vote for the recommended slate of candidates for ACWA Region 4 election for the 2012-13 term. Director Walters seconded the motion and it failed with 2 Aye votes and 3 No votes (Costa, Peterson, Tobin).

The Board discussed the recommended slate of candidates and decided to vote for each individual candidate.

Vice President Tobin moved to vote for Robert S. Roscoe, Sacramento Suburban Water District, for Chair. Director Peterson seconded the motion and it carried unanimously.

Vice President Tobin moved to vote for Mike Hardesty, Reclamation District No. 2048, for Vice Chair. Director Peterson seconded the motion and it carried unanimously.

Vice President Tobin moved to vote for Glen Grant, Solano Irrigation District, for Board Member. Director Peterson seconded the motion and it carried unanimously.

Director Walters moved to vote for Tom R. Gray, Fair Oaks Water District, for Board Member. There was no second to support the motion.

Vice President Tobin moved to vote for Thomas McGurk, Stockton East Water District, for Board Member. Director Peterson seconded the motion and it carried unanimously.

Director Walters moved to vote for Tim O'Halloran, Yolo County Flood Control and Water Control District, for Board Member. Director Peterson seconded the motion and it carried unanimously.

1.2 Report Back Items

There were no items discussed.

1.3 Miscellaneous District Issues and Correspondence

Ms. Lorance informed the Board that there are two candidates currently running for ACWA Vice President, Sandy Willard Denn and John Coleman, seeking concurring nominations. The Board will review the candidates and decided on the candidate at a later date.

Ms. Lorance mentioned that communications were received regarding positive interaction with employees, Shay Orr and Judy Johnson. In addition, she mentioned upcoming events that were provided in the meeting packet.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Folsom Dam Operations

Mr. Durkin provided the Board with a staff report. A copy of the report will be attached to the meeting minutes. He informed the Board that the Cities of Roseville and Folsom and the San Juan Water District (R3 Partners) rely upon the American River Watershed for their water supply and have a vested interest in studying the watershed for water management projects that will improve the availability of water supplies from Folsom Reservoir.

The R3 Partners are pursuing the development of a joint watershed study in partnership with the Bureau of Reclamation and the U.S. Army Corps of Engineers that would help provide direction and resources to improve coordination and management of the flood control and water supply functions of Folsom Reservoir.

Mr. Durkin mentioned that he will be attending a Corp of Engineers workshop on August 18th regarding a Flood Management Operation Study for Folsom Dam.

For information only; no action requested.

2.2 Report Back Items

There were no items discussed.

2.3 Miscellaneous District Issues and Correspondence

Mr. Durkin reported that the District received the report from the Department of Public Health after completion of their two-day inspection of the wholesale and retail facilities. The report was very positive and complimentary to the District with no deficiencies noted.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1 Report Back Items

There were no items discussed.

3.2 Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

A written report was included in the meeting packet and will be attached to the original meeting minutes.

5. DIRECTORS' REPORTS

5.1 SGA

No report.

5.2 RWA

Vice President Tobin reported that RWA met on July 14th and referred to her written report which was included in the meeting packet and will be attached to the meeting minutes.

5.3 Executive Committee

Mr. Durkin reported that the Executive Committee met on July 26th and all agencies were represented, except the city of Folsom. The committee meeting minutes will be attached to the original board minutes. Mr. Durkin commented that the wholesale customer agencies are still working on the Mutual Aid Agreement.

Mr. Durkin mentioned that Mr. Tom Gray, General Manager of Fair Oaks Water District (FOWD), requested to be on record at the Executive Committee meeting stating that FOWD is on board with the District's sense of urgency for replacing the ARC Crossing due to possible environmental catastrophe in the event of a pipe failure; however, the rest of the project has never been presented as an emergency project and FOWD has always and continues to disagree with the demands in the design of the project and will submit comments to the District in writing regarding the project.

5.4 ACWA/JPIA

No report.

5.5 CVP Water Users Association

President Costa reported that they met July 19, 2011. He commented that there is only one paid staff person in the association and that person is reviewing the Bureau's user fees.

5.6 LAFCO

President Costa reported that the next meeting is August 30, 2011.

5.7 Other Reports and Comments

Director Miller mentioned that the projects on site are nearing completion and he would like the Board to consider providing the employees with a car wash once the project is complete. The project has caused a significant amount of dust requiring employees to wash cars multiple times per week over the past several months. President Costa requested the Public Information Committee to discuss this item.

Mr. Churchill thanked the Board for bringing conclusion to the wholesale meter cost allocations along with the agency collaboration on finalizing the cost allocation summary. The Board thanked Mr. Churchill for his time and work on this project.

VI. UPCOMING EVENTS

1. ACWA Continuing Legal Education for Water Professionals
September 22-23, 2011
San Diego, CA

2. CSDA Annual Conference
October 10-13, 2011
Monterey, CA

VII. ADJOURN

The meeting was adjourned at 9:29 p.m.

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

ATTEST:

TERI HART, Board Secretary

AGENDA ITEM IV-1 DRAFT

Conservation Committee Meeting Minutes San Juan Water District July 14, 2011 1:30 p.m.

Committee Members: Ken Miller, Chair
Bob Walters, Director

District Staff: Shauna Lorance, General Manager
Judy Johnson, Customer Service Manager
Vicki Sacksteder, Water Resources Analyst
Teri Hart, Administrative Assistant/Board Secretary

Topics: Status of School Water Efficiency Rebate Program (R)
Tiered Water Rates (R)
Anticipated Legislation (W)
Other Conservation Matters (W/R)

- Irrigation Field Day
- Next Meeting Date

Public Comment (W/R)

1. Status of School Water Efficiency Rebate Program

Ms. Sacksteder informed the committee that San Juan Unified School District (SJUSD) submitted the required documentation for eligibility for the rebate program for Casa Robles High School. In addition, she will be working with the Eureka Union School District for their participation in the School Rebate Program starting in August. Staff will monitor the water usage with the schools and report back to the committee at a later date.

For information only, no action requested

2. Tiered Water Rates

The committee discussed the water rate structure and will continue to discuss the options available in order to comply with Bureau requirements. Staff will gather information and report back to the committee.

Ms. Johnson informed the committee that she contacted Citrus Heights Water District regarding their rates for schools and parks and was informed that they do not set a separate rate for those users.

For information only, no action requested

3. Anticipated Legislation

Ms. Lorance reported that there is no water conservation related legislation update at this time. The Delta Plan is still in the process of being drafted by the Delta

Stewardship Council. The meeting with the state lobbyist was rescheduled to next week, so an update will be provided at the next meeting.

For information only, no action requested

4. Other Conservation Matters

4.1 Irrigation Field Day

Ms. Lorance informed the committee that the Irrigation Field Day with the City of Folsom was held Saturday, July 9th in the WEL Garden and was a great success. The RWA suggested that the region get involved in the next event. The committee discussed the possibility of offering a fall and spring event with the help of other agency staff.

4.2 Next Meeting Date

The committee set the next meeting date to August 17, 2011 at 8:30 am.

For information only; no action requested.

5. Public Comment

There was no public comment.

The meeting adjourned at 2:50 pm.

Legal Affairs Committee Meeting
July 18, 2011
8:30 a.m.

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

Topics: Board Policies from Workshop (W/R)
El Dorado Water and Power Authority Water Rights Application (W)
Other Legal Affairs Matters

- Next Meeting Date

Public Comment

1. Board Policies from Workshop

The committee received the revised Board policies and the committee members will review the documents and discuss at the next meeting.

For information only; no action requested.

2. El Dorado Water and Power Authority Water Rights Application

Ms. Lorance informed the committee that the El Dorado Water and Power Authority (EDWPA) water rights application seeks water rights from 1927. The District has commented, as part of the application process, that an environmental impact report needs to be completed. The new management at EDWPA seems more willing to work with the District, recognizing the District's senior water rights and working with downstream water right holders to make sure modeling is correct. Staff will keep the committee apprised of any new developments, however anticipates that this will be a lengthy process.

For information only; no action requested.

3. Other Legal Matters

Ms. Lorance informed the committee that the District is working with the Legislative Analyst's Office (LAO) regarding a response to Assemblyman Dickinson which comments on oversight and transparency. LAO is considering including case studies of consolidations that did and did not work.

Ms. Lorance informed the committee that it is important to watch HR 1837 in order to get language in the bill to protect upstream water rights and area of origin.

Mr. Horowitz mentioned that CalPERS issued a memo discussing pensions as vested rights. As soon as he reviews the memo, he will inform the committee of the contents.

The committee discussed the 150-day notice which was sent to Fair Oaks Water District and Orange Vale Water Company and decided to schedule a committee meeting for the first week of October which falls right after the deadline.

For information only; no action requested.

2.1 Next Meeting Date

The next meeting date is scheduled for August 16, 2011 at 8:30 am.

