

**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
September 13, 2017
6:00 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.

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.

Please silence cell phones and refrain from side conversations during the meeting.

I. PUBLIC FORUM

During the Public Forum, the Board may briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations to add the matter to the agenda.

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 Workshop, August 22, 2017 (W & R)
Recommendation: Approve draft minutes
2. Minutes of the Board of Directors Meeting, August 23, 2017 (W & R)
Recommendation: Approve draft minutes
3. Payment of Bills and Claims (W & R)
Recommendation: Adopt Resolution No. 17-19
4. Treasurer's Report – Quarter Ending June 30, 2017 (W & R)
Recommendation: Receive and File
5. Contract Amendment with Sacramento Suburban Water District (W)
Recommendation: Authorize the General Manager to execute a second amendment to the diversion, treatment and conveyance of water contract with the Sacramento Suburban Water District

III. OLD BUSINESS

1. Strategic Planning Process (W & R)
Ellen Cross to Review Strategic Planning Process
2. Compensation Policy (W & R)
Action: Consider a motion to approve District Compensation Policy
3. Vice President Appointment (W & R)
Action: Consider a motion to appoint a Vice President to the Board
4. SJWD Committees (W & R)
Appointment of Directors to fill committee member vacancies
Action: Consider a motion to approve Changes to Committees and Charters
5. Board Vacancy (W & R)
Selection Process
6. Board Recognition (W & R)
Action: Consider a motion to approve Resolution 17-20 in recognition of Director Bob Walters' Service to the District
7. Wholesale Outreach (W)
Action: Consider a motion to increase the Crocker & Crocker contract \$33,740 from \$97,610 (\$34,510 for wholesale and \$63,100 for retail) to \$131,350 (\$68,250 for wholesale and \$63,100 for retail) in order to include the Wholesale Outreach effort.

IV. INFORMATION ITEMS

1. General Manager's Report
 - 1.1 ACWA - Establishing Annual Water Professionals Appreciation Week
Action: Consider a motion to support Senate Concurrent Resolution (SCR) 80, which would designate an annual Water Professionals Appreciation Week during the month of October
 - 1.2 Miscellaneous District Issues and Correspondence
2. Director of Finance's Report
 - 2.1 Miscellaneous District Issues and Correspondence
3. Operation Manager's Report
 - 3.1 Miscellaneous District Issues and Correspondence
4. Legal Counsel's Report
 - 4.1 Legal Matters

V. DIRECTORS' REPORTS

1. SGA
2. RWA
3. ACWA
 - 3.1 Local Government/Federal Affairs/Region 4 - Pam Tobin
 - 3.2 JPIA – Pam Tobin
 - 3.3 Energy Committee - Ted Costa
4. CVP Water Users Association
5. Other Reports, Correspondence, and Comments

VI. COMMITTEE MEETINGS

1. Public Information Committee – August 25, 2017
2. Finance Committee – September 12, 2017

VII. UPCOMING EVENTS

1. ACWA Regulatory Summit
October 17
Sacramento, CA
2. ACWA Fall Conference
November 28 - December 1
Anaheim, CA

President Miller to call for Closed Session

VIII. CLOSED SESSION

1. Public employee performance evaluation involving the General Manager; Government Code sections 54954.5(e) and 54957.

IX. OPEN SESSION

Report from Closed Session

X. ADJOURN

UPCOMING MEETING DATES

September 27, 2017

October 11, 2017

I declare under penalty of perjury that the foregoing agenda for the September 13, 2017 regular meeting of the Board of Directors of San Juan Water District was posted by September 8, 2017, 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 Grant, Board Secretary

SAN JUAN WATER DISTRICT

Board of Director's Workshop Minutes
August 22, 2017 – 2:00 p.m.

BOARD OF DIRECTORS

Ken Miller	President
Ted Costa	Director
Dan Rich	Director
Pam Tobin	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Teri Grant	Board Secretary/Administrative Assistant
Greg Zlotnick	Water Resources Specialist

AGENDA ITEMS

- I. District Compensation Policy: Merit Increases and Cost of Living Adjustments**
- II. Public Comment**
- III. Adjourn**

President Miller called the meeting to order at 2:00 p.m.

I. District Compensation Policy: Merit Increases and Cost of Living Adjustments

Mr. Paul Helliker reminded the Board that they have discussed merit increases and Cost of Living Adjustments (COLAs) at three previous meetings and the Board requested that this workshop be scheduled to finalize the discussion. Mr. Helliker's goal is to come to an agreement on an ongoing compensation policy.

Ms. Donna Silva conducted a brief presentation and provided the Board with a staff report and additional handouts. Copies of each will be attached to the meeting minutes. She stated that the goal of the District's existing Compensation Policy is to "recruit and retain talented, results-driven employees to support the District's mission, values and goals". The Board agreed that this goal is correct and no changes were made.

Ms. Silva explained that there are currently three policies which address employee compensation - Policy 3080 Salary Ranges, Policy 3110 Compensation Studies, and Policy 4100 Cost of Living Adjustment (COLA). The Board discussed the assumed increases used by CalPERS which varies each year based on specific employee data. Mr. Helliker explained that the CalPERS table has years of service and employee age at time of hire with percentages of increases projected. This table is then used for each employee based on that data to determine the projected annual

salary increases. Ms. Silva used this table to calculate the CalPERS assumed increase in payroll, which she then compared to the District's budgeted increase in salary costs, noting that the budgeted increase is less than the CalPERS assumed increase. Mr. Helliker explained that using the table to project salary increases will keep the District salaries within the CalPERS projections and therefore will not add to the unfunded liability.

The Board discussed the target market position which is currently in the policy at 10% above average. Director Tobin commented that she was in support of the 10% above average in order to attract and retain new talent. Directors Rich, Costa, and Miller are not in support of the 10% and would like to change it. Director Costa voiced concern that if the District is at 10% above average then it creates an upward spiraling effect on salaries for the agencies in the region, including the District. Director Rich commented that he would like to see compensation studies completed more regularly and adjust salaries accordingly as needed. Mr. Tony Barela commented that he uses the "10% above average" as a motivator for employees since employees are expected to perform above and beyond their job expectations.

Ms. Silva explained that the District's salary ranges start at 10% below average and top out at 10% above average, with most new employees starting at the bottom of the range. The Board would like to remove the 10% above average from the policy and when compensation studies are performed, the Board will make a decision then about how to revise the salaries which would be at least the market average, and the goal of being 10% above market average will be something that they may revisit at those times.

Director Costa brought up the topic of the incentive program. The Board discussed this topic briefly and decided to table the discussion for a future meeting or workshop.

Ms. Silva reviewed the three general options that the Board could consider moving forward:

1. Current policy – most common
2. No COLA's – more frequent compensation studies (variations exist)
3. Modify policy to require inclusion of CalPERS assumed increase in each budget. Give General Manager authority to apply COLA and/or Merit as he/she sees fit, within the budget. Conduct compensation study every 5 years.

The Board discussed the options and prefer to change the policy to option 3 and change the compensation study to every 4 years. In addition, the Board would like to be informed of the General Manager's decisions at the beginning of every fiscal year.

Ms. Silva explained that the three policies on compensation could be combined into one policy which incorporates the changes discussed. The Board agreed that the

policies should be combined and a draft policy brought back to the September 13th Board meeting for review.

In response to President Miller's question, Ms. Silva explained that the Board adopted a budget with a placeholder for a 2.5% COLA (\$134,000) and \$52,000 for merit increases for FY 2017-18 which falls below the CalPERS target. Director Costa would like to wait until the end of the fiscal year before distributing the merit increases and the COLA in order to see where the budget to actuals come in. Director Rich suggested that the General Manager move forward at this time with the salary increases as approved in the budget. The Board discussed the recommendation and agreed that the General Manager should award the merit and COLAs for FY 2017-18 as approved in the budget and then review the revised compensation policy at the September 13th Board meeting.

The Board reviewed the direction given to staff as follows:

- Award the current 2.5% COLA and the budgeted merit increases.
- In future years, Mr. Helliker would bring the COLA information to the Board prior to awarding to staff, as an information item only.
- Remove the "10% above average" target market position from the policy and replace with language that the Board will decide the market position with each compensation study to maintain competitive salaries.
- Combine the three policies into one policy and include a compensation study every 4 years.
- Modify policy to require inclusion of CalPERS assumed increase in each budget. Give General Manager authority to apply COLA and/or Merit as he/she sees fit, within the budget.

II. PUBLIC COMMENT

There were no public comments.

III. ADJOURN

The meeting was adjourned at 3:40 p.m.

KENNETH MILLER, President
Board of Directors
San Juan Water District

ATTEST:

TERI GRANT, Board Secretary

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes
August 23, 2017 – 6:00 p.m.

BOARD OF DIRECTORS

Ken Miller	President
Ted Costa	Director
Dan Rich	Director
Pam Tobin	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel
Lisa Brown	Customer Service Manager
George Machado	Field Services Manager
Greg Zlotnick	Water Resources Specialist

OTHER ATTENDEES

Mitch Dion	Self
Marty Hanneman	Self
Sandy Harris	Self
Art Starkovich	Self

AGENDA ITEMS

- I. Public Forum**
- II. Consent Calendar**
- III. Public Hearing**
- IV. New Business**
- V. Old Business**
- VI. Information Items**
- VII. Directors' Reports**
- VIII. Committee Meetings**
- IX. Upcoming Events**
- X. Adjourn**

President Miller called the meeting to order at 6:00 p.m.

I. PUBLIC FORUM

Mr. Marty Hanneman addressed the Board and informed them that he submitted his letter of interest and resume for the vacant Board position.

II. CONSENT CALENDAR

All items under the consent calendar are considered to be routine and are 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 Special Meeting, August 9, 2017 (W & R)**
Recommendation: Approve draft minutes
2. **Minutes of the Board of Directors Meeting, August 9, 2017 (W & R)**
Recommendation: Approve draft minutes

Director Rich moved to approve the Consent Calendar. Director Tobin seconded the motion and it carried with 4 Aye votes.

III. PUBLIC HEARING

President Miller opened the Public Hearing at 6:05 pm. Ordinances 2100 and 4100 were duly posted and published with no written or oral comments received prior to the public hearing.

1. **Adoption of Ordinance 2100 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 2000 of the District Code of Ordinances**

Ms. Silva informed the Board that Ordinance 2100 removes the General Manager purchasing and contract authority from the ordinance and directs the reader to the “Procurement Policy.” A staff report was provided in the Board packet which will be attached to the meeting minutes. She explained that should the Board approve the ordinance then it will go into effect on September 22, 2017.

Director Costa moved to waive the second reading of Ordinance No. 2100. Director Tobin seconded the motion and it carried with 4 Aye votes.

Director Rich moved to adopt Ordinance 2100 which removes General Manager purchasing and contract authority from the ordinance and directs the reader to the “Procurement Policy” which will be approved by separate Resolution of the Board of Directors. President Miller seconded the motion and it carried with 4 Aye votes.

2. **Adoption of Ordinance 4100 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 4000 of the District Code of Ordinances**

Ms. Silva informed the Board that Ordinance 4100 revises the purchasing and payment provisions contained in Ordinance No. 4000 to reference the District’s updated procurement policy and clarifies existing provisions concerning the payment of invoices and petty cash purchases. Specifically, this ordinance will

eliminate the need for Board approval prior to payment, allowing the General Manager to set policies and procedures for the timely payment of invoices; requires the General Manager to provide the Board with a listing of all payments made on a monthly basis; and allows the District Board of Directors to amend its Procurement Policy by resolution. A staff report was provided in the Board packet which will be attached to the meeting minutes. She explained that should the Board approve the ordinance then it will go into effect on September 22, 2017.

In response to Director Costa's question, Mr. Horowitz explained that the General Manager cannot change the Board's policy and the General Manager can only act within the budget authority to make expenditures which is the intent of the ordinance. Mr. Helliker explained that the ordinance would allow a process so that staff could pay bills in a timely manner without having to have approval from the Finance Committee and the Board. Ms. Silva explained that the actual operational process to pay the bills would be set by the General Manager which this ordinance would allow.

Director Tobin moved to waive the second reading of Ordinance No. 4100. Director Costa seconded the motion and it carried with 4 Aye votes.

Director Tobin moved to adopt Ordinance 4100 which revises the purchasing and payment provisions contained in the District's Code of Ordinances (Ordinance No. 4000) to reference the District's updated procurement policy and clarifies existing provisions concerning the payment of invoices and petty cash purchases. Specifically, this ordinance will eliminate the need for Board approval prior to the District's payment of invoices, require the General Manager to provide the Board with a listing of all payments made on a monthly basis; and allow the District Board of Directors to amend its Procurement Policy by resolution. Director Rich seconded the motion and it carried with 4 Aye votes.

President Miller closed the Public Hearing at 6:14 pm.

IV. NEW BUSINESS

1. District Procurement Policy

Ms. Silva informed the Board that this policy was discussed at the Finance Committee on June 13, 2017. She explained that the Procurement Policy which was Appendix B of Ordinance 4000 has now been removed from the Code of Ordinances and will be a separate policy to be adopted by Board resolution. She explained that the policy clarifies that the General Manager's spending authority of \$50,000 includes the purchase of goods and services, as well as the execution of contracts. In addition, it increases the District's public bid threshold for public works contracts from \$15,000 to \$25,000 in accordance with the CSD Code.

Ms. Silva informed the Board that the policy also amends the District's previous practice of requiring the District's purchasing agent to first obtain the verbal consent of at least two Board members prior to making emergency purchases. The policy now would require that the General Manager use his "best efforts" to obtain consent, either verbally or via e-mail, of at least two Board members prior to making an emergency purchase. This change would provide District staff with greater flexibility to procure the necessary supplies, services, or equipment during a catastrophic or other unforeseen event. She explained that should the Board approve the policy then it will go into effect on September 22, 2017.

Director Tobin moved to adopt Resolution No. 17-19, Amending Purchasing Regulations. Director Rich seconded the motion and it carried with 4 Aye votes.

2. Water Supply Sources & Contracts

Mr. Helliker informed the Board that the Water Supply & Reliability Committee reviewed the information regarding the Placer County Water Agency (PCWA) contract and made a recommendation to bring it to the Board. He explained that the PCWA contract, which was most recently updated in 2000, with an expiration date of 2021, provides 25,000 acre-feet (AF) of water to the District on an annual basis. He explained that the District has to pay for the full 25,000 AF annually even though the maximum that the District has ever used was about 12,000 AF, with an average of 9,000 AF being used currently. A staff report was provided to the Board and a copy will be attached to the meeting minutes.

Mr. Helliker explained that staff is proposing to seek an amendment to reduce the PCWA contract's take or pay entitlement to 12,500 AF (from the current 25,000 AF), while retaining an additional 12,500 AF in the contract to be available on an "on-call" basis. He commented that staff has discussed this proposal with PCWA and they are amicable to it. In addition, he explained that the District could see a savings of approximately \$250,000 annually. In response to Ms. Sandy Harris' question regarding passing the savings onto customers, Mr. Helliker explained that the savings is passed on in terms of reduced costs for the District which would factor into the budget to balance the revenues and expenses.

Director Costa questioned whether there were other terms agreed to regarding the reduction in the contract. Mr. Helliker assured the Board that there were no discussions with PCWA regarding any other terms. Mr. Helliker explained that discussions with PCWA lead him to believe that the 12,500 AF of "on-call" water would be available for many decades; therefore, based on the current and projected water demands, he sees no issue with reducing the contract.

