

# **SAN JUAN WATER DISTRICT**

Board of Director's Meeting Minutes

April 26, 2017 – 6:00 p.m.

## **BOARD OF DIRECTORS**

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

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

Paul Helliker	General Manager
Keith Durkin	Assistant General Manager
Donna Silva	Director of Finance
Teri Grant	Board Secretary/Administrative Assistant
Ryan Bezerra	Legal Counsel
Tony Barela	Operations Manager
George Machado	Field Services Manager
Greg Turner	Water Treatment Plant Superintendent

## **OTHER ATTENDEES**

Ken Payne	Auburn Dam Council
Mitch Dion	Customer
Dave Underwood	Fair Oaks Water District
Brian Nash	Richardson & Company

## **AGENDA ITEMS**

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

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

### **I.       PUBLIC FORUM**

There were no public comments.

## II. CONSENT CALENDAR

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

### 1. Minutes of the Board of Directors Meeting, April 12, 2017

*Recommendation: Approve draft minutes*

***Vice President Walters moved to approve Consent Calendar. Director Tobin seconded the motion and it carried unanimously.***

## III. OLD BUSINESS

### 1. Bill Payment Process for May

Mr. Helliker informed the Board that this topic was discussed at the last Board meeting. A staff report was prepared and will be attached to the meeting minutes. Ms. Silva explained that most bills are received the first week of the month and it would not be feasible for the accounting department to have the invoices ready for review by May 2<sup>nd</sup>. She requested that the Board consider Legal Counsel's advice which was to authorize the General Manager to review and approve the bills and claims then have the Board review and ratify the bills at the May 24<sup>th</sup> Board meeting. In addition, Ms. Silva mentioned that this is similar to what was discussed at the Board workshop last year and she will be requesting that the Board move in this direction at a future date.

Ms. Silva commented that the staff report recommended not having a Finance Committee meeting in May; however, there are several topics which the Finance Committee needs to review before the May 24<sup>th</sup> Board meeting. Therefore, she is requesting that a Finance Committee meeting be scheduled for May 16<sup>th</sup>.

In response to Vice President Walters' question regarding a bill not being ratified by the Board, Ms. Silva commented that, since she has been here, there has not been an invoice removed from payment and the likelihood of that happening is very slim. She explained that it is the managers' responsibility to review and approve each invoice for payment prior to them reaching her desk for review and approval. In addition, in order for the invoices to be approved by the manager, the invoice has to cover the scope of work and be within the Board approved budget.

***Director Rich moved to authorize the General Manager to review and approve the processing of bills and claims received subsequent to the April 12, 2017, Board Meeting, subject to Board ratification at the May 24, 2017, Board Meeting, and consider cancelling the May 2<sup>nd</sup> Finance Committee meeting and May 3<sup>rd</sup> Board meeting. President Miller seconded the motion and it carried unanimously.***

## IV. NEW BUSINESS

### 1. Selection and Retention of Independent Audit Firm

Ms. Silva reported that the current auditing firm, Lance, Soll & Lunghard, LLP (LSL), entered into contract with the District in November 2014. However, due to the need for significant prior period adjustments for the two consecutive years of their engagement, she is recommending that the District enter into contract with a different auditing firm. Therefore, Ms. Silva prepared a request for proposals and received ten responses. She prepared a staff report and a detailed scoring matrix of the proposals, which will be attached to the meeting minutes.

Ms. Silva recommends Richardson & Company based on her analysis of the proposals and their reputation. She introduced Mr. Brian Nash from Richardson & Company. In response to Director Costa's comment, Mr. Nash assured the Board that Richardson & Company will be the eyes and ears for the Board.

***Director Tobin moved to authorize staff to engage Richardson & Company to perform the audit of Fiscal Year Ending June 30, 2017, with an option to extend for each of the four subsequent fiscal years. Director Costa seconded the motion and it carried unanimously.***

Mr. Helliker suggested that the Finance Committee be charged with overseeing the audit. President Miller agreed with the recommendation. President Miller suggested that in the future the other proposal amounts should be included in the staff report and an explanation of why the lowest bid was not selected, should that occur.