For information only; no action requested.

4. Public Comment

There was no public comment.

The meeting was adjourned at 9:18 a.m.

Public Information Committee Meeting Minutes
San Juan Water District
July 25, 2011
9:00 a.m.

Attendees: Ken Miller, Chair
Pam Tobin, Member
Judy Johnson, Customer Service Manager
Teri Hart, Administrative Assistant/Board Secretary
Nicole Quinonez, Crocker Crocker

Topics: WaterGram (R)
Door Hanger Notices (R)
Other Public Information Matters (W/R)

- Next Meeting Date

Public Comment (W/R)

1. Review WaterGram

The committee reviewed the WaterGram and recommended minor revisions.

For information, no action requested.

2. Door Hanger Notices

Ms. Johnson informed the committee that FedEx delivered 285 late notices to customers instead of using the standard door hanger notice which is delivered by District staff. This service is also used by Sacramento Suburban Water District and Citrus Heights Water District. The service was well received and customer complaints and requests to waive late fees were reduced.

For information, no action requested.

3. Other Public Information Matters

Ms. Quinonez reviewed the email statistics for the July/August 2011 WaterGram which showed 39% of the recipients opened the email.

Director Miller commented that the Solar Project dedication was handled excellently by District staff and Crocker & Crocker, with a concise agenda and exceptional media coverage. Ms. Quinonez will provide an update of the media coverage once she obtains the information, and commented that the press release was covered in the Wall Street Journal.

Director Miller inquired if SunPower agreed to supply the District with a demo solar panel. Ms. Johnson informed the committee that she will follow-up and report back.

For information, no action requested.

2.1 Next Meeting Date

The next committee meeting date is September 20, 2011 at 9:00 am. [The meeting date was set after the meeting adjourned.]

For information only; no action requested.

4. Public Comment

There was no public comment.

The meeting adjourned at 9:40 am.

DRAFT

**Engineering Committee Meeting Minutes
San Juan Water District
July 26, 2011
4:00 p.m.**

Committee Members: Dave Peterson, Chair
Pam Tobin, Director

District Staff: Keith Durkin, Assistant General Manager
Rob Watson, Engineering Services Manager
Rick Hydrick, Operations Manager
Teri Hart, Administrative Assistant/Board Secretary

Topics: Wholesale Capital Improvements Program (W)
Fair Oaks 40-Inch Pipeline – Status of Planning and Design (W/R)
Emergency Response Planning – Capital and Operational Improvements (W/R)
Solar Power Facilities Site Security (W)
Solar Power Facilities Initial Performance Data (W)
Other Engineering Matters (W/R)

- Next Meeting Date

Public Comment (W/R)

1. Wholesale Capital Improvements Program (W)

The committee reviewed the wholesale capital projects that were scheduled for the FY 2010-11 year. A table describing each project, what was accomplished, and budget status is attached to these minutes.

For information only; no action requested.

2. Fair Oaks 40-Inch Pipeline – Status of Planning and Design (W/R)

The committee reviewed the FO-40 Transmission Main Rehabilitation Project Planning and Design Status Report Summary. A copy will be attached to the meeting minutes. Design work is progressing satisfactorily and on schedule.

Mr. Durkin mentioned that Mr. Tom Gray, General Manager of Fair Oaks Water District (FOWD), requested to be on record at the Executive Committee meeting stating that FOWD is on board with the District's sense of urgency for replacing the ARC Crossing due to possible environmental catastrophe in the event of a pipe failure; however, the rest of the project has never been presented as an emergency project and FOWD has always and continues to disagree with the demands in the design of the project and will submit comments to the District in writing regarding the project.

The committee discussed the project and reiterated that different size pipes or flow restrictors will not be considered as it's past the time to discuss changes in design. In addition, demands were based on historical metered data and the committee discussed FOWD's past use of the pipeline which contributed, in large part over the

years to the pipeline's need for rehabilitation. The committee suggests that the Legal Affairs Committee review and discuss the legal aspects of the project.

For information only; no action requested.

3. Emergency Response Planning – Capital and Operational Improvements (W/R)

Mr. Durkin reminded the committee that staff is finalizing work on the Emergency Operations Plan, Mutual Aid and Assistance Agreements, and other planning efforts to help the District respond to emergency situations. In the process, staff has identified several items, including a security survey, capital improvements, and equipment and supply needs which need to be addressed. A list of those items will be attached to the meeting minutes. Staff will prioritize the list, develop budgets, and provide recommendations to the committee at a future meeting.

For information only; no action requested.

4. Solar Power Facilities Site Security (W)

The committee discussed the existing Solar Power Facilities site security and potential future enhancements. Staff will report back at a future meeting.

For information only; no action requested.

5. Solar Power Facilities Initial Performance Data (W)

The committee reviewed SunPower's first monthly performance report which showed that the system produced 100.5% of its expected energy. The report will be attached to the meeting minutes. Mr. Durkin explained that the CSI rebate is based on actual production and rebate checks are expected monthly beginning in August.

For information only; no action requested.

6. Other Engineering Matters

No other engineering matters were discussed.

6.1 Next Meeting Date

The committee set the next meeting date for August 16, 2011 at 4:00 pm.

For information only; no action requested.

7. Public Comment

There was no public comment.

The meeting was adjourned at 5:11 p.m.

**SAN JUAN WATER DISTRICT
FY 2010/11 - WHOLESALE CAPITAL IMPROVEMENT PROJECT SUMMARY**

(07/25/11)

| Line | Project Name | Project Description | Budgeted Cost | Completed Cost |
|------|---|--|---------------|----------------|
| 1 | Sedimentation Rehabilitation Project | <p>Replaced the aging tube settlers, launders and rehabilitated the severely spalled concrete walls in the north and south Sedimentation and Flocculation basins. Work included:</p> <ul style="list-style-type: none"> • 48" and 24" Tube Settlers and Steel Support Structure • 32 - 80 ft Launders • Two New Vertical Turbine Water Transfer Pumps • Repaired and Recoated All interior concrete walls of the Sed and Floc Basins • Small Diameter Process/Washdown Supply Water Pipeline Improvements • Completed within budget in September 2010 | \$ 4,410,000 | \$ 2,389,100 |
| 2 | RW Supply Parallel USBR Pipeline | <p>Installed a new 72" and 60" diameter steel pipeline from the Bureau's Pump Station at Folsom Dam to the Hinkle Wye then continuing to the City of Roseville tie-in.</p> <ul style="list-style-type: none"> • Provided needed security & redundancy allowing the existing 84" RW pipeline to be off-line and serviced • 3,350 LF of 72" and 580 LF of 60" Concrete Lined and Coated Welded Steel Pipe • New 121-foot tall 12-foot Diameter Steel Surge Tower • Two Concrete Metering Vaults with new Flowmeters • Collaborative project between SJWD, City of Roseville and the Bureau, with shared funding • Capital Cost Recovery of approximately 45% of completed cost received from City of Roseville • 1% cost elevation was due to added District and City requested appurtenances not foreseen in design phase • Project was Completed October 2010 | \$7,200,000 | \$ 7,266,900 |
| 3 | FO-40 Pipeline Rehab - Assessment Pre- Design | <p>Performed a detailed structural and visual inspection of the critical transmission pipeline.</p> <ul style="list-style-type: none"> • Significant in-house support from Field Operations personnel to complete this project • Evaluated multiple rehabilitation alternatives • Performed cathodic conductivity analysis. • Defined a plan to obtain an additional 50-years of life (minimum) • Elevated cost due to purchase of camera cable, and additional survey and engineering needed for project • The first phase of the project (condition assessment and alternatives analysis) was Completed February 2011 | \$320,000 | \$ 368,900 |
| 4 | Filter Valve Replacements | <p>Removed and replaced 24-16" butterfly Valves within the Water Treatment Plant Filter Gallery.</p> <ul style="list-style-type: none"> • Old valves were not sealing as required. • Valves purchased and Installed by District WTP staff • The project is approximately 40% Complete (remainder of work dependant on reduced plant flow in fall 2011) | \$80,000 | |
| 5 | WTP Filter Leak Repairs | <p>Improvements to eliminate leakage at pipe penetrations and expansion joints from the Filter Basins.</p> <ul style="list-style-type: none"> • In-House Design, Bidding, Construction Management and Inspection • Replaced all of the expansion joints with a new-type material for improved sealing and increased life cycle • Installed a steel plate ring seals on each of the thru-wall pipe penetrations beneath the filter bed for leak control • Expected to reduce maintenance costs and significantly reduce treated water loss from the filter basins • Excavated an additional 27 filter cells to clean out filter media that had penetrated the filter support plate. • Completed within budget in April 2011. | \$230,000 | \$ 214,850 |