In response to Director Rich's question, Mr. Helliker explained that the amendment to Roseville's contract will be on a future agenda for discussion. Mr. Helliker explained that the Roseville contract for 4,000 AF is being reviewed and discussed with Roseville in order to amend the contract to receive payment for the 4,000 AF which is expected to occur by July 1, 2018.

The Board discussed the topic and voiced some concern regarding the assurance of the PCWA water. Mr. Horowitz commented that PCWA uses the Middle Fork water for production of power as they release the water and he does not expect that power production will decrease which means that the water should be available; furthermore, there are not sufficient consumptive demands for the water.

Mr. Helliker informed the Board that the contract would be brought back to the Board for final approval. In addition, he will bring the Roseville contract to the Board for discussion as well. Director Rich commented that Mr. Zlotnick has been working on this issue with PCWA and Roseville which is something that the Assistant General Manager would have worked on and is an example of how the District is functioning without that position.

Director Rich moved to direct staff to seek an amendment to reduce the PCWA contract's take or pay entitlement to 12,500 acre-feet (from the current 25,000 acre-feet), while retaining 12,500 acre-feet to be available "on-call". Director Tobin seconded the motion and it carried with 4 Aye votes.

3. Vice President Appointment

Director Costa suggested that the Board wait to fulfill the Vice President position until after the vacant Board position is filled. President Miller informed the Board that the next Board member in line for the position is Director Dan Rich and President Miller believes that the future appointment of a new Board member would have no bearing on the appointment of a Vice President.

Director Tobin agreed with Director Costa and would like to wait to appoint the Vice President position until the new Board member is present. President Miller inquired how a new Board member would change the rotation of the Vice President/President appointments. Director Tobin commented that it would depend on the new Director's qualifications and whether or not to move forward with the normal rotation. Director Costa commented that with the Assistant General Manager position not filled, the Board needs to discuss the basic structure of the District at the workshop before filling the position.

President Miller commented, and Director Rich agreed, that he would not feel comfortable filling the Vice President or President position with a new Board member regardless of their qualifications. Director Rich commented that by filling the Vice President position now, the new candidate will be aware that they will not need to fill this position. Director Tobin commented that the Board should be appointing the new Board member within the next 30-45 days so there is no urgency to fill the position.

Mr. Horowitz commented that the CSD law requires the Board to have a President and Vice President in place, and that the Vice President fills in for the President in his or her absence. He commented that it is best to appoint the Vice

President as expeditiously as possible in order to comply with the legal requirements and assure that there is a Vice President in the absence of the President. In response to Director Tobin's comment, Mr. Horowitz explained that the 60 day requirement is for filling the vacant position and that there is no strict timeline for filling the officer position but it should be filled as soon as possible.

President Miller moved to appoint Director Dan Rich as Vice President to the Board. Director Rich seconded the motion and it failed with 2 Aye votes (Miller and Rich) and 2 No votes (Costa and Tobin).

4. SJWD Committee Assignments

President Miller commented that he and the General Manager will work on appointing the committee vacancies. In the meantime, he requested that the Alternates fill in as members on the committees and that the member become the Chair where needed.

5. ACWA Committee Assignments

Mr. Helliker informed the Board that ACWA will be considering committee assignments for the 2018-19 term. If anyone is interested in being recommended for a committee, please inform Mr. Helliker. Director Tobin has submitted her interests and Director Costa would like to be recommended to the Energy Committee. The form is due to ACWA by September 29th and the Board Secretary will submit one form. President Miller confirmed that Director Tobin would represent the District at JPIA meetings since she represents RWA/SGA at those meetings.

V. OLD BUSINESS

1. Recruitment of HR and Safety Positions (W & R)

Mr. Helliker reminded the Board that this item was discussed at the Personnel Committee on April 18 and May 5 to determine whether or not to fill the Assistant General Manager (AGM) position or look to fill two staff positions. On May 24th, the Board requested that the Personnel Committee discuss the topic and provide a recommendation to the Board. The committee met again on June 20th and referred the topic back to the Board for further discussion. The Board was provided a staff report and back up documentation for the two proposed positions – Human Resources Coordinator and Safety & Regulatory Compliance Coordinator.

Mr. Helliker informed the Board that some further examples of why the positions are needed are the recent increases in the CalOSHA inspection processes and the increasing number of regulatory compliance requirements. In addition, there are often requests for generation of reports that an HR Coordinator could fulfill in a more timely manner. He explained that some of the tasks that the AGM was responsible for have been taken on by himself or by Greg Zlotnick, such as

participating in meetings regarding WaterFix, contract negotiations, environmental impact report presentations, litigations, etc.

Mr. Helliker commented that the District is being managed quite well without an AGM and many tasks have been undertaken since his absence that were not worked on in the past. He would like to discuss any concerns that the Board might have regarding his appointment of an acting General Manager in his absence.

Mr. Helliker requested that the Board consider staff's recommendation for creating the two positions in place of filling the AGM position as indicated under scenario 2 but with a part-time HR position. In addition, he mentioned that a part-time benefited position for the HR Coordinator would work but a full-time position would be needed for the Safety & Regulatory Compliance Coordinator position. Mr. Helliker informed the Board that staff looked at the neighboring water agencies with Safety & Regulatory Compliance positions and they all are full-time positions, which is noted in the staff report attachments.

Mr. Helliker informed the Board that he was informed by Sacramento Suburban Water District that they have a full-time HR position and if that person retires they plan to keep it a full-time position. He mentioned that this position was discussed during the merger discussions and it was discussed to have a two-person HR Department which could be housed either at SSWD or at San Juan, and would consist of an HR manager and a specialist. Director Costa commented that two SSWD directors approached him about the SSWD HR position being part-time and working together to share a position.

Director Costa commented that the Safety & Regulatory Compliance Coordinator position needs to be researched and both positions should be discussed at a workshop since the Personnel Committee could not bring forth a recommendation. Director Rich would like the Board to consider the positions and if they cannot come to an affirmative vote then they can wait until the new Board member is appointed in order to not be a tie vote.

Director Costa requested that empirical evidence be provided to warrant a full-time HR position. Director Rich responded that SSWD has a full-time HR position, which is a similar size agency, and Fair Oaks Water District has a part-time HR position. Mr. Helliker commented that Attachment 3 to the staff report is the Human Resources audit which was conducted by a Human Resources professional in 2016 indicating the District's need for the HR position. In addition, there was another HR audit conducted in 2004 which indicated the HR position was needed in order to reach the District's need for HR activities.

In response to Director Costa's question, Ms. Silva explained that the salary assumptions in the staff report for the two positions are at the middle of the range. In addition, she explained that the AGM salary assumption was placed half way between the General Manager and Director of Finance salaries.

Director Tobin commented that she feels that the District needs both the AGM and GM positions as the employee tends to get burned out in these roles. She commented that she understands that Mr. Zlotnick fulfilled one of the obligations that the previous AGM had but Mr. Zlotnick cannot fill the entire responsibility that the AGM had. She has concerns that the GM cannot fulfill both roles. In addition, she commented that she would support scenario 3 which is having the AGM position and an HR position.

Mr. Barela commented that if the AGM was hired, he would still be seeking the Safety & Regulatory Compliance Coordinator position. He explained that he is currently maintaining the position and is concerned that the District stays in compliance with new reporting requirements as they come in. He would like the District to have a full safety and compliance program that is better than just maintaining and being reactive but instead be proactive.

Mr. Helliker would like to create the two positions regardless of whether the AGM position is filled. In addition, he could bring back to the Board all the tasks that have been completed since the vacancy of the AGM position and get the Board's input on what they feel is not being covered during this time. He commented that these are the two positions that he feels are the most critical to have since these are the places in the organization where we are most at risk. Director Costa would like to have a workshop on this topic or discuss it at the October 5th workshop.

Director Rich moved to create the Human Resources and Safety/Regulatory positions and authorize the General Manager to begin recruitment in lieu of replacing the Assistant General Manager position. President Miller seconded the motion and it failed with 2 Aye votes (Miller and Rich) and 2 No votes (Costa and Tobin).

Director Costa encouraged staff to work on how much time each position needs. President Miller commented that he would like Directors Costa and Tobin to discuss with staff what their needs and concerns are before having a workshop on the topic. Director Tobin commented that she strongly supports the AGM position since she has seen the GM and AGM in action on internal and external duties and believes that it is too much for one person to run this District. In addition, she supports the HR position and the Safety & Regulatory Compliance position. She commented that the federal and state level activities require a lot of time of the GM and AGM, and the GM should be building the relationships not the Water Resources Specialist.

Director Costa commented that the Board looks to the GM to make the District work, whether it is with or without the AGM. He voiced concern that if the Board authorizes these two positions, then the GM will ask for another position at a later date. Director Rich commented that the staff recommendation is part of the General Manager's duty to manage the District and re-assign job duties as he sees fit.

Director Rich commented that he is not concerned that things are “slipping through the cracks” and that the District has been run by the General Manager for the past six months without an AGM. Director Tobin voiced concern that things are “slipping through the cracks” and explained that she will bring a list to discuss. Mr. Helliker voiced surprise since he has not heard any concerns and provided examples of what has been worked on since the previous GM and AGM left, such as working with USBR on defining water transfers, discussing water transfers with other agencies, representing the region as a leader on WaterFix cost negotiations, and the District is the primary agency in the Sacramento region participating in water conservation legislation discussions to support RWA. Mr. Helliker requested that the Board members meet with him to discuss any concerns they might have on items that they feel are not being completed.

VI. INFORMATION ITEMS

1. GENERAL MANAGER’S REPORT

1.1 General Manager’s Monthly Report

Mr. Helliker referred the Board to his written staff report which will be attached to the meeting minutes. In response to Director Rich’s question, Mr. Helliker explained that there is a chart (second to last page) in the staff report which shows that water deliveries are below the projected deliveries but the District is above the projected revenues for July. Ms. Silva commented that the last page contains a table on the wholesale customer agency budgeted water deliveries and revenues as compared to actual deliveries and revenues for July.

In response to Director Costa’s comment, Ms. Silva explained that allocation of the savings which the District anticipates from the reduction in the PCWA contract will be determined once other expenses and revenues come in. She explained that FOWD will be taking less water which will result in less revenue, so the savings from the reduction in the PCWA contract will likely offset the FOWD revenue loss.

For information, no action requested

1.2 Water Management and Reliability Study Update (W)

Mr. Helliker provided the Board with a table regarding the status of the five consolidated options discussed during the Water Management and Reliability Study. A copy of the table will be attached to the meeting minutes.

For information, no action requested

1.3 Miscellaneous District Issues and Correspondence

Mr. Helliker provided the Board with a preliminary applicant list for the Board vacancy. The deadline for applicants to submit a letter of intent and resume is September 8, 2017.

For information, no action requested

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

No report.

3. OPERATION MANAGER'S REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela informed the Board that the District's permit for managing and operating the water treatment plant had to be resubmitted as a result of improvements made to the system and was approved by the Division of Drinking Water.

Mr. Barela informed the Board that a letter was received from a customer commending Ken Kirkland and Darren Van Dussen (conservation staff) for their excellent customer service.

In response to President Miller, Mr. Barela informed the Board that the algae bloom has receded based on the last satellite photo.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

No report.

VII. DIRECTORS' REPORTS

1.1 SGA

Director Tobin reported that SGA met on August 10th.

1.2 RWA

Director Tobin reported that RWA Executive Committee met on August 16th.

1.3 ACWA

1.3.1 Local/Federal Government/Region 4 - Pam Tobin

Director Tobin reported that the ACWA Region 4 Nominating Committee listed her as the candidate for Region 4 Chair for the Nominating Committee's slate of candidates.

Director Tobin reported that the Little Hoover Commission is holding a public hearing on August 24, 2017, on forest management and examine strategies for long-term forest resilience.

1.3.2 JPIA - Pam Tobin

No report.

1.3.3 Energy Committee - Ted Costa

No report.

1.4 CVP Water Users Association

No report.

1.5 Other Reports, Correspondence and Comments

There were no other items discussed.

VIII. COMMITTEE MEETINGS

1. Water Supply & Reliability Committee (8/14/17)

The committee meeting minutes will be attached to the Board minutes.

IX. UPCOMING EVENTS

1. CSDA's Legislative Round-Up

August 31, 2017

Webinar

X. ADJOURN

The meeting was adjourned at 7:53 p.m.

KENNETH MILLER, President
Board of Directors
San Juan Water District

ATTEST:

TERI GRANT, Board Secretary

The meeting minute attachments are located under Meeting Minutes – *Draft* on the webpage.

STAFF REPORT

To: Board of Directors
 From: Donna Silva, Director of Finance
 Date: September 13, 2017
 Subject: Treasurer’s Report – Quarter Ending June 30, 2017

RECOMMENDED ACTION

This report is for information only and will be filed with the meeting minutes.

BACKGROUND

The purpose of the treasurer’s report is to update the Board and the public on the status of the District’s cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the fourth quarter of fiscal year 2016-2017, ending June 30, 2017.

The District’s investment objectives are established by the Board approved Investment Policy. The Investment Policy is guided and constrained by the California Government Code. The Board periodically reviews and adjusts the Investment Policy to ensure ongoing compliance with the government code and to maximize investment flexibility as permitted. The current Investment Policy has the following objectives for the portfolio:

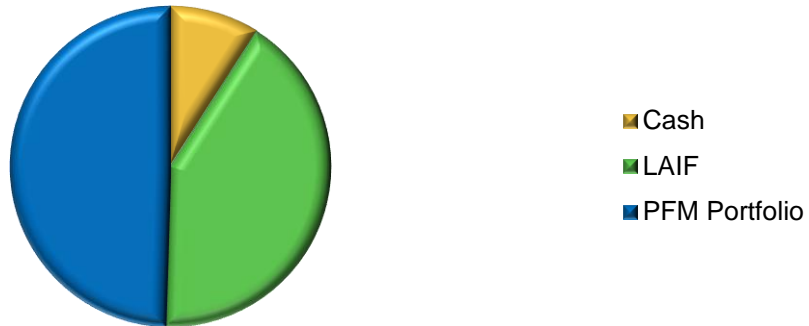
1. Safety
2. Liquidity
3. Yield

Attached is the quarterly Treasurer’s Report for the three months ended June 30, 2017.

