

# **SAN JUAN WATER DISTRICT**

## **Board of Director's Meeting Minutes**

January 28, 2015 – 7:00 p.m.

### **BOARD OF DIRECTORS**

Ted Costa	President
Pam Tobin	Vice President
Ken Miller	Director
Dan Rich	Director
Bob Walters	Director

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

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Kate Motonaga	Finance Manager
Teri Hart	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

### **OTHER ATTENDEES**

Marty Hanneman	Customer
Tom Gray	FOWD
Dave Underwood	FOWD
Neil Schild	SSWD
Mitch Dion	SJWD
Kim Silvers	Silvers HR

### **AGENDA ITEMS**

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

President Costa called the meeting to order at 7:00 p.m.

#### **I. PUBLIC FORUM**

Mr. Marty Hanneman addressed the Board and commented that he was a candidate during the November elections for the SJWD Board and publically thanked and wished the best to the candidates who were elected – Ted Costa, Bob Walters and Dan Rich. In addition, he volunteered to participate on any committees or help the District in any way that he possibly could.

Mr. Dave Underwood addressed the Board and thanked the Board for setting up the 2x2 committee with FOWD.

## II. CONSENT CALENDAR

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

### 1. Minutes of the Board of Directors Meetings

Approval of San Juan Water District's Board of Director's meeting minutes as follows:

#### 1. Minutes of the Board of Directors Meeting January 14, 2015

Director Walter requested that the item be removed from the Consent Calendar for discussion.

***Director Walters moved to approve the minutes from the January 14, 2015, Board of Directors meeting. Director Miller seconded the motion and it carried unanimously.***

Director Walters commented that there is reference to the Executive Committee on page 3 & 9 and he would like the Executive Committee to be discussed at the annual workshop.

Mr. Tom Gray addressed the Board and commented that on page 5 of the minutes under agenda item V-1.1 there were some very powerful statements made during the discussion that are not in the minutes, and he requested that those statements be placed in the minutes. President Costa and Director Miller both commented that specific information to make a revision to the minutes would be needed for the Board to revise the minutes. Ms. Lorange commented that one item that can be discussed at a workshop is the amount of detail that the Board wants put into the minutes. She added that a request to amend the minutes could be brought to another Board meeting that is specific so that the Board can discuss.

## ACTION AND INFORMATIONAL ITEMS

### III. COMMITTEE REPORTS

#### 1. Legal Affairs Committee (1/21/15)

Director Walters reported that the committee met on January 21, 2015, and discussed the following:

- 2x2 Legal Representation (W & R)
- Groundwater Pumping Reimbursement (W & R)
- Agreement Between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)
- Update on M&I Shortage Environmental Document (W)

- CVP/SWP Coordinated Operations Agreement (W)
- Legal Services Fees and Tasks for 2015 (W & R)
- Other Legal Affairs Matters
- Public Comment

The committee meeting minutes will be attached to the original board minutes.

### **2x2 Legal Representation (W & R)**

Ms. Lorance informed the Board that the committee discussed the need of special legal counsel for representation regarding the possible reorganization between SJWD and Sacramento Suburban Water District (SSWD). Mr. Horowitz commented that he can provide support for SJWD regarding SJWD water rights analysis and other issues not related to the reorganization without a conflict of interest at any time. However, if the Boards decide to move forward with the reorganization then special counsel should be retained by SJWD.

*For information only; no action requested.*

### **Groundwater Pumping Reimbursement (W & R)**

Mr. Durkin informed the Board that the groundwater pumping reimbursement will be discussed in detail at the Special Finance Committee meeting. He explained that CHWD and FOWD submitted a reimbursement request for groundwater that they pumped this past year to meet supply shortages. In addition, the request includes reimbursement for amounts going back five years. He explained that Mr. Mitch Dion was tasked with reviewing the request and meeting with both CHWD and FOWD to discuss the reimbursement request. Mr. Dion will provide a report at the Special Finance Committee meeting.

Mr. Durkin commented that the committee discussed moving from a Special Finance Committee meeting to a Special Board meeting in order for all Board members to get the full details and participate in discussions. President Costa requested that Ms. Lorance contact each Board member to determine if there is interest in attending and then she will decide to make the meeting a committee meeting or special Board meeting.

Mr. Durkin informed the Board that Mr. Gray commented that about \$2.6 million of the total \$4.6 million in the groundwater pumping reimbursement request was identified to be allocated to FOWD and CHWD.

*For information only; no action requested.*

### **Agreement Between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)**

Mr. Durkin reported that the committee reviewed the draft agreement between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station. He explained that the SSWD

Facilities & Operations Committee will be reviewing the agreement as well. Legal counsel has already reviewed the agreement for form and sufficiency and staff incorporated the necessary changes. Once the agreement is finalized it will be provided to the Board for review and approval.

In addition, Mr. Durkin reported that the committee discussed the need for triggers which alert the District to use the pump back water supply and when to stop using the supply, which will be discussed in the next Water Supply & Reliability Committee meeting. Mr. Gray commented at the committee meeting that FOWD would like to have some kind of agreement in place between SJWD and the wholesale customer agencies regarding the use of groundwater wells and the pump back project. Mr. Durkin also reported that the committee discussed groundwater management, including SSWD's ability to conduct groundwater substitution transfers, and how that could affect the project.