**SAN JUAN WATER DISTRICT
FY 2010/11 - WHOLESALE CAPITAL IMPROVEMENT PROJECT SUMMARY**

(07/25/11)

| | | | | |
|----|---|---|--------------------------------------|--------------|
| 6 | Alum Tank Replacements | Improvements to replace the existing 30-year old alum tanks at the WTP. The existing alum tanks are beyond their useful life and do not meet current double-containment and other regulatory requirements. <ul style="list-style-type: none"> • Design phase underway, being completed by Engineering with WTP Operations coordination, at about 80% complete • Scheduling for bidding in late winter 2011 and beginning construction in spring 2012. | \$125,000 | |
| 7 | Hinkle Reservoir Elevated Groundwater Investigation | Investigation to determine source of elevated water level in Hinkle Reservoir monitoring piezometer. <ul style="list-style-type: none"> • Investigation significantly supported by Engineering and Operations personnel, including data gathering, database development and interface with Division of Safety of Dams. Data analysis and investigation performed by consulting Hydrogeological Engineer (GEI). • Determined the Reservoir dam is stable and elevated groundwater is not affecting dam stability. • Worked with DSOD for approval of study results and revised monitoring plan. • Completed on-time (Dec 2010) and on budget. | Un-budgeted Investigation (\$33,800) | \$ 20,084 |
| 8 | Solar Power Project | Installation of a new high efficiency solar power array designed to supply about 90% of the power needs to feed the Peterson WTP, Hinkle Pump Station, and Field Operations Building. <ul style="list-style-type: none"> • Initial system to provide 795 KW (dc), with a second phase to provide 346 KW (dc) • Solar panels are installed on District-owned property (Baldwin site) • Design-build contract with SunPower for installation and first 10-years of O&M • Approximately \$2M of costs subsidized by government grant funding • Payback on power savings expected to recover invested funds within 9- to 10-years • Project completed on time and lower than budget - Completed 6/10/11 | \$5,800,000 | \$ 5,575,800 |
| 9 | Chlorination Monitoring Equipment | Installed new sampling and testing equipment at the Water Treatment Plant and at Bacon BPS <ul style="list-style-type: none"> • Installed 2-chlorinators, 2-Ph meters, 2-chlorine analyzers and related equipment • Purchased and installed by District WTP Operations Staff • Project is approximately 80% compete • Estimated completion date is July 30, 2011. | \$40,000 | |
| 10 | TWP & CTBP Project (also includes a 24" Pipeline, Retail component) | New 72" and 60" Pipelines to provide redundancy and additional operational control for delivering treated water to and from the Hinkle Reservoir. <ul style="list-style-type: none"> • 650 LF of 72" and 400 LF of 60" Concrete Lined and Coated Steel Pipe. • New Isolation Valves and Yard Piping Connections • Concrete Chemical Feed Vault • Cathodic Protection System • Project is approximately 85% compete; Currently tracking on budget • Estimated Completion Date is August 2011. | \$5,250,000 | |
| 11 | District Fiber Optic Upgrade (50/50 Whsl/Retail) | Replace the existing fiber network with a more reliable, redundant system which if damaged would not result in disabling the entire network. <ul style="list-style-type: none"> • Approximately 1,450 LF of new fiber cable will be installed as part of this project. • Although the new cabling has not been installed, the conduit to the WTP was installed with the Solar Project. • There was no additional cost for this additive change order to the Solar Project. | \$8,100 | \$0 |

**SAN JUAN WATER DISTRICT
FY 2010/11 - WHOLESALE CAPITAL IMPROVEMENT PROJECT SUMMARY**

(07/25/11)

| | | | | |
|----|--|--|-------------------------|------------|
| 12 | Admin Bldg & WTP Re-Roof & HVAC (36/64 Whsl/Retail) | <p>Replacement of the roofing on the Administration and WTP buildings.</p> <ul style="list-style-type: none"> • In-House Design, Construction Management and Inspection • The Administration and Water Treatment Plant Buildings had a recent history of roof leaks. • The roof replacement project incorporated new technology which included an 80 mil single ply membrane. • The membrane has a sun reflecting white surface which increases the cooling and heating efficiency. • Taking advantage of the roof demolition, three new high efficiency 15 SEER HVAC units were installed. • The project was completed in August 2010. • The project was over budget due to unforeseen required underlayment repairs found when the old roof was removed. | \$118,330 | \$ 128,100 |
| 13 | Admin Office Rewire (50/50 Whsl/Retail) | <p>Replacement of all existing network cabling within the Administration Building to bring the system up to current standards.</p> <ul style="list-style-type: none"> • The slightly higher actual cost is due to added connection locations which were installed. • This project was completed in November 2010. | \$3,275 | \$ 3,600 |
| 14 | Emergency Response Planning | <p>Development of an updated Emergency Response Plan (ERP) for Wholesale and Retail Operations.</p> <ul style="list-style-type: none"> • Lead by SJWD Operations Manager, with support from Engineering and Operations personnel • In-house plan development with significant planning and facilities input by Operations and Engineering personnel • Operations Manager finished the ERP document in June 2011. Now budgeting and beginning implementation. | (Planning Level Effort) | |
| 15 | Storage Facility Replacement | <p>Replacement of the existing storage facility for continued future use by Wholesale and Retail Operations.</p> <ul style="list-style-type: none"> • Replacement of the existing metal storage building with a new metal building • Existing building was built in the 1970's and is beyond useful life, non-secure, leaks, and is infested • Design being done by Engineering in-house, with needs input from all departments, with some architectural and structural design support provided by outside consultants. • Currently evaluating design options and alternatives to reduce budget impacts • Expecting to bid in fall 2011 with construction in Spring 2012 | \$400,000 | |
| 16 | SCADA System Improvements (±85/15 Whsl/Retail) | <p>Integrate the existing 3 separate SCADA networks into 1 single system; replace old non-supported system.</p> <ul style="list-style-type: none"> • Completed design in March 2011; put out to Bid in April 2011, BOD Award May 9. • Construction contract executed with MCC Control Systems; Construction Phase is underway. • This project has a completion date of March 22, 2012. | \$935,000 | |

FO-40 TRANSMISSION MAIN REHABILITATION PROJECT PLANNING AND DESIGN STATUS REPORT SUMMARY

Presented to SJWD Engineering Committee Meeting – July 26, 2011

- **Rehabilitation Design** - Miles Engineering is continuing with the design phase engineering tasks for the rehabilitation of the pipeline. Miles Engineering is preparing the design for the selected pipeline rehabilitation project, and will be preparing the construction documents for bid. Bidding for the first phase of the rehabilitation project is scheduled to occur in September, 2011, with construction beginning in December, 2011 or January, 2012.
- **Corrosion Protection System** - JDH (a sub-consultant to Miles) has determined the locations for the anode wells and they are underway on the corrosion system design. The active (impressed current) corrosion control system is scheduled to be installed between January to March, 2012.
- **Surveying** – Divers Surveying (also a sub-consultant to Miles) is beginning the surveying task for the rehabilitation improvements. The field work is scheduled to begin on 7/28, this Thursday.
- **SWPPP** - The Storm Water Pollution Prevention Plan (SWPPP) plan will start upon completion of the surveying work.
- **ARC-Canyon Crossing Pipeline Replacement** - Kennedy-Jenks is underway on the design of the ARC-Canyon crossing pipeline segment replacement. Replacement of this segment of pipeline is scheduled to occur this coming winter (between Dec 2011 to March 2012).
- **ARC-Canyon Isolation Valve** - SJWD Engineering has prepared an in-house design for cutting in a new isolation valve just upstream of the ARC-Canyon Crossing as approved by the board at the last BOD Meeting.
- **Customer Outreach** - SJWD staff are notifying and coordinating with the customers and property owners along the entire alignment to inform these property owners of the District's need to enter their property and perform survey work where needed in preparation for the upcoming construction project.
- **Easement Acquisition** - SJWD Staff are working on obtaining an additional permanent and construction easement area for the ARC-Canyon Crossing Pipeline Segment from the affected property owner. Additional easement may also be necessary at the CVS Pharmacy parking lot area for the installation of the cathodic protection anode well field and rectifier control station. These items will be brought back to the board for approval.