### 2. Discussion on Assumptions for Fiscal Year 2017-2018 Budget

Ms. Silva conducted a presentation to the Board which will be attached to the meeting minutes. She reviewed the timeline for the FY 2017-18 budget and explained that staff has been working on the budget since the end of March. She explained that there will be a workshop on the budget at the May 24<sup>th</sup> Board meeting in anticipation of the budget being adopted at the June 14<sup>th</sup> Board meeting.

Ms. Silva reviewed the Revenue Assumptions which include Wholesale Demand; Retail Demand; Rate Assumptions; and Property Taxes. She explained that the Revenue Assumptions also include Connection Fees, but those have not yet been determined. In addition, she explained that the demands reflected in the Rate Study were from December and staff provided revised estimates based on current conditions.

Ms. Silva reviewed the Expenditure Assumptions which include Bond Refunding Debt Service Savings; Funding for potential planning efforts such as facilities plan, strategic plan, and supply reliability; Staffing; Benefit Costs; and COLA.

Ms. Silva suggested that the Board consider tying the District COLA to the Social Security COLA. She explained that the District COLA would never exceed that

which retired customers receive, provide certainty for employees, and certainty for financial planning/budgeting; however, there would be a time lag, and the Social Security index does not represent cost of living just in California as it is based on the national index. She explained that any lag could be corrected in future compensation surveys.

The Board discussed the assumptions and requested that Ms. Silva provide the following:

- Show the cumulative COLA increase for the 2 indexes and the District over a ten-year period
- Number of employees at the top of their salary range
- Start with a 2.5% COLA in the budget and provide cost differences for 3.2% and .3% COLAs
- Show what wholesale customer agency policies are on COLAs

Ms. Silva will provide this information at the May 24<sup>th</sup> workshop.

*For information only; no action requested.*

### **3. FY16-17 Water Mains and Services Replacement Project**

Mr. Durkin informed the Board that bids were solicited for the FY 2016-17 Water Mains and Services Replacement Project and four bids were received. A staff report was provided to the Board and will be attached to the meeting minutes.

Mr. Durkin reported that Navajo Pipelines, Inc., was the lowest responsive, responsible bidder and staff recommends awarding the contract to Navajo Pipelines, Inc. He mentioned that there was discussion with Navajo Pipelines since their bid was significantly lower than the other bids. The company stated that they had inadvertently left out one item in their bid. Mr. Durkin reported that they were informed that they could withdraw their bid since they made a material mistake. However, Navajo Pipelines reviewed their bid and informed staff that they will stand by their bid to perform the work required. Mr. Durkin confirmed that staff will be providing oversight on the project.

In response to Director Costa's question, Mr. Durkin informed the Board that it cost approximately \$2 million per mile of pipeline to install pipeline in the District's service area. In addition, Mr. Durkin explained that using trenchless piping doesn't necessarily reduce costs since there are usually many services that are installed along the pipeline.

In response to Director Tobin's question, Mr. Durkin explained that putting purple (reclaimed water) pipelines in the ground is not in the plan or budget, and cannot simply be done in conjunction with projects such as this. He explained that purple pipelines cannot be installed in the same trench as potable water pipelines and need to be kept separate.

***Director Tobin moved to award a construction contract to Navajo Pipelines, Inc. for the amount of \$988,888.00 and authorize a construction contingency of ten-percent for a total construction budget of \$1,087,788.00. Director Rich seconded the motion and it carried unanimously.***

## V. INFORMATION ITEMS

### 1. GENERAL MANAGER'S REPORT

#### 1.1 Miscellaneous District Issues and Correspondence

Mr. Helliker reported that there will be a Closed Session to discuss some major items with Legal Counsel. In addition, he attended the Water Parks and Wildlife Committee hearing on different bills regarding water conservation and water use efficiency. The bills that were supported by the District, and about 100 other agencies, made it out of committee and will go to the Appropriations Committee. In addition, the bills that implement the Governor's trailer bill language, which the District opposes, also made it out of committee.