*For information only; no action requested.*

**Update on M&I Shortage Environmental Document (W)**

Director Walters reported that the Bureau has extended the comment period on the M&I Shortage Environmental Document to the end of March. The District is coordinating the review and comments on the document with the City of Roseville, City of Folsom, and other CVP users.

*For information only; no action requested.*

**CVP/SWP Coordinated Operations Agreement (W)**

Director Walters reported that Ms. Lorance reported on this topic at the January 14th Board meeting regarding the request for the Bureau to enter into discussions with the Department of Water Resources on updating the Coordinated Operations Agreement between the CVP and SWP.

*For information only; no action requested.*

**Legal Services Fees and Tasks for 2015 (W & R)**

Director Walters reported that the committee reviewed the tasks that are performed for the District and billed to the District by legal counsel. Director Costa commented that this topic will be discussed at the workshop. Ms. Lorance commented that the committee discussed communications with legal counsel and who should be contacting legal counsel in order to keep costs down.

Mr. Horowitz informed the Board that the detailed line item summary of the invoice is covered under attorney-client privilege information and is not subject to disclosure so he recommends that the summary details be removed prior to committee meetings and not be disseminated. Mr. Horowitz commented that his firm could create subaccounts in order to track more items without everything being placed in the general billing account.

*For information only; no action requested.*

**Other Legal Affairs Matters (W/R)**

Director Walters informed the Board that the committee discussed the future meetings with FOWD between the two directors from SJWD and the two directors from FOWD. He commented that his concerns were addressed at the committee meeting and President Costa designated the meetings as falling under an ad hoc committee.

**Public Comment**

Director Walters reported that Mr. Gray commented that FOWD would like to have an agreement as it pertains to the next Fair Oaks-40 pipeline project. Director Miller inquired if the District was responsible for the Fair Oaks-40 pipeline. Ms. Lorange responded that the District is responsible for construction on the Fair Oaks-40 pipeline and discussions on Phase 2 should start soon. In addition, she commented that the settlement agreement covers the first and second phase of the rehabilitation project from the Engineer's Report and the agreement was wrapped up at this time. Mr. Durkin commented that Phase 2 of the project has started with communication of the 11-month inspection report, reviewing the timeline, reviewing the cost. Discussions with FOWD and OVWC will occur as the project proceeds.

**2. Personnel Committee (1/22/15)**

Director Tobin reported that the committee met on January 22, 2015, and discussed the following:

- General Manager's Evaluation (W & R)
- Compensation Study (W & R)
- Water Treatment Plant Operator Shift Schedule (W)
- Other Personnel Matters
- Public Comment

The committee meeting minutes will be attached to the original board minutes.

**General Manager's Evaluation (W & R)**

Vice President Tobin introduced Kim Silvers to review the General Manager's evaluation process. Ms. Silvers provided the Board with an action plan for the formal evaluation and feedback to the General Manager for her 2014 performance. She explained that the same evaluation format that was used last year worked well and will be utilized again this year.

Ms. Silvers reviewed the action plan and informed the Board that she plans to attend the March 11th Board meeting to report on the evaluation findings in Closed Session.

*For information only; no action requested.*

**Compensation Study (W & R)**

Vice President Tobin reported that the committee discussed the background on the Compensation Study, including adding items such as the employer paid PERS contribution, social security, and OPEB, and looking into public sector information. The committee discussed the goal of the compensation study and the completeness of the study.

Vice President Tobin reported that the committee discussed the data received from Koff & Associates, and would like to see additional data as a subset in the report. The data is now a year out of date and the committee agreed that the information should be updated. In addition, Ms. Lorange will bring the policy, which includes information on the 10% above average policy, to the next committee meeting.

Vice President Tobin reported that Koff & Associates was able to provide a Bureau of Labor Occupational Employment Statistics data that, by title, matched some benchmark positions. Koff & Associates needs to update the report data to include the information that the committee wants to include in the additional benefit cost section and private sector data. In addition, the committee discussed contacting the professor from Santa Barbara to see what kind of data he can obtain within the private sector. Ms. Lorange will contact Professor Lanny Ebenstein and in the meantime Koff & Associates will be requested to attend the next committee meeting to discuss the data.

Director Walters suggested that the samples that Koff & Associates presented to the District be provided to Professor Ebenstein to see what comparison that he can provide. Director Miller inquired if benefits can be obtained when collecting private sector data. Vice President Tobin commented that it will be difficult to obtain benefit data. In addition, Director Walters commented that Professor Ebenstein informed him that it is difficult to compare compensation over and above salary since there is too much difference.

*For information only; no action requested.*

**Water Treatment Plant (WTP) Shift Operator Shift Schedule (W)**

Ms. Lorange informed the Board that the existing District work week resulted in WTP shift operators having weeks that were over 40 hours and some that were less. CalPERS requires a minimum number of hours in a pay period for the pay to qualify for CalPERS retirement. The committee agreed with staff recommendation to change the workweek to even out hours worked and make minor adjustments to keep the compensation of the shift operators the same, at no cost to the District. The General Manager will do this through the implementation of a shift differential.

