

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

April 9, 2008 – 7:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Sue Makimoto	Board Secretary
Rick Hydrick	Retail Operations Manager
George Machado	Field Services Manager
Judy Gagnier	Customer Services Manager
Rob Watson	Engineering Services Manager
Paul Bartkiewicz	Counsel

OTHER ATTENDEES

Madelaine Kiliany	Customer
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AGENDA ITEMS

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

I. CONSENT CALENDAR

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

- 1. Board of Director's Meeting Minutes
M/S/C to accept the San Juan Water District's Board of Director's meeting minutes of March 12, 2008 with no corrections. 5 Aye votes.**
- 2. Special Board Meeting Minutes
M/S/C to accept the San Juan Water District's Special Board Meeting minutes of March 19, 2008. 5 Aye votes.**

II. COMMITTEE REPORTS

- 1. Public Information Committee 3/20/08**
 - 1.1 Review the Water Gram**

The committee reviewed the March/April Water Gram and recommended a few revisions.

1.2 Burress Encroachment Update

Ms Lorance advised that Board that we are working with a customer on an encroachment issue. Referred to the next legal committee meeting.

1.3 Acreage Agreements

Ms Gagnier reported that the acreage-agreement customer on Stockhorse Lane did not respond to our efforts to enter into a payment plan agreement to pay additional capital improvement fees as a result of exceeding water budget for third year. A door hanger notice was delivered on March 17 for \$7,193 and service is subject to disconnect on March 24. Director Miller requested that staff personally visit her property to ensure notice delivery and explain repercussions.

1.4 Review Focus Group Topline Summary

Lucy Eidam distributed copies of the Focus Group Top Line Report and verbally summarized the results. She mentioned that they are working on format changes to Water Gram to address customer's likes and dislikes.

1.5 Other Public Information Matters

Ms. Lorance reported that in the past, May and June public information costs were included in the following year public information plan. The budget for the 08 fiscal year has been increased to include the May and June billings. There were also some expenses outside of the scope of work which were authorized and required modification of the existing budget. The General Manager is authorized to modify the budget for the amount requested, so this item is for information.

2. Ad Hoc Retirement Committee 3/31/08

2.1 Cost of Benefits as Percent of Salary

The committee reviewed the chart listing benefits as a percent of salary, total compensation and operating budget. The current percent of salary shows 65%. Staff noted that if the CalPERS side fund created as a result of risk pooling were paid off, this percentage would drop by approximately 14% which reduces the 65% to 51%.

2.2 Health, Post-Retirement Health and Retirement Packages

The committee reviewed the table of current packages and several optional packages. The potential cost or savings associated with any changes to current programs is included in the table. The committee is still evaluating all of the information and will meet again on April 22nd at 3pm to discuss further.

2.3 Impact to Normal Costs and OPEB Liability for the 2% @ 55 Retirement Formula

Mary Morris briefly reviewed the letter from EFI Actuaries (attached) which provided the information requested above.

2.4 Rate increase history and vesting options for the ACWA Health Program

Mary Morris provided a graph (attached) comparing a family premium within the CalPERS program to one within the ACWA program to illustrate that the premiums increase at

about the same rate. Terri Ezaki, ABD Insurance had previously stated the fact that this occurs in the presentation on health insurance options last year.

2.5 Actuarial Assumptions

Mary Morris reviewed an email response (attached) from Greg Stump, EFI Actuaries, regarding the salary growth actuarial assumptions within the CalPERS retirement program. Director Costa stated that he had a more detailed list of assumptions and would provide it to staff. He would like a letter from EFI Actuaries confirming the detailed assumptions.

2.6 Other Ad Hoc Retirement Matters

Pension Spiking Policy

Mary Morris reviewed the draft pension spiking policy paragraph that was added to Employee Manual Policy 13010. Director Costa remembers a PERS policy that was written by legal counsel with additional pension policies that should also be inserted. Staff will locate the policy and bring to the next meeting.