At March 31, 2017, the end of the previous quarter, the value of the District’s total portfolio was \$22.6 million. Since that time, the value of the District’s portfolio decreased by \$4.5 million for an ending balance of \$18.1 million as of June 30, 2017. *The significant decrease was expected, due to the payment to CalPERS of \$4,112,000 towards the unfunded pension liability.* Primarily as a result of the pension payment, cash and short-term investments decreased by \$4,365,175 million. Medium term investments decreased by \$1.42 million while long-term investments increased by \$1,337,920. The funds are currently held as follows:

Cash at Banking Institutions	\$ 1,633,123
Local Agency Investment Fund (LAIF)	7,521,572
PFM Managed Investment Portfolio	8,979,654
	<u>\$ 18,134,349</u>

Distribution of Investments San Juan Water District

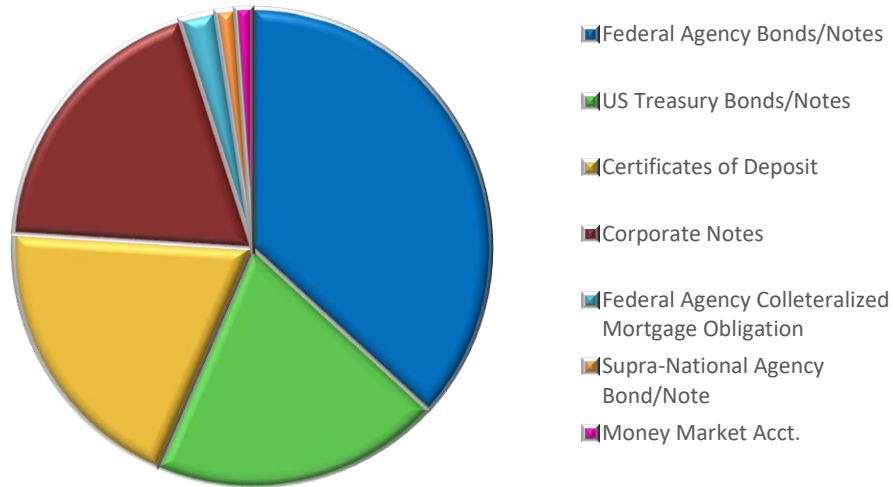


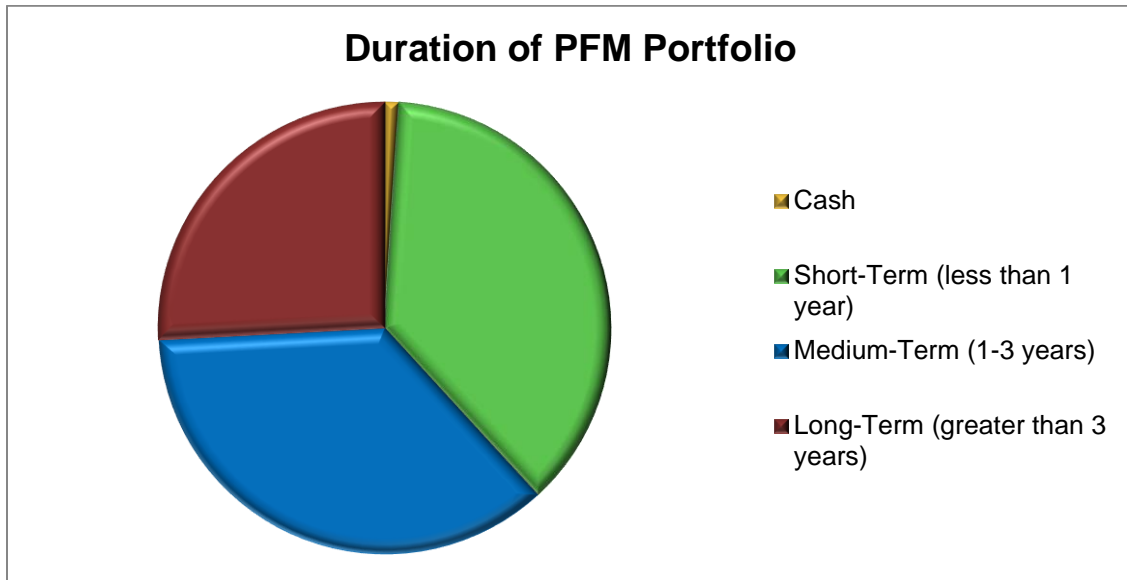
The overall portfolio is diversified with 49.5% invested in marketable securities (PFM Portfolio), 41.5% invested in short-term investments that are considered liquid (LAIF) and 9% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically review the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District’s short term cash needs. The portfolio appears slightly heavy in LAIF. Staff will be evaluating if a transfer out to the managed portfolio. However, given the cash flow needs from the 2017-18 budget a large transfer is not likely.

All securities held are in conformance with those permitted by the District’s Investment Policy. There are sufficient funds to meet the District’s expenditure requirements for the next six months.

The mix and duration of investments are displayed in the following charts:

Mix of Investments - PFM Portfolio





While interest rates have risen, they are still at remarkably low levels. During the first quarter of 2017 the Federal Open Market committee (FOMC) raised the federal funds target range by .25%, causing an increase in yields predominately in the short term category. As a result, the District moved more investments into the Short-term category to capture those increased yields. Since we are in an environment of rising interest rates the District is trying to slowly decrease its lower yielding long term investments and replace them with investments at a higher interest rate.

The portfolio is performing well and continues to outperform the benchmark (Bank of America Merrill Lynch "BAML" 0-5 year Treasury Index) on a current and historical basis.

Total Returns – period ending June 30, 2017

	Duration (years)	Quarter Ending 03/31/2017	Past Year	Since Inception
San Juan Water District	1.86	.47%	.21%	1.38%
BAML 0-5 Year Treasury Index	2.16	.34%	-.30%	1.02%

**San Juan Water District
Treasurer's Report
June 30, 2017**

	Yield %	Par Value	Cost	Current Market Value	Maturity Date
CASH & DEMAND DEPOSITS - US Bank:	na	\$ 1,633,122.93	\$ 1,633,122.93	\$ 1,633,122.93	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.978%	\$ 7,521,572.07		\$ 7,521,572.07	na
PFM MONEY MARKET ACCOUNT	na	\$ 97,383.00	\$ 97,383.00	\$ 97,383.00	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio):					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.24%	\$ 45,000.00	\$ 45,024.61	\$ 44,724.02	1/31/2020
US Treasury Notes	1.50%	195,000.00	198,389.65	196,820.52	6/30/2020
US Treasury Notes	1.16%	325,000.00	330,382.81	325,571.35	6/30/2020
US Treasury Notes	1.23%	140,000.00	142,324.22	140,164.08	7/31/2020
US Treasury Notes	1.42%	310,000.00	327,316.41	319,723.77	8/15/2020
US Treasury Notes	1.15%	250,000.00	259,101.56	252,793.00	2/28/2021
US Treasury Notes	0.98%	160,000.00	162,950.00	157,956.32	4/30/2021
US Treasury Notes	1.85%	225,000.00	220,526.37	222,126.08	4/30/2021
US Treasury Notes	1.78%	105,000.00	107,231.25	106,997.42	7/31/2021
<i>Supra-National Agency Bond/Note</i>					
Inter-American Development Bank	1.10%	125,000.00	124,625.00	123,670.00	5/13/2019
<i>Federal Agency Collateralized Mortgage Obligation</i>					
FHLMC Series KP03 A2	1.10%	146,071.35	147,528.56	146,135.83	7/1/2019
Fannie Mae Series 2015-M13 ASQ2	1.08%	71,739.36	72,457.75	71,724.28	9/1/2019
<i>Federal Agency Bonds/Notes:</i>					
FNMA Notes (Ex-Callable)	1.05%	1,000,000.00	1,000,000.00	999,163.00	2/27/2018
FHLB Notes	1.25%	135,000.00	134,994.60	134,725.41	1/16/2019
Federal Home Loan Bank Agency Notes	1.40%	250,000.00	249,885.00	249,732.50	5/28/2019
FNMA Notes	1.69%	470,000.00	471,193.80	473,086.02	6/20/2019
FNMA Benchmark Notes	0.93%	260,000.00	259,563.20	256,874.28	8/2/2019
FHLB Global Note	0.94%	240,000.00	239,539.20	237,066.48	8/5/2019
FNMA Notes	1.05%	200,000.00	199,688.00	198,046.00	8/28/2109
FHLB Notes	1.38%	190,000.00	189,956.30	189,415.94	11/15/2019
FNMA Notes	1.52%	100,000.00	99,936.00	99,737.90	2/28/2020
FNMA Benchmark Notes	1.16%	110,000.00	110,467.50	108,058.61	5/6/2021
FNMA Notes	1.32%	60,000.00	59,794.74	58,652.58	8/17/2021
FNMA Notes	1.38%	100,000.00	99,388.00	97,754.30	8/17/2021
FNMA Notes	1.33%	210,000.00	209,149.50	205,284.03	8/17/2021
<i>Corporate Notes:</i>					
Wells Fargo & Company Global Notes	1.52%	1,000,000.00	999,000.00	999,679.00	1/16/2018
Bank of New York Mellon Corp (Callable)	1.60%	175,000.00	174,984.25	175,091.88	5/22/2018
CISCO Systems Inc Corp Note	1.66%	185,000.00	184,968.55	185,367.23	6/15/2018
Toyota Motor Credit Corp	1.58%	100,000.00	99,915.00	100,174.40	7/13/2018
Apple Inc Bonds	1.92%	130,000.00	129,936.30	130,326.56	2/7/2020
American Honda Finance Corp Notes	1.84%	130,000.00	129,112.10	127,365.29	9/9/2021
<i>Certificate of Deposit:</i>					
Skandinaviska Enskilda Banken NY CD	1.48%	215,000.00	215,000.00	214,906.48	11/16/2017
HSBC Bank USA NA Floating Cert Depos	0.97%	215,000.00	215,000.00	215,463.97	11/17/2017
Canadian Imperial Bank NY YCD	1.78%	250,000.00	249,805.00	251,047.25	11/30/2018
Nordea Bank Finland NY CD	1.74%	250,000.00	250,000.00	251,047.25	11/30/2018
Svenska Handelsbanken NY FLT Cert Depos	1.91%	215,000.00	215,000.00	214,416.06	8/24/2017
Bank of Montreal Chicago Cert Depos	1.90%	215,000.00	215,000.00	216,249.80	11/6/2017
Bank of Nova Scotia Houston LT CD	1.91%	215,000.00	215,000.00	214,873.37	4/5/2017
Sumitomo Mitsui Bank NY CD	2.05%	170,000.00	170,000.00	170,258.40	5/3/2019
TOTAL LONG TERM INVESTMENTS		\$ 8,887,810.71	\$ 8,924,135.23	\$ 8,882,270.66	
TOTAL CASH & INVESTMENTS AT 6/30/2017		\$18,139,888.71	\$10,654,641.16	\$18,134,348.66	

STAFF REPORT

To: Board of Directors

From: Donna Silva, Finance Director

Date: September 13, 2017

Subject: Second Amendment to Agreement between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water (Agreement)

RECOMMENDED ACTION

Approve the negotiated contract amendment with Northridge Water District (Sacramento Suburban Water District, as amended) and authorize the General Manager to execute the amendment. See Exhibit 1 for Second Amendment, Exhibit 2 for the redline version and Exhibit 3 for the original contract.

BACKGROUND

Northridge Water District (NWD) and San Juan Water District (SJWD) entered into an agreement for the "Diversion, Treatment and Conveyance of Water" in 1993 (see Exhibit 3). Language in the contract concerning SJWD's charges for plant capacity and water treatment to NWD were vague and, in practical terms, indistinguishable, with the exception of the cost of water, from how SJWD charges its wholesale customers who have first rights and firm capacity entitlements on SJWD's water supply and plant capacity. Sacramento Suburban Water District (District), as the successor to NWD, and SJWD staff agreed that the contract language regarding costs as enumerated in the contract, see Exhibit 3, part 4, "Payment for Use of Surplus Capacity," needed amending.

District staff and SSWD staff agreed on the principles to amend the treatment and conveyance charges section of the Agreement between the two Districts earlier this year. Since SSWD and SJWD utilize the same law firm, SSWD hired separate counsel to draft the proposed amendment (Mr. Adam Brown, Esq. of Hill, Rivkins, Brown & Associates) at their own cost.

The current agreement contains vague language for the manner in which SJWD will calculate the rate to treat and convey water to SSWD. Specifically the existing states:

4. Payment for Use of Surplus Capacity or Surplus Water. *San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges to San Juan's Member districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatments costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat, and deliver Northridge Water shall not include the cost-of-water components of San Juan's wholesale water rate, but*

may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.

While the language says that the charge to SSWD will be the same average wholesale water rate it charges to San Juan's Member Districts, it was never included in the Wholesale Financial Plan and Rate Schedules. The last known rate for SSWD was \$59.02 per acre foot, in 2013. In 2016 SSWD began having SJWD treat water again. Since the District did not have a current rate, nor was a rate included in a recent Financial Plan, the Finance Department calculated a new rate of \$135.34 using the language from the contract as a guide.

During the most recent Wholesale Financial Plan process, it was decided to include the SSWD treatment rate, so that the rate could be calculated in conformance with our interpretation of the agreement. The result of the Financial Plan was a rate for 2017 of \$178.10, which San Juan has been charging SSWD since January 1, 2017.

SSWD participated in the rate setting process and had the process reviewed by HDR, an independent consulting firm. The conclusion was that the wholesale financial plan did not provide HDR with enough detail to make an assertion on the accuracy of the rate, because the Wholesale Financial Plan did not include San Juan's detailed line item budget, to support the cost assertions in the plan. Staff from both agencies decided that the best course forward was for SSWD to pay the newly adopted rate from the Wholesale Financial Plan and negotiate an amendment to the agreement that would specify the exact manner in which the rate should be calculated.

Along with a few other minor changes to the contract, the proposed amendment includes the following new language for rate calculation:

Effective January 1, 2017, utilizing the current structure of SJWD's Wholesale Financial Plan and Water Rate Study, SSWD 's per acre foot cost of water shall be the total average cost of service for the Wholesale entity, less the burdened Cost of Supply, with the sum divided by the estimated annual water use of the wholesale customer entities.

To illustrate by example, referring to Table 111-2 on page 26 SJWD 's January 5, 2017 Wholesale Financial Plan and Water Rate Study (a copy of which is attached hereto as Exhibit A and incorporated by reference herein), the Total Wholesale Cost is \$8,842,000, while the burdened Cost of Supply is \$2,370,500. Taking the net of these amounts of \$6,471,500 and dividing by the estimated annual water use of the wholesale customers of 39,967, SSWD's treat and wheel cost per acre foot for calendar year 2017 would be \$161.92.

Rates for calendar years 2018-2021 will escalate in the same manner as described in the current Wholesale Financial Plan. If the current Wholesale Financial Plan is amended or superseded, the rate for calendar years 2018-2021 will be amended as well. Specifically they will be as follows:

<u>Current Rate Schedule</u>	<u>Proposed Rate Schedule</u>
2017: \$178.10	\$161.92
2018: \$194.13	\$176.49
2019: \$211.60	\$192.37
2020: \$230.64	\$209.68
2021: \$242.17	\$220.16

Rates for subsequent calendar years will follow the methodology described above and will be included and calculated within subsequent Wholesale Financial Plans. If a financial plan and rate schedule are not completed by the expiration of the current approved rate schedule, the then current rate shall remain in effect until such time as a new Wholesale Financial Plan and Rate Schedule is approved by the Board of Directors of San Juan.

If the rate is adjusted retroactively, San Juan will owe SSWD a credit of \$80,917.79 for water treated from January 2017 through June 2017. Additionally, San Juan will experience lower revenue in the current fiscal year than projected, in the amount of approximately \$123,400. The total reduction in revenues for both fiscal years would be approximately \$204,300.

The Financial Plan does not anticipate revenue from SSWD for calendar years 2017 forward. Therefore the specific impacts of this change would be to fiscal year 2016-17 revenues, which were already greater than anticipated, and to fiscal year 2017-18 revenues projected in the budget, , but which were not projected in the Financial Plan.

The last time SSWD had the District treat a significant amount of water was in 2011. We began treating their water again in February 2016. Since that time, it has generated additional revenues in excess of \$2.3 million for the wholesale division of the District.