*For information only; no action requested.*

### **Other Personnel Matters**

Vice President Tobin reported that she attended the RWA Water Efficiency Program meeting. Retail conservation staff from different agencies attended the meeting, with the exception of SJWD. She mentioned that Vicki Sacksteder attended representing SJWD Wholesale. Ms. Lorance commented that Ms. Sacksteder represents 20% retail and 80% wholesale. Vice President Tobin commented that Ms. Sacksteder should attend the SJWD Water Supply and Reliability Committee meetings so that she is better informed regarding retail conservation. In addition, Vice President Tobin commented that the District should have a communications person on staff so that information can be disseminated and coordinated. Furthermore, Vice President Tobin commented that the conservation staff should be involved with the Public Information (PI) Committee so that conservation information is routinely communicated to the PI Committee.

*For information only; no action requested.*

## **IV. INFORMATION AND ACTION ITEMS**

### **1. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT**

#### **1.1 Report Back Items**

##### **1.1.1 Report Back on Tyler Status**

Ms. Motonaga reported that the auditors have started to look at the Tyler system and the data in the Solomon system. Their report will include a look at the differences between how Solomon worked and how the new system works, and the policies and procedures that the finance staff used for recording and posting the financial data.

Ms. Motonaga reported that the payroll implementation in the Tyler system occurred two weeks ago and she commended Toni Darr for her excellent work on the project.

Ms. Motonaga reported that the new finance system was implemented in October and all financial data is processed through the new system which is operating very well. She commented that when one of her staff went out on medical leave, she had to cover the position and now has in-depth knowledge of almost the entire Tyler system and what is needed to run the system and the department smoothly. She has been reviewing the Finance Department structure, workload and needs and will bring her recommendations to the Board for review.

*For information only; no action requested.*

**1.2 Miscellaneous District Issues and Correspondence**

There were no items discussed.

**2. ASSISTANT GENERAL MANAGER'S REPORT**

**2.1 Report Back Items**

Mr. Durkin reported that the leak at the Bureau's pump station, which he reported on at the last Board meeting, was permanently fixed last night. The Bureau expected a 36-hour shut down; however, the contractor was able to make the repairs within less than 24 hours. Ms. Lorance commented that the communications with the Bureau has been great and much different than in the past when they would not inform the District of a shut down.

*For information only; no action requested.*

**2.2 Miscellaneous District Issues and Correspondence**

There were no items discussed.

**3. GENERAL MANAGER'S REPORT**

**3.1. Folsom Reservoir Operations**

Ms. Lorance informed the Board the Folsom Reservoir is at approximately 450 TAF of water storage with releases at about 900 cfs. She commented that the concern is the lack of snow pack, which will be discussed in March if the snow pack levels remain the same.

*For information only; no action requested.*

**3.2. Report Back Items**

There were no items discussed.

**3.3. Miscellaneous District Issues and Correspondence**

There were no items discussed.

**4. LEGAL COUNSEL'S REPORT**

**4.1 Legal Matters**

Mr. Horowitz reported that the State Water Board sent a warning notice to water rights holders informing them that they are in line to be possibly curtailed in 2015 if the hydrology does not improve. He commented that curtailment notices could be mailed in April/May if there is not enough precipitation.

Mr. Horowitz reported that legislature is in session and there are a few bills that have been introduced. He commented that Senator Fran Pavley has re-

introduced her bill to require well owners to expose their well information. In addition, Assemblyman Frank Bigelow introduced a spot bill regarding the State Water Board's administration of water rights, which is not yet clear on the intent and will be watched by legal counsel.

Mr. Horowitz reported that the CVP and SWP submitted their drought contingency plan to the State Water Board. On February 18, 2015, the State Water Board will review the plan, which calls for Folsom Reservoir to be drawn down to critically low levels later in the year, if the hydrology is low. He informed the Board that comments will be submitted by the February 13, 2015, deadline. Mr. Durkin commented that in meetings with USBR the District staff was informed of a Folsom operation plan that differs from what was submitted to the State Water Board. Mr. Horowitz commented that the differences will be pointed out in the comments that will be submitted.

In response to Director Miller's question, Mr. Horowitz responded that besides the water agencies, any elected official, such as a congressman, has the opportunity to submit comments. Mr. Horowitz added that last year Senator Nielsen provided verbal comments on the District's behalf regarding the temporary urgency change order that the State Water Board was issuing. However, this year it has not been determined on whether to have an elected official submit comments or give verbal comments. Ms. Lorance commented that she will be addressing this issue when she travels to Washington, D.C. the week of February 2<sup>nd</sup>. Vice President Tobin requested to be kept informed of this topic and informed Legal Counsel that she would be available to give verbal comments at the State Water Board meeting if needed.

## **5. DIRECTORS' REPORTS**

### **5.1 SGA**

Director Tobin reported that SGA meets February 12, 2015.

### **5.2 RWA**

Director Tobin reported that RWA meets March 12, 2015.