Mr. Helliker commented that he met today with the wholesale customer agency general managers in an effort to build better relationships and do some joint planning. He explained that they discussed the next step on the wholesale water reliability study and the WCA's interest in groundwater utilization for joint water use.

Mr. Helliker plans to provide the Board with a monthly report of various activities at the District.

### 2. ASSISTANT GENERAL MANAGER'S REPORT

#### 2.1 Old Shop Maintenance and Repairs

Mr. Durkin informed the Board that the Old Shop Building was constructed in the 1950s and is in need of rehabilitation. A staff report was provided and will be attached to the meeting minutes. He explained that the building is used to store materials for field services and paper records for the District.

Mr. Durkin informed the Board that the building is still needed. A structural engineer evaluated the condition of the building and there are several repairs that are needed in order to continue to utilize the building. He reported that the repair costs will be placed in the FY2017-18 retail budget for approximately \$90,000.

#### 2.2 Miscellaneous District Issues and Correspondence

Mr. Durkin informed the Board that this will be his last meeting before he retires on May 12, 2017. He thanked the Board for their trust and confidence over

the years. The Board thanked Mr. Durkin for his excellent work for the District and expressed their gratitude to his dedication and commitment to the District.

Mr. Helliker introduced Greg Turner, WTP Superintendent, and asked him to report on staffing at the WTP. Mr. Turner informed the Board that Jeff Johnson joined the District as WTP Operator III and Jackie Foley was promoted from Facilities Maintenance Helper to WTP Operator II. The Facilities Maintenance Helper position will be set for recruitment in the near future.

### **3. DIRECTOR OF FINANCE'S REPORT**

#### **3.1. EDA Loan**

Ms. Silva reported that the District officially paid off the EDA loan which was authorized under Resolution 77-48 on September 14, 1977. She reported that the loan amount in 1990 was \$440,000 and the District paid \$371,000 in interest for a total cost of \$811,000, which illustrates the need to move towards pay-as-you-go funding for most projects.

#### **3.2. Miscellaneous District Issues and Correspondence**

No report.

### **4. LEGAL COUNSEL'S REPORT**

#### **4.1 Legal Matters**

No report.

## **VI. DIRECTORS' REPORTS**

### **1.1 SGA**

No report.

### **1.2 RWA**

No report.

### **1.3 ACWA**

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

Director Tobin will be attending the ACWA Spring Conference and will report on the meetings at a future Board meeting.

#### **1.3.2 JPIA - Bob Walters**

Vice President Walters will be attending the ACWA Spring Conference and will report on the JPIA meeting at a future Board meeting. He informed the Board that he will be voting for Scott Quady to serve on the ACWA/JPIA Executive Committee. There were no objections from the Board regarding this support.

**1.3.3 Energy Committee - Ted Costa**

Director Costa will be attending the ACWA Spring Conference and will report on the meeting at a future Board meeting.

**1.4 CVP Water Users Association**

Director Costa reported that the CVP Water Users Association met the other day and is working on the rate assumptions. He reported that he will be attending another meeting with the association on April 28<sup>th</sup>.

**1.5 Other Reports, Correspondence and Comments**

There were no other items discussed.

**VII. COMMITTEE MEETINGS**

**1. Personnel Committee (4/18/17)**

The committee meeting minutes will be attached to the original board minutes. Director Rich mentioned that Mr. Helliker provided a draft list of activities to the committee which he would like distributed to the Board when the list is completed.

**VIII. UPCOMING EVENTS**

1. 2017 Cap To Cap – Metro Chamber  
April 29 – May 3, 2017  
Washington DC
2. 2017 ACWA Spring Conference  
May 9-12, 2017  
Monterey, CA

**President Miller called for Closed Session at 7:44 pm.**

**IX. CLOSED SESSION**

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving state and federal administrative proceedings and programs affecting District water rights

**President Miller returned to Open Session at 8:40 pm.**

**X. OPEN SESSION**

There was no reported action during Closed Session.