ATTACHMENTS:

Exhibit 1 – Proposed Second Amendment

Exhibit 2 – Redline version of Proposed Second Amendment

Exhibit 3 – Current contract

**SECOND AMENDMENT TO AGREEMENT BETWEEN
SAN JUAN WATER DISTRICT
AND NORTHRIDGE WATER DISTRICT
CONCERNING DIVERSION, TREATMENT
AND CONVEYANCE OF WATER**

This Second Amendment to the “Agreement Between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water” (the “Agreement”) is entered into by and between San Juan Water District, a public entity (“San Juan”) and Sacramento Suburban Water District (“SSWD”), a public entity, as successor in interest to Northridge Water District, a public entity (“Northridge”) (together, the “Parties”) and amends the Agreement entered into by the Parties as of the 23rd day of November, 1993, and amended on October 12, 1994.

RECITALS

1. San Juan owns and operates facilities for (a) diversion of water from Folsom Reservoir, (b) treatment of water to meet health and safety standards for potable use, and (c) conveyance and delivery of treated water to its customers ("San Juan's Facilities"). San Juan's customers include (a) its retail water service customers in Placer and Sacramento Counties, and (b) its wholesale water service customers, namely, city of Folsom, Citrus Heights Water District, Fair Oaks Water District and Orange Vale Water Company (hereinafter collectively referred to as "San Juan's Member Districts").

2. San Juan has water rights and entitlements under its own pre-1914 water rights, and has water supply contracts with the U.S. Bureau of Reclamation and Placer County Water Agency. San Juan also purchases water from other sources from time to time, and expects to continue to so in the future. For the purpose of this Agreement, "San Juan's Water Rights" shall mean San Juan's water rights and entitlements as they may exist from time to time, irrespective of the source.

3. SSWD is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and SSWD has succeeded to all the rights and obligations of Northridge Water District under the Agreement. SSWD provides potable water service to customers within its service area primarily from groundwater sources, but desires to have a supplemental surface water supply diverted, treated and conveyed through San Juan's Facilities. In the past, San Juan has diverted, treated and conveyed surface water from Folsom Reservoir to SSWD using San Juan's Facilities. SSWD may obtain water rights and entitlements in the future to divert water from Folsom Reservoir ("SSWD Water").

4. San Juan has constructed a project to enhance reliability and increase the capacity of its water conveyance facilities from its treatment plant to Filbert Avenue ("San Juan's Pipeline") to meet future demands. SSWD, as successor in interest to Northridge, has paid San Juan \$4.7 million to expand the capacity of San Juan's Pipeline by 59 million gallons per day for SSWD's exclusive use for conveying water for SSWD ("SSWD's Capacity"). SSWD has also

constructed a pipeline with Citrus Heights Water District for their joint use connecting with San Juan's Pipeline at Filbert Avenue and terminating at C Bar C Park, and has constructed new water conveyance facilities connected to the SSWD-Citrus Heights pipeline at C Bar C Park to deliver water to SSWD's service area. The pipelines referred to in the preceding sentence are hereinafter referred to as "SSWD's Pipeline."

6. San Juan is willing to work cooperatively with SSWD to use SSWD's Capacity and surplus capacity in San Juan's Facilities to divert, treat and convey for SSWD's use within its service area (a) surplus water from Folsom Reservoir under San Juan's water Rights, and (b) surface water from Folsom Reservoir that SSWD may become entitled to divert from time to time in the future. For all purposes in this Agreement, "SSWD's Service Area" shall include the service area of SSWD as well as the service area of Rio Linda Water District and California American Water Company's (CalAM) Lincoln Oaks and Antelope service area, so that SSWD shall be authorized under this Agreement to use Surplus capacity and to deliver Surplus Water for use in the service areas of both SSWD, CalAM and Rio Linda, or other surrounding areas within the Place of Use of the particular water source involved.

7. This Agreement as amended supersedes in its entirety the Agreement between San Juan and Northridge entered into as of November 23, 1993, and as amended on October 12, 1994. In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.

2. **Right of SSWD to Use San Juan's Facilities.** The parties acknowledge that the first priority for use of San Juan's Facilities is and shall be for San Juan to provide water service to San Juan's Member Districts, except that SSWD shall have exclusive right to use SSWD's Capacity, as described in paragraph 4 above. "Surplus Capacity" shall mean capacity in San Juan's Facilities not needed to serve the needs of San Juan's Member Districts. "Surplus Water" shall mean water available under San Juan's Water Rights not needed to serve the needs of San Juan's Member Districts. Before San Juan makes Surplus Capacity available for use by anyone outside San Juan's Member Districts, SSWD shall have the first priority to use Surplus capacity for delivery of Surplus Water or SSWD Water for use within SSWD's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Capacity from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

3. **Right of SSWD to Use San Juan's Surplus Water.** The parties acknowledge that the first priority for use of San Juan's Water Rights is and shall be for San Juan to provide water service to San Juan's Member Districts. Before San Juan makes Surplus Water available for use by anyone outside San Juan's Member Districts, SSWD shall have the right to first priority to use Surplus Water for use within SSWD's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Water from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

4. **Payment for Use of Surplus Capacity or Surplus Water.** This Agreement is an arrangement for a combination sale of San Juan surplus water and the treatment and delivery of SSWD water that it is or has become entitled to, the treatment and delivery serving as an interruptible “Treat and Wheel” arrangement. Recognizing that SSWD has provided a \$4.7 million payment to San Juan to expand the capacity of San Juan’s Cooperative Transmission Pipeline by 59 million gallons per day for SSWD’s exclusive use in delivering water to SSWD, the per acre-foot charge to SSWD for treatment and delivery of SSWD water shall be calculated as follows:

Effective January 1, 2017, utilizing the current structure of SJWD 's Wholesale Financial Plan and Water Rate Study, SSWD 's per acre foot cost of water shall be the total average cost of service for the Wholesale entity, less the burdened Cost of Supply, with the sum divided by the estimated annual water use of the wholesale customer entities.

To illustrate by example, referring to Table 111-2 on page 26 of SJWD 's January 5, 2017 Wholesale Financial Plan and Water Rate Study (a copy of which is attached hereto as Exhibit A and incorporated by reference herein), the Total Wholesale Cost is \$8,842,000, while the burdened Cost of Supply is \$2,370,500. Taking the net of these amounts of \$6,471,500 and dividing by the estimated annual water use of the wholesale customers of 39, 967, SSWD 's treat and wheel cost per acre foot for calendar year 2017 would be \$161.92.

Rates for calendar years 2018-2021 will escalate in the same manner as described in the current Wholesale Financial Plan. If the current Wholesale Financial Plan is amended or superseded, the rate for calendar years 2018-2021 will be amended as well. Specifically they will be as follows:

2018: \$176.49

2019: \$192.37

2020: \$209.68

2021: \$220.16

Rates for subsequent calendar years will follow the methodology described above and will be included and calculated within subsequent Wholesale Financial Plans. If a financial plan and rate schedule are not completed by the expiration of the current approved rate schedule the then current rate shall remain in effect until such time as a new Wholesale Financial Plan and Rate Schedule is approved by the Board of Directors of San Juan.

5. **Scheduling of Deliveries to SSWD.** The General Manager of San Juan shall keep SSWD informed on a regular basis of the availability of Surplus Capacity and surplus Water from San Juan. The General Managers of San Juan and SSWD shall consult with each other on a regular basis to arrange for and schedule use of Surplus Capacity· in San Juan's Facilities to deliver either Surplus Water or SSWD Water to SSWD. The point of delivery to SSWD shall be

at the SSWD Pipeline at C Bar C Park. SSWD shall be responsible for measuring water delivered by San Juan under this Agreement at the point of delivery with metering equipment approved by San Juan.

7. **Expansion of Place of Use for PCWA Water.** Water under San Juan's contract with Placer County Water Agency could be available for use within SSWD's service area if the place of use of the water rights referred to in the contract were changed to include SSWD's Service Area. San Juan and SSWD agree that such a change in place of use was desirable, and have cooperated at SSWD's expense to obtain such a change in place of use.

8. **Conjunctive Use of SSWD Groundwater and San Juan Surface Water.** As a result of this Agreement, SSWD has implemented a program of conjunctive use of groundwater and surface water (including groundwater recharge) to better provide a reliable, high-quality water supply to its customers. San Juan and SSWD agree in concept that it would also be desirable for San Juan to be able to utilize groundwater pumped from SSWD's wells, by exchange or otherwise, to facilitate conjunctive use of groundwater and surface water by San Juan, to better serve its customers. San Juan and SSWD shall continue to work cooperatively to implement such a conjunctive use program.

9. **General Provisions.**

A. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

B. **Construction and Interpretation.** It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

C. **Waiver.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

D. **General Indemnity.** Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any wise incident to, connected with, or arising directly or indirectly out of the performance or nonperformance by the indemnifying party hereunder.

E. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

F. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors and assigns of the parties.

G. **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

H. **Supporting Resolutions.** Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

I. **Additional Documents and Actions.** Each party agrees to make, execute, and deliver any and all documents and take other actions reasonably required to implement this Agreement.

The foregoing is hereby agreed to by the parties.

September ____, 2017

SACRAMENTO SUBURBAN WATER
DISTRICT

By: _____
President, Board of Directors

Attest:

By: _____
Secretary

September ____, 2017

SAN JUAN WATER DISTRICT

By: _____
General Manager

Attest:

By: _____
Secretary

**SECOND AMENDMENT TO AGREEMENT BETWEEN
SAN JUAN WATER DISTRICT
AND NORTHRIDGE WATER DISTRICT
CONCERNING DIVERSION, TREATMENT
AND CONVEYANCE OF WATER
(AS AMENDED)**

This Second Amendment to the "Agreement Between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water" (the "Agreement") is entered into by and between San Juan Water District, a public entity ("San Juan") and Sacramento Suburban Water District ("SSWD"), a public entity, as successor in interest to Northridge Water District, a public entity ("Northridge") (together, the "Parties") and amends the Agreement entered into by the Parties as of the 23rd day of November, 1993, and amended on October 12, 1994. This Agreement, entered into as of the 23rd day of November, 1993, by and between San Juan Water District, a public entity ("San Juan"), and Northridge Water District, a public entity ("Northridge"), in the County of Sacramento, California, is amended as of October 12, 1994.

RECITALS

1. San Juan owns and operates facilities for (a) diversion of water from Folsom Reservoir, (b) treatment of water to meet health and safety standards for potable use, and (c) conveyance and delivery of treated water to its customers ("San Juan's Facilities"). San Juan's customers include (a) its retail water service customers in Placer and Sacramento Counties, and (b) its wholesale water service customers, namely, city of Folsom, Citrus Heights ~~Irrigation~~Water District, Fair Oaks Water District and Orange Vale Water Company (hereinafter collectively referred to as "San Juan's Member Districts").

2. San Juan has water rights and entitlements under its own pre-1914 water rights, and has water supply contracts with the U.S. Bureau of Reclamation and Placer County Water Agency. San Juan also purchases water from other sources from time to time, and expects to continue to so in the future. For the purpose of this Agreement, "San Juan's Water Rights" shall mean San Juan's water rights and entitlements as they may exist from time to time, irrespective of the source.

3. SSWD is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and SSWD has succeeded to all the rights and obligations of Northridge Water District under the -Agreement. ~~Northridge~~SSWD provides potable water service to customers within its service area primarily from groundwater sources, but desires to have a supplemental surface water supply diverted, treated and conveyed through San Juan's Facilities. In the past, San Juan has diverted, treated and conveyed surface water from Folsom Reservoir to ~~Northridge~~SSWD using San Juan's Facilities. ~~Northridge~~SSWD may obtain water rights and entitlements in the future to divert water from Folsom Reservoir ("~~Northridge~~SSWD Water").

4. San Juan ~~is undertaking a~~ has constructed a project to enhance reliability and increase the capacity of its water conveyance facilities from its treatment plant to Filbert Avenue ("San Juan's Pipeline") to meet future demands. NorthridgeSSWD, as successor in interest to Northridge, has ~~agreed to pay~~ paid San Juan \$4.7 million to expand the capacity of San Juan's Pipeline by 59 million gallons per day for NorthridgeSSWD's exclusive use for conveying water for NorthridgeSSWD ("NorthridgeSSWD's Capacity"). ~~NorthridgeSSWD is also undertaking a project (a) to construct~~ has also constructed a pipeline with Citrus Heights ~~Irrigation Water~~ District ~~a pipeline~~ for their joint use connecting with San Juan's Pipeline at Filbert Avenue and terminating at C Bar C Park, and ~~(b) to construct~~ has constructed new water conveyance facilities ~~to be~~ connected to the NorthridgeSSWD-Citrus Heights pipeline at C Bar C Park to deliver water to NorthridgeSSWD's service area. The pipelines referred to in the preceding sentence are hereinafter referred to as "NorthridgeSSWD's Pipeline."

~~5. On November 8, 1993, San Juan and Northridge Northridge formed the San Juan Suburban Water District Financing Corporation to assist in financing San Juan's Pipeline and NorthridgeSSWD's Pipeline.~~

6. San Juan is willing to work cooperatively with NorthridgeSSWD to use NorthridgeSSWD's Capacity and surplus capacity in San Juan's Facilities to divert, treat and convey for NorthridgeSSWD's use within its service area (a) surplus water from Folsom Reservoir under San Juan's water Rights, and (b) surface water from Folsom Reservoir that NorthridgeSSWD may become entitled to divert from time to time in the future. For all purposes in this Agreement, "NorthridgeSSWD's Service Area" shall include the service area of NorthridgeSSWD as well as the service area of Rio Linda Water District and California American Water Company's (CalAM) Lincoln Oaks and Antelope service area, so that NorthridgeSSWD shall be authorized under this Agreement to use Surplus capacity and to deliver Surplus Water for use in the service areas of both NorthridgeSSWD, CalAM and Rio Linda, or other surrounding areas within the Place of Use of the particular water source involved.

7. This Agreement as amended supersedes in its entirety the Agreement between San Juan and Northridge entered into as of November 23, 1993, and as amended on October 12, 1994. In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.
2. **Right of NorthridgeSSWD to Use San Juan's Facilities.** The parties acknowledge that the first priority for use of San Juan's Facilities is and shall be for San Juan to provide water service to San Juan's Member Districts, except that NorthridgeSSWD shall have exclusive right to use NorthridgeSSWD's Capacity, as described in paragraph 4 above. "Surplus Capacity" shall mean capacity in San Juan's Facilities not needed to serve the needs of San Juan's Member Districts. "Surplus Water" shall mean water available under San Juan's Water Rights not needed to serve the needs of San Juan's Member Districts. Before San Juan makes Surplus Capacity available for use by anyone outside San Juan's Member Districts, NorthridgeSSWD shall have the first priority to use Surplus capacity for delivery of Surplus Water or NorthridgeSSWD Water for use within NorthridgeSSWD's Service Area. The General Manager

of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Capacity from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

3. **Right of NorthridgeSSWD to Use San Juan's Surplus Water.** The parties acknowledge that the first priority for use of San Juan's Water Rights is and shall be for San Juan to provide water service to San Juan's Member Districts. Before San Juan makes Surplus Water available for use by anyone outside San Juan's Member Districts, NorthridgeSSWD shall have the right to first priority to use Surplus Water for use within NorthridgeSSWD's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Water from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

4. **Payment for Use of Surplus Capacity or Surplus Water.** ~~San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges to San Juan's Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost of water component of San Juan's wholesale water rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.~~This Agreement is an arrangement for a combination sale of San Juan surplus water and the treatment and delivery of SSWD water that it is or has become entitled to, the treatment and delivery serving as an interruptible "Treat and Wheel" arrangement. Recognizing that SSWD has provided a \$4.7 million payment to San Juan to expand the capacity of San Juan's Cooperative Transmission Pipeline by 59 million gallons per day for SSWD's exclusive use in delivering water to SSWD, the per acre-foot charge to SSWD for treatment and delivery of SSWD water shall be calculated as follows:

Effective January 1, 2017, uUtilizing the current structure of SJWD 's Wholesale Financial Plan and Water Rate Study, SSWD 's per acre foot cost of water shall be the total average cost of service for the Wholesale entity, less the burdened Cost of Supply, with the sum divided by the estimated annual water use of the wholesale customer entities.

