

# **SAN JUAN WATER DISTRICT**

## **Board of Director's Meeting Minutes**

August 25, 2010 – 7:00 p.m.

### **BOARD OF DIRECTORS**

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

### **SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF**

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Marcia Schnapp	Finance and Administrative Services Manager
Judy Johnson	Customer Service Manager
Rob Watson	Engineering Services Manager
Barbara Leatham	Conservation Technician
Teri Hart	Board Secretary/Administrative Assistant
Paul Bartkiewicz	Counsel

### **OTHER ATTENDEES**

Bob Reed	The Reed Group, Inc.
Madelaine Kiliany	Customer

### **AGENDA ITEMS**

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

President Peterson called the meeting to order at 7:04 pm

#### **I. PUBLIC FORUM**

Ms. Kiliany commented that after attending the last meeting, if the family agencies are complaining about the wholesale water rates, then they should attend this meeting to listen to the presentation. Ms. Lorance commented that the GMs and a Director from each of the family agencies attended the Executive Committee yesterday and heard the upcoming presentation from Bob Reed.

## II. CONSENT CALENDAR

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

### 1. BOARD OF DIRECTOR'S MEETING MINUTES

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

1. Minutes of the Board of Directors Meeting August 11, 2010

***Director Tobin moved to approve the August 11, 2010 Board of Director's Meeting Minutes. Director Walters seconded the motion and it carried unanimously.***

Vice President Costa requested that the letter that was just received from Citrus Heights Water District be added to the agenda under the General Manager's Report.

***Director Tobin moved to add the letter dated August 25, 2010, from Citrus Heights Water District to the agenda under Section V, 1.4. Vice President Costa seconded the motion and it carried unanimously.***

## III. PRESENTATION

### 1. WHOLESALE FINANCIAL PLAN – Bob Reed, The Reed Group, Inc.

Ms. Lorance introduced Bob Reed from The Reed Group, Inc.. She mentioned that Mr. Reed will discuss the preliminary Wholesale Financial Plan. She informed the Board that Mr. Reed presented this information to the Executive Committee on August 24<sup>th</sup> with all agencies being represented by a general manager and at least one board member. She informed the Board that there will be some minor revisions based on discussions at the Executive Committee meeting. Mr. Reed conducted a presentation regarding the Wholesale Financial Plan. The presentation will be attached to the meeting minutes.

Mr. Reed explained that he would be reviewing the underlying assumptions and open issues, as well as suggested direction which has been incorporated into the plan. He explained that the first two pages summarize the plan and then tables are attached for reference.

Mr. Reed explained that the O&M rate was estimated to go up 11% based on the previous Financial Plan. With the debt service factored in, total costs would go up 8%. Ms. Lorance commented that the proposed 8% rate increase which was recently approved by the Board was estimated to have been an 11% increase in the financial plan. Mr. Reed explained that a 5%

increase in O&M is now proposed, which, when including debt service, is an overall wholesale rate increase of 3%. The wholesale financial plan will recommend wholesale rate increases, but any revisions to the current rate increase would have to be approved by the SJWD Board of Directors.

Mr. Reed explained the graph on page 3, which shows the reserve balances dipping below the minimum balance target. During that period, the District will utilize the Rate Stabilization Reserve to fund capital projects. Mr. Reed stated by utilizing the Rate Stabilization Reserve it allows the District to keep to the 5% O&M increases (3% overall rate increases) per year. The financial plan is careful to keep a minimum reserve balance to cover operating expenses, etc. Mr. Reed explained that approximately \$4.7 million of the minimum balance target includes restricted reserves which cannot be touched.

Mr. Reed mentioned that one recommended change in the plan is moving the pumping cost for San Juan Water District retail service area and the City of Folsom from a wholesale item to a retail item, which allows for a uniform wholesale water usage charge for all wholesale customers. The City of Folsom would then reimburse SJWD retail for the costs to pump into the Ashland service area.

Mr. Reed explained that another recommended change will be the billing practices for the water usage charge. Currently, those charges are billed in advance and it is recommended that billing in arrears begin with the 1st quarter of calendar year 2011. The debt service charge and quarterly service charge will still be paid in advance. Ms. Lorance commented that the long term contracts would have to be updated to reflect this change if approved by the SJWD Board. Ms. Lorance informed the Board that the wholesale customers support this change. Vice President Costa stated that if the District pays for water in advance, then it would only make sense to charge the family agencies in advance. Ms. Lorance explained that the District currently has to reconcile the water usage at the end of the year and issue refund checks for overcharges. Vice President Costa stated that the District should put in a request to the Bureau to pay in arrears. Ms. Lorance stated if the Board would like her to ask, then she will.

Mr. Reed informed the Board that the next steps will be to make necessary revisions, review the plan with the Ad Hoc Budget Committee and make necessary revisions, prepare a second draft plan and review with the SJWD Board of Directors at an upcoming Board meeting.

Mr. Reed stated that his objective was to minimize the rate increase. He mentioned that there has been significant reduction in deliveries, while a large portion of the costs are fixed. The District has been able to control and manage costs during reduced demands which helped keep the rate increases to a minimum.

Ms. Lorance commented that the feedback given at the Executive Committee was positive from all agencies. Mr. Gray, FOWD, commented that this appears to be a win-win situation. The family agencies will look at the water usage projections and give more feedback to Mr. Reed.

President Peterson inquired what the deadline is for the Directors to give feedback on the Financial Plan. Ms. Lorance suggested that the Directors give any feedback within the next two weeks.

Vice President Costa inquired if the solar project was incorporated into the plan. Mr. Reed explained that the solar project cost is included in the plan and will be paid in FY2010-11, then the rebates are allocated over a five-year period in capital reserves and then operating cost savings are projected through 2020. In response to a question, Ms. Lorance explained that the operating cost savings can be moved to a reserve upon Board approval.

President Peterson inquired why the Sacramento Suburban Water District (SSWD) revenue isn't projected out past this year. Ms. Lorance explained that SSWD has a requirement for a minimum inflow of 1.6 million acre feet of unimpaired inflow from May to November into Folsom Lake in order to divert surface water at Folsom Lake, so the years that they will purchase the water will be significantly less. Therefore, it was agreed to not include SSWD revenue in the plan. President Peterson commented that at the next budget planning time the District should know if SSWD will be purchasing water supply and therefore should be able to reduce the estimated wholesale rate increase. Ms. Lorance stated that if SSWD revenue is projected, then the Board could elect to reduce the rate increase or allocate to an existing reserve.

