

**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
September 22, 2010
7:00 p.m.
9935 Auburn Folsom Road
Granite Bay, CA 95746**

The Board may take action on any item on the agenda, including items listed on the agenda as information items. The Board may add an item to the agenda (1) upon a determination by at least three Board members that an emergency situation exists, or (2) upon a determination by at least four Board members (or by three Board members if there are only three Board members present) that the need to take action became apparent after the agenda was posted.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Please inform the General Manager. Times on the agenda are estimates, and items may be discussed at a different time than listed.

Documents and materials that are related to an open session agenda item that are provided to the District Board less than 72 hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours.

In compliance with the American's with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Board Secretary at 916-791-0115. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

ESTIMATED TIMES

7:00 p.m.

I. PUBLIC FORUM

1. Public comment

7:01 p.m.

II. CONSENT CALENDAR: All items under the Consent Calendar are considered to be routine and will be approved by one 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. **Minutes of the Board of Directors Meeting September 8, 2010**

7:05 p.m.

III. COMMITTEE REPORTS

1. Engineering Committee (9/13/10)

- 1.1 FO 40 Pipeline Rehabilitation Project - Phase 1 Evaluation
- 1.2 WTP Treated Water and Cooperative Transmission Bypass Pipeline Project
- 1.3 Process for Review and Approval of Environmental Documents
- 1.4 New SWPPP and Discharge Permit Requirements for Capital Improvement Projects
- 1.5 Other Engineering Matters
- 1.6 Public Comment

7:20 p.m.

IV. INFORMATION AND ACTION ITEMS

1. General Manager's Report

- 1.1 Raw Water Pipeline Project
Response to Letter from Preston Pipeline, Inc.
No action, for information
- 1.2 Report Back Items
- 1.3 Miscellaneous District Issues and Correspondence

2. Assistant General Manager's Report

- 2.1 Emergency Response Planning
Status Report
No action, for information
- 2.2 Hydraulic Improvements Project
Status Report
No action, for information
- 2.3 Report Back Items
- 2.4 Miscellaneous District Issues and Correspondence

3. Finance and Administrative Services Manager's Report

- 3.1 Report Back Items
- 3.2 Miscellaneous District Issues and Correspondence

4. Legal Counsel's Report

- 4.1 Legal Matters

5. Directors' Reports

- 5.1 SGA
- 5.2 RWA
- 5.3 Executive Committee
- 5.4 ACWA/JPIA
- 5.5 CVP Water Users Association
- 5.6 LAFCO
- 5.7 Other Reports and Comments

7:55 p.m.

V. 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

8:00 p.m.

VI. ADJOURN

UPCOMING MEETING DATES

October 13, 2010
October 27, 2010
November 10, 2010

I declare under penalty of perjury that the foregoing agenda for the September 22, 2010 regular meeting of the Board of Directors of San Juan Water District was posted September 16, 2010, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public.

Teri Hart
Board Secretary

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 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

**Engineering Committee Meeting Minutes
San Juan Water District
September 13, 2010
9:00 a.m.**

Attendees: Dave Peterson, Chair
Pam Tobin, Director
Keith Durkin, Assistant General Manager
Rob Watson, Engineering Services Manager
Tony Barela, Senior Engineer
Teri Hart, Administrative Assistant/Board Secretary

Topics: FO 40 Pipeline Rehabilitation Project - Phase 1 Evaluation
WTP Treated Water and Cooperative Transmission Bypass Pipeline Project
Process for Review and Approval of Environmental Documents
New SWPPP and Discharge Permit Requirements for Capital
Improvement Projects
Other Engineering Matters
Public Comment

1. FO 40 Pipeline Rehabilitation Project - Phase 1 Evaluation

Mr. Durkin informed the committee that the project consultant, Bob Miles, has been working on the final report after reviewing all the comments from the agencies. The report is expected to be completed this month.