Uniforms

Mary Morris provided a copy of legal counsel's review of including uniforms in PERS reportable income, which confirms that this amount needs to be included. She reported that the average amount of PERS reportable uniforms was \$282 per employee. As an example, if an employee has 30 years service and makes \$60,000, this could potentially increase the retirement allowance by approximately \$16 per month or \$192 per year.

Director Costa asked if there has been any change to GASB 45 and Josh Horowitz reported that there had not been.

A Board Workshop will be scheduled regarding PERS Funding.

3. Legal Affairs Committee 4/2/08

3.1 Retail Area Groundwater Investigation

The next phase of the groundwater investigation involves the drilling of test wells, and if the test wells show adequate groundwater supply and quality, construction of production wells. Staff presented the committee with the proposed agreement that includes permission to drill the test well, then if desired, commitment to purchase the property to construct a production well. The agreement has been reviewed by legal counsel. The committee recommended proceeding with the agreement to closed session at the April 9 Board Meeting.

3.2 Feedback on Mediation Process

Although staff was initially uncertain about the benefit of mediation in a discipline issue, the process was positive. The issues were discussed, and slight modifications to the wording used in the notice of proposed discipline were made. The process turned out to be a beneficial process.

3.3 Ordinance Review

The current procedure for ordinance review is for the Board of Directors to review the ordinances every three years, with staff reviewing for revisions annually. Staff will review and provide recommendations to the legal committee.

3.4 Stoneridge Joint Use Water Storage Facility

This is an administrative item. Previously, the Board approved the delay in constructing the joint tank with Roseville, while retaining the right to utilize the property for a water tank in the future. The District was responsible for payment for the purchase of land, grading already completed and associated improvements. The District also has an agreement with Roseville to provide a raw water supply in wet years. Roseville is required to pay \$285,000 when they first access the water. Both agencies agree it is in the best interest of both agencies to offset the payment due to Roseville for improvements at the joint tank site with the payment due by Roseville for access to the raw water supply.

The Board approved this transaction in the past, and authorized the General Manager to sign the agreement. The city of Roseville city attorney has requested a resolution by the Board of Directors. Resolution 08-10 will provide the paperwork required by the city attorney.

M/S/C to approve Resolution 08-10 authorizing the General Manager to execute Amendment No. 1 to Agreement between City of Roseville and SJWD for A Supply of Water, and Amendment No. 1 to Memorandum of Agreement Regarding Contracting for the Joint-Use Water Storage Facility Project. 5 Aye votes.

3.5 Other Legal Matters

None

4. Engineering Committee 4/7/08

4.1 Retail Area Groundwater Investigation Status

Directors Tobin and Walters were presented with a short summary of the technical findings and current status of the Retail Area Groundwater Investigation. SJWD staff, working with GEI Bookman-Edmondson (consulting Hydrogeologist), and a local realtor, have identified two general locations within the south-west portion of the Retail Service Area where a potential for groundwater is most likely to exist in combination with some potentially available properties suited for siting a well. These locations are centered on the general area around the intersection of Santa Juanita Ave and Oak Ave, and the general area near the intersection of Hazel Avenue and Golden Gate Avenue. Field visits and discussions with property owners were performed which resulted in the determination of two preferred, viable sites for moving forward with the installation of test wells. If these sites prove to have sufficient safe yield and water quality then the District can invoke the option to purchase the properties and install production wells.

Director Tobin suggested that staff contact the Sacramento Groundwater Authority to discuss any additional information which that entity may have available to

supplement the information provided by the hydrogeological research done by the District's consultant to date.

Directors Tobin and Walters indicated that they support moving forward with this investigation.

4.2 Wholesale Metering Improvements Project

Staff provided a short summary of the background and current status of the Wholesale Metering Improvements Project to the committee. As recommended by the Engineering Committee and authorized by the Board of Directors, staff issued a request for proposals for the design phase of the Wholesale Water Transmission System Metering Improvements Project on February 25, 2008. The District received four (4) proposals. Cost information was provided in separate sealed envelopes as requested in the RFP.