Your PV system has produced **100.5%** of its expected energy, and has operated at a **100%** availability rate. The system is in good health and is operating as expected. Should you have any questions about your new system please contact SunPower Customer Service. 1-800-251-9728

| Daily Data | 25-Jun-11 | 26-Jun-11 | 27-Jun-11 | 28-Jun-11 | 29-Jun-11 | 30-Jun-11 | 1-Jul-11 | 2-Jul-11 | 3-Jul-11 | 4-Jul-11 | 5-Jul-11 | 6-Jul-11 | 7-Jul-11 | 8-Jul-11 | Trailing Week |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------|
|------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------|

Measured kWh

| | | | | | | | | | | | | | | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Inverter A | 3,764 | 3,699 | 3,727 | 1,448 | 3,087 | 3,817 | 3,771 | 3,706 | 3,722 | 3,638 | 3,560 | 3,484 | 3,652 | 3,711 | 48,787 |
| Inverter B | 3,137 | 3,087 | 3,110 | 1,198 | 2,682 | 3,187 | 3,147 | 3,089 | 3,107 | 3,034 | 2,966 | 2,909 | 3,043 | 3,095 | 40,790 |
| Measured kWh | 6,900 | 6,786 | 6,837 | 2,645 | 5,769 | 7,004 | 6,918 | 6,795 | 6,829 | 6,673 | 6,526 | 6,393 | 6,696 | 6,806 | 89,577 |

Weather Data

| | | | | | | | | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gh Insolation | 8.51 | 8.39 | 8.39 | 2.68 | 7.29 | 8.61 | 8.76 | 8.74 | 8.65 | 8.65 | 8.50 | 8.32 | 8.57 | 8.66 | 8.05 |
| POA Insolation | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.00 |
| Temperature | 26.20 | 26.83 | 26.39 | 18.17 | 19.19 | 23.79 | 27.75 | 30.23 | 31.67 | 32.27 | 32.42 | 32.18 | 30.90 | 30.69 | 27.76 |
| Windspeed | 1.11 | 1.05 | 1.82 | 1.55 | 1.11 | 0.56 | 0.48 | 0.52 | 0.84 | 0.59 | 0.60 | 1.34 | 1.78 | 0.73 | 1.00 |

Availability

| | | | | | | | | | | | | | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Inverter A | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |
| Inverter B | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |
| Availability | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| Daily Data | 9-Jul-11 | 10-Jul-11 | 11-Jul-11 | 12-Jul-11 | 13-Jul-11 | 14-Jul-11 | 15-Jul-11 | 16-Jul-11 | 17-Jul-11 | 18-Jul-11 | 19-Jul-11 | 20-Jul-11 | 21-Jul-11 | Trailing Week |
|------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
|------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|

Measured kWh

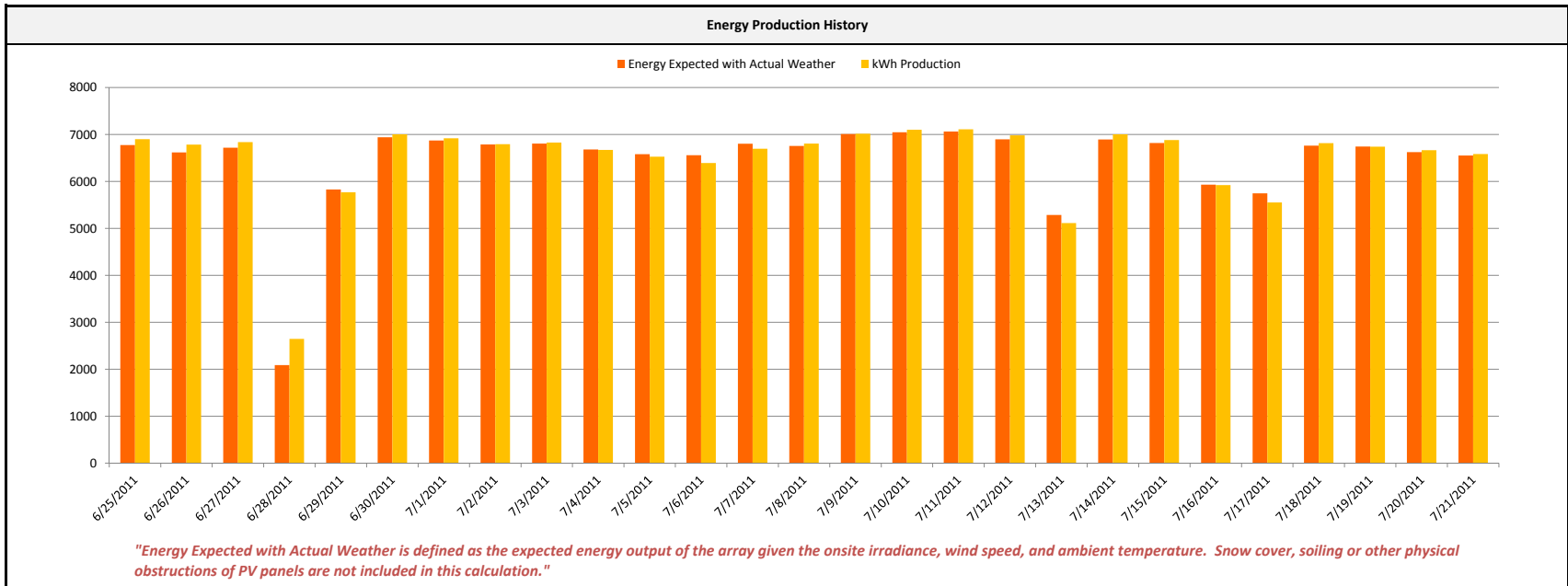
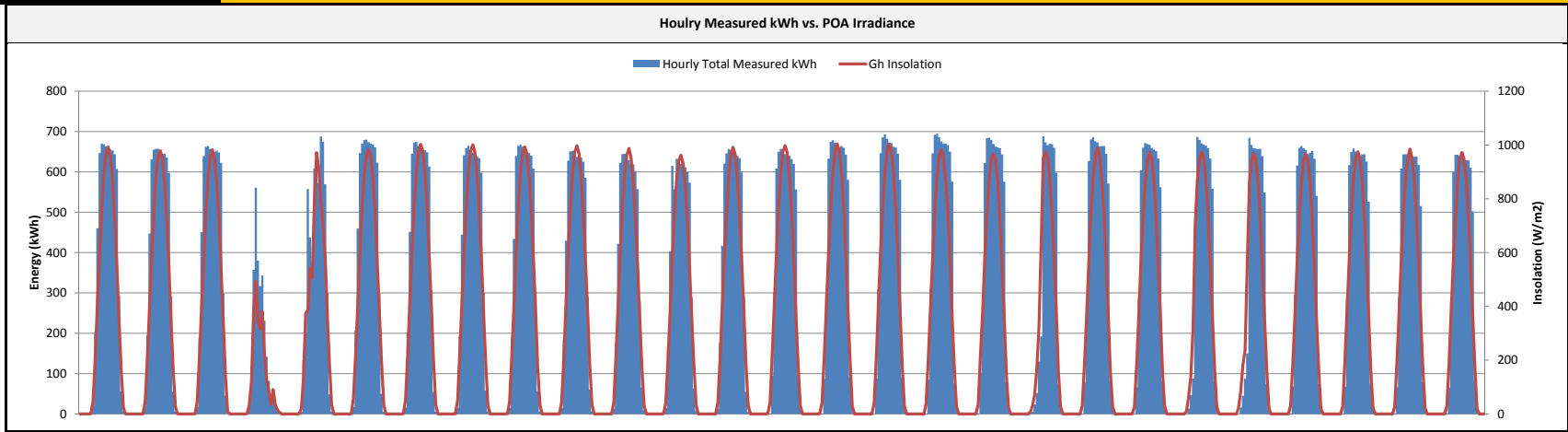
| | | | | | | | | | | | | | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Inverter A | 3,818 | 3,863 | 3,868 | 3,798 | 2,782 | 3,810 | 3,744 | 3,222 | 3,020 | 3,707 | 3,653 | 3,619 | 3,578 | 46,481 |
| Inverter B | 3,201 | 3,238 | 3,242 | 3,184 | 2,332 | 3,194 | 3,139 | 2,700 | 2,531 | 3,108 | 3,086 | 3,046 | 3,008 | 39,010 |
| Measured kWh | 7,018 | 7,101 | 7,111 | 6,981 | 5,114 | 7,005 | 6,883 | 5,922 | 5,551 | 6,815 | 6,739 | 6,665 | 6,586 | 85,490 |

Weather Data

| | | | | | | | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gh Insolation | 8.72 | 8.72 | 8.51 | 8.34 | 6.85 | 8.39 | 8.28 | 7.66 | 7.47 | 8.23 | 8.36 | 8.40 | 8.30 | 8.17 |
| POA Insolation | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.00 |
| Temperature | 27.78 | 25.25 | 22.45 | 21.83 | 20.64 | 21.79 | 22.02 | 21.31 | 22.00 | 24.17 | 25.71 | 28.14 | 29.47 | 24.04 |
| Windspeed | 1.52 | 1.45 | 2.07 | 1.83 | 2.25 | 1.44 | 1.66 | 2.07 | 1.88 | 1.59 | 1.00 | 0.49 | 0.56 | 1.52 |

Availability

| | | | | | | | | | | | | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Inverter A | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |
| Inverter B | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |
| Availability | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |



Finance Committee Meeting Minutes
San Juan Water District
August 9, 2011
4:00 p.m.