President Peterson commented that the debt service is flat and rate increases are needed for operating costs. Mr. Reed commented that the O&M rates include both operations and maintenance as well as a capital component, so they are not only for operating costs but for capital as well. Ms. Lorance explained that most agencies have a rate increase that includes their debt service and water usage, while the District's rate increases are currently calculated on the fixed and usage rates. To compare apples to apples when comparing to other agencies, it is necessary to include all costs when stating the increase. Therefore, if the District does a 5% increase on the water rate, it is actually a 3% increase over the total costs currently paid by the wholesale customer agencies.

President Peterson mentioned that the 2003 COP (1993 refunding portion) drops off the budget in 2012-13 but the reserve doesn't drop. Ms. Schnapp responded that the reserves are estimated based on the maximum amount due over the life of the 30-year debt service and when the 2003 COP drops, the 2009 COP payment increases.

Director Miller asked for clarification on refunding the Hinkle Reserve from the solar project, since the plan shows the reserve remains constant. Mr. Reed explained that the solar project uses funds from the General CIP Reserve and the rebates are deposited back into the general CIP fund. The District will utilize the Rate Stabilization Reserve to fund CIP projects when the General Reserves fall below the minimum target balance. The Rate Stabilization Reserve will then be replenished over the next few years. Mr. Durkin stated that initially staff proposed utilizing the Hinkle Reserve to help fund the solar project upfront costs; however, Mr. Reed proposed a more appropriate approach.

President Peterson inquired if the funds were borrowed from the Hinkle Reserve for the solar project could the 5% rate increase be reduced. Mr. Reed stated that no the rate increase would be the same since funds drop below the minimum target balance in 2014-16. Mr. Reed explained that by utilizing the Rate Stabilization Reserve the wholesale rate increase is less than what it could have been. Vice President Costa commented that if money is borrowed from the Hinkle Reserve then an interest payment should be made back into the reserve.

Director Walters inquired if conservation practices were figured into the plan, which will raise the cost of supplying water since less use should be projected. Ms. Lorance explained that this will affect retail more; however, when people buy less, the effective rate will go up. Mr. Reed explained that there are conservation costs incorporated into the plan over time. Director Walters commented that he heard that there will be a cost to local districts to implement the state water package reform and inquired if that is in the Financial Plan. Ms. Lorance replied that Director Walters is right, there will be huge costs coming up, we just do not know what they are at this time. A footnote or something to note that these costs are not included would be prudent for future reminders. In addition, the costs to meet the 20% by 2020 conservation requirement will likely be significant. Ms. Lorance stated that the general managers will be looking at the projected water demands, since they are not reduced to account for the 20% by 2020 requirements and there are no costs incorporated into the plan for anticipated costs to the District associated with water conservation.

President Peterson commented that assumptions for water use should be noted in the summary. Mr. Reed explained that the water demand table on page 11 will be revised once the general managers notify him of the correct projections. Director Walters commented that the plan reviews historical water usage; however, it does not address what is being discussed with regard to discussions about anticipated changes. Director Miller commented that the projected usage looks realistic.

Ms. Kiliany commented that she is happy that this is being done, especially in light of the 35% rate increase that El Dorado just had.

#### **IV. COMMITTEE REPORTS**

##### **1. Conservation Committee (8/23/10)**

Director Tobin reported that the committee met on August 23<sup>rd</sup> and discussed the following as recorded in the meeting minutes:

##### **1.1 CUWCC Update**

Ms. Sacksteder informed the committee that the California Urban Water Conservation Council (CUWCC) formed the Group 1 Representation Selection Process Committee. Currently CUWCC Group 1 Board consists of eight members and all of them are located in the coastal regions of the State, with five directors in southern California, one in central California and two in the San Francisco Bay area.

She explained that the CUWCC has evolved into much more than a voluntary membership organization. Compliance with CUWCC Best Management Practices is no longer voluntary. Statewide initiatives and mandates are being developed using CUWCC BMPs and CUWCC input in regulatory policy development, giving the CUWCC a quasi-regulatory function. AB 1420 and SBX7-7 codify the growing influence of CUWCC on state policy. CUWCC's 2011-2015 Strategic Plan Framework acknowledges that recent legislation (SBX7-7) may also affect the role and/or responsibilities of the CUWCC beginning in 2016. Despite this growing statewide role, the CUWCC Board makeup and selection process does not ensure adequate representation for all regions of the state. Using the current and historic Board demographic as reference, the inland, north coast, mountain, and desert areas of California do not have representation at the Board level.

Ms. Sacksteder reported that on behalf of a local group representing water purveyors in the Sacramento area and mountain counties, Lisa Brown presented a proposal at the June 9th CUWCC Plenary. The proposal considered identifying statewide geographic regions based on the State's hydrologic regions and the ACWA regional map and electing Board members from each proposed region. The issue at hand is fair representation for the currently underrepresented regions in the state for inclusion in the BMP process as well as subsequent decisions regarding SBx7-7 and the role of responsibility the Council will have to agencies statewide.

Ms. Sacksteder mentioned that representatives from southern California are supporting proposals based purely on either population, number of connections, or number of members. This clearly favors southern California's interests.

Ms. Sacksteder informed the committee that the 3rd Quarter Plenary Session will be held in West Sacramento at the Civic Center Galleria on

September 15th from 9:30 am – 3:00 pm. It is expected that CUWCC will vote on the committee recommendations at their March 2011 meeting.

Director Walters inquired if there has been any mention regarding introducing a legislative bill to limit CUWCC's authority over the water agencies. Ms. Lorance stated that the current strategy is to first work within the structure of the CUWCC to revise their Board representation policies and, if that fails, then take it further. Director Walters stated that if a body monitors BMPs for all of California, then they should have representation across the state.

Ms. Sacksteder mentioned that two representatives from the local group met with Tim Quinn and Dave Bolland and they supported the regional representation concept. In addition, Tim Quinn was interested in sending a letter of support to the General Managers encouraging them to get more involved with the CUWCC policies and the potential for organizational changes since some agency representatives are uninformed on water issues.

#### **1.2 SB X7 Option 4 Update**

Ms. Sacksteder informed the committee that SBx7-7 Method 4 has not been fully defined yet and currently San Juan Water District is considering meeting compliance through Method 1 which calls for a 20% reduction in water usage. Ms. Lorance stated that Method 4 might call for more or less reduction and will allow for more variables such as lot size. Ms. Sacksteder passed out an information sheet, which will be attached to the meeting minutes.