## XI. ADJOURN

The meeting was adjourned at 8:40 p.m.

ATTEST:

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KENNETH MILLER, President  
Board of Directors  
San Juan Water District

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TERI GRANT, Board Secretary

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva  
Director of Finance  
Date: April 26, 2017  
Subject: Bill Payment Process for May

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### **RECOMMENDED ACTION**

Consider a motion to authorize the General Manager to review and approve the processing of bills and claims received subsequent to the April 12, 2017, Board Meeting, subject to Board ratification at the May 24, 2017, Board Meeting, and consider cancelling the May 2<sup>nd</sup> Finance Committee meeting and May 3<sup>rd</sup> Board meeting.

### **BACKGROUND**

District Ordinance 4000 requires Board approval for the processing of bills and claims. The Finance Committee usually reviews the bills and claims and recommends payment to the Board. The board usually adopts a resolution approving payment of the bills and claims at their meeting, usually the second Wednesday of the month.

At the April 12, 2017 Board Meeting, Mr. Helliker, General Manager, informed the Board that the Board should consider rescheduling or canceling the May 10th Board meeting due to the ACWA Spring Conference. The Board discussed the issue of paying the bills and claims. Mr. Horowitz, District Legal Counsel, informed the Board that on April 26th the Board could authorize the Director of Finance, with General Manager approval, to pay the bills subject to ratification by the Finance Committee and the Board at the May 24th Board meeting.

After some discussion, President Miller instructed the Finance Committee to meet on May 2nd at 4:00pm and he moved the May 10th Board meeting to May 3rd at 6:00pm in order to timely pay the bills and claims.

After review, staff has determined this solution is problematic. Most bills will not have been received, reviewed and authorized for payment by staff by May 2<sup>nd</sup>. Therefore staff would be asking for the Finance Committee and Board to approve payment of approximate amounts. Staff can reasonably estimate the regular recurring charges such as landscape maintenance, but there are a considerable amount of invoices for which staff cannot reasonably estimate an amount, such as those pertaining to the Floc/Sed construction project at the Water Treatment Plant.

Staff is requesting and recommending authorization for the Director of Finance, with General Manager approval, to pay the bills in May subject to ratification by the Board at the May 24<sup>th</sup> Board meeting. All other May Board matters can also be postponed until May 24<sup>th</sup>.

# AGENDA ITEM IV-1

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva  
Director of Finance  
Date: April 26, 2017  
Subject: Selection and Retention of Independent Audit Firm

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### RECOMMENDED ACTION

Consider a motion to authorize staff to engage Richardson & Company to perform the audit of Fiscal Year Ending June 30, 2017, with an option to extend for each of the four subsequent fiscal years.

### BACKGROUND

In November 2014 the Board of Directors approved the retention of Lance, Soll & Lunghard, LLP (LSL) to perform audit services for the San Juan Water District for the Fiscal Year Ending June 30, 2014. The resulting contract allowed for extensions through the Fiscal Year Ending June 30, 2018.

Due the need for significant prior period adjustments in both years of the engagement, staff recommends engaging a different independent audit firm.

Staff prepared a Request for Proposals and received 10 responses. The proposals received have been evaluated on the following criteria:

Firm Expertise, References, Staff Experience and Consistency	25 pts
Proposed Timeframe	25 pts
Cost	20 pts
Quality of Response	15 pts
Specific Audit Approach in Relation to District Requirements	10 pts
Location of Firm and Staff	5 pts

Based upon responses to the criteria above, staff recommends the retention of Richardson & Company. Richardson & Company received a perfect score of 100 points. The next closest proposal was Maze & Associates, also an excellent firm. Maze & Associates received a total score of 87, primarily due to their high cost. The detailed scoring matrix of all respondents is attached.