Committee Members: Ted Costa, President (Chair)
Dave Peterson, Director

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Mary Morris, Finance and Administrative Services Manager
Teri Hart, Administrative Assistant/Board Secretary

Members of the Public: Tom Gray, Fair Oaks Water District

Topics: Review and Pay Bills (W/R)
Wholesale Metering Improvements Cost Allocation (W/R)
Other Finance Matters (W/R)
Public Comment

1. Review and Pay Bills (W/R)

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 and Administrative Services Manager. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for July payables is \$1,488,296.49.

The Finance Committee recommends approval of Resolution 11-14.

2. Wholesale Metering Improvements Cost Allocation (W/R)

Mr. Durkin provided a summary sheet of the Wholesale Metering Improvements Cost Allocations to the committee. A copy of the summary sheet will be attached to the meeting minutes. As directed by the Board and the Finance Committee, the cost allocations were revised to be allocated by benefit to the wholesale customer agencies. In doing this, there were a couple changes made to the allocations with costs being re-directed to San Juan Retail from a FOWD charge, and costs being re-directed to CHWD from a charge that was previously charged to San Juan Retail and OVWC.

Mr. Durkin informed the committee that San Juan Retail performed and paid for some related project work totaling \$314,000 prior to construction of the main metering project. He noted that the metering project spreadsheet, which Mr.

Churchill created, included these costs, but did not reflect the San Juan Retail payment for the work. In addition, an intertie was constructed which San Juan Retail and OVWC should have split the cost of \$104,000; however, San Juan Retail paid 100% of the costs and will require OVWC to reimburse 50% of the amount. Since these costs were previously paid for by San Juan Retail, the revised amount that San Juan Retail is required to pay will be reduced accordingly.

Mr. Durkin explained that the payment schedule will be revised to reflect the new cost allocations, and should show a 3-4 year re-payment schedule by San Juan retail instead of the original 7 year timeframe. The payment schedule will be attached to the meeting minutes.

The committee discussed the summary sheet and payment schedule and agreed with staff to recommend approval of the cost allocations.

The Finance Committee recommends consideration of a motion to approve the Wholesale Transmission Pipeline System Metering Improvement Project Proposed Cost Allocation Summary.

3. Other Finance Matters (W/R)

Ms. Lorance gave an update on the incident which occurred on August 5, 2011, at Pinebrook Village Mobile Home Park. She will be talking with the City of Folsom regarding the level of response and corresponding charges.

Ms. Lorance informed the committee that she received a call from Neva Cimaroli, Pinebrook manager, letting the District know that she has instructed tenants to contact the park management if there are any future problems. In addition, Ms. Cimaroli commented that tenants were pleased with the fast response and courteous staff who were onsite during the incident. Ms. Lorance commented that the Fish and Game Warden complimented the District for their response to the situation. Ms. Lorance commends staff for their excellent work during this situation and to those who monitored the ponds every two hours throughout the night and into Saturday late afternoon.

President Costa commented that he was concerned with security at the Solar Power site. Mr. Durkin informed the committee that the Engineering Committee discussed this at their last meeting and is evaluating the situation.

Ms. Morris informed the committee that she will not be attending the August 10th Board meeting.

For information only; no action requested.

4. Public Comment

Director Peterson requested that the District look into either providing a remote or installing a keypad at the front entrance gate for exiting the facility. He stated that

those who do not drive on-site do not have the ability to open the gate after hours. Mr. Durkin will look into a solution.

President Costa mentioned that he attended the FOWD Board meeting and it was mentioned that the FOWD Technical Committee will be meeting on August 15th and will be discussing the Fair Oaks 40 Pipeline Project. He suggested that Director Peterson attend the meeting. Mr. Gray commented that Mr. Durkin should also attend if Director Peterson plans to attend. The committee discussed the Fair Oaks 40 Project with Mr. Gray, and the District will await written comments from FOWD. Mr. Gray requested that FOWD be given an additional 10 days on the comment period and informed the committee that he would be submitting comments on August 29th to the District. The committee confirmed that this would not extend the 150-day period and is enough time for comments to be reviewed by the Board.

The meeting was adjourned at 5:13 p.m.

San Juan Water District

**RESOLUTION 11-14
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,488,296.49; and

WHEREAS, the Finance Committee of the Board of Directors has found the bills and claims to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Juan Water District as follows:

1. The bills and claims attached hereto totaling \$1,488,296.49 are hereby approved.
2. That the depository be and the same is hereby authorized to pay said bills and claims in the total sum of \$1,488,296.49 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 10th day of August 2011, by the following vote:

| | |
|---------|------------|
| AYES: | DIRECTORS: |
| NOES: | DIRECTORS: |
| ABSENT: | DIRECTORS: |

EDWARD J. "TED" COSTA
President, Board of Directors

TERI HART
Secretary, Board of Directors

**SAN JUAN WATER DISTRICT
WHOLESALE TRANSMISSION PIPELINE SYSTEM METERING IMPROVEMENT PROJECT
COST ALLOCATIONS SUMMARY
August 10, 2011**

PROJECT COSTS

| | TOTAL | SJWD-W | SJWD-R | FOWD | OVWC | CHWD | SSWD | FOLSOM |
|--|------------------------|---------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| WHOLESALE | \$ 834,698.84 | \$ 834,698.84 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CTP | \$ 1,258,158.61 | \$ - | \$ 2,925.57 | \$ 168,531.67 | \$ 357,301.88 | \$ 146,671.90 | \$ 582,727.59 | \$ - |
| SANTA JUANITA | \$ 119,914.25 | \$ - | \$ - | \$ - | \$ - | \$ 119,914.25 | \$ - | \$ - |
| MAIN AVE | \$ 106,055.18 | \$ - | \$ 81,580.91 | \$ 24,474.27 | \$ - | \$ - | \$ - | \$ - |
| DIRECT - C & D | \$ 542,809.00 | \$ - | \$ 354,916.43 | \$ 12,363.31 | \$ - | \$ 175,529.26 | \$ - | \$ - |
| DIRECT - OTHER | \$ 473,936.88 | \$ 12,979.67 | \$ 367,124.09 | \$ - | \$ 52,300.53 | \$ - | \$ - | \$ 41,532.59 |
| PIPELINES | \$ 580,406.34 | \$ - | \$ 580,406.34 | \$ - | \$ - | \$ - | \$ - | \$ - |
| METERS | \$ 2,103,919.76 | \$ - | \$ 1,452,920.48 | \$ 375,676.21 | \$ 235,995.05 | \$ - | \$ - | \$ 39,328.01 |
| Subtotal | \$ 6,019,898.87 | \$ 847,678.51 | \$ 2,839,873.82 | \$ 581,045.46 | \$ 645,597.46 | \$ 442,115.42 | \$ 582,727.59 | \$ 80,860.60 |
| CHECK | \$ 6,019,898.87 | | | | | | | |
| WTP Use % (5 year) | 100.00% | | 31.52% | 23.22% | 8.63% | 33.29% | 0.00% | 3.34% |
| Allocate Wholesale \$ to Retail Agencies | | \$ | 267,188.27 | \$ 196,830.95 | \$ 73,154.66 | \$ 282,192.17 | \$ - | \$ 28,312.46 |
| CHECK | \$ 847,678.51 | | | | | | | |
| TOTAL BENEFIT | \$ 6,019,898.87 | \$ - | \$ 3,107,062.08 | \$ 777,876.41 | \$ 718,752.12 | \$ 724,307.59 | \$ 582,727.59 | \$ 109,173.07 |

PROJECT PAYMENTS

| | TOTAL | SJWD-W | SJWD-R | FOWD | OVWC | CHWD | SSWD | FOLSOM |
|---------------------------|------------------------|--------|------------------------|------------------------|----------------------|--------------------------|----------------------|-----------------------|
| WHSL RESERVES | \$ 5,591,907.99 | | \$ 1,762,569.40 | \$ 1,298,441.03 | \$ 482,581.66 | \$ 1,861,546.17 | \$ - | \$ 186,769.73 |
| Oak Ave Pipe P1-100% | \$ 314,823.56 | | \$ 314,823.56 | | | | | |
| Central Ave Intertie 100% | \$ 104,601.53 | | \$ 104,601.53 | | | | | |
| Peerless Ave -2 WS | \$ 8,565.79 | | | | | \$ 8,565.79 | | |
| TOTAL PAID | \$ 6,019,898.87 | | \$ 2,181,994.49 | \$ 1,298,441.03 | \$ 482,581.66 | \$ 1,870,111.96 | \$ - | \$ 186,769.73 |
| NET DUE | \$ - | | \$ 925,067.59 | \$ (520,564.62) | \$ 236,170.46 | \$ (1,145,804.36) | \$ 582,727.59 | \$ (77,596.66) |
| CHECK | \$ 0.00 | | | | | | | |