Mr. Durkin stated that the agencies agree that two portions of the project, the American River Canyon crossing pipeline replacement and the cathodic protection system for external pipeline corrosion control, should be constructed on the proposed schedule. He stated that they still need to come to an agreement on the interior rehabilitation work and timeline.

Mr. Durkin passed out a draft Executive Summary, which covered the background of the project, the results of the pipeline inspections and a recommended plan. The committee discussed the project and consultant recommendations. Mr. Durkin informed the committee that staff is evaluating a modified, or phased approach, to the consultants recommended rehabilitation plan.

Mr. Durkin informed the committee that the next steps are to review the final report with FOWD and OVWC and discuss cost allocations on the agreed items. Mr. Durkin stated that they will also discuss O&M and the internal rehabilitation phases of the pipeline joints. A written agreement will be developed prior to proceeding with any work.

For information only; no action requested.

2. WTP Treated Water and Cooperative Transmission Bypass Pipeline Project

Mr. Durkin informed the committee that the valves were pre-purchased for the project. The construction work for the project is out to bid and a pre-bid conference

was held on September 9th. Approximately 15 general contractors attended the mandatory conference. Bids are scheduled to be received on September 28th. Bid results will be taken to the Board for consideration and award of the contract on October 8th.

For information only; no action requested.

3. Process for Review and Approval of Environmental Documents Ongoing Construction Projects

Mr. Durkin stated that the process for reviewing and approving environmental documents was discussed at a prior Board meeting and referred to the Engineering Committee. The committee discussed the process and agreed that all environmental documents to comply with CEQA or NEPA should be reviewed by the Engineering Committee. In addition, it was agreed that staff will submit, in advance to the committee, a summary and the type of document to be reviewed.

For information only; no action requested.

4. New SWPPP and Discharge Permit Requirements for Capital Improvement Projects

Mr. Durkin informed the committee that the District is now required to prepare and submit Storm Water Pollution Prevention Plan (SWPPP) documentation to the state for every project, including posting to an online state database. In the past, the contractor was responsible for this requirement. Currently, Kennedy/Jenks is preparing the SWPPP to fulfill the District's requirements on the CTB and TW Pipelines Project.

Mr. Durkin explained that preparing the plans and performing required monitoring and reporting during construction will be a time-consuming task for staff. Mr. Watson explained that staff has to submit the plan and have it approved by the state prior to construction. In addition, the plan needs to be submitted to an online database with the state. Mr. Watson explained that staff needs to be trained, the project needs to be monitored and reported on, and there will also be lab costs. Mr. Watson anticipates the additional cost to each project at approximately \$4,000 to \$15,000 depending on the size of the project. Mr. Watson stated that if the SWPPP and other reporting requirements are not done correctly, then there will be mandatory fines of approximately \$5,000 to \$25,000 per day.

Mr. Durkin informed the committee that a discharge permit from the RWQCB is required when the District discharges water, such as when a pipeline is de-watered or flushed. He stated that the District should fall under the low or limited threat discharge permit. This permit is 50⁺ pages and is required to be obtained prior to discharge of water. This process can take up to three months for approval. Staff will work with the water board to discuss waiver options and permit requirements, however some level of permit will be required with resultant monitoring, sampling and laboratory testing, and reporting requirements.

Mr. Durkin commented that these permits are just two examples of ever increasing regulatory compliance issues that staff addresses on a regular basis. Mr. Durkin explained that many agencies our size have an internal Regulatory Compliance Officer and staff has discussed the need for this position or an outside consultant to take on the additional workload and time-consuming task of regulatory compliance.

For information only; no action requested.

5. Other Engineering Matters

President Peterson mentioned that there might need to be Board policy that covers cost allocation with wholesale projects. He stated that the Board should discuss this and put a policy in place for work on future wholesale projects.