Ms. Lorance stated that she will summarize SB x7-7 for the member retail agencies. Once Method 4 is defined, then the District will hold a joint meeting with the wholesale customer agencies to discuss conservation.

#### **1.3 20x2020 Update**

Ms. Sacksteder mentioned that there is concern that if an agency doesn't reach the conservation requirements then they might be vulnerable to issues concerning water rights, water supply and potential lawsuits for non-efficient use of water. She mentioned that she is working to obtain the conservation data from the wholesale customer agencies. Director Walters stated that the District should work with the wholesale agencies and stress the requirement to reach the 20% reduction by 2020.

Director Tobin commented that the Water Research Foundation article featured a study that showed the number one reason to conserve water was to save money. Although this is public perception, it is a misconception and the District needs to be sure to communicate clearly. Ms. Lorance stated that water rates will continue to go up and the only way to limit huge increases will be to conserve.

Director Walters inquired who will be the enforcer of the 20% reduction in water usage. Ms. Lorance stated that the DWR and State Board will enforce at the level to the wholesaler and then the District will have to enforce to the retailers. She explained that this has been discussed amongst the water purveyors and they are not in favor of being water police for the state agencies.

#### **1.4 WEL Garden**

Ms. Lorance informed the committee that a RFP for gardening services will be going out soon. Director Walters commented that there is a program at UC Davis for Master Gardeners and inquired if the District has ever contacted them to help with the garden. Ms. Johnson stated that they have tried that in the past but people lose interest after awhile and don't follow through.

Director Tobin would like to take a second look at the WEL Garden to determine if the current plantings are in line with what residents are actually using in their gardens. She suggested that the look of residential gardens currently lean towards the feeling of a "stay-cation" and we should consider modifying the WEL Garden to reflect these revisions. This would keep land use and watering habits current with what's happening today. In addition, she suggested we reduce the size of the garden. Ms Lorance and Ms Johnson agreed that it is expensive to maintain and requires staff time as well. Ms. Lorance suggested that staff look at the garden and make suggestions for changes. The committee agreed with this suggestion and would like staff to bring recommendations back to the committee.

#### **1.5 Other Conservation Matters**

Mr. Durkin informed the committee that staff is working with Fair Oaks Water District and Orange Vale Water Company on preliminary plans for rehabilitation of the Fair Oaks 40 pipeline, which is leaking. He attended a July 13th workshop with both agencies and requested that comments be submitted in writing to the consultant. On August 18th, FOWD submitted their comments and on August 19th he met with the FOWD Technical Committee and received feedback from FOWD.

Ms. Johnson mentioned that staff has been visiting customer properties that have ponds to make sure that ponds have an adequate air gap to protect our water supply from cross contamination. She mentioned that although the District's ordinance requires recirculation of water and containment of ponds, staff has found some customers put a continual flow of SJWD water into their pond which flows out to downstream ponds. This may need to be addressed at some point in the future, especially in our efforts to meet a 20% reduction in water use by 2020.

#### **1.6 Public Comment**

There was no public comment.

At the Board meeting, Director Miller commented that the pond issue is difficult and inquired if this was on the high end of usage. Ms. Johnson confirmed that they are. Director Miller commented that there might need to be discussion in the future regarding a separate charge for customers discharging their water into ponds, due to the upcoming 20% reduction by 2020 requirement.

Director Walters stated he was impressed that there is a number of staff who are out working with customers. Ms. Lorance stated that conservation staff perform numerous site visits to customers requesting help with a variety of water issues. She also stated that a main concern is cross contamination in case of a break in the system and also water flowing off their property.

Vice President Costa stated that the WEL Garden should be observed and data maintained for how much water is being used, its size and how it relates to other water efficient landscaping in the area. This could be used as a comparison to how efficient the WEL Garden is at this time. Ms. Lorance stated that they do meter the water but this type of comparison has not been performed. Director Tobin stated that she would like this done on a lesser scale to be more in line with current trends.

**2. Personnel Committee (8/23/10)**

President Peterson reported that the committee met on August 23<sup>rd</sup> and discussed the following as recorded in the meeting minutes:

**2.1 PERS Policy**

President Peterson confirmed with Mr. Horowitz that he received and reviewed the preliminary information. Mr. Horowitz informed the committee that he spoke with the ACWA attorney who did the presentation at the Spring Conference regarding the Employee Paid Member Contribution (EPMC) of PERs retirement. Mr. Horowitz emphasized that the Board can change the EPMC; however, there are various levels of risks associated with the method of change selected. Mr. Horowitz stated that he and the ACWA attorney do not agree on the level of risk; however, they do agree that the District can make changes as long as the District is not in a collective bargaining agreement.

Mr. Horowitz explained that there is no current court decision that covers this issue. There is one case pending in the appeals court that is not expected to be settled for another year or two. He stated that it is at the pleasure of the Board to make any changes, but they should review all the possible change options and associated risks in order to minimize the District's risk.

Mr. Horowitz explained that the risk to the District is employee lawsuits regarding vested benefits or employees seeking unionization. The District

could make changes to compensation which would be risk-free. Mr. Horowitz explained that a salary freeze could help offset the amount or adjusting the total compensation packages – either of these could help reduce the overall labor costs.

Mr. Horowitz commented that the District policies do not cover the EPMC issue in a clearly defined statement. In addition, since the Board adopted a 2nd Tier retirement plan and agreed to pay the EPMC, this could be construed as a policy that was set. If the EPMC is viewed as a vested right, then the District would have to provide an offset if the EPMC changed.

Mr. Horowitz informed the committee of the options and associated risk level as follows:

- Board adopts change – highest risk
- Discuss with employees the option and get buy in through a vote and/or sign waivers – medium risk
- Leave EPMC unchanged but reduce salaries to cover cost – no risk

Director Miller commented that the Board should make the decision since employees are non-union, so he doesn't think an employee vote is needed. Mr. Horowitz stated that it isn't legally clear if the District has a legal right to take away from employees since it's a vested benefit.

President Peterson stated that there are a lot of agencies changing to employee paid EPMC and inquired if Mr. Horowitz had or could obtain a list. Mr. Horowitz stated that he is not aware of any non-collective bargaining agencies where EPMC changed; each agency has a different policy.