**SAN JUAN WATER DISTRICT
 WHOLESALE TRANSMISSION PIPELINE SYSTEM METERING IMPROVEMENT PROJECT
 PAYMENT AND REIMBURSEMENT SCHEDULE¹
 August 10, 2011**

| | SJWD-R | FOWD | OVWC | CHWD | SSWD | FOLSOM | TOTAL |
|---------------|---------------|-----------------|---------------|-------------------|---------------|----------------|-------|
| CY 2011 | \$ 350,000.00 | | \$ 79,000.00 | \$ (893,000.00) | \$ 490,000.00 | \$ (26,000.00) | \$ - |
| CY 2012 | \$ 350,000.00 | \$ (242,923.23) | \$ 79,000.00 | \$ (252,804.36) | \$ 92,727.59 | \$ (26,000.00) | \$ - |
| CY 2013 | \$ 225,067.59 | \$ (277,641.39) | \$ 78,170.46 | | | \$ (25,596.66) | \$ - |
| Totals | \$ 925,067.59 | \$ (520,564.62) | \$ 236,170.46 | \$ (1,145,804.36) | \$ 582,727.59 | \$ (77,596.66) | \$ - |

¹Payments shown in black, reimbursements shown in red (parenthesis).

**MEMORANDUM**

TO: SAN JUAN WATER DISTRICT BOARD OF DIRECTORS

FROM: RYAN BEZERRA

DATE: AUGUST 3, 2011

RE: UPDATE ON CVP AND DELTA MATTERS

We have been monitoring, and participating in, matters related to the Central Valley Project (CVP) and the Sacramento-San Joaquin Delta for the District, as well as for several other water agencies that our firm represents. These matters could have substantial impacts on the District by, among other things: (1) reducing the amount of surface water that the District can use; and (2) increasing the District's costs by requiring the District to pay fees to one or more state agencies in order to support state programs to restore the Delta's environmental resources. Since 2000, populations of fish that reside in, and migrate through, the Delta have declined significantly, causing federal and state resource agencies to apply new regulatory requirements in the Delta and to propose new requirements that would apply upstream of the Delta. The Delta's problems also caused the Legislature to enact a package of comprehensive water legislation in 2009. That legislation included Senate Bill 7, which requires the District to reduce its per capita water use 20% by 2020. In addition, the 2007-2010 drought, along with the Delta's issues, caused the Bureau of Reclamation (Reclamation) to reduce deliveries to many CVP contractors, which caused further disputes.

Recently, there have been significant developments in three proceedings related to the CVP or the Delta. First, federal District Court Judge Oliver Wanger rejected a lawsuit that claimed that CVP contractors in the Sacramento Valley – the CVP's area of origin – have a priority over CVP contractors that export water from the Delta when Reclamation imposes delivery shortages. Second, Reclamation has issued its environmental-review scoping report for its proposed CVP Municipal & Industrial (M&I) Water Shortage Policy. Third, the Delta Stewardship Council (Delta Council) has released its fifth draft of the Delta Plan, which will be the basis for the Delta Council's environmental impact report and therefore is a significant step toward the adoption of a final Delta Plan. The Ag/Urban coalition of water agencies led by the Association of California Water Agencies (ACWA), which includes the District and the Regional Water Authority (RWA), continues to seek to persuade the Delta Council to take a less regulatory approach than the draft Delta Plan currently takes.

1. Judge Wanger's CVP Area-of-Origin Decision

Judge Wanger's July 29, 2011 decision concerns a lawsuit filed against Reclamation by the Tehama-Colusa Canal Authority (TCCA). TCCA is a joint powers authority of CVP contractors on the west side of the Sacramento Valley that receive CVP water delivered through the Tehama-Colusa Canal. TCCA's members are different from the District in that they only hold CVP water-service contracts similar to the CVP water-service contracts that Delta-export contractors like Westlands Water District (Westlands) hold. The District, in contrast, holds not only a similar CVP water-service contract, but also a CVP settlement contract with Reclamation that reflects the District's pre-CVP water rights. The District's 24,000 acre-feet per year (AFY) CVP water-service contract contains water shortage terms similar to those at issue in the TCCA case, but its CVP settlement contract is for 33,000 AFY and does not contain such water shortage terms.

TCCA filed the lawsuit because, in 2008, Reclamation delivered only 40% of the amount of the CVP water-service contracts held by TCCA's members, while nonetheless delivering some water to CVP water-service contractors who receive water from the Delta. TCCA argued that such an allocation of water violated California's area-of-origin laws, which, in general, state that the CVP's operation will not deny the areas in which its water originates the use of that water when those areas reasonably need it. Reclamation and Delta-export agencies responded by arguing, among other things, that: (1) the area-of-origin laws only protect upstream areas' ability to seek new water rights and do not apply to Reclamation's allocation of CVP water it developed; and (2) the renewed CVP water-service contract that TCCA signed within the last 10 years is silent on area-of-origin issues, even though TCCA knew when it signed that contract that Reclamation did not agree with TCCA's interpretation of the area-of-origin laws.

In his July 29 decision, Judge Wanger – who sits in Fresno – essentially rejected all of TCCA's arguments and agreed with all of the arguments made by Reclamation and the Delta-export agencies. Judge Wanger found that it was important that: (1) the act of Congress that authorized the Tehama-Colusa Canal did not grant TCCA members any priority to CVP water; (2) TCCA's CVP contract was silent about area-of-origin issues even though TCCA's and Reclamation's disputes on those issue predated that contract; and (3) TCCA had obtained a California court judgment that stated that its CVP contract complied with all applicable California laws. TCCA has not decided whether or not it will appeal Judge Wanger's decision.

Among the District's water contracts, only its CVP 24,000-AFY water-service contract could be affected by Judge Wanger's decision. The District's CVP settlement contract and its Placer County Water Agency contract will not be affected. Judge Wanger's decision could affect deliveries under the District's CVP water-service contract because that contract is similar to the TCCA contract interpreted that decision and the District could benefit from California's area-of-origin laws. The District would be in a better position than TCCA members because the District is an M&I contractor and therefore would receive a preference under Reclamation's M&I Shortage Policy that it is working to finalize (see below). If TCCA decides to appeal Judge Wanger's decision to

the federal Ninth Circuit Court of Appeals, the District could file a brief supporting TCCA's area-of-origin arguments, either by itself, possibly along with other CVP contractors like Folsom or Roseville or possibly through a group like RWA.

2. Reclamation's M&I Water Shortage Policy

Like essentially all CVP water-service contracts that have been signed since Congress enacted the 1992 Central Valley Project Improvement Act (CVPIA), the District's water-service contract states that it is subject to Reclamation's M&I Water Shortage Policy. Reclamation has been working on that Policy since about 1994 and currently operates under a 2001 draft Policy, as modified by Reclamation's 2005 environmental assessment for that Policy. The resulting draft Policy generally gives CVP M&I contractors a preference over CVP agricultural contractors by stating that M&I deliveries will not be reduced until agricultural deliveries are reduced by 25%, with further shortages being allocated equally between M&I and agricultural contractors. That draft Policy also states that, with some adjustments, the base amount of delivery for the purpose of determining a shortage is the M&I contractor's average deliveries in the prior three normal years, not the actual amount of the contract.

In mid-2010, Reclamation initiated a process intended to result in a final M&I Water Shortage Policy. Along with the District's General Manager and many CVP M&I contractors in this region, we participated in several Reclamation workshops. In late 2010, Reclamation announced that it would prepare an environmental impact statement (EIS) for the proposed Policy, with the goal of adopting a final Policy by early 2013 so that the final Policy could be applied during the 2013 water year.

On July 29, 2011, Reclamation issued its scoping report for its preparation of the EIS. That scoping report generally summarizes Reclamation's process from the time that it started its 2010 workshops. Perhaps the most important information contained in the scoping report is a comment letter from Westlands, the largest CVP agricultural contractor. That letter states that Westlands does not object to Reclamation operating the CVP under an M&I Water Shortage Policy, although the letter does not state what terms of such a Policy would be appropriate in Westlands' view. The letter also states that, in analyzing the environmental impacts of an M&I Water Shortage Policy, Reclamation should consider an alternative that would involve M&I contractors "securing water sources through: 1) seller/buyer transfers under the [CVPIA]; 2) water reallocation programs; and 3) water banking programs." It is unclear what the specifics of such an alternative would be.

At this point, Reclamation will be preparing its draft EIS. That draft EIS probably will be available for public review and comment in early to mid-2012. Along with other M&I contractors, the District has asked Reclamation to interact with interested groups while it prepares the draft EIS, but it is not clear that Reclamation will do so.

