

# **SAN JUAN WATER DISTRICT**

Board of Director's Meeting Minutes

May 27, 2009 – 7:00 p.m.

## **BOARD OF DIRECTORS**

Bob Walters	President
Dave Peterson	Vice-President
Ted Costa	Director
Kenneth Miller	Director ( <i>absent</i> )
Pam Tobin	Director

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

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Mary Morris	Finance and Administrative Services Manager
Judy Gagnier	Customer Service Manager
Rick Hydrick	Operations Manager
George Machado	Field Services Manager
Paul Bartkiewicz	Counsel

## **OTHER ATTENDEES**

Sandy Harris	Customer
Madelaine Kiliany	Customer
Kristin Withrow	Granite Bay View
Poster Contest Winners and families	

## **AGENDA ITEMS**

- I. Consent Calendar**
- II. Presentations**
- III. Committee Reports**
- IV. Information and Action Items**
- V. Public Forum**
- VI. Upcoming Events**
- VII. 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**  
**Approval of San Juan Water District's Board of Director's meeting minutes of May 13, 2009.**

**M/S/C to amend the May 13, 2009 Board of Director's Meeting Minutes and bring back for approval. 4 Aye votes.**

**2. Motion to add to the agenda – Item 2.3, bid on generator Item.**

**M/S/C to add agenda item “2.3 WTP Generator Replacement Project” to the May 27, 2009 agenda. 4 Aye votes.**

**II. PRESENTATIONS**

**1. Poster Contest/Science Fair Awards – Bob Walters**

Director Walters presented awards to student winners in attendance, Kady Poulos and Natalie Rhodes.

Poster Contest Winners: Kady Poulos  
Daron Him  
Natalie Rhodes  
Science Fair Winners: Brian Wei  
Zoe Painter  
Chet Hubbard  
Justin Ramirez

**2. Capital Improvement Program – Keith Durkin**

The presentation material provided by Keith Durkin is attached to the meeting minutes.

**III. COMMITTEE REPORTS**

**1. Finance Committee 5/20/09**

**1.1 Fiscal Year 2009-2010 Budget**

The committee met to discuss the “red flags” presented by Dave Peterson at the May 13 Board Meeting:

1. The assumptions for the connection projections in 2009-2010. The assumptions were initially set at a very low number to be conservative. The connection fees were revised based on projections by the wholesale agencies. The retail connections were revised based on estimated development projections.
2. Debt Service transfers in on the wholesale worksheet could not be matched up with the numbers on the Debt Service worksheet. A total was added to the debt service worksheet to show the same number as in the wholesale worksheet.
3. Projected expenses need to be estimated better. The committee discussed that this was the first year the projected expenses column was included in the budget documents. It was added to provide more information to the Board of Directors. This is the first year, and the calculation included in our computer software is not analytical. Staff will perform additional analysis on the projected expenses for next budget.
4. The amounts for merit increases and incentive awards were discussed. Director Miller did not feel merit increases (except promotions due to passing a certification test) or incentive awards should be included in this year’s budget. Director Costa felt keeping

reasonable merit and incentive awards that kept with PERS assumptions is better than having a large increase at a future date. The committee decided this issue should be discussed by the full Board.

**All financial matters including the action item to approve Resolution No. 09-10 approving FY 2009-2010 Non-Operating, Capital Improvement Program and Wholesale Budgets, Rates and Fees are referred to another board meeting which will be preceded by the next Finance Committee meeting.**

### **1.2 Other Financial Matters**

Director Miller suggested that this year, the Board of Directors should approve any out of state travel. Although the costs are usually not much more than in state travel, this would keep the operations of the District transparent in a tough economic year. The committee requested staff to develop a list of scheduled conferences for Board Approval.

Director's Tobin and Walters felt out of state travel should be a staff decision. Director Costa suggested this matter be brought back to the Finance Committee.

The Board of Directors directed the General Manager to be responsible for approving any out of state travel by staff. The board was reluctant to act on the General Manager's request for approval out of concern that this would become a precedent. The airfare is currently on sale, and the General Manager would like to take advantage of the reduced cost and make travel arrangements. The board agreed to make a formal approval of this action, under the condition that this was not a precedent, and any other travel requests should not come before the Board of Directors for approval.

**M/S/C to approve Shauna Lorange's travel to Albuquerque in July to attend the National Rural Water Association conference. 4 Aye votes.**

Director Peterson requested that the Board be informed of all cost savings on projects and that the Board decide if the savings should be allocated to a pay-as-you-go (or other) fund.