President Peterson mentioned that the city of Stockton is planning to change to employee-paid EPMC and that this is expected by the public. President Peterson inquired how to obtain a list of what agencies are changing or what they currently have in place. Mr. Horowitz stated that ACWA might have something available or a request to different agencies might need to be sent. Mr. Horowitz mentioned that, to his knowledge, none of the water agencies that he represents are changing at this time, with the exception of Sacramento Suburban Water District which is currently researching the issue. Mr. Horowitz will contact sources to see if they have a list of agencies that have the employee pay or are looking into changing the EPMC. Ms. Lorance will contact ACWA and RWA and request the same information. Ms. Schnapp suggested that they also inquire if the agency is union or non-union for future reference.

President Peterson stated that his concern is that PERS will increase contribution amounts and the District will have to cover the full cost in the future; therefore, if the EPMC is paid by the employee then the District will not have to cover future increases.

Mr. Horowitz stated that a Board workshop could be scheduled to review all the Personnel Committee recommendations or the committee could bring the recommendations to a Board meeting. Director Miller agreed with having a Board workshop to discuss the matter, and also recommended that such a workshop be on an annual basis to review compensation.

Mr. Horowitz mentioned that he prepared a memo for Sacramento Suburban Water District which covered each tier of employee and the risks associated with changing the PERS and Health benefits. He offered to prepare a similar memo for the District. The committee agreed that Mr. Horowitz should prepare a memo for the Board.

*For information only—no action is requested at this time.*

At the Board meeting, Director Walters stated that he would support a workshop with Mr. Horowitz and a memo similar to the one he did with SSWD that would show the risks to the District.

Vice President Costa stated the biggest problem is the risk pool that the District is in with PERS and the District needs to look at getting out of that risk pool. Director Walters suggested that this be an agenda item for the workshop.

Director Tobin commented that she would like to know what the driver is behind reviewing the benefits since they were already reviewed by the Ad Hoc committee. Director Tobin stated that in November 2008, the Board approved the recommendations to pay off the retirement side fund, create a second tier retirement formula at 3% @ 60 with a 3-year average, kept average of all employee salary increases within PERS assumptions and maintained the employee paid employer contribution for all employees. It was discussed to complete the OPEB actuarial every two years, complete a second tier vesting schedule and pay 100% health for the second tier with option to pay all or part of any increases. Director Tobin commented that she would not support cutting employee benefits.

Director Miller stated that the District is not where it was two years ago, times have changed and the District needs to position itself to be responsible in current times and answer to the public on policy and board decisions. Director Tobin stated that reviewing employee benefits is fine; however, there are a lot of businesses out there that are seizing this economic climate as an opportunity to do large take-aways from employees when they are financially sound. She stated that the District is financially sound and the Board has always acted fiscally responsible.

Director Miller inquired if the committees should be doing their jobs. Director Tobin responded that they should do their jobs; however, the Ad Hoc committee did their job and now it's being disregarded. Director Tobin

commented that she is hearing that this all needs to be looked at again because of public perception, but she believes that there are underlying reasons for doing this and would like to know what the drivers are, as she does not believe that they are in the best interest of the employees and the District. Director Tobin stated that if the District treats the employees in the manner that she believes that this is going then the District will be opening the door for unions to protect the employees for things that were offered when they were hired and agreed to such as vested benefits.

Director Miller inquired if Director Tobin was in favor of putting aside and disregarding the constituents that she represents. Director Tobin stated that she did not say that and that what she is saying is that the Personnel Committee has taken a hatchet to every employee benefit. Director Miller stated that the committee has not cut anything. Director Tobin agreed but stated that is what the committee is proposing to do.

Director Miller stated that the job needs to be done regardless if anybody likes it. Director Tobin stated that she still feels that there is another driver behind this effort and would like to know what it is. Director Tobin inquired why the committee is going in this direction. It appears to be more than a review, that there appears to be an end result already in mind. Director Tobin commented that she's hoping that that result won't be negative, but the implications have been negative.

Vice President Costa commented that a workshop starts out assuming nothing with ideas brought forward for discussion. President Peterson stated that the committee can bring some options to be discussed at a workshop or the Board can start with a clean slate. President Peterson suggested that the committee provide information to be discussed at the workshop. President Peterson requested that a special Board Workshop be scheduled to review personnel matters. Director Miller suggested that the Personnel Committee meet to discuss the workshop prior to the workshop being set. Vice President Costa requested that the committee meeting be set early enough so that the minutes can be included in the Board meeting packet.

## **2.2 Policy on Employee Cost Sharing of Other Benefits (Health, Dental, Vision)**

Mr. Horowitz informed the committee that the District's only benefit with PERS, other than retirement, is healthcare coverage. The District's vision coverage is self-insured and covers \$200 over a two-year period. The District's dental coverage is through Ameritas, which was changed from Delta to reduce the premium.

Mr. Horowitz stated that there is a minimum employer contribution for PERs healthcare coverage of approximately \$101 per month. He commented that some agencies cover 100% of the premium while others elect to cover a certain level, such as 100% of the lowest coverage or a certain dollar amount.

President Peterson inquired if there could be a different cost share for employee versus dependents. Mr. Horowitz confirmed that a different amount could be set. Director Miller commented that premiums are increasing and asked how the District is notified of any changes. Ms. Lorance stated that the District gets notified by CalPERS when changes occur, and the information is then given to the Board.

Mr. Horowitz stated that with OPEB it is legally unclear regarding healthcare benefits being vested after retirement. He stated that if the District changed OPEB healthcare then it would have to be comparable to existing coverage. Ms. Lorance explained that Tier 1 Retirement covers OPEB at 100% after 5 years service and Tier 2 Retirement covers OPEB at 50% after 10 years service increasing 5% per year to 100% after 20 years.

*For information only—no action is requested at this time.*

At the Board meeting, Director Walters inquired if employee cost sharing would be independent of the workshop. President Peterson stated that it would be a workshop item, as the workshop is intended to review employee compensation issues. President Peterson stated that employee compensation makes up half of the District's budget and for the 8% rate increase for wholesale, most of it was for employee cost increases. Director Walters requested that this assumption be part of the workup for the workshop. Vice President Costa inquired what percentage of salaries are health benefits. Ms. Schnapp stated that she will research the information and report back to the Board. President Peterson stated that it's about \$13,000 per year per person with family, while dental is about \$2,400 per year. President Peterson stated that risk management is to establish cost sharing since health care premiums are rising.

Vice President Costa inquired if the Board would be reviewing health care coverage similar to what they did when the consultant reviewed the plans with the Ad Hoc Committee and Board. President Peterson stated that information should be obtained from ACWA HBA. Ms. Lorance stated that she is checking with ACWA HBA. She stated that based on the August HBA meeting information, currently the premiums with Kaiser and Blue Cross under ACWA HBA are higher than PERS. She is confirming this information with ACWA HBA.