Richardson & Company is a well-known and respected regional Certified Public Accounting firm that has a breadth and depth of knowledge of the water industry. Their client list includes several of our wholesale customer agencies and the Central Valley Project Water Association. Richardson & Company satisfactorily performed the District's annual audits from Fiscal Year Ending June 30, 1999 through June 30, 2006. Best practices recommend auditor rotation no sooner than every five years. As such, after

## **STAFF REPORT**

*Selection and Retention of Independent Audit Firm*

*Donna Silva*

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seven years with Richardson & Company the District decided to retain a new audit firm in order to have a “fresh set of eyes”.

### **FINANCIAL CONSIDERATIONS**

The annual audit cost for Fiscal Year 2015-2016 was \$38,980. Richardson & Company’s proposed cost is significantly lower than our current fees. Richardson & Company proposed the following fees for the five year period:

FYE June 30, 2017	\$27,900
FYE June 30, 2018	\$28,600
FYE June 30, 2019	\$29,300
FYE June 30, 2020	\$30,200
FYE June 30, 2021	\$31,100

Should the District expend federal grant monies in excess of \$750,000 Richardson & Company will perform the required “Single Audit” for a fee not to exceed \$3,900 for the first major program and \$2,400 for any additional program.

Attachments      2017 Audit Proposal Rating Matrix

**San Juan Water District**  
**2017 Audit Proposal Ratings**

	Richardson & Company	Maze & Associates	James Marta & Company	Badawi & Associates	Mann, Urrutia, Nelson CPA's & Associates	Harshawal & Company	R.J. Ricciardi, Inc.	CliftonLarsenAllen	The PUN Group	SJWD Notes
Firm Expertise, References and Staff Experience and Consistency (max points 25)	25	23	13	12	3	10	15	5	11	Team consistency important
Proposed Timeframe (max points 25)	25	25	25	25	25	15	10	0	5	Issue by mid November
Cost (max points 20)	20	10	16	12	17	13	5	18	13	Current firm \$38,980
Quality of Response (max points 15)	15	15	15	15	15	15	15	15	15	
Specific Audit Approach in Relation to District Requirements (max points 10)	10	10	7	8	7	9	3	6	7	
Location of Firm & Staff (max points 5)	5	4	5	4	5	4	4	5	0	Local preferred
<b>TOTAL POINTS</b>	<b>100</b>	<b>87</b>	<b>81</b>	<b>76</b>	<b>72</b>	<b>66</b>	<b>52</b>	<b>49</b>	<b>51</b>	<b>TOTAL POINTS</b>