### **5.3 ACWA**

#### **5.3.1 Local/Federal Government/Region 4 - Pam Tobin**

Vice President Tobin reported that she will be attending the ACWA DC Conference February 25-26, 2015 as part of being on the ACWA Federal Government Committee. In addition, she attended the ACWA Region 4 teleconference meeting to discuss the water bond, groundwater legislation, and planning for the ACWA Spring Conference. Vice President Tobin reported that ACWA Region 4 is looking at conducting a program regarding the influence that the five counties which are part of the Delta have on Delta water quality.

Vice President Tobin reported that she is working with RWA/JPIA on comments for the Cap-to-Cap whitepaper.

5.3.2 Energy Committee - Ted Costa  
No report.

5.3.3 JPIA - Bob Walters  
Director Walters reported that the Property Committee met January 19, 2015. He commented that JPIA changed excess carriers and saved substantially on the new carrier. He reported that the property insured value has remained steady at approximately \$5 billion and the JPIA is well funded and is doing a great job.

## **5.5 CVP Water Users Association**

President Costa reported that the CVP Water Users Association met January 27, 2015. He commented that, as the water level decreases, the CVP water users are struggling to make a decision on whether or not to plant their crops and will need to make that decision in the next 30 days or so.

## **5.6 Other Reports and Comments**

Director Walters reported that the Volunteer Drought Committee meets tomorrow and will be discussing the conservation stages and triggers. He commented that the volunteer input has been great.

Vice President Tobin recommended that the Board members attend the Water Education Foundation Executive Briefing.

Mr. Gray commented that, just like the agreements with the CTP, the Antelope Pump Back Project, and the intertie projects, he feels it would make good business sense to have an agreement with the Fair Oaks-40.

## **V. UPCOMING EVENTS**

1. 2015 ACWA DC Conference  
February 25-26, 2015  
Washington, DC
2. 2015 ACWA Legislative Symposium  
March 4, 2015  
Sacramento, CA
3. 2015 Water Education Foundation – Executive Briefing  
March 25, 2015  
Sacramento, CA

**VI. ADJOURN**

**The meeting was adjourned at 8:15 p.m.**

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EDWARD J. "TED" COSTA, President  
Board of Directors  
San Juan Water District

ATTEST:

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TERI HART, Board Secretary

**Legal Affairs Committee Meeting**  
**January 21, 2015**  
**3:00 p.m.**

**Committee Members:** Bob Walters (Chair)  
Ted Costa, Director

**District Staff:** Keith Durkin, Assistant General Manager  
Teri Hart, Board Secretary/Administrative Assistant  
Josh Horowitz, Legal Counsel

**Members of the Public:** Tom Gray, Fair Oaks Water District  
Dave Kane, Citrus Heights Water District

**Topics:** 2x2 Legal Representation (W & R)  
Groundwater Pumping Reimbursement (W & R)  
Agreement Between SSWD and SJWD for the Ownership, Operation, and  
Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)  
Update on M&I Shortage Environmental Document (W)  
CVP/SWP Coordinated Operations Agreement (W)  
Legal Services Fees and Tasks for 2015 (W & R)  
Other Legal Affairs Matters  
Public Comment

**1. 2x2 Legal Representation (W & R)**

The committee discussed the need of special legal counsel for representation regarding the possible reorganization between SJWD and Sacramento Suburban Water District (SSWD). Mr. Horowitz confirmed that he can provide support for SJWD regarding SJWD water rights analysis and other issues not related to the reorganization without a conflict of interest at any time. However, if the Boards decide to move forward with the reorganization then special counsel should be retained by SJWD. He commented that he does have a recommendation for special counsel once the District needs the information. Mr. Horowitz commented that special counsel should be contacted sooner rather than later to assure that they are available to the District and that there is no conflict of interest on behalf of special counsel.

*For information only; no action requested.*

**2. Groundwater Pumping Reimbursement (W & R)**

Mr. Durkin informed the committee that the groundwater pumping reimbursement will be discussed in detail at the Special Finance Committee meeting. He explained that CHWD and FOWD submitted a reimbursement request for groundwater that they pumped this past year to meet supply shortages. In addition, the request includes reimbursement for amounts going back five years. He explained that Mr. Mitch Dion was tasked with reviewing the request and meeting with both CHWD and FOWD to discuss the reimbursement request. Mr. Dion will provide a report at the Special Finance Committee meeting.

Mr. Durkin commented that Ms. Lorance had suggested that the meeting might be moved from a Special Finance Committee meeting to a Special Board meeting in order

for all Board members to get the full details and participate in discussions. The committee discussed whether or not to make the meeting a Special Board meeting instead of a Special Finance Committee meeting. Mr. Durkin suggested that the other Directors be contacted in order to determine if the meeting should be a Special Board meeting. Mr. Durkin commented that if the meeting remains a Special Finance Meeting, then the topic would be on the Board agenda for discussion as well. Director Walters commented that the process is in place for items to be discussed by a committee then the committee makes a recommendation to the full Board.

Mr. Durkin informed the committee that the reimbursement request included \$4.6 million in total costs to deliver groundwater which would be allocated to the wholesale customer agencies. Mr. Gray commented that about \$2.6 million was identified to be allocated to FOWD and CHWD.

*For information only; no action requested.*

**3. Agreement Between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)**

Mr. Durkin reviewed the draft agreement between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station. A copy of the draft agreement is attached to these minutes. He explained that the SSWD Facilities & Operations Committee will be reviewing the agreement as well. Legal counsel has already reviewed the agreement for form and sufficiency and staff incorporated the necessary changes. The committee discussed the agreement in detail.