To illustrate by example, referring to Table 111-2 on page 26 ~~ji-om-of~~ SJWD 's January 5, 2017 Wholesale Financial Plan and Water Rate Study (a copy of which is attached hereto as Exhibit A and incorporated by reference herein), the Total Wholesale Cost is \$8,842,000, while the burdened Cost of Supply is \$2,370,500. Taking the net of these amounts of \$6,471,500 and dividing by the estimated annual water use of the wholesale customers of 39, 967, SSWD 's treat and wheel cost per acre foot for calendar year 2017 would be \$161.92. :

Rates for calendar years 2018-2021 will escalate in the same manner as described in the current Wholesale Financial Plan. If the current Wholesale Financial Plan is amended or superseded, the rate for calendar years 2018-2021 will be amended as well. Specifically they will be as follows:

2018: \$176.49

2019: \$192.37

2020: \$209.68

2021: \$220.16

Rates for subsequent calendar years will follow the methodology described above and will be included and calculated within subsequent Wholesale Financial Plans. If a financial plan and rate schedule are not completed by the expiration of the current approved rate schedule end of any calendar year, the then current rate shall remain in effect until such time as a new Wholesale Financial Plan and Rate Structure Schedule is approved by the Board of Directors of San Juan.

5. **Scheduling of Deliveries to NorthridgeSSWD.** The General Manager of San Juan shall keep NorthridgeSSWD informed on a regular basis of the availability of Surplus Capacity and surplus Water from San Juan. The General Managers of San Juan and NorthridgeSSWD shall consult with each other on a regular basis to arrange for and schedule use of Surplus Capacity in San Juan's Facilities to deliver either Surplus Water or NorthridgeSSWD Water to NorthridgeSSWD. The point of delivery to NorthridgeSSWD shall be at the NorthridgeSSWD Pipeline at C Bar C Park. NorthridgeSSWD shall be responsible for measuring water delivered by San Juan under this Agreement at the point of delivery with metering equipment approved by San Juan.

~~6. **Potential Annexation of Northridge to San Juan.** San Juan and Northridge approve in concept the future annexation of Northridge to San Juan for the purpose of Northridge becoming a Member District of San Juan, on terms and conditions approved by San Juan and Northridge. San Juan and Northridge shall work cooperatively toward completing such an annexation at Northridge's expense when requested by Northridge.~~

7. **Expansion of Place of Use for PCWA Water.** Water under San Juan's contract with Placer County Water Agency could be available for use within NorthridgeSSWD's service area if the place of use of the water rights referred to in the contract were changed to include NorthridgeSSWD's Service Area. San Juan and NorthridgeSSWD agree ~~in concept~~ that such a change in place of use ~~would be~~ was desirable, and ~~have agree to~~ cooperated at NorthridgeSSWD's expense ~~into~~ obtaining such a change in place of use.

8. **Conjunctive Use of NorthridgeSSWD Groundwater and San Juan Surface Water.** As a result of this Agreement, NorthridgeSSWD ~~will be able to implement~~ has ~~implemented~~ a program of conjunctive use of groundwater and surface water (including groundwater recharge) to better provide a reliable, high-quality water supply to its customers. San Juan and NorthridgeSSWD agree in concept that it would also be desirable for San Juan to be able to utilize groundwater pumped from NorthridgeSSWD's wells, by exchange or otherwise, to facilitate conjunctive use of groundwater and surface water by San Juan, to better serve its

customers. San Juan and ~~NorthridgeSSWD~~ agree shall continue to work cooperatively to implement such a conjunctive use program.

9. **General Provisions.**

A. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

B. **Construction and Interpretation.** It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

C. **Waiver.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

D. **General Indemnity.** Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any wise incident to, connected with, or arising directly or indirectly out of the performance or nonperformance by the indemnifying party hereunder.

E. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

F. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors and assigns of the parties.

G. **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

H. **Supporting Resolutions.** Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

I. **Additional Documents and Actions.** Each party agrees to make, execute, and deliver any and all documents and take other actions reasonably required to implement this Agreement.

The foregoing is hereby agreed to by the parties.

~~August-September~~____, 2017

SACRAMENTO
SUBURBANNORTHRIDGE WATER
DISTRICT

By: _____
President, Board of Directors

Attest:

By: _____
Secretary

~~August-September~~____, 2017

SAN JUAN WATER DISTRICT

By: _____
~~President, Board of Directors~~General
Manager

Attest:

By: _____
Secretary

**AGREEMENT BETWEEN
SAN JUAN WATER DISTRICT
AND NORTHRIDGE WATER DISTRICT
CONCERNING DIVERSION, TREATMENT
AND CONVEYANCE OF WATER
(AS AMENDED)**

This Agreement, entered into as of the 23rd day of November, 1993, by and between San Juan Water District, a public entity ("San Juan"), and Northridge Water District, a public entity ("Northridge"), in the County of Sacramento, California, is amended as of October 12, 1994.

RECITALS

1. San Juan owns and operates facilities for (a) diversion of water from Folsom Reservoir, (b) treatment of water to meet health and safety standards for potable use, and (c) conveyance and delivery of treated water to its customers ("San Juan's Facilities"). San Juan's customers include (a) its retail water service customers in Placer and Sacramento Counties, and (b) its wholesale water service customers, namely, City of Folsom, Citrus Heights Irrigation District, Fair Oaks Water District and Orange Vale Water Company (hereinafter collectively referred to as "San Juan's Member Districts").

2. San Juan has water rights and entitlements under its own pre-1914 water rights, and has water supply contracts with the U.S. Bureau of Reclamation and Placer County Water Agency. San Juan also purchases water from other sources from time to time, and expects to continue to so in the future. For the purpose of this Agreement, "San Juan's Water Rights" shall mean San Juan's water rights and entitlements as they may exist from time to time, irrespective of the source.

3. Northridge provides potable water service to customers within its service area primarily from groundwater sources, but desires to have a supplemental surface water supply

diverted, treated and conveyed through San Juan's Facilities. In the past, San Juan has diverted, treated and conveyed surface water from Folsom Reservoir to Northridge using San Juan's Facilities. Northridge may obtain water rights and entitlements in the future to divert water from Folsom Reservoir ("Northridge Water").

4. San Juan is undertaking a project to enhance reliability and increase the capacity of its water conveyance facilities from its treatment plant to Filbert Avenue ("San Juan's Pipeline") to meet future demands. Northridge has agreed to pay San Juan \$4.7 million to expand the capacity of San Juan's Pipeline by 59 million gallons per day for Northridge's exclusive use for conveying water for Northridge ("Northridge's Capacity"). Northridge is also undertaking a project (a) to construct with Citrus Heights Irrigation District a pipeline for their joint use connecting with San Juan's Pipeline at Filbert Avenue and terminating at C Bar C Park, and (b) to construct new water conveyance facilities to be connected to the Northridge-Citrus Heights pipeline at C Bar C Park to deliver water to Northridge's service area. The pipelines referred to in the preceding sentence are hereinafter referred to as "Northridge's Pipeline."

5. On November 8, 1993, San Juan and Northridge formed the San Juan Suburban Water District Financing Corporation to assist in financing San Juan's Pipeline and Northridge's Pipeline.

6. San Juan is willing to work cooperatively with Northridge to use Northridge's Capacity and surplus capacity in San Juan's Facilities to divert, treat and convey for Northridge's use within its service area (a) surplus water from Folsom Reservoir under San Juan's Water Rights, and (b) surface water from Folsom Reservoir that Northridge may become entitled to divert from time to time in the future. For all purposes in this Agreement, "Northridge's Service Area" shall include the service area of Northridge as well as the service area of Rio Linda Water District, so that Northridge shall be authorized under this Agreement to use

Surplus Capacity and to deliver Surplus Water for use in the service areas of both Northridge and Rio Linda.

7. This Agreement as amended supersedes in its entirety the Agreement between San Juan and Northridge entered into as of November 23, 1993.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.

2. **Right of Northridge to Use San Juan's Facilities.** The parties acknowledge that the first priority for use of San Juan's Facilities is and shall be for San Juan to provide water service to San Juan's Member Districts, except that Northridge shall have exclusive right to use Northridge's Capacity. "Surplus Capacity" shall mean capacity in San Juan's Facilities not needed to serve the needs of San Juan's Member Districts. "Surplus Water" shall mean water available under San Juan's Water Rights not needed to serve the needs of San Juan's Member Districts. Before San Juan makes Surplus Capacity available for use by anyone outside San Juan's Member Districts, Northridge shall have the first priority to use Surplus Capacity for delivery of Surplus Water or Northridge Water for use within Northridge's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Capacity from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

3. **Right of Northridge to Use San Juan's Surplus Water.** The parties acknowledge that the first priority for use of San Juan's Water Rights is and shall be for San Juan to provide water service to San Juan's Member Districts. Before San Juan makes Surplus Water available for use by anyone outside San Juan's Member

Districts, Northridge shall have the right to first priority to use Surplus Water for use within Northridge's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Water from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

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5. **Scheduling of Deliveries to Northridge.** The General Manager of San Juan shall keep Northridge informed on a regular basis of the availability of Surplus Capacity and Surplus Water from San Juan. The General Managers of San Juan and Northridge shall consult with each other on a regular basis to arrange for and schedule use of Surplus Capacity in San Juan's Facilities to deliver either Surplus Water or Northridge Water to Northridge. The point of delivery to Northridge shall be at the Northridge Pipeline at C Bar C Park. Northridge shall be responsible for measuring water delivered by San Juan under this Agreement at the point of delivery with metering equipment approved by San Juan.

6. **Potential Annexation of Northridge to San Juan.** San Juan and Northridge approve in concept the future annexation of Northridge to San Juan for the purpose of Northridge becoming a Member District of San Juan, on terms and conditions approved by San Juan and Northridge. San Juan and Northridge shall work cooperatively toward completing such an annexation at Northridge's expense when requested by Northridge.

7. **Expansion of Place of Use for PCWA Water.** Water under San Juan's contract with Placer County Water Agency could be available for use within Northridge's service area if the place of use of the water rights referred to in the contract were changed to include Northridge's Service Area. San Juan and Northridge agree in concept that such a change in place of use would be desirable, and agree to cooperate at Northridge's expense in obtaining such a change in place of use.

8. **Conjunctive Use of Northridge Groundwater and San Juan Surface Water.** As a result of this Agreement, Northridge will be able to implement a program of conjunctive use of groundwater and surface water (including groundwater recharge) to better provide a reliable, high-quality water supply to its customers. San Juan and Northridge agree in concept that it would also be desirable for San Juan to be able to utilize groundwater pumped from Northridge's wells, by exchange or otherwise, to facilitate conjunctive use of groundwater and surface water by San Juan, to better serve its customers. San Juan and Northridge agree to work cooperatively to implement such a conjunctive use program.

9. **General Provisions.**

A. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or

written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

B. Construction and Interpretation. It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to resolved against the drafting party shall not apply in construing or interpreting this Agreement.

C. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

D. General Indemnity. Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any wise incident to, connected with, or arising directly or indirectly out of the performance or nonperformance by the indemnifying party hereunder.

E. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

F. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors and assigns of the parties.

G. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

H. Supporting Resolutions. Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

I. Additional Documents and Actions. Each party agrees to make, execute, and deliver any and all documents and take other actions reasonably required to implement this Agreement.

The foregoing is hereby agreed to by the parties.

October 10, 1994

NORTHRIDGE WATER DISTRICT

By: 
President, Board of Directors

Attest:

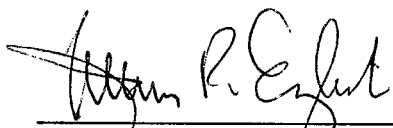
By: 
Secretary

October 12, 1994

SAN JUAN WATER DISTRICT

By: 
President, Board of Directors

Attest:

By: 
Secretary

ANNOTATED

**SAN JUAN WATER DISTRICT
STRATEGIC PLAN WORKSHOP
SAN JUAN WATER DISTRICT BOARD ROOM
OCTOBER 5, 2017**

INVITED PARTICIPANTS:

San Juan Water District (SJWD) Board of Directors

- Kenneth Miller, President
- Edward J. “Ted” Costa,
- Dan Rich
- Pamela Tobin
- *Vacant Director*

SJWD Staff:

- Paul Helliker, General Manager
- Donna Silva, Finance Director
- Tony Barela, Operations Manager
- Rob Watson, Engineering Services Manager
- Lisa Brown, Customer Service Manager
- George Machado, Field Services Manager
- Greg Turner, Water Treatment Plant Superintendent
- Teri Grant, Administrative Assistant/Board Secretary
- Chris von Collenberg, IT Administrator
- Greg Zlotnick, Water Resources Specialist

Wholesale Customer Agencies: General Managers

- Hilary Strauss, Citrus Heights Water District
- Sharon Wilcox, Orange Vale Water Company
- Marcus Yasutake, City of Folsom
- Tom Gray, Fair Oaks Water District

Other Key SJWD Stakeholders

- Rob Roscoe, Sacramento Suburban Water District General Manager
- Einar Maisch, Placer County Water District General Manager
- John Woodling, Regional Water Authority Executive Director
- BOD Noticed Recipients + General Public
- Ellen Cross, Strategy Driver, Inc. Facilitator

WORKSHOP GOALS:

- Reaffirm the vision, mission, core values
- Develop high level goals and objectives for District to accomplish in the next 2-5 years
- Review next steps including performance metrics related to goals and objectives

AGENDA:

TIME	TOPIC	WHO	ANTICIPATED OUTCOME
9:30 am	WELCOME		
	<ul style="list-style-type: none"> • Introductions: Participants/Facilitator • Today’s Workshop Program + Anticipated Outcomes 	<ul style="list-style-type: none"> • Miller/Helliker • Cross 	<ul style="list-style-type: none"> • Acknowledge Participants’ time and commitment to the SJWD Strategic Plan • Review the Agenda and Anticipated Outcomes

ANNOTATED
SAN JUAN WATER DISTRICT
STRATEGIC PLAN WORKSHOP
SAN JUAN WATER DISTRICT BOARD ROOM
OCTOBER 5, 2017

9:50 am	<ul style="list-style-type: none"> • Strategic Plan Process + Schedule <p>MISSION, VISION, + CORE VALUES</p> <ul style="list-style-type: none"> • Review + Refine: Are they still relevant to SJWD’s Envisioned Future? • What should be added / subtracted? • How should they be communicated? 	All	<ul style="list-style-type: none"> • Understand Strategic Plan Process and Schedule • Understand how to integrate and refine vision, missions, core values • Create update of the vision, mission and core values to reflect SJWD’s envisioned future in the next 5 years • Communicate to internal and external stakeholders and reflect our intent to uphold in SJWD’s everyday approach
11:15 am Working Lunch	<p>OVERARCHING PRIORITY GOALS + OBJECTIVES</p> <ul style="list-style-type: none"> • Discuss Overarching Priority Goals + Objectives 	All	<ul style="list-style-type: none"> • Identify overarching priority goals and priority objectives that will meet our obligations and maximize our vision and mission • Identify any threats to our ability to meet our water reliability and delivery obligations
1:00 pm	<p>NEXT STEPS</p> <ul style="list-style-type: none"> • Envisioning and Measuring Success • Process Next Steps • Next Workshop 	All	<ul style="list-style-type: none"> • Understand what a successful organization looks like to meet the goals and objectives • Understand what resources will be necessary to successfully achieve our goals and objectives • Understand today’s outcomes and how they fit into the overall Strategic Plan process • Identify next steps for second workshop to refine our approach
1:30 pm	ADJOURN	All	<ul style="list-style-type: none"> • Adjourn with the satisfaction of having fully participated to influence the SJWD’s vision and direction for the next 5 years

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: September 13, 2017
Subject: Compensation Policy

RECOMMENDED ACTION

Approve the draft Compensation Policy by motion of the Board of Directors.