The proposals were first evaluated by District staff based on their technical content, including project understanding, project team and firm qualifications, proposed work plan, and schedule. The proposals were ranked based on this initial review. Subsequent to the technical ranking, the cost proposals were opened and reviewed.

The cost results are summarized in the following table.

<u>Consultant</u>	<u>Proposal Amount</u>
Domenichelli & Associates, Inc.	\$410,275
Brown and Caldwell	\$599,670
HDR , Inc.	\$485,104
Boyle Engineering	\$441,255

The review panel originally planned on interviewing the top two ranked consultants because their proposals were clearly better at addressing the project requirements and District needs. However, based on the combination of the technical and cost rankings, the review committee decided to only interview Domenichelli & Associates (D&A) to clarify their proposed approach, schedule, and other key issues highlighted in their proposal.

Based on the technical ranking, schedule, cost, and outcome of an interview, Staff recommended to the Committee that D&A be awarded the design services contract as the preferred engineering consultant for this project. Following discussion, the committee determined that the staff recommendation to enter into a design services agreement with D&A is appropriate.

M/S/C of a motion to authorize Staff to award an engineering services contract to Domenichelli and Associates, Inc. for design services for the Wholesale Metering Improvements Project for the amount of \$410,275 with a total authorized project budget of \$451,300. 5 Aye votes.

4.3 Chlorination System Improvements Project

Design for the WTP Chlorination Systems Improvement Project was completed in February 2008 by the District's consulting Engineer, West Yost and Associates. This project has now been bid, and the Board will be considering a construction contract award at the April Board meeting.

District Staff requested West Yost and Associates, as the design Engineer for the Project, to submit a proposal for engineering support services during construction. District staff received a draft proposal on April 1, 2008 and provided comments on the scope. A revised proposal was submitted by the consultant on April 3, and was reviewed by staff.

Director Walters inquired about the reasoning for retaining the design consultant during the construction phase. Staff responded regarding the benefit of employing the design consultant to support technical review of submittals, contractor requests for information or clarification of the design documents, perform specialty inspections beyond the capability of District staff, and ensure that the design intent is followed by the Contractor. The Committee was also informed that staff is planning to use the consultant on a part-time basis, and that District staff will be used to manage and oversee a large portion of the construction phase in the interest of ensuring quality of work and budget savings.

M/S/C of a motion to award a contract for consulting engineering support services during construction of the WTP Chlorination System Improvements Project to West Yost and Associates, Inc., for the amount of \$126,002 with a total authorized budget of \$138,602. 5 Aye votes.

4.4 Other Engineering Matters

None presented.

5. Finance Committee 4/8/08

5.1 Review bills and claims from the General Fund Account

Bills and claims in the amount of \$1,032,626.91 were reviewed by the committee and found to be in order. In accordance with recommended practices, the committee specifically reviews any credit card charges and reimbursements for the General Manager, Assistant General Manager and Finance & Administrative Services Manager. Other randomly selected bills were reviewed by the committee, including legal fees. All were found to be in order.

M/S/C to approve Resolution 08-09. 5 Aye votes.

5.2 Computer Server Replacements

Mary Morris discussed the need to replace the CIS computer server which is included in the Fiscal-Year 2007-2008 Budget in the amount of \$13,000. The District's IT Administrator has completed the IT Master Plan and will be presenting it to the Board of Directors at the May meeting. One of the recommendations of that plan is shared storage which would condense the number of District servers from 13 to 3, reduces the ongoing capital costs from \$80,000 every 5 years to replace all 13 to \$40,000 every 7 years, reduces ongoing annual license/support

costs and assists the District in eliminating the need to fill the IT Tech position, and provides better utilization of system resources.