The committee discussed the need for triggers which alert the District to use the pump back water supply and when to stop using the supply. Mr. Durkin commented that the Water Supply & Reliability Committee will be discussing when to utilize the pump back water supply and the level of service SJWD is responsible to provide to the wholesale customer agencies. Mr. Gray commented that FOWD would like to have some kind of agreement in place between SJWD and the wholesale customer agencies regarding the use of groundwater wells and the pump back project. In addition, the committee discussed groundwater management, including SSWD's ability to conduct groundwater substitution transfers, and how that could affect the project.

*For information only; no action requested.*

**4. Update on M&I Shortage Environmental Document (W)**

Mr. Durkin informed the committee that the Bureau has extended the comment period on the M&I Shortage Environmental Document to the end of March. The District is coordinating the review and comments on the document with the City of Roseville, City of Folsom, and other CVP users.

*For information only; no action requested.*

**5. CVP/SWP Coordinated Operations Agreement (W)**

Mr. Durkin informed the committee that Ms. Lorance reported on this topic at the January 14<sup>th</sup> Board meeting regarding the request for the Bureau to enter into discussions with the Department of Water Resources on updating the Coordinated Operations Agreement between the CVP and SWP.

*For information only; no action requested.*

**6. Legal Services Fees and Tasks for 2015 (W & R)**

The committee reviewed the tasks that are performed for the District and billed to the District by legal counsel. The committee discussed communications with legal counsel and who should be contacting legal counsel in order to keep costs down. In addition, the committee suggested that legal counsel opinions be kept in a binder by staff for easy reference and to help reduce the number of contacts with legal counsel.

Mr. Horowitz requested that the Board President discuss with the general manager the types of correspondence between the general manager and legal counsel that he wants to be copied on. In addition, Mr. Horowitz pointed out that the detailed line item summary of the invoice is covered under attorney-client privilege information and is not subject to disclosure. He would suggest that the summary details be removed prior to committee meetings and not disseminated. The committee discussed the legal counsel invoices and decided to remove the information prior to providing the invoices to a committee.

The committee discussed communications with legal counsel and recommended discussing this topic at the annual workshop. Mr. Horowitz commented that his firm could create subaccounts in order to track more items without everything being placed in the general billing account. Director Walters suggested that this be discussed at the workshop as well.

*For information only; no action requested.*

**7. Other Legal Affairs Matters (W/R)**

Director Walters commented that he had concerns on which was the appropriate way to meet between the two SJWD Directors and the two FOWD Directors and whether they should just meet informally or as an ad hoc committee. The proposed 2x2 committee between SJWD and FOWD was suggested by FOWD in an effort to discuss items of mutual interest with the objective of increasing the level of trust and cooperation. Mr. Durkin commented that the direction from the last Board meeting was for the two directors, who volunteered, to meet with the two FOWD directors and decide what the topics would be that needed to be discussed, then decide whether to meet informally or as an ad hoc committee.

Mr. Horowitz commented that the directors can meet either informally or as an ad hoc committee, but if this is ongoing over a period of time then it should be a standing committee. In addition, he commented that no committee has any real authority – a committee reviews issues and makes recommendations to the full Board. Director

Walters prefers to have the SJWD Board President appoint the directors to meet with FOWD directors as an ad hoc committee.

*The Legal Affairs Committee recommends that the Board President appoint Director Walters and Director Rich to an ad hoc committee to meet with two FOWD directors as needed.*

**7.1 Next Meeting Date**

The next meeting will be set when needed.

**8. Public Comment**

In response to Director Costa's comment, Mr. Gray commented that FOWD would like to have an agreement as it pertains to the next Fair Oaks-40 pipeline project.

The meeting was adjourned at 5:05 p.m.

**AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND  
SAN JUAN WATER DISTRICT FOR THE OWNERSHIP, OPERATION, AND  
MAINTENANCE OF THE ANTELOPE PUMP-BACK BOOSTER PUMP STATION**

This Agreement is made effective as of the \_\_\_th day of \_\_\_\_\_, 2015, by and between San Juan Water District (“SJWD”) and Sacramento Suburban Water District (“SSWD”) for the ownership, operation, and maintenance of the Antelope Pump-Back Booster Pump Station (“Station”). SJWD and SSWD are both California public agencies with the authority to carry out the project described herein. SJWD and SSWD are collectively referred to herein as the “Agencies” and individually as an “Agency.”

**RECITALS**

A. The Station is intended to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation (“USBR”) or SJWD’s Water Treatment Plant facilities, or emergencies when SJWD’s surface water supplies are reduced. SJWD relies on surface water diverted from Folsom Reservoir as its main supply source, but that source is inadequate for supplying the desired minimum levels of service to SJWD if deliveries from Folsom Reservoir are compromised by USBR operations, drought or system failure. This Station supplements SJWD’s water supplies during times of limited surface water availability from Folsom Reservoir. SSWD will also benefit from the Station by being able to pump water from the northern-most portion of SSWD’s North Service Area (NSA), where the Station is located, to the southern portion of the NSA to improve the water supply reliability within that zone.