Mr. Barela reported that the punchlist items on the Bypass Pipeline project were completed last week. President Peterson inquired when the old pipeline would be rehabilitated. Mr. Durkin explained that staff is working with the Bureau on an agreement for operations and maintenance on the new pipeline and will also work with them with regard to the rehabilitation of the old pipeline. Mr. Durkin mentioned that the contractor is questioning the amount that was paid for the rock excavation and he is working with them to resolve the issue. Mr. Durkin stated that the Notice of Completion on the project should be submitted to the Board at the October meeting.

Director Tobin inquired on the status of the Solar Project. Mr. Durkin reported that the design work should be completed by December. She inquired if Pacific Power Management ever contacted the District. Mr. Durkin stated that Ms. Lorance received a request from them to correct the Board meeting minutes with regard to the timing of when they knew about the project.

6. Public Comment

There was no public comment.

The meeting was adjourned at 10:40 a.m.

AGENDA ITEM IV-5.2

Director Tobin's Report ~ RWA

RWA Meeting, September 9, 2010

Executive Committee Report and Recommendations Background:

The board reviewed Sacramento County Water Agency membership in the RWA.

Delta Flow Criteria

John Woodling, conducted a presentation on SBX7 1, the Delta legislation which is to inform "planning decisions for the Delta Plan and the Bay Delta Conservation Plan," and the report was to include, "the volume, quality, and timing of water necessary for the Delta ecosystem under different conditions." The SWRCB conducted a public process to accept input, and staff developed a draft report for consideration by the Board. On August 3, the SWRCB members voted 5-0 to approve the Delta flows report, and transmit it to the Delta Stewardship Council and BDCP Steering Committee.

Sacramento Groundwater Authority Water Accounting Framework

In June 2010, the SGA Board adopted Phase III of the Framework. The Framework is intended to provide guidance to SGA member agencies on voluntary actions to help ensure the long-term sustainability of groundwater resources in the SGA area. It is not intended to restrict or limit the access to groundwater of any individual or agency. Staff will provide an overview of the Framework development and its primary elements to the RWA Board.

At the direction of the Model Groundwater Banking Program (MGBP) Oversight Committee and the SGA Board, three additional elements were proposed in addition to the MGBP itself. The following four Framework components are described in this Phase III document:

- principles that reflect current understanding of the underlying groundwater basin and existing management practices, including basin sustainability goals, as a foundation of the Framework;
- standardized methodology for determining the volume of water available for banking and withdrawal operations under the Framework;
- elements of an MGBP for agencies proposing groundwater exchanges under the Framework; and
- specific roles and responsibilities of SGA staff, the SGA Board, and member agencies in implementation of the Framework.

Regional Water Efficiency Update

RWA and its members are active on a number of fronts related to water efficiency. The Blue Thumb public outreach campaign is doing very well. In addition to the paid advertising running on KOVR-TV, Comcast cable television, Clear Channel radio stations and Capitol Public Radio through August, the Blue Thumb public service announcement has aired free of charge on 15 local radio stations and five television stations. The community-based-social-marketing pilot project in Roseville is also

providing meaningful feedback about education and incentives that are effective in motivating larger-scale behavior and landscape changes.

Group 1 members of the California Urban Water Conservation Council (CUWCC) from our region are actively pursuing changes to the structure of the CUWCC to provide for better representation of our regional interests. Although changes to the Board structure will not be completed this year, the region will nominate Lisa Brown with the City of Roseville for the December 2010 election. RWA, along with member agencies, will be hosting the CUWCC Plenary meeting on September 15th at the Civic Center Galleria in West Sacramento.

Executive Director's Report

Mr. Woodling reported on the following:

- El Dorado County Water Agency Membership
- Government Affairs Update
- AB 1420 Compliance Update
- Integrated Regional Water Management Update
- Grant Funding Update
- Water Forum Update
- RWA Outreach Activities
- SBX7 6 - Groundwater Monitoring Implementation.

For more details, please go to: <http://www.rwah2o.org/rwa/files/BoardPacket-9-9-10.pdf>

Next RWA Board of Directors' Meeting – Thursday, November 4, 2010