The committee discussed the need to replace the CIS server that is experiencing problems and timing of the shared storage server implementation in conjunction with other IT related projects. Staff will be going out to bid and bringing back shared storage server bids to the Finance Committee at the May meeting.

5.3 Preliminary Budget

Mary Morris informed the committee that the District's annual budget is in progress and, while not yet complete, both wholesale and retail operating budgets appear to be in line with financial plans and there are no areas of budgeting concern.

5.4 Rate Increase Policy

In 2007, the District completed an update of both the Wholesale and Retail Financial Plans. The updates were accepted by the Board of Directors with recommended rate increases for the first five years in accordance with the plans as follows:

Wholesale		Retail	
Year	Amount (avg)	Year	Amount
2008	15.7%	2008	7.0%
2009	16.3%	2009	7.0%
2010	9.4%	2010	7.0%
2011	9.4%	2011	4.0%
2012	9.3%	2012	4.0%

During adoption of the Retail rate increase, the Board added 2% to be set aside in District reserves for Dry Year Funding, bringing the Retail rate increase to 9%. While the remaining increases are not adopted until the budget for that year is adopted, the financial plan recommendations provide assurance to the District that the operations, maintenance and capital program needs can be met into the future.

At the Board of Directors' Annual Goals Workshop, the concern was raised that the District should consider no rate increase this year due to the economic environment (i.e. foreclosures, decline of the housing market, recessionary conditions). While the District is aware of the economy, the capital program needs still exist. Putting off rate increases into the future will change assumptions within the financial plan and require the capital improvement program to be restructured, as a component of the financial plan is to issue debt for capital projects. Rates must be in place prior to debt issuance and must cover the associated annual debt service payment.

Staff is currently preparing the District's annual budget and as part of that process, is reviewing the Capital Improvement Program. Staff has reviewed both the Wholesale and Retail Capital Improvement Program projects, and updated the schedule as to cost and timing.

For Wholesale, the major impacts to the Capital Improvement Program are:

1. Raw Water Supply - increase to District share of funding \$1,600,000
2. Hydraulic Improvements - increase to District share of funding \$3,600,000
3. Fair Oaks 40" – increased cost \$3,000,000
4. Wholesale Meter Replacements – increased cost \$3,800,000
5. Chlorine Containment – decreased cost based on bids (\$1,000,000)

For Retail, the major impacts are in the Capital Improvement Program and Item 3 includes the operations impact of the Wholesale rate increase related to the above:

1. Golden Gate Replacement – additional line replacement \$170,000
2. Los Lagos Tank Recoating – additional project \$350,000
3. Wholesale Debt Service Charge – additional annual amount \$166,500

The above impacts change the rate increase required for January 2009. While staff is still in the process of preparing the Fiscal Year 2008-2009 Budget, the operating and maintenance costs are currently in line with the financial plans (with the above exception to Retail). The change to the rate increases required would be:

Wholesale			Retail		
Year	Change	New Percent	Year	Change	New Percent
2009	8.0%	23.7%	2009	2.3%	9.3%

This item is for discussion by the Finance Committee and Board of Directors to provide staff policy direction in completing the annual budget and capital improvement program.

5.5 Chlorination System Improvements Project

The Water Treatment Plant ("WTP") Chlorination Systems Improvement Project design was completed in February 2008 by the District's consulting Engineer, West Yost and Associates. This project is needed to improve the WTP's chlorination treatment system and bring the District into current regulatory compliance.

On Wednesday March 5, 2008, the District requested bids for this project. Staff opened bids on Wednesday, April 2nd, 2008 and eight (8) bids were received. The results are summarized below.

Company	Bid Total
Division 515—Gold River	\$2,487,800
Sierra National Construction--Carmichael	\$2,600,000
Howard Wright Constructors—West Sacramento	\$2,605,000
Auburn Constructors--Sacramento	\$2,774,300
JJM Engineering Constructors--Sacramento	\$2,921,810
KG Walters Construction—Santa Rosa	\$2,945,000
Syblon Reid--Folsom	\$3,031,603
Gantry Constructors—Clarksdale, AZ	\$3,110,600

The license, insurance and bonding capacity for the apparent low bidder were researched and found to be in order. The Project was budgeted in the amount of \$3,650,000 for construction in the Fiscal Year 2007-2008 Budget. The engineering committee has reviewed the project details.