3. Delta Stewardship Council and Delta Plan

As previous updates have discussed, the 2009 water legislation requires the Delta Council to adopt a Delta Plan by January 1, 2012 and the Council's drafts of that plan have suggested that the Council intends to: (A) try to regulate water agencies' activities outside of the Delta to the maximum extent it can under that legislation; (B) encourage the State Water Resources Control Board (State Board) to adopt new Delta flow standards that could impact upstream diversions; and (C) develop, and propose that the state adopt, fees on water diversions, among other activities, to fund Delta-related state programs.

On August 2, 2011, the Delta Council's staff released its fifth draft of the Delta Plan. This draft will be the basis for the Council's draft EIR, which it will release near the end of this month. This draft therefore represents an important milestone in the Delta Plan's development.

Like previous drafts of the Delta Plan, the fifth draft would:

- Propose that the State Board set new Delta streamflow requirements, on an expedited schedule by June 2, 2014, and similar requirements for "high priority" rivers in the Delta watershed by June 2, 2018 – the fifth draft identifies the American River as potentially being a "high priority" river for these purposes;
- Recommend that the State Board "require that proponents requesting a new point of diversion, place of use, or purpose of use that results in new or increased use of water from the Delta Watershed should demonstrate that the project proponents have evaluated and implemented all other feasible water supply alternatives," which, if applied to Sacramento-area districts, could limit their ability to exercise their area-of-origin rights to use local water sources;
- Recommend that the Legislature authorize the Delta Council to "develop reasonable fees for beneficial uses and reasonable fees for those who stress the Delta ecosystem, and apply such fees to the operational costs of the Council, the Delta Conservancy, and the Delta Protection Commission to allow implementation of the Delta Plan;" and
- Recommend that the Legislature also "establish a public goods charge (or broad-based user fee for water)."

While the Delta Council's staff has stated publicly that the Council's ability to regulate water agencies' activities currently is limited to its ability to review only activities that occur at least in part in the Delta, they also have stated publicly that they intend to state a list of what they view as operational and financial standards that they think "all good water agencies should be using." In addition, while the voters' passage of Proposition 26 in 2010 limits the Legislature's ability to impose new fees,

recommendations for such fees by the Delta Council probably will be considered seriously within the Legislature.

As discussed in our July update, the District's General Manager and our firm have been working with an ACWA-led coalition to try to turn the Delta Plan from the regulatory approach that the current draft plan reflects to an approach that concentrates more on coordinating the activities of state agencies involved with the Delta. We continue to work through the ACWA-led, which is seeking to convince the Delta Council to hold a "big picture" discussion of what the Delta Plan should be during the public review period for the draft EIR. That public review period probably will run from late this month until mid-October. The District's General Manager may ask you to engage with Delta Council members as part of that effort.

RWA Meeting, July 14, 2011

RWA Report By Director Tobin

DELTA UPDATE

John Woodling, RWA Executive Director, conducted a presentation on the Delta. The Delta Stewardship Council continues to meet monthly to develop a draft Delta Plan for formal public release. The public review draft will be accompanied by a draft EIR on the plan. The Council is mandated by law to finalize a draft by January 2012. The Natural Resources Agency has kicked off a modified process for the Bay-Delta Conservation Plan that will include more transparency and inclusiveness. Periodic public meetings and a series of 13 working groups on specific issues will be convened. Staff will update the Board on the status of these two Delta processes and their potential implications for our region.

RWA TENTH ANNIVERSARY

The Tenth Anniversary was celebrated with the following presentations:

The Regional Issues Committee and Formation of RWA

- Rob Roscoe, General Manager, Sacramento Suburban Water District

The Importance of Regional Planning

- Mark Cowin, Director, California Department of Water Resources

RWA History and Accomplishments

- John Woodling, Executive Director, RWA

EXECUTIVE DIRECTOR'S REPORT

Mr. Woodling reported on the following:

Government Affairs Update – The RWA Government Affairs Committee continues to meet by conference call every other Tuesday at 10:00 a.m., and in person the last meeting of each month at Sacramento Suburban Water District.

RWA staff is now tracking a relatively small number of bills that are still in process. AB 134 (Dickinson), which provides for SRCSD to seek a water rights permit, passed the assembly and is in Senate Appropriations Committee. SB 834 (Wolk) would prescribe new requirements on water suppliers that divert water from the Delta watershed to demonstrate regional self-reliance. Staff has discussed amendments with the author's staff that would clarify the contrast between export uses and uses within the watershed, so that our future alternatives are not undermined. The bill passed the senate and the Assembly Water, Parks and Wildlife Committee. AB 359 (Huffman) passed the assembly and is being considered in the senate. The bill would require mapping of recharge areas in groundwater

management plans. SGA supported a similar bill last session. RWA staff is seeking minor amendments to clarify the notification requirements.

Federal legislation, HR 1837 (Nunes), would limit the responsibility of the CVP and SWP in meeting requirements of the endangered species act. The bill would also preempt state water rights law, potentially undermining water rights priorities and area-of-origin protections. A number of lawmakers, including Senators Feinstein and Boxer and Congressman Wally Herger have come out in opposition to the bill. Congressman McClintock has provided assurances that the bill will not come out of his subcommittee unless it protects water rights. While RWA does not have a formal position on this bill, it would be clearly inconsistent with our Delta policy position. Mr. Woodling expressed concerns in a letter to the editor of the Sacramento Bee (attached).

The Delta Stewardship Council staff released the fourth draft of the Delta Plan in June. RWA has been engaged with an ACWA led Ag-Urban II group that developed an alternative for inclusion in the Delta Plan EIR. The Council has agreed to include that alternative in its entirety. Staff will release a fifth staff draft Delta Plan, which the Council will consider at its July 27-28 meeting. That meeting will be followed by release of the formal public review draft of the Delta Plan as well as the draft EIR.

Mr. Woodling and other upstream water user representatives have been meeting to discuss the concerns of upstream users and our role for in the Bay-Delta Conservation Plan (BDCP) going forward. The upstream group met with Jerry Meral on May 26th to further discuss the issues. The group sent a letter to Dr. Meral seeking assurances for upstream water users, and received a promising response (attached). The Natural Resources Agency is reinventing the BDCP process, which will include a number of working groups to resolve specific issues. RWA has requested inclusion on two working groups that may relate to our interests. Mr. Woodling and Mr. Hanneman met with Congresswoman Matsui and her staff on July 1 to brief her on our positions on BDCP and the Delta.

Public Relations Program Update – The first major deliverable under this subscription program, a brochure outlining the region’s water stewardship record, was distributed to members, along with a suggested strategy for dissemination of the information. Larsen Cazanis has met with a number of RWA members to identify existing relationships with key influencers in the region. In the weeks to come, we will develop outreach materials on Delta issues and will brief local elected officials over the course of the summer. RWA will engage SACOG support in providing an additional forum for informing local elected officials on water issues. Mr. Woodling briefed the SACOG Board on the Delta Plan and other water issues on June 16th.

Grant Funding Update – Ongoing grants include: Prop 50 Implementation Grant (\$25 million); Prop 50 Drought Grant (\$1.97 million); Prop 50 Toilet Rebate Grant (\$1.12 million); USBR ET Controller Grant (\$294,000). The attached table summarizes the status of each of the grants.

DWR has recently provided reimbursement of \$750,000 under the Prop 50 Implementation Grant for Sacramento Suburban Water District's Verner Avenue Well Project. DWR has also recently approved the final report for the Prop 50 Toilet Rebate Grant, and it has authorized the release of retention of \$112,000 from the grant. The funds for the project were fully utilized. While all invoices have been approved by DWR, we are still awaiting payment of more than \$380,000 in outstanding reimbursement requests from DWR.

On May 16, 2011, staff submitted an application for funds through the Sacramento County Office of Emergency Services State Homeland Security Grant Program for security upgrades at water supply facilities in Sacramento County. The total request was for \$799,960. Unfortunately, funds can only be used for facilities in Sacramento County and only local public agencies were eligible for funds, so we were not able to work with all member agencies on the project. Results are expected this month. If we are successful in securing funds, a project agreement to manage the grant will be developed.

On May 23, 2011, DWR released initial funding recommendations for the Prop 84 Implementation Grant Program. DWR is recommending a \$16.03 million award for the regional funding package submitted by RWA. Final recommendations are expected by the end of July, 2011. RWA staff will begin drafting a project agreement to manage the grant.

Integrated Regional Water Management Plan Update – RWA held an update workshop for IRWM stakeholders on June 21st. The workshop was attended by 39 stakeholders representing a diverse group of planning interests. RWA staff and our consulting team used the workshop to obtain valuable input on a vision, guiding principles, and goals for the IRWMP update. Work will commence this month on the development of a project database and web-based IRWM interface.