# INVESTING IN HIGH-QUALITY, RELIABLE WATER

SAN JUAN  
WATER DISTRICT  
GRANITE BAY, CALIFORNIA

**Budget Assumptions**  
FISCAL YEAR 2017 - 18



# Timeline



You are here



Staff Kick-off March 30th

Board Timeline Review April 12, 2017

Board Assumptions Review April 26th

Staff Budget Creation 3/31 – 5/17

Budget Workshop May 24th

Budget Adoption June 14th

# Revenue Assumptions

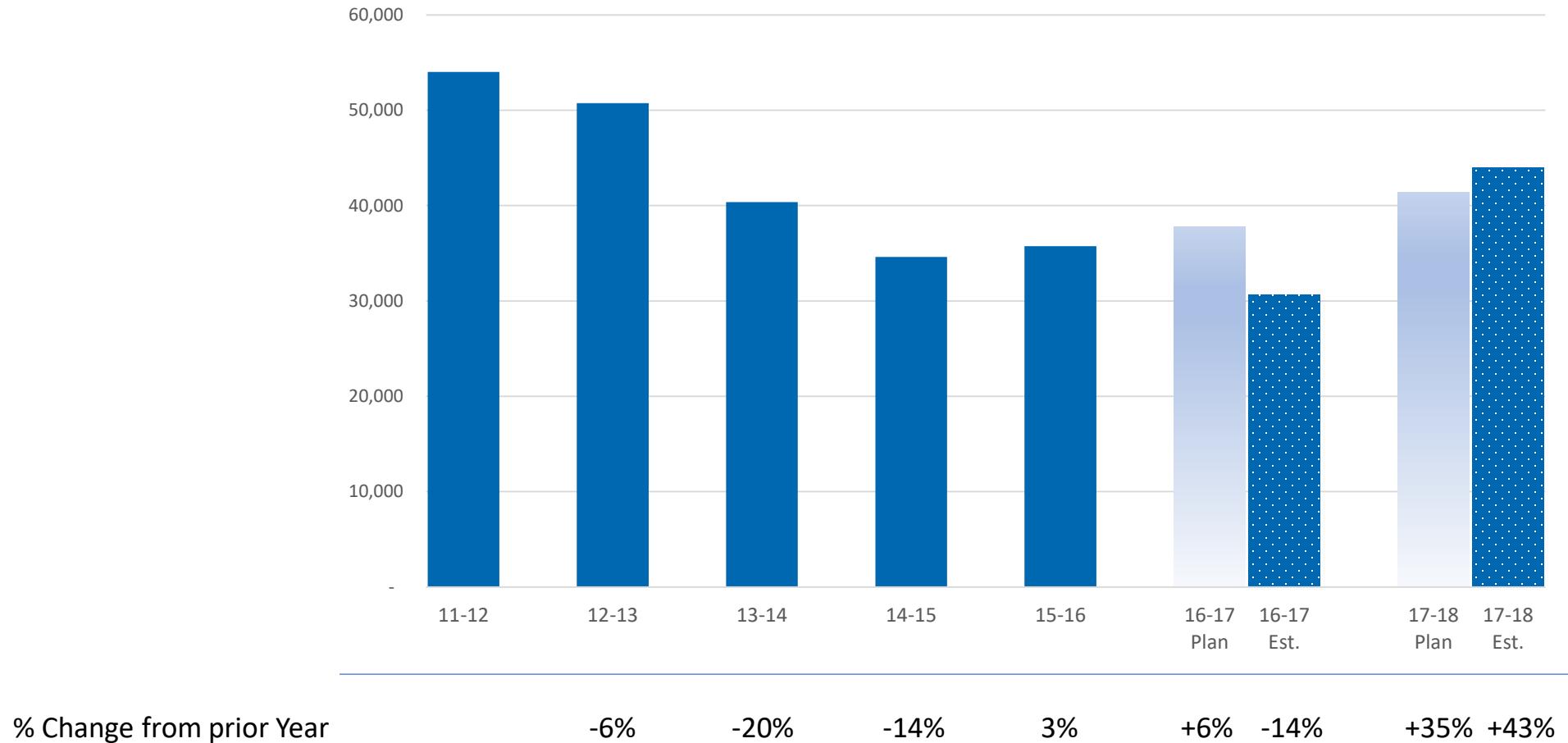


- Wholesale Demand
- Retail Demand
- Rate Assumptions
- Property Taxes
- Connection Fees – not yet determined – will review at budget workshop