M/S/C of a motion to approve award of construction contract to Division 5-15 Inc. for the WTP Chlorination System Improvements Project based upon a total bid of \$2,487,800 with a total authorized budget amount of \$2,736,580. 5 Aye votes.

5.7 Golden Gate Avenue – West Phase 8-inch Main Replacement Project

On February 28, 2008, the District requested bids for the Golden Gate Avenue – West Phase 8-in Water Main Replacement Project. District staff opened bids for the planned construction Project at 1:05 PM on Thursday March 27th, 2008. Two bids were received. The results are summarized in the following table.

<u>Contractor</u>	<u>Bid Amount</u>
Performance Piping, Inc.	\$201,803.00
West Valley Construction Company, Inc.	\$189,550.00

West Valley Construction Company, Inc. submitted the lowest apparent bid for the project in the amount of \$189,550. The required bid forms and a bid bond were submitted with their bid. Our evaluation of the bids determined that:

- All bid documents and forms were complete and in order;
- The bid schedule figures were complete and clear, and the math was correct;
- The bid bond surety (Safeco Insurance Company of America) was confirmed with the State Department of Insurance's Consumer Communications Bureau to be an admitted surety insurer in California;
- The Contractor License No. 174968 was checked with the Contractor's State License Board and was found to be current and active;
- The Contractor is eligible to bid or work on, or be awarded, a public works project as verified with the State Division of Labor Standards Enforcement

The Project was budgeted in the amount of \$210,000 in the Fiscal Year 2007-2008 Budget.

M/S/C of a motion to approve award of construction contract to West Valley Construction, Inc. for the Golden Gate Avenue – West Phase 8-in Water Main Replacement Project in the amount of \$189,550 with a total authorized budget amount of \$208,505. 5 Aye votes.

5.8 Annual Asphalt Paving Restoration

At the February 12, 2008 Finance Committee, staff discussed annual asphalt paving restoration. Throughout the year, the District has small asphalt paving restoration projects that may require time and materials from an outside provider. The total approximate cost of all such jobs over the course of a year is \$80,000.

To ensure competitive pricing, staff prepared an Invitation for Bids (“IFB”) and the Board approved issuing it. The District received 11 bids as shown below:

Company	Bid Total
Central Valley Engineering & Asphalt, Inc.	\$60,963.50
Advanced Surfacing & Asphalt	\$68,016.00
McGuire & Hester	\$74,825.65
Arrow Construction	\$78,082.75
RML Paving	\$84,435.00
Florez Paving	\$97,627.50
Western Engineering Contractors, Inc.	\$104,081.00
Planet Paving	\$107,564.75
Rawles Engineering	\$120,250.00
Todd Heldt Excavating & Paving	\$123,640.00
Delta Construction	\$162,590.00

The apparent low bidder was Central Valley Engineering and Asphalt, Inc. Staff has performed a detailed review of bids, verified license standing and contacted references. Central Valley is the lowest responsible, responsive bidder. Staff recommends proceeding with the award.

M/S/C of a motion to approve award of construction contract to Central Valley Engineering and Asphalt, Inc. for Asphalt Paving Restoration based upon a total bid of \$60,963 with a total authorized budget amount of \$67,000. 5 Aye votes.

5.9 Entry Drive Landscape Improvements Project

At the May 16, 2007 Board of Directors meeting, the Board awarded a landscape design services contract to Yamasaki Landscape Architecture for the Entry Drive Landscape Improvements Project. Yamasaki has worked with staff and the Conservation Committee. At the October 10, 2007 Board of Directors meeting, Yamasaki presented the landscaping plan with an estimated project cost of \$250,000. On February 13, 2008, the Board of Directors authorized staff to issue the Invitation for bids for this project.