BACKGROUND

The District's current Employee Manual contain three polices that pertain to employee Compensation as follows:

- Policy 3080 – Salary Ranges
- Policy 3110 – Compensation Studies
- Policy 4100 – Cost of Living Adjustment (COLA)

In a Board workshop on August 22, 2017 the Board of Directors reviewed each of these policies and provided the following direction to staff:

- Simplify into one policy
- Replace the specific goal of having the top of the salary range be 10% above market average, with language stating that the Board will determine its desired market position with each compensation study, with the position being no less than market average.
- Add a requirement to add the CalPERS assumed increase in payroll to the annual compensation budget and to provide discretion and authorization to the General Manager to use that amount as the maximum budget for merit and COLA increases each year.

In addition to those requested changes, staff has removed redundant language and changed language in various sections to add clarity. A red-lined copy of the policy is attached for ease of comparison.

If approved, the policies referenced above will be removed from the existing Employee Manual and the new policy will be maintained as part of the body of Board Policies.

Attachments:

Proposed Compensation policy (clean version)
Proposed Compensation policy (red-line version)

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: Human Resources Policies
POLICY TITLE: EMPLOYEE COMPENSATION
POLICY NUMBER: 7400
DATE ADOPTED:
DATES AMENDED:

7400.00 Compensation Philosophy

It is the intention of the District to recruit and retain talented, results-driven employees to support the District's mission, values and goals. A compensation program is necessary to provide each employee with fair and equitable compensation for the skills the employee brings to the District and the position in which they serve. In order to provide each employee with fair and equitable compensation, the District has developed a systematic method to establish and maintain a compensation program by defining the process and clarifying the role and responsibility of the General Manager in that process. Pursuant to California Government Code section 61051(d) and 61060(f), the General Manager has the responsibility to determine the compensation of employees subject to approval by the Board as given during the annual budget process.

7400.01 Process

To ensure consistency in setting compensation, it is necessary to compare the District to other survey agencies in the appropriate labor market. In order to achieve that goal, the District will conduct a compensation survey with oversight and approval by the Personnel Committee at regular intervals (approximately every four years or sooner as deemed necessary or as directed by the Board). Following the methodology prescribed below, the standard process will consist of:

- Selection of a study lead (consultant, agency, staff member, etc.);
- Determination of classes to be surveyed (or all as required);
- Prepare survey criteria and contact survey agencies;
- Collect, analyze and determine comparability of survey data; and
- Present recommendations of study lead.
- Recommendations will be evaluated and implemented at the Board of Directors' discretion, taking to account the District's

standard methodology criteria as outlined in section 3110.02.

7400.02 Methodology

In order to maintain a fair and equitable compensation program, the District has established a standard methodology to be used in conducting compensation studies.

- Total compensation program includes: base salary; longevity and other specialized pay (such as, but not limited to auto allowance and incentives); District contribution towards health, dental, or vision insurance(s); and District payment of employee retirement or deferred compensation contribution. In addition, studies may include life insurance, short and long term disability, retirement formula, paid time off (holidays, vacation, sick and administrative leave) and training/educational programs. The total compensation program will be used when comparing the District's pay level to survey agencies as described below, which may include public and private sector when data is available. The intent of utilizing total compensation is to determine modifications other than salary which may be determined necessary.
- Survey agencies will include those providing similar services of similar size (number of employees, connections, population and budget) or otherwise deemed to be comparable within a radius identified based on position to the extent possible.
- Cost of living differences between surveyed agencies and the Sacramento Metropolitan Area will be evaluated to determine if significant wage differences require an adjustment to the data.
- Upon review of the survey results, the Board will determine the desirable labor market position of the top of the range. The target position will be at least equal to market average as calculated in the survey.

7400.03 Authority and Responsibility

The General Manager (or his/her designee) is responsible for preparing a compensation budget in accordance with this Policy, as well as all applicable District Policies, which will be included as part of the annual budget review process. The General Manager will have the authority to fix and alter employee compensation in accordance with the intent of this policy and within the budgetary guidelines approved by the Board of Directors.

The General Manager may change or alter the compensation budget during the year by either: 1) requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or 2) submitting an amended compensation budget, explaining reasons and recommendations for the change, and receiving Board approval for the change.

The General Manager will have full operational authority to implement this policy up to the limits of the approved compensation budget, which includes:

- Determining staffing requirements, titles, positions, responsibilities and organization structure. All new positions require Board approval.
- Recommending pay/salary ranges and/or total compensation to the Board for approval
- Setting goals and conducting performance reviews.
- Establishing annual pay/salary adjustments, including annual merit increases and cost-of-living adjustments (COLA) in accordance with section 3080.02 of this policy.
- Implementing and managing Board approved incentive pay programs.
- Creating programs for position upgrades and special assignments.
- Providing pay/salary and benefit benchmarking information and studies for Board review.

The General Manager will ensure the equitable and uniform implementation of this policy including reporting to the Board at least annually, typically during the budget process.

The Board of Directors is responsible for reviewing the compensation budget as part of the District's annual budget and has the authority to consider, amend as needed, and approve that budget.

7410.00 Salary Ranges

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

7410.01 Step Increases

Each position at the District has a salary range. The low end of the range is designed to correspond to an apprentice level for the position. The high end of the range is designed to correspond to a journey level for the position. An employee progresses through the salary range based on their performance in the position.

When an employee is not at the top of their salary range, they are eligible for a step increase. The amount of the step increase is based on their performance the previous 12 months. Any step increase applied to an employee's salary increases the base salary amount for that employee.

Step increases are provided to eligible employees during the first full pay period in February. Those employees that are paid at the top of their salary range are not eligible for any salary step increases.

7410.02 Anti-Spiking Policy Related to Salaries

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

The intent of the Board of Directors is to reduce the possibility of increasing the retirement liability of the District, as well as forbid the policy of spiking salaries for the purpose of increasing retirement. The Board of Directors recognizes the benefits of allowing the General Manager the authority to award step increases based on actual work performance and merit. The Board further desires to keep employee salaries at pace with inflation.

The General Manager has the authority to determine the specific advancement within the salary range for each employee, and to determine and award an Annual Cost of Living Adjustment (generally based on the CPI West index) under the condition that the total increase for all employees does not exceed the total assumed increase used by CalPERS. The total assumed increase used by CalPERS will be included in the proposed compensation budget. Upon Board approval of the budget, the General Manager has the authority to award a combination of merit and COLA increases within the total amount of the compensation budget. The assumed step increase used by CalPERS is defined as the total assumed increase in payroll costs for the district. Should the total increase in payroll costs for recommended step increases exceed the estimated assumed merit increase used by CalPERS, the General Manager will obtain Board approval prior to implementation.

Any COLA awarded will be implemented during the first pay period of the new fiscal year.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: General Human Resources Policies
POLICY TITLE: EMPLOYEE COMPENSATION
POLICY NUMBER: 35007400
DATE ADOPTED:
DATES AMENDED:

35007400.00 Compensation Philosophy

It is the intention of the District to recruit and retain talented, results-driven employees to support the District's mission, values and goals. A compensation program is necessary to provide each employee with fair and equitable compensation for the skills the employee brings to the District and the position in which they serve. In order to provide each employee with fair and equitable compensation, the District has developed a systematic method to establish and maintain a compensation program by defining the process and clarifying the role and responsibility of the General Manager in that process. Pursuant to California Government Code section 61051(d) and 61060(f), the General Manager has the responsibility to determine the compensation of employees subject to approval by the Board as given during the annual budget process.

31107400.01 Process

To ensure consistency in setting compensation, it is necessary to compare the District to other survey agencies in the appropriate labor market. In order to achieve that goal, the District will conduct a compensation survey with oversight and approval by the Personnel Committee at regular intervals (approximately every five-four years or sooner as deemed necessary or as directed by the Board). Following the methodology prescribed below, the standard process will consist of:

- Selection of a study lead (consultant, agency, staff member, etc.);
- Determination of classes to be surveyed (or all as required);
- Prepare survey criteria and contact survey agencies;
- Collect, analyze and determine comparability of survey data; and
- Present recommendations of study lead.
- Recommendations will be evaluated and implemented at the Board of Directors' discretion, taking to account the District's

standard methodology criteria as outlined in section 3110.02.

~~31107400~~.02 Methodology

In order to maintain a fair and equitable compensation program, the District has established a standard methodology to be used in conducting compensation studies.

- Total compensation program includes: base salary; longevity and other specialized pay (such as, but not limited to auto allowance and incentives); District contribution towards health, dental, or vision insurance(s); and District payment of employee retirement or deferred compensation contribution. In addition, studies may include life insurance, short and long term disability, retirement formula, paid time off (holidays, vacation, sick and administrative leave) and training/educational programs. The total compensation program will be used when comparing the District's pay level to survey agencies as described below, which may include public and private sector when data is available. The intent of utilizing total compensation is to determine modifications other than salary which may be determined necessary.
- Survey agencies will include those providing similar services of similar size (number of employees, connections, population and budget) or otherwise deemed to be comparable within a radius identified based on position to the extent possible. ~~For example, staff level positions could have the intent to search within approximately a 35 mile radius, managers within an 80 mile radius, and for the assistant general manager the search will be statewide. If a sufficient number of similar survey agencies are not available within the survey radius, a balanced number of smaller and larger agencies will be included to minimize skewing the results.~~
- Cost of living differences between surveyed agencies and the Sacramento Metropolitan Area will be evaluated to determine if significant wage differences require an adjustment to the data.
- Upon review of the survey results, the Board will determine the desirable labor market position of the top of the range. The target position will be at least equal to market average as calculated in the survey.

~~31107400~~.03 Authority and Responsibility

The General Manager (or his/her designee) is responsible for preparing a compensation budget in accordance with this Policy, as well as all applicable District Policies, which will be included as part of the annual budget review process. The General Manager will have the authority to fix and alter employee compensation in accordance with the intent of this policy and within the budgetary guidelines approved by the Board of Directors.

The General Manager may change or alter the compensation budget during the year by either: 1) requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or 2) submitting an amended compensation budget, explaining reasons and recommendations for the change, and receiving Board approval for the change.

The General Manager will have full operational authority to implement this policy up to the limits of the approved compensation budget, which includes:

- Determining staffing requirements, titles, positions, responsibilities and organization structure. All new positions require Board approval.
- Recommending Establishing pay/salary ranges and/or total compensation to the Board for approval.
- Setting goals and conducting performance reviews.
- Establishing annual pay/salary adjustments, including annual merit increases and cost-of-living adjustments (COLA) in accordance with section 3080.02 of this policy.
- Creating Implementing and managing Board approved incentive pay programs.
- Creating programs for position upgrades and special assignments.
- Providing pay/salary and benefit benchmarking information and studies for Board review.
- ~~Creating dual or multiple grade positions as needed.~~

The General Manager will ensure the equitable and uniform implementation of this policy including reporting to the Board at least annually, typically during the budget process.

The Board of Directors is responsible for reviewing the compensation budget as part of the District's annual budget and has the authority to consider, amend as needed, and approve that budget.

~~3080~~7410.00 Salary Ranges

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

30807410.01 Step Increases

Each position at the District has a salary range. The low end of the range is designed to correspond to an apprentice level for the position. The high end of the range is designed to correspond to a journey level for the position. An employee progresses through the salary range based on their performance in the position.

When an employee is not at the top of their salary range, they are eligible for a step increase. The amount of the step increase is based on their performance the previous 12 months. Any step increase applied to an employee's salary increases the base salary amount for that employee.

Step increases are provided to eligible employees during the first full pay period in February. Those employees that are paid at the top of their salary range are not eligible for any salary step increases.

30807410.02 Anti-Spiking Policy Related to Salaries

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

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

The ~~Board has provided the~~ General Manager has the authority to determine the specific advancement within the salary range for each

employee, and to determine and award an Annual Cost of Living Adjustment (generally based on the CPI West index) under the condition that the total increase for all employees does not exceed the total assumed increase used by CalPERS for merit increases. The total assumed increase used by CalPERS will be included in the proposed compensation budget. Upon Board approval of the budget, the General Manager has the authority to award a combination of merit and COLA increases within the total amount of the compensation budget. The assumed step increase used by CalPERS is defined as the total assumed increase in payroll costs for the district. Should the total increase in payroll costs for recommended step increases exceed the estimated assumed merit increase used by CalPERS, the General Manager will obtain Board approval prior to implementation.

COST OF LIVING ADJUSTMENT (COLA)

~~It is the intent of the District to keep employee salaries at pace with inflation. The Cost of Living Adjustment (COLA) is reviewed on an annual basis by the Finance and Administrative Services Manager. The Consumer Price Index (CPI) for West Urban Size A is used as a guideline. Any recommendations are then submitted to the District's Board of Directors for review and consideration.~~

~~The COLA approved during the budgetary process is implemented during the first pay period of the new fiscal year.~~

Any COLA awarded will be implemented during the first pay period of the new fiscal year.

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: September 13, 2017
Subject: Appointment of a Vice President of the Board of Directors

RECOMMENDED ACTION

Appoint a Vice President of the Board of Directors.

BACKGROUND

With the passing of Director Bob Walters on August 5, the San Juan Water District lost its Vice President of the Board of Directors. Pursuant to the statutes that govern Community Services Districts (as described more fully below), the District is required to have a Vice President. The Board needs to move expeditiously to appoint a new Vice President.

The typical process used by the District has been a rotation of Board members through the Vice President and then the President positions. This is pursuant to guidance contained in Rule 1 of the Board Meeting Proceedings Policy, which is:

“The Board will normally follow a rotation for the election of President and Vice-President under which the Vice-President will normally be elected President at the conclusion of the President’s one-year term.”

As noted in the attached list of Presidents and Vice-Presidents, the District has had a consistent sequence of Vice-Presidents and Presidents, based on a five-year rotation cycle. The exception to this sequence was in 2015, the year following the 2014 election, in which Dan Rich replaced Dave Peterson, who would have been president in 2015. Director Rich was added to the rotation to follow the rotation of the four incumbent Board members. Director Rich is next in the current rotation after Director Walters, and to maintain the existing rotation, he would follow Director Walters as the Vice-President.