B. The Station is located at the site of SSWD’s Antelope Pressure Reducing Station on Antelope North Road. The Station has two pumps to provide pumping capacity of 10,000 gallons per minute (“gpm”) to SJWD, with space reserved within the Station footprint to install an additional 5,000 gpm pump and controls. The Station also includes a low-head 2,000 gpm pump to pump water from the northern-most portion of the SSWD NSA to the southern portion of the NSA to improve the water supply reliability within the southern zone.

C. Groundwater supplies pumped from the Station will be delivered through existing, and potentially new, transmission and distribution system facilities. Any agreements necessary for the utilization, operation, maintenance, capital replacements and/or repairs of those transmission and distribution facilities will be separate from, and are not covered by this Agreement and any future Agreements for the Station.

D. The Agencies agreed that there is a need to construct the Station and a desire to avoid delay in its planning, design, engineering, and construction. The Agencies approved a Memorandum of Understanding (“MOU”) dated June 16, 2014, to document the understanding

of the allocation of responsibilities and costs for the joint planning, design, engineering, construction, and construction administration of the Station while the Agencies developed this Agreement for the ownership, operation, and maintenance of the Station.

In consideration of the promises, terms, conditions and covenants contained herein, SJWD and SSWD hereby agree as follows:

### AGREEMENT

1. Incorporation of Recitals. The Agencies agree that the foregoing recitals are true and that they are incorporated herein by reference.
2. Lead Agency. SSWD acted as lead Agency for the planning, design and engineering phases of the Station and also acted as lead Agency during the bidding and construction phase of the Station, providing primary direction for construction management and inspection. SJWD participated during the construction phase to ensure the constructed facilities meet the requirements for both Agencies. SSWD will also act as lead Agency for the operation and maintenance of the Station.
3. Ownership. SSWD and SJWD will jointly own the Station in the same proportion as the amount spent by each Agency for the planning, design, and construction of the Station; 21-percent to SSWD and 79-percent to SJWD. SSWD will operate, maintain, and control the Station in its entirety in accordance with Section 6 of this Agreement.
4. Capacity Entitlement. SJWD will own 10,000 gpm of pumping capacity in the Station with the understanding that this capacity may be increased to 15,000 gpm in accordance with the provisions contained herein, if a third 5,000 gpm pump is installed at the Station in the future. Ownership in the Station capacity by SJWD does not imply or provide ownership in the existing SSWD groundwater supply or other facilities necessary to utilize the Station.
5. Project Water Supply. The water supply for the Station will be provided from groundwater wells within SSWD's North Service Area. Initial engineering studies for the Station determined that SSWD currently has sufficient groundwater supplies to deliver approximately 10,000 gallons per minute, or 14.4 million gallons per day ("MGD") to SJWD through the Station. Although it is the intent to maintain or increase available groundwater supplies, both Agencies understand that this is a non-firm supply and that the available groundwater supply may change in the future based on increased or decreased SSWD customer demands, changes in groundwater quality or regulations, decommissioning of existing wells, addition of new wells, success of conservation programs, or other foreseen or unforeseen circumstances. SSWD agrees that available groundwater supplies surplus to SSWD's needs will

first be made available to SJWD through the Station before they are made available or utilized for other purposes.

6. Operation, Control and Monitoring. Operation and control of the Station will be performed exclusively by SSWD in close collaboration with SJWD. SSWD staff will monitor and operate the Station to meet both Agencies' requirements, including supplying up to 10,000 gpm to SJWD during dry years, outages, or emergencies when SJWD's surface water supplies are reduced and when sufficient SSWD groundwater supplies are available. Upon request by SJWD, SSWD personnel will promptly respond to operate the facility to provide supply to SJWD as needed consistent with this Agreement. Separate radio telemetry equipment will be included in the Station to allow SJWD to remotely monitor key information from the facility (pump on/off status, flow, pressure, etc.).

7. Operating Costs. Operating costs include the direct cost of personnel hours and power to operate and monitor the facilities, including routine inspections and incidental costs related to the actual use of the Station. Operating costs will be allocated to the Agencies as follows:

a. All personnel and incidental costs shall be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency incurred during the previous period covered by an invoice in accordance with Section 11 of this Agreement (the "Invoice Period").

b. All cost for electrical power provided to the Station will be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency during the Invoice Period.

c. Any cost for an electrical power standby charge or surcharge from SMUD related to capacity to serve the largest electrical load at the site shall be paid on a pro rata basis based on the ratio of total pumping horsepower available to each agency during the Invoice Period.

d. SSWD pays a fee (on an acre-foot basis) to the Sacramento Groundwater Authority (SGA) for the annual amount of groundwater pumped based on a 5-year rolling average. If providing emergency groundwater supplies to SJWD results in a net cost increase over a 5-year period, the amount of the fee increase will be reimbursed by SJWD.