This project was designed to improve access, traffic flow, safety, appearance, and security for the District’s new entrance which is a direct result of the Auburn-Folsom road widening project. The design includes a new sign/entrance monument on Auburn Folsom Road. The District received two bids and the apparent low bidder was C & C Construction, Inc. in the amount of \$225,199.00.

Company	Bid Total
C & C Construction, Inc.	\$225,199.00
Verde Creations	\$226,677.00

The bid was evaluated and the bidder was found to be the lowest responsible, responsive bidder. Staff recommends proceeding with the award. The committee

members asked for clarification on how the project would improve security and whether the project would still be viable and worthwhile if the location of the administration building changed at some time in the future. Staff anticipates a total project cost of \$263,000, including design and construction management.

M/S to approve award of construction contract to C & C Construction, Inc. for Entry Drive Landscape in the amount of \$225,199. 2 Aye votes (Peterson/Tobin), 3 Noe votes (Costa/Miller/Walters). Motion failed.

Discussions took place as to the necessity of this project and/or cutting the project down in size. A cost breakdown has been requested.

Referred to the Conservation Committee scheduled for April 11th.

5.10 Retail Groundwater Investigation

Rick Hydrick reviewed an aerial map with the committee. This map shows the location of lots meeting the criteria for test well drilling within the delineated ancient river bed boundaries. There was discussion regarding:

- uninterested parcel owners' general appreciation for the value of their property, especially for the most favorable sites, and whether they were sufficiently informed about what the District might be willing to pay for their property;
 - other lots that may have been missed that could be used for test well drilling;
 - whether an appraisal is required prior to purchasing the parcels; and
- Note: As a follow-up, staff confirmed with legal counsel that an appraisal is not required provided the District has documentation "that it is paying the approximate fair market values for the property in an arms length transaction" (i.e. District's agent comparable property values market research).*
- whether we could identify all vacant lots in the area and send a mailer to the owners to see if they were willing to sell.

Mr. Hydrick informed the committee that the District would offer a fee for the right to access and drill the test wells, and a purchase price to complete production wells, if the test wells yielded positive results for groundwater quantity and quality. He stated that a license/purchase agreement has been prepared for the negotiation and potential purchase of these properties. The District would then split off the remaining portion of the lot(s) and sell them, after they have been made available for sale to other public entities. The negotiating range for the purchase price will be presented to the full board in closed session at the Board of Directors' Meeting on April 9, 2008.

5.11 Other Finance Matters

There were no other finance matters.

III. INFORMATION AND ACTION ITEMS

1. General Manager's Report

1.1 Lower American River Flow Management Standard

The District is a signatory to the Sacramento Water Forum that has two co-equal objectives to provide a reliable and safe water supply and preserve the values of the Lower American River. To accomplish these objectives, all signatories agreed to support, and where appropriate, participate in each of the following seven complementary elements of the Water Forum Agreement:

- ◆ Increased Surface Water Diversions
- ◆ Actions to Meet Customers' Needs While Reducing Diversion Impacts in Drier Years
- ◆ Support for an Improved Pattern of Fishery Flow Releases from Folsom Reservoir
- ◆ Lower American River Habitat Management Element
- ◆ Water Conservation Element
- ◆ Groundwater Management Element
- ◆ Water Forum Successor Effort

The element being discussed in this staff report is the "Support for an improved pattern of fishery flow releases from Folsom Reservoir". This is currently being called the American River Flow Management Standard (FMS).

Since 2000, and even before, the Water Forum has been working to develop a FMS that can be accepted by USBR and jointly submitted to the State Water Resources Control Board. The process has been quite long and involved. The District has actively supported the FMS in Washington DC and locally.

The Water Forum Staff met with USBR staff to discuss the status of the FMS. The attached email details the current status.