Water Forum Update – Work on the modeling to define water supply impacts of the flow standard continues to be delayed. The current schedule calls for modeling results to be presented at the next Water Caucus meeting on July 13, 2011. No dates have been set for the cross caucus discussions on implementation of the flow standard and other issues that were proposed in the December 2010 stakeholder assessment completed by the Center for Collaborative Policy.

Next RWA Board of Directors' Meeting – Thursday, September 8, 2011, at Carmichael Water District.

**San Juan Water District
Executive Committee Meeting Minutes
July 26, 2011 – 1:00 p.m.**

MEMBER ATTENDEES

| | |
|------------------------|------------------------------------|
| Joe Dion | Citrus Heights Water District |
| Chuck Rose | Citrus Heights Water District |
| David Kane | Citrus Heights Water District |
| Bob Churchill | Citrus Heights Water District |
| Randy Marx | Fair Oaks Water District |
| Tom Gray | Fair Oaks Water District |
| Victor Salle | Orange Vale Water Company |
| Sharon Wilcox, Chair | Orange Vale Water Company |
| Ed Formosa, Vice Chair | Sacramento Suburban Water District |
| Ted Costa | San Juan Water District |
| Ken Miller | San Juan Water District |
| Keith Durkin | San Juan Water District |
| Teri Hart | San Juan Water District |

AGENDA ITEMS

- I. Call to Order**
- II. Visitors**
- III. Public Comment**
- IV. Review Agenda**
- V. Review Minutes**
- VI. New Business**
- VII. Old Business**
- VIII. Standing Items**
- IX. Other Items**
- X. Future Meeting Dates**
- XI. Adjournment**

I. Call to Order

Chairperson Sharon Wilcox called the meeting to order at 1:02 p.m.

II. Visitors

There were no visitors.

III. Public Comment

There was no public comment.

IV. Review Agenda

There were no changes to the agenda.

V. Review Executive Committee Minutes

The minutes were revised to include David Simpson, Orange Vale Water Company, as an attendee, and change Neil Schild to a member of the public. The minutes of the June 28, 2011 meeting were unanimously approved.

VI. New Business

◆ Solar Event

Mr. Durkin reported that the Solar Project dedication ceremony was a great success with lots of media coverage and approximately 50 attendees. In addition, he informed the committee that SunPower's first monthly performance report showed that the system produced 100.5% of its expected energy. He explained that the CSI rebate is based on actual production and rebate checks are expected monthly beginning in August.

◆ American River Instrumentation and Optimization Study

Mr. Durkin informed the committee that the American River Instrumentation and Optimization Study (ARIOS) is a joint effort between the city of Roseville, city of Folsom and the District working with the Bureau of Reclamation and the Army Corp of Engineers regarding flood control and water supply.

The Ferguson Group, the group's federal lobbying firm, is assisting the effort to identify a project that looks at both flood protection and water supply. The group advocates that as the flood safety improvements are constructed at the dam there should be some operating criteria developed that should be based on real-time weather monitoring and current technology, and not on a set of curves which does not allow for adjustments to current conditions.

Mr. Durkin commented that the RWA sent out an email which mentioned that the Army Corp of Engineers is holding a stakeholder workshop titled, "A Flood Management Operation Study for Folsom," on August 18th. Area representatives will be attending the event as stakeholders to monitor the discussion related to water supply.

VII. Old Business

◆ Mutual Aid Agreements

Mr. Durkin informed the committee that he revised the Mutual Aid Agreement as requested by the committee. A copy of the agreement was provided for agencies to review. The agreement is needed to be in compliance with SIMS/NIMS, which is a requirement for reimbursement of costs in the case of a declared emergency.

The committee discussed the agreement and possibility of incorporating language into the agreement that references other agreements which may be in effect, and changing the title to better define the agreement. Mr. Durkin requested that all comments be sent to him by August 15th.

- ◆ List of agency elected officials to participate in legislative efforts
Mr. Durkin stated that this topic is covered under the next agenda item.
- ◆ Workshop action items and policies – Keith Durkin
Mr. Durkin reviewed the 2011 Action Items from Joint Workshop. Various deadline dates were set. A copy with the updated dates will be attached to the meeting minutes.

Under item #4, Project Accounting, the committee requested that the item reflect all wholesale customer agencies and not just FOWD and remove the word “offline.” The committee discussed a 20” pipeline that is downstream of Hinkle, which is located between Pershing and Twin Lakes on Main Street. Mr. Durkin will research to determine which agency owns the pipeline.

VIII. Standing Items (as needed)

Fair Oaks 40

Mr. Durkin informed the committee that Robert Miles Consulting is doing the design phase for the pipeline rehabilitation on either side of the American River Canyon Crossing. District staff is working with property owners on easement allowances. It is anticipated that the project will go out to bid in September/October, with only the first phase likely to be constructed.

Kennedy/Jenks has been contracted to perform the design phase for the work on the American River Canyon Crossing. This portion of the pipeline is scheduled to be repaired in the December 2011 – March 2012 timeframe.

Mr. Gray requested to be on record stating that FOWD is on board with the District’s sense of urgency for replacing the ARC Crossing due to possible environmental catastrophe in the event of a pipe failure; however, the rest of the project has never been presented as an emergency project and FOWD has always and continues to disagree with the demands in the design of the project and will submit comments to the District in writing regarding the project.

Bypass Intake Project Update

No report.

Wholesale Meter Cost Allocations

Mr. Durkin reported that the San Juan Board discussed the wholesale meter cost allocation and the report will be brought to the August finance committee for a formal recommendation from the finance committee that San Juan Retail cover 100% of the costs for the pipelines constructed to the benefit of SJWD retail.

The Finance Committee directed staff to remain consistent with Board policy to allocate costs based on benefit on projects downstream of the Hinkle Reservoir.

Mr. Gray requested to meet with Mr. Durkin after the meeting to discuss a meter in question on the 20" pipeline that was mentioned earlier.

Groundwater Pumping Update

OVWC – Not pumping.

CHWD – Operating five wells, rotating one well every week, 80 af per month as maintenance.

SSWD – Utilizing groundwater only to cover the water demands that cannot be met with surface water.

SJWD – Not pumping.

FOWD – Pumping approximately 10%.

Agency Updates

Each agency provided a brief update on operations and the status of ongoing capital improvements projects.

Orange Vale Water Company:

No report.

San Juan Water District:

Mr. Durkin reported that the projects with the treated water and CTP pipelines are near completion and asphalt paving should begin soon. The SCADA project is in progress.

Fair Oaks Water District:

Mr. Gray reported that FOWD is working on responding to the FO-40 issue and establishing metered rates. In addition, they are looking at a 60/40 split for stand-by and commodity rates, respectively. If they adopt this percentage and remain revenue neutral, then their stand-by charge would be decreased and the commodity rate would double. In addition, FOWD just received notification that their new building is LEED certified and carbon-neutral.

Citrus Heights Water District:

Mr. Churchill reported that CHWD has a bid opening July 28th for the water main replacement on Auburn Blvd. In addition, they are working on the 2012 budget.

Sacramento Suburban Water District:

Mr. Formosa reported that the Coyle well is registering conservatively at 1,500 gallon per minute so they will design to that pumping rate. SSWD opened bids for re-roofing their Marconi Avenue office building which will cost approximately \$180,000.

Folsom:
No report.

IX. Other Items

Director Dion reported that the carpet squares at the new JPIA building in Roseville needs to be replaced by the manufacturer due to the adhesive backing not adhering to the subfloor.

X. Future Meeting Dates

- August 23, 2011 (at OVWC)
- September 27, 2011

XI. Adjournment

The Executive Committee was adjourned at 2:37 p.m.

2011 Action Items from Joint Workshop

Action Item #1: Wholesale Dry Year Water Supply

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|---|---------------|--------------|
| 1. Revise draft wholesale dry year water supply agreement | Bob Churchill | September 27 |
|---|---------------|--------------|

Action Item #2: Ground Water Contamination

| | | |
|--|-------|-------------|
| 1. Work with SGA to prioritize this at SGA | G.M.s | December 31 |
|--|-------|-------------|

Action Item #3: State Legislation and Delta Issues

| | | |
|---|------------------------------------|------------------------|
| 1. Each agency to reach out to their local elected officials to ensure they are aware of the issues and where the water agencies stand. <ul style="list-style-type: none"> a. Identify list of Board Members to help with effort b. Coordinate with SJWD and RWA on outreach effort | G.M.s and Boards Shauna Lorange | July 2010 Aug. 2010 |
| 2. Review SJWD draft policy on Sacramento Bay Delta | Member Agencies | Aug. 15, 2010 |

Action Item #4: Project Accounting

| | | |
|---|-------|--|
| 1. SJWD and Wholesale Customer Agencies to continue discussions | G.M.s | |
|---|-------|--|

Action Item #5: Opportunities for Consolidation

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| 1. No action items identified | | |
|-------------------------------|--|--|