

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

September 8, 2010 – 7:00 p.m.

BOARD OF DIRECTORS

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
George Machado	Field Services Manager
Greg Turner	Chief Operator
Teri Hart	Board Secretary/Administrative Assistant
Paul Bartkiewicz	Counsel

OTHER ATTENDEES

Madelaine Kiliany	Customer
Sandy Harris	Customer
Bob Churchill	Citrus Heights Water District

AGENDA ITEMS

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

Vice President Costa called the meeting to order at 7:04 pm

I. PUBLIC FORUM

Ms. Kiliany requested that she be allowed to provide public comment at the end of the meeting. Vice President Costa concurred.

At the end of the meeting, Ms. Kiliany commented that when discussing fairness and equity in water, what needs to be recognized is that if water wasn't provided to the Granite Bay area, then this area would have never developed and they'd still be on wells. She commented that she was a little offended and when it comes to property tax revenue for this area they should pay equitable whether they live in the Sacramento or Placer County and the rest should be used in retail to help defray expenses.

Mr. Churchill commented that the question to be posed would be if Granite Bay was its own water agency then San Juan would only be wholesale. It could then be assumed that all the property tax revenue would come to San Juan wholesale.

Ms. Harris commented that Granite Bay is paying their fair share of property tax, especially based on property values.

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 25, 2010

Director Walters moved to approve the August 25, 2010 Board of Director's Meeting Minutes. Director Miller seconded the motion and it carried unanimously.

III. COMMITTEE REPORTS

1. Finance Committee (9/7/10)

1.1 Review and Pay Bills

Vice President Costa reported that the committee reviewed the presented bills and claims. The August bills and claims were found to be in order in the amount of \$1,190,565.27.

Vice President Costa moved to approve Resolution 10-20. Director Miller seconded the motion and it carried unanimously.

1.2 Wholesale Metering Improvement Project Cost Allocations

Ms. Lorange updated the Board on the review and possible re-allocation of costs for the Wholesale Metering Improvement Project, as requested by Citrus Heights Water District. She explained that the committee discussed the information that was presented and the General Managers are still working on resolution of a couple outstanding items. She will bring this back to the committee for discussion and action at a future meeting.

For information only – no action is requested at this time

1.3 PCI Compliance Requirements for Credit Card Transactions

Mr. Durkin informed the Board that the District accepts credit card payments for retail water bills. Fifteen percent of payments received in FY09-10 were by credit card and over eight percent of our customers use an automatic (recurring) credit card payment for bill payment.

Mr. Durkin informed the Board that PCI (Payment Card Industry) compliance standards are a set of standards developed by the PCI Security Standards Council. PCI compliance standards apply to anyone who processes, stores or transmits credit or debit card data. Compliance is currently not required by law; however, the District could be liable for fees relating to the recovery of, replacement and/or forensic investigation of any stolen credit card information. Compliance limits our liability in the event of stolen credit card information. Staff is currently investigating costs involved with compliance, as well as outsourcing credit card processing and storage to a 3rd party. The Board discussed the information presented. Mr. Durkin informed the Board that staff will bring this back for discussion and action at a future meeting.

For information only – no action is requested at this time

IV. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Board Meeting

Ms. Lorance informed the Board that the October 27th Board meeting conflicts for both the Assistant General Manager and the General Manager due to the AMWA Manager Training. The General Manager will bring this item back for discussion at a later date if the meeting needs to be moved or canceled.

1.2 Meeting with USBR

Ms. Lorance informed the Board that she will be meeting with Don Glasier, USBR, and CVP M&I representatives on September 28th. The agenda includes better defining the implementation of the shortage policy within the Bureau for the CVP water supply.

She explained that this is to identify how the Bureau is going to distribute shortages within the system. The Bureau has draft policy in place but the M&I contractors feel USBR is not implementing the policy as written, which includes giving credit for water that is used other than CVP water.

The Board discussed the issue and Ms. Lorance will report back after the meeting.

No action requested, for information

1.3 Report Back Items

Ms. Lorance reported that the Citrus Heights Water District (CHWD) Board of Directors requested the SJWD Board of Directors to consider a change to the current allocation of property taxes received by SJWD. Ms. Lorance

stated that she would like to respond to the CHWD letter which informs them that she will be taking the discussion to the Board to review the policy with the recommendation that the board could allocate the same percentage of the property valuation from both counties to the wholesale revenues.

Vice President Costa was not in agreement with this recommendation since the history should show the reasons behind the allocation and that needs to be reviewed and discussed. Ms. Lorance will bring this to the October Finance Committee for review and discussion.

1.4 Miscellaneous District Issues and Correspondence

Ms. Lorance informed the Board that she received a letter from Fair Oaks Water District regarding their water meter status and it shows that they plan to have all meters installed by end of 2010. There will be one year to compare information provided on the bills and transition to metered billing in the beginning of 2012.

Ms. Lorance informed the Board that AMWA sent a notice regarding potential Greenpeace rallies in California at water treatment plants in September protesting chlorine gas usage.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1. Report Back Items

*Solar Power Project at Baldwin Reservoir –
SP vs. PPM Proposal Comparison:*

Mr. Durkin informed the Board that during discussions at the August 11th Board meeting, Pacific Power Management (PPM) provided a proposal for delivering a solar project to the District as an alternative to SunPower (SP). The Board did not accept the proposal but directed staff to be able to answer inquiries on how the proposals compared and how they meet the District's requirements for the project. Staff has reviewed and compared the proposals and is prepared to answer any inquiries if they so arise.

No action requested; for information only.

2.2. Miscellaneous District Issues and Correspondence

Mr. Durkin informed the Board that a letter from Preston Pipelines was received regarding excavation of rock during the WTP Raw Water Pipeline Project. This project was completed in October 2009; however, there was a disagreement regarding the payment for rock removal. In September 2009, final resolution on payment for rock excavation and other issues was established and the project was closed. Preston Pipelines claims were not filed within the time limits allowed under the contract. Mr. Durkin stated that he discussed the letter with Mr. Josh Horowitz and he suggested that the General Manager respond to the letter.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Report Back Items

Ms. Schnapp reported that the District received a total of \$1.6 million in payments from Fair Oaks Water District, which leaves a remaining balance of \$14,000. This balance is from a 2005 invoice which the District is discussing with FOWD.

3.2. Miscellaneous District Issues and Correspondence

Ms. Schnapp informed the Board that the District received payment of \$62,650 for the outstanding Prop 1A borrowing from the District's property tax revenue.

4. LEGAL COUNSEL'S REPORT

Mr. Bartkiewicz provided a written report which will be attached to the original meeting minutes.

5. DIRECTORS' REPORTS

5.1 SGA

No report.

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 August 24th and discussed the following items; details can be reviewed in the attached meeting minutes:

- ◆ Update on Wholesale Financial Plan presented by Bob Reed
- ◆ SJWD Personnel Committee requested poll on interest of member agencies to conduct a joint salary survey
- ◆ SJWD Water Treatment Plant Tour Discussion
- ◆ Fair Oaks 40
- ◆ Bypass Intake Update
- ◆ Emergency Water Supply Planning
- ◆ Groundwater Pumping Update
- ◆ Agency Updates

5.4 ACWA/JPIA

No report.

5.5 CVP Water Users Association

No report.

5.6 LAFCO

Ms. Lorance reported that she is working on the comments for the municipal service review and will bring back the document for review by the Board prior to submitting to LAFCO.

5.7 Other Reports and Comments

No report.

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 7:57 p.m.

DAVE PETERSON, President
Board of Directors
San Juan Water District

ATTEST:

TERI HART, Board Secretary