LEGAL REQUIREMENTS

Government Code section 61043 requires that the Board meet and select its required officers, who are a President and a Vice-President, within 45 days after each general district election (including any uncontested election). The Board President presides over meetings of the Board and the Vice-President serves in the President’s absence or inability to serve. While neither Section 61043 or any other statute in the Community Services District Law or in the local agency vacancy statutes, including Government Code section 1780, specifically addresses the question of what happens if the Board Vice-President vacates his or her office due to death, resignation or disability, the

statutory 45-day deadline after an election for selecting the Vice President is a clear expression of the Legislature's preference that San Juan and other community services district boards of directors have both a president and vice-president and that those offices be promptly filled to ensure the efficient functioning of the Board. As discussed at the August 23 meeting, the practical consequence of the Board not promptly selecting a Vice-President is that the Board would have no presiding officer if the President is absent. Legally, the Board most likely would violate its legal duty under Section 61043 to select a new Vice-President as promptly as possible after an incumbent Vice-President vacates his or her office. If such a violation occurred, any ratepayer within San Juan's retail or wholesale area could file a petition for writ of mandate to compel the Board to select a new Vice-President. Legal counsel therefore recommends that the Board makes this selection as soon as possible.

Attachments:

San Juan Water District Presidents and Vice Presidents

San Juan Water District President and Vice President History

Year	President	Vice President
2025	Pam Tobin	New Board Director
2024	Ted Costa	Pam Tobin
2023	Dan Rich	Ted Costa
2022	Ken Miller	Dan Rich
2021	New Board Director	Ken Miller
2020	Pam Tobin	New Board Director
2019	Ted Costa	Pam Tobin
2018	Dan Rich	Ted Costa
2017	Ken Miller	Bob Walters/Dan Rich
2016	Pam Tobin	Ken Miller
2015	Ted Costa	Pam Tobin
2014	Bob Walters	Dave Peterson
2013	Ken Miller	Bob Walters
2012	Pam Tobin	Ken Miller
2011	Ted Costa	Pam Tobin
2010	Dave Peterson	Ted Costa
2009	Bob Walters	Dave Peterson
2008	Ken Miller	Bob Walters
2007	Pam Tobin	Ken Miller
2006	Ted Costa	Pam Tobin
2005	Dave Peterson	Ted Costa

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: September 13, 2017
Subject: Committee Charters and Recommended Revisions

RECOMMENDED ACTION

Approve Committee Charters and Eliminate Three Committees

BACKGROUND

San Juan Water District currently has six standing and two ad hoc committees:

- Engineering
- Finance
- Legal Affairs
- Personnel
- Public Information
- Water Supply and Reliability
- SJWD/FOWD 2x2 Ad Hoc
- Retail Financial Plan and Rate Review Ad Hoc

Ad Hoc committees are typically convened on a temporary basis to address specific projects or topics. The District's two Ad Hoc Committees have been responsible for issues that were previously timely and pertinent, but are no longer critical to address. Staff recommends that these two committees be disbanded.

The Legal Affairs Committee has typically addressed legal issues associated with topics that are normally under the purview of one of the other committees. Staff recommends that any legal issue associated with an agenda item that is addressed by one of the other committees be addressed during the consideration of that item in the relevant committee. Staff recommends that the Legal Affairs Committee also be disbanded.

The other five committees are independent and do not overlap in jurisdiction. They also serve the purpose of allowing Board members to consider topics in more detail than is typically possible during a regular Board meeting, thereby allowing items considered by committees to be addressed by the Board as consent calendar items during a regular Board meeting. With five committees, the responsibility for participating on committees can be distributed equally among Board members - each member could chair a separate committee, and each Board member could also serve on another committee.

Staff has developed the proposed charters that are presented in the attachment. These charters have been considered and approved by each of the committees except for the

Engineering Committee, which has not met since staff began developing the charters. Staff recommends that the Board approve the charters for each committee.

Attachments:

2017 Board Committees



Board of Directors – Standing Committees 2017

Engineering Committee

Chair: Dan Rich
Vice Chair: Ken Miller
Alternate: Pam Tobin

The purpose of the Engineering Committee is to discuss and make recommendations to the Board on matters related to the District's Capital Improvement Program, other facilities related projects, water treatment and distribution operations, property related topics, and review and recommend approval of contracts associated with these topics. The Board President may assign additional topics as needed. This committee generally meets monthly on the xx xxday of the month at x:00 x.m.

Finance Committee

Chair: Ted Costa
Vice Chair: Ken Miller
Alternate: Pam Tobin

The purpose of the Finance Committee is to discuss and make recommendations to the Board on matters related to the District's finances such as rates, fiscal policies, debt issuance, District budget, and review and recommend approval of contracts associated with these topics. The Board President may assign additional topics as needed. The committee serves as the Audit Oversight Committee for purposes of the annual audit. This committee generally meets monthly on the Tuesday before the 2nd Wednesday of the month at 4:00 p.m.

Personnel Committee

Chair: Dan Rich
Vice Chair: Vacant
Alternate: Ted Costa

The purpose of the Personnel Committee is to discuss and make recommendations to the Board on all matters related to the District's human resource management at the District including employee compensation and staffing levels. The Board President may assign additional topics as needed. This committee generally meets quarterly on the xx xxday of the month at x:00 x.m.

Public Information Committee

Chair: Pam Tobin
Vice Chair: Ken Miller
Alternate: Vacant

The purpose of the Public Information Committee is to discuss and make recommendations to the Board on all matters related to the District's communications planning and public outreach. The Board President may assign additional topics as needed. This committee generally meets monthly on the 3rd Thursday of the month at 9:30 a.m.

Water Supply & Reliability Committee

Chair: Pam Tobin
Vice Chair: Dan Rich
Alternate: Vacant

The purpose of the Water Supply & Reliability Committee is to discuss and make recommendations to the Board on matters related to water supply issues such as water rights, contracts, water transfers, groundwater, water use efficiency activities, the Urban Water Management Plan, and water resources management. The Board President may assign additional topics as needed. This committee generally meets bi-monthly on the xx xx day of the month at x:00 x.m.

Legal Affairs Committee

Chair: Vacant
Vice Chair: Ted Costa
Alternate: Ken Miller

Board of Directors – Ad Hoc Committees 2017

SJWD/FOWD 2x2 Committee

Chair: Vacant
Vice Chair: Dan Rich

Retail Finance Plan & Rate Review Committee

Chair: Pam Tobin
Vice Chair: Vacant

Board of Directors – Other Assignments 2017

Association of California Water Agencies (ACWA)

Committee:	Energy
Board Representative:	Ted Costa
Committee:	Region 4
Board Representative:	Pam Tobin
Committee:	Federal Affairs
Board Representative:	Pam Tobin
SJWD Representative:	Greg Zlotnick
Committee:	Local Government
Board Representative:	Pam Tobin
Committee:	State Legislative
Board Representative:	Vacant
Board Alternate:	Pam Tobin
SJWD Representative:	Greg Zlotnick
Committee:	JPIA
Board Representative:	Vacant
Board Alternate:	Ted Costa

CVP Water Users Association

Board Representative:	Ted Costa
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Regional Water Authority (RWA)

Board Representative:	Pam Tobin
Board Alternate:	Vacant
SJWD Representative:	Paul Helliker

RWA Lobbyist Subscription Program

Board Representative:	Ken Miller
SJWD Representative:	Greg Zlotnick

Sacramento Groundwater Authority (SGA)

Board Representative:	Pam Tobin
Board Alternate:	Ken Miller
SJWD Representative:	Paul Helliker

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: September 13, 2017
Subject: Selection of New Board Member

RECOMMENDED ACTION

Determine Process for Selecting New Board Member

BACKGROUND

During the August 9, 2017 Board meeting, the Board decided to appoint a new Board member and authorized staff to distribute the notice concerning the vacancy on the Board of Directors that was created by the passing of Director Walters on August 5. The deadline for candidates to submit letters of interest and resumes was set as September 8. The Board has until October 4 to select a new Board member, after which time the decision will become the responsibility of the Board of Supervisors of Sacramento County.

As of September 7, sixteen candidates have applied for the position. All have been determined to be eligible to serve as a Board member. Should the Board decide to interview all of these candidates, staff recommends that the interviews be conducted during two separate Board meetings, to avoid having either meeting continue for more than 4 hours. The September 27 regular Board meeting could be one of these meetings dedicated to interviews.

The Board may want to consider the format to use for the interviews. Two options would be either sequential individual interviews, or conducting the interviews simultaneously, in a "panel" format (in which each question would be asked of each candidate, prior to moving to the next question, which could then be posed to the candidates in a different order.) The interviews and the deliberations are required to be conducted during a Board meeting accessible to the public (i.e., not in closed session), so any member of the public, including any of the Board candidates, can attend all of the proceedings.

The Board may want to consider a ranking and selection process. As has been the process for selection of a General Manager, the Board may want to use a set selection of questions during the interviews, which could be shared with the candidates beforehand. Some potential questions are included as an attachment – the ones highlighted in yellow may be the set that the Board might want to consider using, at a minimum.

The Board could use a process that would consist of each Board member ranking the candidates from most preferred to least preferred, with a corresponding numerical ranking of 1 to 16. The rankings could then be summed for each candidate, with those having the lowest totals being the most preferred by all of the Board. The Board could then decide what additional deliberation or further interviews might be necessary to reach a decision.

Attachments:

Board Vacancy Applicant List
Potential interview questions

Board Vacancy Applicant List

Date Received	Received Via	Name	City
8/16/2017	Email	Chad Vander Veen	Folsom
8/20/2017	Email	Mitchell Dion	Folsom
8/22/2017	Email	Kevin Knauss	Granite Bay
8/22/2017	Email	Rick Wolfe	Granite Bay
8/22/2017	Email	Christopher Peacock	Granite Bay
8/22/2017	Dropped Off	Leonard Bruckman	Granite Bay
8/23/2017	Email	Leonard Simpson	Folsom
8/23/2017	Email	Marty Hanneman	Granite Bay
8/29/2017	Email	Suzanne Jones	Granite Bay
8/31/2017	Email	Sheri Adams	Orangevale
9/1/2017	Email	Edward J. Scheidegger	Fair Oaks
9/1/2017	Dropped Off	Richard Costigan	Granite Bay
9/4/2017	Email	David Samson	Orangevale
9/5/2017	Email	Scott Johnson	Granite Bay
9/7/2017	Mail	Ken Cichocki	Granite Bay
9/7/2017	Dropped Off	Michael DeLaurentis	Granite Bay

Board of Director Interview Questions

I) General /Introduction

- a. Do you expect to serve until 2018 and is it your intention to run for election?
- b. Tell us about yourself and your qualifications that would make you an effective Board member?
- c. Why are interested in serving on the Board?
- d. Describe your role as a Director?
- e. Are you willing to commit the time to carrying out your Director responsibilities?
 - Attend up to 24 Board meetings/year
 - Serve on various Board committees
 - Serve as an Officer of the Board
 - Serve on water-related associations; economic development or energy associations
 - Periodic out-of-town travel
- f. Do you have any possible conflicts of office or interest (this could include contractual relationships, or serving on another public agency)?

II) Experience and Qualification – more generally

- a. What is your experience with and/or knowledge of Special District governance?
- b. Describe any prior experience serving on a Board?
 - i. What was your greatest accomplishment?
 - ii. What was your greatest asset/talent on that Board?

- iii. What challenged you or frustrated you the most?
- iv. How would fellow Board members describe you and your contributions?
- v. May we call any of them?

III) Experience and Qualification –District-specific

- a. What is your understanding of the District's Mission?
- b. How would you contribute to the District in helping it achieving its Mission?

IV) Close

- a. Do you have any questions about the District or Board regarding service?
- b. If chosen, how early can you begin serving? Our next scheduled Board Meeting is _____.

AGENDA ITEM III-6

RESOLUTION NO. 17-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT IN RECOGNITION OF ROBERT WALTERS

WHEREAS, Bob Walters was first elected as a Director of the San Juan Water District Board of Directors on November 7, 2006;

WHEREAS, Director Walters was reelected to the Board in 2010 and 2014, resulting in 11 years of passionate and dedicated service to the San Juan Water District;

WHEREAS, Director Walters success as a counselor and expert in public affairs and politics provided a vital perspective to the deliberations and decisions of the San Juan Water District Board;

WHEREAS, Director Walters served as President of the San Juan Water District Board of Directors in 2009 and 2014;

WHEREAS, Director Walters served as Board Vice President in 2008, 2013 and 2017 ;

WHEREAS, Director Walters served as Chair of the San Juan Water District Legal Affairs Committee since 2008;

WHEREAS, Director Walters served on the Conservation Committee, Engineering Committee, Personnel Committee, and Water Supply & Reliability Committee over his years of service;

WHEREAS, the San Juan Water District thanks Director Walters for his leadership and active participation in regional and statewide organizations including the Regional Water Authority and the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) in order to advance the District's interests; and

WHEREAS, the San Juan Water District seeks to recognize Director Walters for his contributions to the water community, San Juan staff and San Juan customers, and for his dedication and exceptional performance as Director of the San Juan Water District.

NOW, THEREFORE, BE IT RESOLVED that the San Juan Water District's Board of Directors and Staff hereby expresses their sincere gratitude and appreciation for the high level of service and professionalism Director Walters provided in the execution of his duties as Director of San Juan Water District.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 13th day of September 2017, by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST

KENNETH H. MILLER
President, Board of Directors

TERI GRANT
Secretary, Board of Directors



San Juan Water District Wholesale Public Outreach Draft Proposed Scope of Work – August 21, 2017

Crocker & Crocker recently met with San Juan Water District’s Public Information Committee to review its FY 2017/18 scope of work. The scope included tasks to support public outreach for retail and wholesale. While the committee members approved the scope, they directed Crocker & Crocker to prepare a scope of work for more comprehensive public outreach in the wholesale service area. San Juan management also requested the additional scope to support the communications strategy within its strategic plan that is now underway.

The following proposed scope of work includes a strategic approach to:

- Engage wholesale customers in a collaborative manner during the planning process and throughout program implementation
- Support the defined goals, objectives and priorities in San Juan’s strategic plan (now underway)
- Reach customers in the wholesale service area with information about San Juan wholesale projects, topics and/or other news that relates to them

The approved 2017/18 tasks follow the scope to show what has already been approved for this year’s activities.

Scope of Work Wholesale Public Outreach Plan

Crocker & Crocker will develop a public outreach plan to guide San Juan’s communications within the wholesale service area. As San Juan works to complete its overarching strategic plan, Crocker & Crocker will conduct stakeholder interviews with wholesale customer general managers to uncover insights for use in developing the communications strategy.

The interviews will help San Juan learn about existing communications methods, databases and opportunities to collaborate on public outreach. The interviews will also uncover input and suggestions about topics to communicate, desired messaging, methods of sharing information, etc.

Following the interviews, Crocker & Crocker will conduct a comprehensive review of San Juan’s strategic plan to develop additional outreach recommendations. Working in partnership with San Juan management and the PI committee, Crocker & Crocker will develop a strategic public outreach plan for use in the wholesale service area.