Director Walters suggested that the Personnel Committee review the reports prepared for the Ad Hoc Committee and determine if the recommendations from two years ago are still valid and if so then those areas could be removed from the workshop and not worked on. President Peterson commented that all the line items in the budget increased, and when the details were presented the increases were for employee costs, which is half the budget. President Peterson commented that each line item was tied to a

spreadsheet which broke down employee costs. This spreadsheet showed last year's salary costs, COLA, merit increases, promotion increases, 5% bonus across the board, and full employer contribution of EPMC and all insurances. It was a fully funded, better than business as usual budget with no cuts, layoffs or furloughs. President Peterson stated that this is why there is an 8% rate increase. President Peterson stated that the retail budget was reduced to 2% by removing the Emergency Planning Fund and fully funding all employee cost increases, and that's the problem. Director Walters stated that can be discussed in the workshop; however, he still suggests that the recommendations from the Ad Hoc Committee be reviewed and determined to be good as is or in need of revision. Director Walters commented that one misinterpretation was that the District granted a 6% salary increase and he corrected the person who stated this by clarifying that the District granted a 1% COLA increase and set up a pool based on 5% of overall salaries for a one-time performance payment that would not increase salaries. President Peterson stated that the committee will prepare a package so that the Board has it in advance of the workshop.

Vice President Costa suggested that the committee meet, and if they want a workshop, then schedule the workshop, but if they want ideas from the Board members then he would suggest that the workshop be scheduled prior to the committee meeting. President Peterson recalled that Vice President Costa suggested that the committee meet and bring recommendations to the Board and now is hearing that Vice President Costa is suggesting that they have the workshop with an open book and no committee recommendations. Vice President Costa stated that the committee can do whatever they want to do, be it a workshop or bringing recommendations directly to a Board meeting.

Vice President Costa stated that he doesn't see how the committee can bring any recommendations to change the pension system that he would agree on, as it needs to be changed in the legislature and court system. Director Miller commented that changing the pension system was not discussed. President Peterson stated that the only thing that the committee is looking at changing regarding the pension plan is changing the EPMC. Vice President Costa commented that awhile back PERS was doing so well that the District did not have to pay anything and the employees were paying their 8%. Vice President Costa stated that the Board decided that in lieu of a pay raise the District would cover the employee portion. Vice President Costa further stated that the District did not pay anything for a long time on the employer portion until the 3% @ 60 formula was adopted. At that point, there was a \$5 million hit on the pension pool.

### **2.3 Other Personnel Matters**

There were no other matters discussed.

### **2.4 Public Comment**

There was no public comment.

## **V. INFORMATION AND ACTION ITEMS**

### **1. GENERAL MANAGER'S REPORT**

#### **1.1 Wholesale Water Supply Contracts**

Ms. Lorance reported that at the August 11, 2010 Board meeting, the Board of Directors approved a draft policy to modify the wholesale water rates and charges to include a penalty and interest charge on overdue invoices. The Board must allow 150 days for comments from the wholesale agencies prior to adoption the penalty and interest charges.

#### **Current Status**

Staff developed a letter to provide 150 days written notice of the proposed changes to the wholesale rates and charges. The letter included the following draft policy:

Effective no earlier than 150 days after advance written notice is provided to SJWD wholesale agencies, the following penalties and interest will apply to any charges due to SJWD by a wholesale agency under a wholesale water supply agreement that are delinquent as of 45 days after receipt of the invoice from SJWD: (1) a 10% penalty; and (2) 1% per month in interest on the delinquent amount until paid in full.

The letter has been sent to the general managers at CHWD, FOWD, OVWC, the city of Folsom, and SSWD. A copy of the letter is attached for your information.

#### **Budget Impact**

None at this time

#### **Recommended Action**

No action requested, for information.

At the Board meeting, Ms. Lorance stated that one comment was received from CHWD requesting that a 60-day grace period. Staff discussed also an option such as a date two weeks after a Board meeting following receipt of the invoice be the late date so that it works for the family agencies. Ms. Lorance commented that this should be fine as it's not the intention of the District to penalize someone for just being late but to discourage those who willfully withhold payment for services rendered. After the commenting deadline, the Legal Affairs Committee will meet to review prior to bringing to the Board after the 150-day mark.

#### **1.2 Sacramento County Grand Jury**

Ms. Lorance informed the Board that the Sacramento County Grand Jury provided a report on their survey of Independent Special Districts. In the report was a request to respond to findings 1 through 5 prior to September 30, 2010. A copy of the response is provided for your information.

No action requested, for information

At the Board meeting, President Peterson commented that recommendation 3.4 states, "All ISD pension/OPEB benefits should have an employee contribution component." Ms. Lorance stated that employees are effectively paying their portion since their salaries are reduced by the amount of EPMC paid by the District in salary or compensation surveys.

Director Tobin inquired if the Grand Jury has any authority. Mr. Bartkiewicz stated that the District's responsibility is to respond to any Grand Jury questions, but they have no authority. Ms. Lorance stated that LAFCO will be meeting with agencies, reviewing the comments and then will decide whether to make recommendations. Mr. Bartkiewicz stated that LAFCO has the general authority to review municipal services, change spheres of influence, and initiate consolidations.

Director Miller commented that under recommendation 3.4 the response stated, "All District pension plans have..." and inquired if that was all ISD pensions. Ms. Lorance stated that it would read better if it stated, "Our District pension plans have..."

President Peterson inquired what Department of Public Works was in Ms. Lorance referencing in her response to recommendation 5.2. Ms. Lorance stated that it should have read Department of Public Health.

### **1.3 Report Back Items**

Ms. Lorance reported that the District received a check from FOWD for \$1.35 million, to apply to their \$1.6 million balance. They have committed to paying all but approximately \$15,000. Ms. Lorance commented that she received a request from a Board member to document in writing all of the communications with FOWD so that the Board is fully informed of all the discussions since the last Board meeting. Ms. Lorance commented that this issue is being wrapped up, as the District and FOWD have agreed to move forward as previously discussed.

Mr. Durkin explained that he received the initial four questions as mentioned at the last Board meeting, he responded to those questions, and then another four questions were submitted, which staff responded to. Mr. Durkin will be addressing the remaining balance and will work with FOWD to answer their questions and give them the information that is needed to resolve this outstanding balance.