In summary, DOI has advised Reclamation that due to the Wanger smelt decision, the FMS petition should go to the State Board AFTER the OCAP Biological Opinion is completed. Reclamation is working with the Water Forum staff on the petition concurrently with OCAP. Earliest possible State Board submission is September 16, 2008.

The Board supports.

1.2 Sacramento LAFCo Special District Advisory Committee

The purpose of the SDAC is to provide Sacramento LAFCo with input on issues related to special districts as well as to receive information on issues before the commission.

The SDAC's membership of 17 is composed of the two LAFCo special district commissioners, the alternate special district commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of

special districts. They serve 2-year terms without compensation. There are four vacant seats on the committee.

LAFCo is inviting the Board to nominate a member of the Board to join the SDAC. It is useful to have input into LAFCo proceedings. If a board member is interested, staff recommends nominating them to the SDAC.

**M/S/C to nominate Ted Costa. 5 Aye votes.
Nomination form was filled out and faxed on 4/10/08.**

1.3 Annual Board Workshop Goals

Each year, the Board of Directors conducts a workshop to identify goals for the upcoming year. The 2008 workshop was held on February 19 and continued to March 11.

The Board of Directors identified goals for the upcoming year, prioritized the goals, and reviewed the implementation schedule.

M/S/C for adoption of the 2008 annual goals. 5 Aye votes.

1.4 Hydraulic Improvement Project

Per the Board's request, Shauna Lorance has drafted a letter to the US Army Corps of Engineers. Discussions took place and suggestions were made and a final letter will be issued for approval.

1.5 Wholesale Surface Water Shortage Policy

Orangevale has approved, Citrus Heights has one director that wants to read it again, and SJWD has supported the policy. The long-term water supply agreement will come before the Board at the next meeting and that agreement will reference this policy.

M/S/C to adopt the Wholesale Surface Water Shortage Policy. 5 Aye votes.

1.6 Report Back Items

No report.

1.7 Correspondence

1.7.1 Reclamation utilizes hydraulic conditions of 90% exceeded

2. Assistant General Manager's Report

2.1 Report Back Items

No report.

2.2 Correspondence

No report.

3. Finance and Administrative Services Manager's Report

3.1 Report Back Items

No report.

3.2 Correspondence

3.2.1 CSDA Value-Added Services

4. Directors' Reports

4.1 SGA

Director Tobin provided report (Attachment A)

4.2 RWA

Director Tobin provided report (Attachment A)

4.3 Executive Committee

Draft minutes were provided for review. Director Peterson reported on SSWD's presentation on begin "green".

4.4 ACWA/JPIA

Director Miller report that the ethics training will be provided at the Monterey Conference or you may complete it online.

4.5 ACWA Region IV

Director Peterson reported a forum on the Delta for Region IV is being put together.

4.6 CVP Water Users Association

Director Costa reported that the issue still remains on consolidating and water transfers.

4.7 LAFCo

No report.

4.8 Other Reports

No report.

5. Legal Counsel's Report

5.1 Legal Matters

No report.

IV. PUBLIC FORUM

No comment.

V. UPCOMING EVENTS

1. ACWA Spring Conference
May 5 – 9, 2008
Monterey, CA

M/S/C to close the open session at 8:40 p.m.

VI. CLOSED SESSION

Converence with real property negotiator involving 8900 Golden Gate, Ramona Conner; 8861 Creek Oak Lane, Ralph Gonzales; 9551 S. Canyon Ct., Ivan Silchuk and 9550 S. Canyon Ct., James Wheeler. Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54596.9)

President Miller to call for open session at 9:05 p.m.

VII. REPORT FROM CLOSED SESSION

No report from Closed Session.

VIII. ADJOURN

The meeting was adjourned at 9:06 p.m.

Future Meeting Dates:

- May 14, 2008
- May 28, 2008

KENNETH H. MILLER, President
Board of Directors
San Juan Water District

ATTEST:

Sue Makimoto, Board Secretary