8. Maintenance, Repair and Replacement Costs. SSWD will be responsible for maintaining all Station facilities in an operable and ready-to-serve condition in accordance with industry standards. Maintenance and repair costs shall be allocated to the Agencies as follows:

a. All costs associated with maintaining, repairing and/or replacing SSWD's 2,000 gpm pump, controls, dedicated telemetry, PLCs, piping, valves, and related

appurtenances necessary to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with maintaining, repairing and/or replacing the two 5,000 gpm pumps, controls, dedicated telemetry, PLCs, piping, valves, and related appurtenances necessary to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with maintaining, repairing and/or replacing building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD, 2,000 gpm to SSWD) SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

9. Capital Replacements and Improvements. SSWD and SJWD shall jointly determine the need for capital replacements and improvements required to ensure the continued efficient and reliable operation of the Station, or to improve the Station (e.g. adding an additional 5,000 gpm pump to serve SJWD). Costs for capital replacements and improvements shall include, but not be limited to, construction, administrative and professional services related thereto. Capital replacements and improvement costs shall be allocated to the Agencies as follows:

a. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with capital replacements and improvements related to building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD/2,000 gpm to SSWD), SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

10. Water Supply Cost. The quantity of groundwater delivered to SJWD through the Station shall be monitored and recorded by each agency through their Supervisory Control and Data Acquisition (“SCADA”) systems. In lieu of SJWD paying SSWD for groundwater delivered from the Station during dry years, outages or emergencies, SJWD will transfer an equal amount of its treated surface water supplies to SSWD on an agreed upon delivery schedule when the dry year outage or emergency conditions are no longer in effect and SJWD surface water supplies are available after SJWD meets its in-District wholesale and retail demands. If SJWD is unable to transfer an equal amount of surface water back to SSWD within a three (3) year period

following completion of the groundwater delivered to SJWD through the Station, at SSWD's discretion, SJWD will pay a wholesale rate to SSWD for the amount of groundwater that has not been offset with a surface water transfer. The wholesale rate for groundwater shall be based on the actual cost to pump and deliver groundwater to the Station.

11. Notices. Unless indicated otherwise herein, all notices, invoices, payments, statements or other writing authorized or required by this Agreement may be delivered personally, or sent in the United States mail, postage prepaid, or sent by electronic mail if the recipient confirms receipt, and addressed to the respective parties as follows:

SJWD:

General Manager  
San Juan Water District  
9935 Auburn Folsom Road  
P.O. Box 2157  
Granite Bay, CA 95746  
E-mail: [slorance@sjwd.org](mailto:slorance@sjwd.org)

SSWD:

General Manager  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821  
E-mail: [rroscoe@sswd.org](mailto:rroscoe@sswd.org)

12. Emergency Contacts. A list of emergency contacts for each agency is provided under Exhibits A and B attached to this Agreement.

13. Invoicing. SSWD shall submit itemized invoices with supporting documentation to SJWD for costs listed above, other than groundwater supply costs, on a quarterly basis. Invoices may be submitted on a less frequent basis, but at least annually, during periods when the Station is not being utilized to deliver groundwater to SJWD. SJWD will pay all invoices received from SSWD for costs as outlined above within 45 days of receipt.

14. SJWD Wholesale Customer Agencies. SJWD will be solely responsible for allocating its share of costs to its Wholesale Customer Agencies (San Juan Water District-Retail, Orange Vale Water Company, City of Folsom, Fair Oaks Water District, and Citrus Heights Water District).

13. Participation by Others. Both Agencies acknowledge that SSWD has agreed to design the Station to include a connection that may be used in the future by others, potentially including the

City of Roseville. SSWD will pay all costs of planning, designing, constructing, operating and maintaining this connection and will negotiate separately with the City of Roseville or others for any cost-sharing or reimbursement for this connection.

14. Term of Agreement. This Agreement will be effective as the date stated above and will remain in full force and effect for as long as the Station continues to be operated, unless this Agreement is terminated early upon mutual agreement of the Agencies.

15. Relationship of Parties. Nothing in this Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regards to either SSWD or SJWD.

16. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Agencies, their respective successors and permitted transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefits from this Agreement or any of its terms.

17. Amendment. The terms of this Agreement may be modified or amended only by written amendment approved and executed by both Agencies.

18. Cooperation. SJWD and SSWD will reasonably cooperate with each other, including the execution of all necessary documents and the provision of information and data required to carry out the purpose and intent of this Agreement.

19. Inspection of Records. SSWD shall keep appropriate accounting and other records of all costs relating to the Station. Records shall be available for inspection by SJWD at reasonable times upon written request.

20. Counterparts. This Agreement may be executed in two or more counterparts. Each of the Agreements will be deemed as an original, all of which together will constitute as one and the same instrument.

21. Grant Funding. If either Agency obtains grant funding for any capital improvements or for any operations and maintenance costs, the Agencies agree that such funding will defray the gross costs funded by the grant and the Agencies shall allocate the remaining Station costs paid for with their funds in accordance with the terms of this Agreement. In addition, each Agency shall cooperate with the other Agency and comply with all terms and conditions of the grant funding Agreement applicable to each Agency.

SAN JUAN WATER DISTRICT:

SACRAMENTO SUBURBAN WATER DISTRICT:

By: \_\_\_\_\_

Shauna Lorance  
General Manager

By: \_\_\_\_\_

Robert S. Roscoe  
General Manager

DRAFT

## EXHIBIT A

### SSWD Contact List

The following listing of SSWD contacts and phone numbers is provided in order of contact priority.