## **2. Public Information Committee 05/22/09**

### **2.1 Review Water Gram**

Before reviewing the July/August Water Gram, Shauna Lorange informed the Committee that the draft article on the current water reduction request could change pending the outcome of the Executive Committee meeting scheduled for May 26 and the Board's decision on what Conservation Stage they will declare at the May 27 board meeting. The committee reviewed the remaining articles for the July/August Water Gram and recommended a few revisions.

**Motion to adopt a Stage 1 water conservation stage.**

**M/S/C to adopt a Stage 1 water conservation stage. 4 Aye votes.**

**2.2 Other Public Information Matters**

None.

**IV. INFORMATION AND ACTION ITEMS**

**1. General Manager's Report**

**1.1 DWR Draft Implementation Plan**

The General Manager provided a verbal update on the status of the Implementation Plan.

**1.2 Report Back Items**

There were not any report back items discussed.

**1.3 Miscellaneous District Issues and Correspondence**

There were not any additional issues or correspondence discussed.

**2. Assistant General Manager's Report**

**2.1 Report Back Items**

There were not any report back items discussed.

**2.2 Miscellaneous District Issues and Correspondence**

There were not any additional issues or correspondence discussed.

**2.3 WTP Generator Replacement Project**

The existing standby power generator system at the Treatment Plant has been in service since the late 1970's. The generator does not meet current air quality permitting requirements and it is not possible to operate the generator for O&M purposes (exercising and testing) without violating the current AQMD permit restrictions. Additionally, the existing GE switchgear is so outdated that replacement parts are no longer readily available. To resolve the permit restrictions, and ensure reliable standby power for the treatment plant, the existing generator, switchgear and transfer switch must be replaced.

**Status**

Staff completed a public bid process for a new generator, switchgear and transfer switch. Bids were received on May 15 and are summarized below. The low responsive and responsible Bidder was Auburn Constructors, Incorporated.

<b>Bidder Name</b>	<b>Base Bid</b>	<b>Optional Bid Items</b>	<b>Bid Total</b>
Auburn Constructors, Inc.	\$ 447,950.00	\$ 120,000.00	\$ 567,950.00
Interstate Construction, Inc.	\$ 606,347.00	\$ 21,977.00	\$ 628,324.00
System 3, Inc.	\$ 779,383.00	\$ 46,270.00	\$ 825,653.00

There are four optional bid items involving replacement of multiple conductors (large power wires) within the existing electrical power feed system. These conductors are aged, however it will not be known if these wires need to be replaced until the conductors can be inspected and tested. Therefore staff recommends budgeting for the cost of replacing these conductors.

**Staff Recommendation**

A background check of the contractor license, contractors insurance, and bonding status of the low Bidder were completed and were found to be satisfactory.

Staff recommends a motion to award the WTP Generator Replacement Project construction contract to Auburn Constructors, Inc. for the amount of \$447,950 with a total authorized construction budget of \$625,000 which includes the four optional bid items plus a construction contingency of ten percent.

**Motion to award the WTP Generator Replacement Project construction contract to Auburn Constructors, Inc. for the amount of \$447,950 with a total authorized construction budget of \$625,000 which includes the four optional bid items plus a construction contingency of ten percent.**

**M/S/C to approve award of the WTP Generator Replacement Project construction contract to Auburn Constructors, Inc. for the amount of \$447,950 with a total authorized construction budget of \$625,000 which includes the four optional bid items plus a construction contingency of ten percent. 4 Aye votes.**

**3. Finance and Administrative Services Manager’s Report**

**3.1 Report Back Items**

No report.

**3.2 Miscellaneous District Issues and Correspondence**

**4. Directors’ Reports**

**4.1 SGA**

**4.2 RWA**

- 4.3 **Executive Committee**
- 4.4 **ACWA/JPIA**
- 4.5 **ACWA Region IV**
- 4.6 **CVP Water Users Association**
- 4.7 **LAFCo**
- 4.8 **Other Reports**

**V. PUBLIC FORUM**  
No comment.

- VI. UPCOMING EVENTS**
1. AWWA Conference  
June 14-18, 2009  
San Diego, California

**VII. ADJOURN**  
The meeting was adjourned at 9:40 p.m.

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BOB WALTERS, President  
Board of Directors  
San Juan Water District

ATTEST:

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Shauna Lorange, Board Secretary