Director Walters suggests, for the Board's consideration, that President Peterson sign a letter to the FOWD President that includes the documentation and finalizes the issue in order to move forward. Vice President Costa stated that if a letter is sent, then a response letter will be received, and he believes that the General Manager should handle this issue. Director Walters believes that since the issue was elevated to the Board then the response should be in writing from the Board President. President Peterson stated that an action item from the last Board meeting was an acknowledgement from Ms. Lorance confirming Mr. Durkin's personal commitment to work with FOWD. Ms. Lorance agrees that there will be a continuance of the commitment and SJWD and FOWD will have to agree to differ on some items moving forward.

President Peterson stated that the process for resolution was established at the last Board meeting. Director Walters stated that having the communication in writing is the best way, since there seems to be a breakdown in communications at FOWD. Director Walters stated that the report he hears from some of the FOWD board members is not what is reported at this District.

#### **1.4 Miscellaneous District Issues and Correspondence**

Ms. Lorance reported that the District is opposed to SB 565 and was recently added to the list on the Floor Alert which was in the meeting packet. The bill is in the Assembly at this time.

Ms. Lorance informed the Board that there is a Folsom Dam Tour on September 29<sup>th</sup> as an ACWA Region 4 event.

Ms. Lorance reported that the ACWA JPIA Liability, Property and Workers' Compensation Risk Assessment was received. The report indicated that a caution sign needs to be replaced at the Bacon Pump Station, permanent bollards need to be installed next to an exterior pipe at the Bacon Pump Station, and a lifting device needs to be installed at the WTP filter basin. The report also commended the Confined Space Entry practices at the WTP.

Ms. Lorance reported that a letter was sent to Phillip Isenberg from NCWA and RWA regarding, "Comments on Third Draft Interim Delta Plan." This provided official comments on the Delta Plan but is not expected to do anything.

Ms. Lorance informed the Board that AB 2092, which is relative to the fees in the Delta, was voted down, but has been granted reconsideration through Steinberg. This bill has two elements – allows those south of the Delta to put funds up for initial planning and then credit those funds against mitigation in the future, which would affectively increase the District's fees since the mitigation would have to be covered, and it references to impacts within the Delta watershed. Referencing the Delta watershed would increase the fees

through mitigation actions all the way up into all of the rivers that feed into the Delta. Ms. Lorance commented that it's mainly the northern California agencies that are opposed to this bill; however, the supporters of the bill have had to hire a high specialty lawyer to try to get the support votes and to counteract the work that is being done by Ryan Bezerra and Soyla Fernandez.

Ms. Lorance reported that a letter from Citrus Heights Water District President Charles Rose regarding the allocation of property tax revenues was received today and was added to the agenda at the beginning of the meeting. Ms. Lorance stated that property taxes are currently allocated 50% to wholesale and 50% to retail. She explained that the allocation in the past was due to the fact that a larger percentage of tax in Placer County is allocated to this area than it is in Sacramento County and the valuation of property is so much higher in this area. Ms. Lorance stated that she will review this to determine if it's still correct. President Rose is requesting that 100% of the property tax revenue be allocated to wholesale for the Hinkle Reservoir.

Vice President Costa stated that is was his understanding that the District was created when Folsom Dam was being built and in the negotiations there was a commitment to supply water to Granite Bay and the District took on the obligation to supply water to Granite Bay when the other agencies refused. Vice President Costa suggests that the history behind the property tax allocation should be researched and given as a response to CHWD. Ms. Lorance stated that she'd like to research the history and respond to CHWD if the history reflects what Vice President Costa stated, otherwise, she would bring the issue back to the Board for review.

***Director Walters moved for the General Manager to respond to the Citrus Heights Water District letter regarding allocation of property taxes. Director Tobin seconded the motion and it carried unanimously.***

During discussions, President Peterson requested that the letter is fair and appropriate.

## **2. ASSISTANT GENERAL MANAGER'S REPORT**

### **2.1. Baldwin Reservoir Site Fill and Grading Project**

Mr. Durkin reported this project was for fill material to be transferred from the Auburn Folsom Road widening project to the Baldwin Reservoir. He reported that Western Engineering has completed the work according to the contract and to the satisfaction of the District.

***Vice President Costa moved to accept the Baldwin Reservoir Site Fill and Grading Project as complete and authorize staff to file the Notice of***

***Completion with Placer County. Director Tobin seconded the motion and it carried unanimously.***

**2.2. Report Back Items**

Mr. Durkin reported that the WaterSmart grant application was submitted by SJWD on behalf of RWA and they received notice of award for \$134,183. This grant will be used for a portion of the update to the Integrated Regional Water Master Plan.

**2.3. Miscellaneous District Issues and Correspondence**

There were no items to discuss.

**3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT**

**3.1. Report Back Items**

Ms. Schnapp reported that at the July 14, 2010 Board of Directors' Meeting, President Peterson asked what it might cost to have a separate wholesale and retail financials prepared and audited by the auditors.

**Background**

The San Juan Water District is one District that has two distinct operations: wholesale and retail. However, the District is considered one District for purposes of financial reporting and for issuance of District debt.

In the supplemental section of the District's Comprehensive Annual Financial Report ("CAFR") is the segregation of the district's revenues and expenses on an operating basis by Wholesale and Retail agencies, with the combined statement following (see attached pages 55, 56 and 57 from the FY0809 CAFR).

While this section is not audited by the auditors, it is reviewed for accuracy, as it needs to tie to the audited financial statements presented earlier in the CAFR.

What is not being done is the creation of a separate balance sheet, nor a schedule of separate detailed internal reserve balances.

GASB 54 (Government Accounting Standards Board Statement 54) now requires a delineation of externally and internally restricted and/or committed reserves. This will appear in the FY1011 CAFR. This should satisfy the presentation of the separate reserves requested by the Board.

A separate balance sheet would need to include dividing the fixed assets. All the assets belong to the San Juan Water District, not to either wholesale or retail. To divide the assets would require a decision as to which entity holds "title". There are many ways to accomplish this. One solution would be to have one entity hold title to whichever assets the District decides

applies, while the other “rents” space. This would require a detailed analysis of each of the assets carried on the books, and then the creation and administration of policies, agreements or contracts.

### **Discussion**

Since the CAFR already presents a separate schedule of revenues and expenses by Wholesale and Retail, and now, with GASB 54 being required to be implemented for fiscal years 2010-11 and beyond for District reserve balances, staff would like direction from the Board as to what else it would like to see.