This task includes the following deliverables:

- Questionnaire
- Stakeholder interviews with each retail agency general manager
- Summary report with findings and recommendations
- Strategic plan review with recommendations

- Wholesale public outreach plan that guides outreach around wholesale topics such as capital improvement projects, water supply reliability studies/projects, water legislation and advocacy work. The plan will include:
 - goals
 - target audiences
 - strategies
 - objectives
 - high-level messaging
 - public outreach tasks timeline

Electronic Communications

Crocker & Crocker will create a stakeholder database for specific use to the service area outside San Juan retail. The database will include retail agencies, stakeholders such as the county supervisors/staff, city council members/staff, state elected officials/staff, chamber of commerce management/staff, business associations, neighborhood and homeowner associations leadership as well as customers.

Create annual topic calendar, develop content and distribute regular e-blasts to the wholesale database. Crocker & Crocker will work with San Juan Water District management and the Committee to develop the content, visuals, subject lines and effectively written e-blast copy for each issue according to best practices.

Includes the following deliverables:

- Initial database research and development
- Annual topic calendar
- Eight e-blasts (writing, design, programming, review)
- Analytics report/recommendations for 2018/19

Outreach Materials (TBD through stakeholder interviews and planning with San Juan)

Create and provide each retail agency with outreach content/materials for their use in communicating with their customers about activities being conducted by San Juan Water District that affect their agency. Crocker & Crocker will work with San Juan Water District management and the PI committee to identify and determine strategic priorities and information to share. Topics may include wholesale capital improvement project updates, event announcements, legislative updates, etc.

Outreach materials may include the following assets for each agency’s use, as appropriate, for their communications platforms. This task assumes activities will occur on a quarterly basis.

- Newsletter articles
- Website articles
- Social media posts

Budget Estimate

2017 Rates:		\$185	\$185	\$150	\$130	\$105	\$120			
Tasks	Total Hours	President	Creative Director	Project Director	Art Director	Programmer	Project Manager	Total Fees	Direct Costs	Project TOTAL
Public outreach plan/stakeholder interviews	54.00	24		20			10	\$ 8,640	\$ -	\$ 8,640
Electronic Communications	104.00	16		24			64	\$ 14,240	\$ 1,380	\$ 15,620
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Approved 2017/18 Tasks

The approved tasks from the 2017/18 scope of work are outlined below for reference.

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Develop and edit new wholesale-focused copy for the home page and sub-pages with timely calls to action, updates, events and/or other news. Provide design and design edits for wholesale-focused headers, graphics and/or charts.

- Assumes up to six content updates

Events

Conduct outreach to support wholesale events through the development and distribution of e-blasts, social media content and local media calendar posts.

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Consumer Confidence Report

Work with San Juan staff and the CCR consultant to finalize design, printing, production and delivery of the annual report. This task also includes proofing and editing plus delivery coordination and distribution reporting for compliance.

Media Relations

Conduct media relations to reach customers with wholesale news. This task includes writing, editing and distribution of up to three news releases with media follow-up, interview coordination and media coverage reporting about activities that are specifically about wholesale activities.

Wholesale Mailer (Outreach Materials)

Develop and coordinate distribution of one direct-mail piece to update customers in the wholesale service area about capital improvement projects and other important initiatives.

Teri Grant

From: Paul Helliker
Sent: Wednesday, September 6, 2017 2:45 PM
To: Teri Grant
Subject: Fwd: Outreach Advisory: Support Requested for Water Professionals Appreciation Week

Let's add this to next week's meeting

Sent from my iPhone

Begin forwarded message:

From: ACWA <acwabox@acwa.com>
Date: September 6, 2017 at 2:05:15 PM PDT
To: <phelliker@sjwd.org>
Subject: Outreach Advisory: Support Requested for Water Professionals Appreciation Week



Click [here](#) to view it in your browser.

OUTREACH ADVISORY

Sept. 6, 2017

Support Requested for Resolution Establishing Annual Water Professionals Appreciation Week

Senate Concurrent Resolution (SCR) 80, introduced in the Senate on Aug. 23, seeks to designate an annual Water Professionals Appreciation Week during the month of October.

Water Professionals Appreciation Week would provide a platform to highlight the important role of water industry professionals and local public water agencies in ensuring safe and reliable water, wastewater, and recycled water in California.

ACWA is encouraging its members to send letters to the Assembly Members who represent their service area asking them to support SCR 80 and consider adding on as a coauthor of the

resolution.

The legislature has until Sept. 15 to take action on the resolution.

Background

Authored by Sen. Bill Dodd (D-Napa) and coauthored by Assembly Member Bill Quirk (D-Hayward), the Senate Concurrent Resolution would establish an annual Water Professionals Appreciation Week that would begin on the first Saturday of October and end on the Sunday of the following weekend each year.

During Water Professionals Appreciation Week, local water agencies would be encouraged to organize programs and events to educate their customers and other audiences and highlight the valuable role played by the water industry. It will also be an opportunity to promote jobs in the water industry as part of ACWA's Next Generation Initiative.

The timing of the week is planned for the month of October specifically because Oct. 1 marks the start of each new Water Year. It also allows members of the state Legislature to attend associated events while on interim recess.

The idea for an annual Water Professionals Appreciation Week in California originated with ACWA's Communications Committee in 2016. The committee formally recommended the concept to the ACWA Board of Directors earlier this year, and the Board authorized staff to work with a coalition of organizations to pursue the designation.

Other states, including the Commonwealth of Virginia, have formally designated similar days.

In early August, ACWA sent members a [toolkit](#) with suggestions for future participation in Water Professionals Appreciation Week, once it has been approved in the legislature.

Sample Support Letter

ACWA is encouraging its members to send letters to the Assembly Members who represent their service area asking them to: 1.) Support SCR 80; and 2.) Become a coauthor of the resolution.

[This sample letter](#) is available for this purpose.

If you do not know which Assembly Member represent your area, please use [this search engine](#). Mailing addresses for Assembly Members can be found [here](#).

Questions

Questions about SCR 80 should be directed to ACWA Senior Legislative Advocate [Whitnie Wiley](#) at (916) 441-4545.

Questions about Water Professionals Appreciation Week activities should be directed to ACWA Communications Specialist [Emily Allshouse](#) at (916) 441-4545.

CONTACT
Whitnie Wiley
Senior Legislative Advocate
(916) 441-4545

Emily Allshouse
Communications Specialist
(916) 441-4545

GET MORE INFO

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STATE LEG COMMITTEE

REGULATORY ISSUES

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910 K Street, Suite 100, Sacramento, CA 95814

We hope you enjoy receiving email notices and updates from ACWA. At any time you can click [here](#) to unsubscribe or to change your subscription preferences.

**Public Information Committee Meeting Minutes
San Juan Water District
August 25, 2017
10:00 a.m.**

Committee Members: Pam Tobin (Chair)
Ken Miller, Member

District Staff & Consultants: Paul Helliker, General Manager
Lisa Brown, Customer Service Manager
Teri Grant, Board Secretary/Administrative Assistant
Lucy Eidam-Crocker, Crocker & Crocker

Topics: Proposed Editorial Calendar and Photo Shoot (R)
Wholesale Outreach (W)
Speakers' Bureau Update (W & R)
Other Public Information Matters
Public Comment

1. Proposed Editorial Calendar and Photo Shoot (R)

Ms. Brown provided the committee with the WaterGram Editorial Calendar. A copy will be attached to the meeting minutes. She explained that the schedule lists the featured articles and theme of the WaterGram and that any comments for revisions need to be received at least 2 months prior to the issuance date. Director Tobin would like an article on water transfers to be added at some point.

Ms. Eidam-Crocker mentioned that her scope of work includes taking more staff photos for San Juan Retail and this will occur in early September. In addition, a new Board photo will be taken once the new Board member is appointed.

Director Miller suggested that the District's phone number be placed on the field trucks and Mr. Helliker will look into that.

Ms. Brown provided the committee with a copy of the final WaterGram for September/October. The committee reviewed the handout and suggested that the Board Vacancy information be removed since customers will receive the WaterGram after the deadline to submit applications. Ms. Brown informed the committee that the committee will start to review the WaterGram's content at future meetings.

2. Wholesale Outreach (W)

Mr. Helliker provided the committee with Crocker & Crocker's proposal for Wholesale Outreach. A copy of the proposal will be attached to the meeting minutes. He explained that the proposal includes Crocker & Crocker interviewing the wholesale customer agencies (WCAs), developing a plan based on the outcome of the Board's Strategic Plan, and providing outreach materials. The committee discussed the wholesale outreach plan and the collaborative effort that will be needed with the

WCAs. Ms. Eidam-Crocker will report back to the committee regarding the interviews with the WCAs before developing a plan. Director Miller suggested that the District provide the WCAs with articles on various items such as the drinking water regulations for schools which could be shared on the WCA websites. Mr. Helliker suggested that the water quality information be updated monthly on the District's website and that the WCAs are provided a link with this information.

The Public Information Committee recommends consideration of a motion to increase the Crocker & Crocker contract \$33,740 from \$97,610 (\$34,510 for wholesale and \$63,100 for retail) to \$131,350 (\$68,250 for wholesale and \$63,100 for retail) in order to include the Wholesale Outreach effort.

3. Speakers' Bureau Update (W & R)

Mr. Helliker provided the committee with a Speakers' Bureau flyer which will be used to promote the District's Speakers' Bureau. Ms. Grant informed the committee that she has updated the list that Crocker & Crocker provided and is working to include homeowner association information. Director Miller suggested that an introductory video be created which could be used in junction with the speaker's presentation. Mr. Helliker will put a scope of work together and get a cost estimate. Ms. Eidam-Crocker suggested that information be provided to the organizations for their websites and newsletters

4. Other Public Information Matters

Director Tobin suggested that a customer appreciation day be scheduled. The committee discussed the idea and would like to wait until next Spring or Fall to hold it. Ms. Brown suggested that the event be scheduled after the Speakers' Bureau is well underway in order to solicit more attendance.

5. Public Comment

There was no public comment.

The meeting adjourned at 11:04 am.

**San Juan Water District
WaterGram Editorial Calendar & Proposed Photos
FY 2017-18**

Month/Format	Theme	Featured Article/Staff	Other Content
Sep/Oct Full	CIP update	Pipeline Relining Project /Tony (operations manager) Bob Walters announcement	<ul style="list-style-type: none"> Website update Meter box clearance Fall tips Workshop announcements
Nov/Dec 1/3	Construction alert	New photo: Field service staff working on a pipeline Article: Pipeline relining project construction reminder and schedule	<ul style="list-style-type: none"> DYK? Short article about the USBR spillway (who manages lake/supply; purpose of spillway; when to use) Three tips to winterize your home
Jan/Feb Full	Policy/regional planning update	New photo: General Manager Article: Update on regional water supply reliability efforts/snapshot of retail CIPs underway and planned	<ul style="list-style-type: none"> DYK? Short article about conjunctive use Value of your water (cost comparison) Winter water efficiency tips
Mar/Apr 1/3	Spring savings, tips & Mulch Mayhem	New photo: Field staff performing a customer landscape irrigation review Article: Contact us for a landscape irrigation review; here's how we can help	<ul style="list-style-type: none"> Spring checklist to prepare your irrigation and yard for spring Mark your calendar: Mulch Mayhem
May/June Full	Water supply, quality and efficiency	New photo: Water treatment plant supervisor Article: All about your water; update on CIPs to ensure reliable, high-quality water supplies; watch for the annual CCR	<ul style="list-style-type: none"> New photos: Rose or other staff member in the WEL Garden Summer water efficiency tips Other: TBD
Jul/Aug 1/3	Throwback: Retro WaterGram	Photo: Use imagery and design included in the 150 Years of Water book Article: The History of San Juan Water District	<ul style="list-style-type: none"> The early years/where we are today Milestones: year in review



**San Juan Water District
Wholesale Public Outreach
Draft Proposed Scope of Work – August 21, 2017**

Crocker & Crocker recently met with San Juan Water District’s Public Information Committee to review its FY 2017/18 scope of work. The scope included tasks to support public outreach for retail and wholesale. While the committee members approved the scope, they directed Crocker & Crocker to prepare a scope of work for more comprehensive public outreach in the wholesale service area. San Juan management also requested the additional scope to support the communications strategy within its strategic plan that is now underway.

The following proposed scope of work includes a strategic approach to:

- Engage wholesale customers in a collaborative manner during the planning process and throughout program implementation
- Support the defined goals, objectives and priorities in San Juan’s strategic plan (now underway)
- Reach customers in the wholesale service area with information about San Juan wholesale projects, topics and/or other news that relates to them

The approved 2017/18 tasks follow the scope to show what has already been approved for this year’s activities.

**Scope of Work
Wholesale Public Outreach Plan**

Crocker & Crocker will develop a public outreach plan to guide San Juan’s communications within the wholesale service area. As San Juan works to complete its overarching strategic plan, Crocker & Crocker will conduct stakeholder interviews with wholesale customer general managers to uncover insights for use in developing the communications strategy.

The interviews will help San Juan learn about existing communications methods, databases and opportunities to collaborate on public outreach. The interviews will also uncover input and suggestions about topics to communicate, desired messaging, methods of sharing information, etc.

Following the interviews, Crocker & Crocker will conduct a comprehensive review of San Juan’s strategic plan to develop additional outreach recommendations. Working in partnership with San Juan management and the PI committee, Crocker & Crocker will develop a strategic public outreach plan for use in the wholesale service area.

This task includes the following deliverables:

- Questionnaire
- Stakeholder interviews with each retail agency general manager
- Summary report with findings and recommendations
- Strategic plan review with recommendations

- Wholesale public outreach plan that guides outreach around wholesale topics such as capital improvement projects, water supply reliability studies/projects, water legislation and advocacy work. The plan will include:
 - goals
 - target audiences
 - strategies
 - objectives
 - high-level messaging
 - public outreach tasks timeline

Electronic Communications

Crocker & Crocker will create a stakeholder database for specific use to the service area outside San Juan retail. The database will include retail agencies, stakeholders such as the county supervisors/staff, city council members/staff, state elected officials/staff, chamber of commerce management/staff, business associations, neighborhood and homeowner associations leadership as well as customers.

Create annual topic calendar, develop content and distribute regular e-blasts to the wholesale database. Crocker & Crocker will work with San Juan Water District management and the Committee to develop the content, visuals, subject lines and effectively written e-blast copy for each issue according to best practices.

Includes the following deliverables:

- Initial database research and development
- Annual topic calendar
- Eight e-blasts (writing, design, programming, review)
- Analytics report/recommendations for 2018/19

Outreach Materials (TBD through stakeholder interviews and planning with San Juan)

Create and provide each retail agency with outreach content/materials for their use in communicating with their customers about activities being conducted by San Juan Water District that affect their agency. Crocker & Crocker will work with San Juan Water District management and the PI committee to identify and determine strategic priorities and information to share. Topics may include wholesale capital improvement project updates, event announcements, legislative updates, etc.

Outreach materials may include the following assets for each agency’s use, as appropriate, for their communications platforms. This task assumes activities will occur on a quarterly basis.

- Newsletter articles
- Website articles
- Social media posts

Budget Estimate

2017 Rates:		\$185	\$185	\$150	\$130	\$105	\$120			
Tasks	Total Hours	President	Creative Director	Project Director	Art Director	Programmer	Project Manager	Total Fees	Direct Costs	Project TOTAL
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