- Operations Manager – Jim Arenz (916) 869-7359
- Engineering Manager – John Valdes (916) 869-7348
- Assistant General Manager – Dan York (916) 869-7349
- General Manager – Rob Roscoe (916) 240-2025

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## EXHIBIT B

### SJWD Contact List

The following listing of SJWD contacts and phone numbers is provided in order of contact priority.

- Operations Manager – Tony Barela (916) 622-3167
- WTP Superintendent – Greg Turner (530) 305-8279
- Assistant General Manager – Keith Durkin (916) 802-0559
- General Manager – Shauna Lorance (916) 791-6936

DRAFT

**Personnel Committee Meeting  
San Juan Water District  
January 22, 2015  
2:00 p.m.**

**Committee Members:** Pam Tobin, Chair  
Bob Walters, Director

**District Staff:** Shauna Lorance, General Manager  
Keith Durkin, Assistant General Manager  
Kate Motonaga, Finance Projects Manager  
Teri Hart, Board Secretary/Administrative Assistant

**Members of the Public:** Kim Silvers, Silvers HR, LLC

**Topics:** General Manager's Evaluation (W & R)  
Compensation Study (W & R)  
Water Treatment Plant Shift Operator Shift Schedule (W)  
Other Personnel Matters  
Public Comment

**1. General Manager's Evaluation (W & R)**

The committee discussed the General Manager evaluation process. The committee agreed with staff that the format that was used last year worked well and will be utilized again this year. Ms. Silvers reviewed the schedule and informed the committee that she expects to spend approximately 20 hours on the project. Ms. Silvers will attend the January 28<sup>th</sup> Board meeting to address the Board. In addition, she will attend the March 11<sup>th</sup> Board meeting in Closed Session to report on the evaluation findings.

*For information only; no action requested.*

**2. Compensation Study (W & R)**

The committee discussed the background on the Compensation Study which started in the Fall of 2013. Director Walters voiced concern that what was provided from the consultant was not initially a complete total compensation study. Ms. Lorance explained that items that the committee viewed as total compensation were added to the study, such as the employer paid PERS contribution, social security and OPEB. In addition, Ms. Lorance explained that public sector information was requested by the committee.

Ms. Lorance commented that the 2014 Personnel Committee discussed the goal of the compensation study regarding whether it was to compare what the District pays for retaining and recruiting employees or if it was to make a list of all the items that the District pays for a position. In addition, Ms. Lorance mentioned that according to Koff & Associates, the data provided covers a very extensive total compensation study.

The committee discussed the data received from Koff & Associates. Ms. Lorance explained that the 2014 committee agreed that a portion of the data would be used for total compensation comparisons and other data such as Medicare and PERS Employer Contribution would be shown for information, but not included in the total compensation comparison. The committee would like to see the other data as a subset in the report. Ms. Lorance mentioned that the data is now a year out of date and the committee might want to

consider updating the data. The committee agreed that the information should be updated. Director Walters commented that the Board should be knowledgeable on why the District's policy on compensation is 10% above average. Ms. Lorance will bring the policy to the next committee meeting.

Ms. Lorance informed the committee that the 2014 Personnel Committee requested compensation data on private sector water companies. She explained that private sector companies usually do not release salary information. Ms. Lorance reported that Koff & Associates was able to provide a Bureau of Labor Occupational Employment Statistics data that, by title, matched some benchmark positions. She explained that Koff & Associates needs to update the report data to include the information that the committee wants to include in the additional benefit cost section and private sector data. The committee discussed contacting the consultant from Santa Barbara to see what kind of data he can obtain within the private sector. Ms. Lorance will contact the consultant from Santa Barbara and in the meantime Koff & Associates will be requested to update the data.

*For information only; no action requested.*

### **3. Water Treatment Plant (WTP) Shift Operator Shift Schedule (W)**

Ms. Lorance informed the committee that the existing District work week resulted in WTP shift operators having weeks that were over 40 hours and some that were less. CalPERS requires a minimum number of hours in a pay period for the pay to qualify for CalPERS retirement. The committee agreed with staff recommendation to change the workweek and make minor adjustments to keep the compensation of the shift operators the same, at no cost to the District. The General Manager will do this through the implementation of a shift differential.

*For information only; no action requested.*

### **4. Other Personnel Matters**

Director Tobin reported that she attended the RWA Water Efficiency Program meeting. She commented that retail conservation staff from different agencies attended, with the exception of SJWD. She mentioned that Vicki Sacksteder attended representing SJWD Wholesale. Ms. Lorance commented that Ms. Sacksteder represents 20% retail and 80% wholesale. Director Tobin commented that Ms. Sacksteder should attend the SJWD Water Supply and Reliability Committee meetings so that she is better informed regarding retail conservation. In addition, Director Tobin commented that the District should have a communications person on staff so that information can be disseminated and coordinated. Furthermore, Director Tobin commented that the conservation staff should be involved with the Public Information (PI) Committee so that conservation information is routinely communicated to the PI Committee.

*For information only; no action requested.*

### **5. Public Comment (W/R)**

There was no public comment.

The meeting was adjourned at 3:30 p.m.