One option to consider might be to set up an ad hoc meeting to review how the district currently allocates expenses between wholesale and retail currently. This would inform the Board as to how staff is currently allocating expenses, as well as allow the Board to weigh in on whether the current allocation makes sense or whether there should be refinements.

### **Staff Recommendation**

*For information, further Board discussion and staff direction.*

President Peterson stated that the fundamental issue is that the wholesale customers are not convinced that the District is dividing the retail and wholesale costs appropriately and he would like some way to verify to them that the costs are divided fairly. President Peterson stated that this might be something for the Ad Hoc Budget Committee to review. President Peterson stated that the other reason was for somebody else to check the math since there were some math errors in the last budget, primarily with the reserve funds. Ms. Lorance commented that the errors were due to the fast pace of preparing the budget and the internal checking was not the same as in previous years.

Director Walters stated that going to the Ad Hoc Committee to ask them if we can allocate 50/50 or whatever, seems to be delegating the District’s responsibilities and the decision should be made by the District. Vice President Costa agreed and stated that the Board should limit what is sent to the Ad Hoc Committee.

Mr. Bartkiewicz commented that the structure of the Ad Hoc Committee is based on limited purpose and limited duration, so it might be a factor on whether the committee would have ongoing jurisdiction or is limited to specific matters. He thought the question was “what was the basis of the allocation to use.” Ms. Lorance explained that allocations are done based on time spent or the project. Ms. Lorance stated that all costs are allocated so that the retail pays their portion and the wholesale pays their portion. She explained that when a field worker works on a wholesale facility, then that time is allocated to wholesale and the same with retail.

Ms. Lorance stated that staff is looking for direction from President Peterson on whether this meets his request or is more information requested. Ms. Lorance stated that the allocation discussion will be discussed at an Executive Committee meeting. President Peterson stated that he wants retail and wholesale peeled apart in a manner that can be explained. Director Walters agreed that it needs to be clarified; however, he does not agree that the Executive Committee or Ad Hoc Committee should be asked if the District is doing it correctly. Director Walters suggested that the Board inform the committees on how the District does the cost allocations and show the reasons for the allocations, but not ask how it should be done.

Ms. Lorance inquired who was requesting this information and then maybe she could work with them on a staff level. President Peterson stated that Director Gilliam, Director Sarkovich and Mr. Gray from FOWD have questioned him. Ms. Lorance commented that they might not be questioning this anymore, as the information may have already been provided to them. President Peterson stated that he wasn't sure if they are satisfied with the information that they received. Ms. Lorance stated that one issue that they had was the wholesale meter replacement cost allocations and Bob Churchill from CHWD was working on a proposed re-allocation which she just received today. She mentioned that it will be reviewed and then they will meet to discuss the proposal. Mr. Durkin commented that another cost allocation issue FOWD may have will be the Fair Oaks 40 pipeline project allocations. However, he will be working with them to help answer their questions regarding this issue.

Director Miller requested that the discussion return to wholesale and retail cost allocations and inquired if there is any written document that shows allocations such as staff time. Ms. Lorance reported that there was back-up documentation on how staff time is allocated. Ms. Schnapp commented that the District's allocations are not arbitrary and capricious – the allocations are based on best, logical allocation of how much was used by retail or wholesale. Ms. Schnapp stated that staff does the analysis, so for instance, on the salary spreadsheet the backup feeding into the numbers is every employee, the allocation among departments and allocation between wholesale and retail by department, and their salary percentage to wholesale or retail. President Peterson inquired if this explanation could be written down. Ms. Lorance stated that it would probably be a huge task since it would be a full detail on every District item but if the Board requests then staff can provide. President Peterson clarified that he is requesting a brief summary on how staff arrives at cost allocations. President Peterson stated that he has been asked and accused directly that the District charges the wholesale customers for retail costs and the District needs written clarification on how costs are allocated. Ms. Lorance will provide a brief explanation on cost allocations between wholesale and retail.

### **3.2. Miscellaneous District Issues and Correspondence**

Ms. Schnapp reported that the OPEB actuarial study was completed three years ago so the District is due to update it and a request will be made via the Finance Committee.

## **4. LEGAL COUNSEL'S REPORT**

Mr. Bartkiewicz reported that AB 2092 and AB 565 are the big bills that are being watched, which Ms. Lorange reported on earlier. There is also AB 827, which is the pension bill, and the author is dropping the bill but will be reintroducing it. He mentioned that AB 2669, if passed, will require every notice that is sent out to be in English, Spanish and any other language which is spoken by 10% of the District's customers. He mentioned that there will probably not be any City of Bell clean-up legislation this session, but he expects it to be revived next year.

Mr. Bartkiewicz provided a short memorandum on the El Dorado Water and Power Authority's Supplemental Water Rights Project which will be attached to the original meeting minutes. He stated that various agencies in the region have protested their application at the State Board and will be commenting on the draft EIR. He stated that this would not affect the District's pre-1914 water rights per se; however, could affect the CVP water supply since the El Dorado application would have priority over the Bureau's rights and could affect the District in dry years.

Mr. Bartkiewicz reported that President Peterson asked him to summarize what the Brown Act allows with regard to discussions outside of Board and committee meetings between members of the Board of Directors on District matters. He provided a memorandum which will be attached to the meeting minutes.

Mr. Bartkiewicz explained that if there is a majority of the Board (3 members) or two committee members from the same committee then they can share information but cannot have discussions, deliberations or take action outside of a Board or committee meeting. He explained that two members, who are not on the same committee, can talk about positions, persuade each other or discuss strategy for moving something through the Board but they cannot use any devices to bring in a third member, which would be a majority.

President Peterson inquired how a committee could collaborate on a document outside of a committee meeting, since it's not always feasible to do so during the limited meeting time. Mr. Bartkiewicz explained that the committee could discuss the fact that the committee members will be working together outside of the meeting on the document and will be reporting back to the committee or directly to the Board. Mr. Bartkiewicz explained that the action should be clear at the meeting on what is being worked on and if it will be reported back to the committee or to the Board.

He explained that by doing this, the information has been disclosed and announced at the public meeting, and the public has an opportunity to participate in the process. Director Tobin inquired if the whitepaper that President Peterson produced prior to the budget meeting, which included phone calls to other Directors, was an example of violation of the Brown Act. Mr. Bartkiewicz explained that if one person is giving information then that's ok, but if it's to ask for responses and/or support, or have discussions on the merit of the document, then it's probably in violation.

## **5. DIRECTORS' REPORTS**

### **5.1 SGA**

Director Tobin reported that the SGA meeting was held on August 12, 2010 and below is her report:

#### **Groundwater Management Program Update**

With the recent completion of Phase III of the SGA Water Accounting Framework (WAF), staff is now shifting its focus to working on other high priority elements of the Groundwater Management Plan adopted in December 2008. Two key areas include updating and maintaining SGA's groundwater database and preparation of a biennial Basin Management Report to assess basin conditions. In FY 2010, the Board approved budget items of \$20,000 for each of these elements for a total funding of \$40,000. With the focus on completing the WAF in the first half of 2010, staff deferred these other activities and did not issue task orders for consulting support. Because it is important to complete this work, staff is requesting that the Board authorize the carryover of these funds for use in FY 2011. During development of the FY 2011 budget staff had assumed that these funds would be expended, so there is no net fiscal impact to this year's budget.

#### Staff Recommendation:

Action: Authorize the carryover of unexpended funds in the amount of \$40,000 to FY 2011 for the purpose of updating the SGA Data Management System and preparing the biennial Basin Management Report.

#### **Legislative Update**

At its June 2010 meeting, the SGA Board took the following positions on legislation:

SB 1173 (Wolk) – Oppose unless amended  
AB 1955 (De La Torre) – Oppose unless amended  
AB 2304 (Huffman) – Support if amended

SGA staff conveyed these positions to the authors and other legislators and worked with legislative staff to craft suitable amendments. AB 1955 has since died in committee. SB 1173 has been amended to address our concern that the bill might limit our efforts to put remediated groundwater to

beneficial use, and is currently in the Assembly Appropriations Committee. SGA staff worked closely with staff for Assemblymember Huffman to get amendments that allay our concerns with the timing of implementation of the requirement to include a map of recharge areas in a groundwater management plan.

In light of the amendments, staff recommends removing the opposition to SB 1173 and taking a support position on AB 2304. Text of AB 2304 and a staff analysis are attached.

Action: Adopt position on AB 2304 (Huffman).

### **Executive Director's Report**

- a) SBX7 6 Implementation Update – DWR and ACWA are hosting an August 9 workshop in Byron on implementing a groundwater elevation monitoring program. SGA staff will attend and provide an update to the SGA Board. An additional workshop is being held in Sacramento on September 2. Staff is coordinating with SCGA and Placer County agencies regarding potential implementation of regional monitoring and reporting.
- b) Regional Contamination Issues Committee Update – The Committee met on July 22. Updates on the status at Aerojet and McClellan were discussed. The groundwater extraction and treatment (GET) facility at Ancil Hoffman is now operational, and an open house will be held on August 25. The committee discussed having updates on progress at McClellan and Aerojet at the October 14 SGA Board meeting. It was announced that Dave Lancaster is retiring as the Sacramento District Engineer with the Department of Public Health. A replacement has not been identified. SGA provided an update on its Regional Water Quality Risk Study funded through a grant from DWR.
- c) Grant Funding Update – SGA has recently submitted an invoice packet to DWR seeking reimbursement for expenses through June 30, 2010 on our AB 303 grant to study the potential future impacts of contaminants on our groundwater supplies. DWR recently released an application package for funding through Prop 84 for Integrated Regional Water Management projects, with an implementation grant application due on January 7, 2011. The next opportunity to apply for AB 303 grant funds is expected late this year or early in 2011.
- d) SGA Board Appointments – New appointments to the SGA Board will be confirmed by both the Sacramento County Board of Supervisors and the Sacramento City Council within the next week. A list of newly appointed members will be handed out at the SGA board meeting on August 12th.

Next SGA Board of Director's Meeting – Thursday, October 14, 2010

## **5.2 RWA**

Director Tobin reported that the next RWA Board of Directors' meeting is Thursday, September 9, 2010.

## **5.3 Executive Committee**

Ms. Lorance reported that the Executive Committee met on July 27<sup>th</sup> and discussed the following items; details can be reviewed in the attached meeting minutes:

- ◆ SWRCB Draft Flow Criteria
- ◆ City of Sacramento Master Plan
- ◆ Educational Overview of SJWD Water Rights and Contracts
- ◆ Outstanding Wholesale Invoices
- ◆ Groundwater Substitution Water Transfer Update
- ◆ USBR CVP Shortage Policy Workshop
- ◆ Work Plan for Wholesale Financial Plan Update
- ◆ Fair Oaks 40
- ◆ Bypass Pipeline Update
- ◆ Bypass Intake Project Update
- ◆ Emergency Water Supply Planning
- ◆ Groundwater Pumping Update
- ◆ Agency Updates

Ms. Lorance reported that the Executive Committee also met on August 24<sup>th</sup> and the meeting minutes will be sent with the next Board packet. She mentioned that she discussed the joint salary survey and the responses from the GMs were: FOWD was interested as long as it didn't exceed \$10,000; CHWD stated that it might not be appropriate as the majority of the District staff would not fall under comparable positions, unless they limited the study to distribution positions; OVWC would not be interested since they are not a public agency. President Peterson inquired if performing the survey in house was discussed. Ms. Lorance stated that CHWD didn't voice interest, and was not scheduled to complete another salary survey until next year. . Vice President Costa inquired if a decision was made to perform the salary survey. President Peterson stated that this will be discussed at the workshop.

## **5.4 ACWA/JPIA**

No report.

## **5.5 CVP Water Users Association**

No report.

## **5.6 LAFCO**

No report.

### **5.7 Other Reports**

Vice President Costa commented that the meetings are going too long and they need to figure out a way to streamline the meetings. He suggested that committee reports be given within a five minute timeframe. President Peterson commented that it's not the report that takes long, but the discussion afterwards.

Director Tobin commented that for the workshop she would like staff to capture the minutes from the Ad Hoc Committee on benefits. Ms. Lorance stated that she will bring that to the Personnel Committee.

### **III. UPCOMING EVENTS**

1. ACWA Continuing Legal Education Workshop  
September 30 – October 1, 2010  
San Francisco, CA
2. AWWA California Nevada Fall Conference  
October 5-8, 2010  
Sacramento, CA
3. NWRA Annual Conference  
November 10-12, 2010  
San Diego, CA
4. ACWA Fall Conference  
November 30 – December 3, 2010  
Indian Wells, CA

### **IV. ADJOURN**

**The meeting was adjourned at 10:27 p.m.**

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

ATTEST:

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TERI HART, Board Secretary