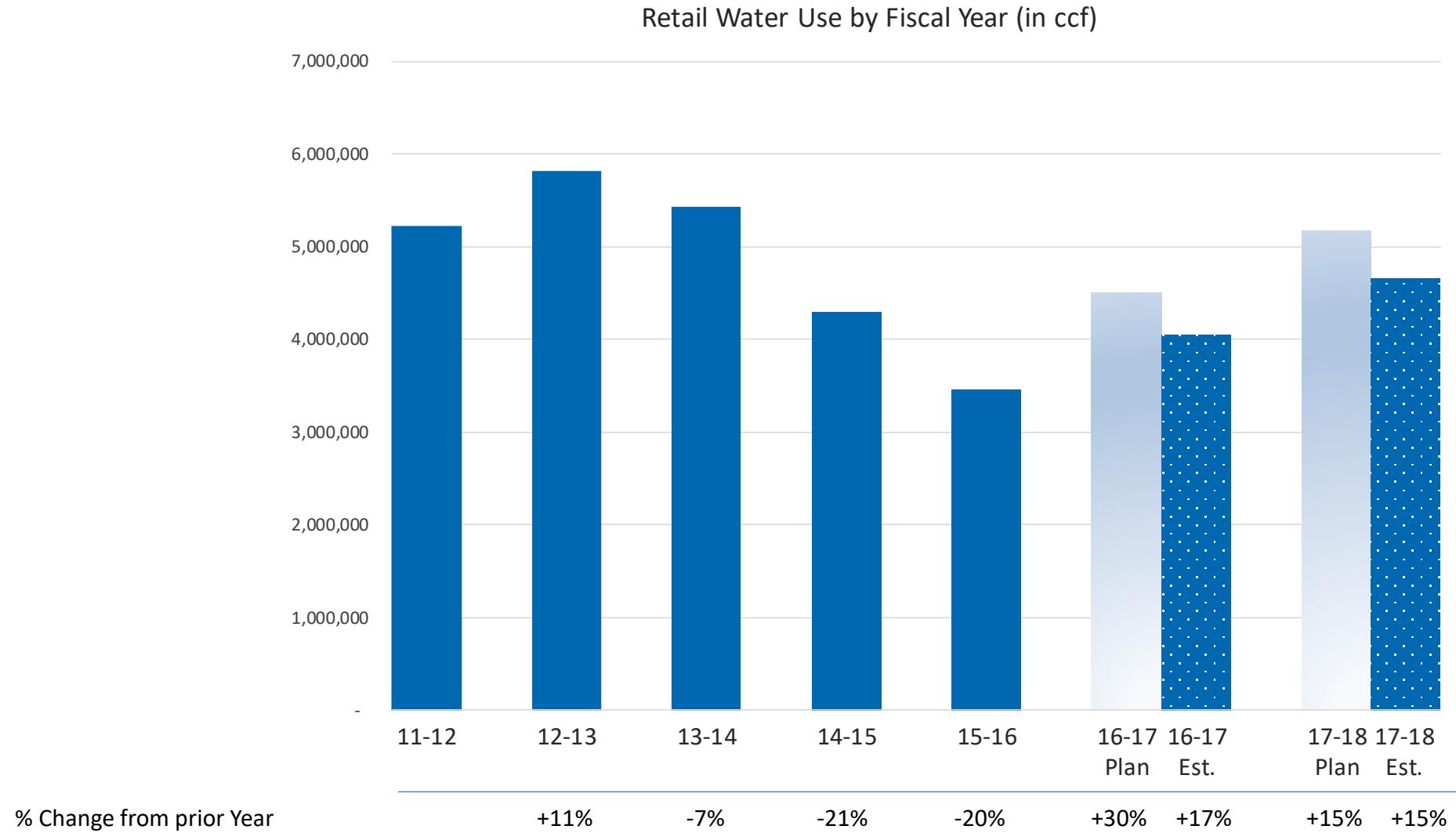
# Wholesale Delivery Assumptions



Wholesale Water Deliveries by Fiscal Year (in acre feet)



# Retail Demand Assumptions



# Rates



- July – December: Current 2017 rates
- January – June 2018: Rates per adopted schedule – review and discuss options at May 24<sup>th</sup> Budget workshop

# Property Tax Revenues



Fiscal Year	% Change
07-08	2.5%
08-09	-.7%
09-10	-7.4%
10-11	-5.3%
11-12	-2.3%
12-13	2.9%
13-14	4.5%
14-15	7.2%
15-16	6%
16-17 est.	9.8%
17-18 est.	4%

# Expenditure Assumptions



- Bond Refunding Debt Service Savings to be reflected when known
- Funding for potential planning efforts:
  - facilities plan
  - strategic plan
  - supply reliability
- Staffing
- Benefit Costs
- COLA
- Any other projects Board would like to see included?

# Staffing



- Assistant General Manager Position at reduced salary range – Placeholder (apx. \$165,000 - \$177,000)

# Benefits

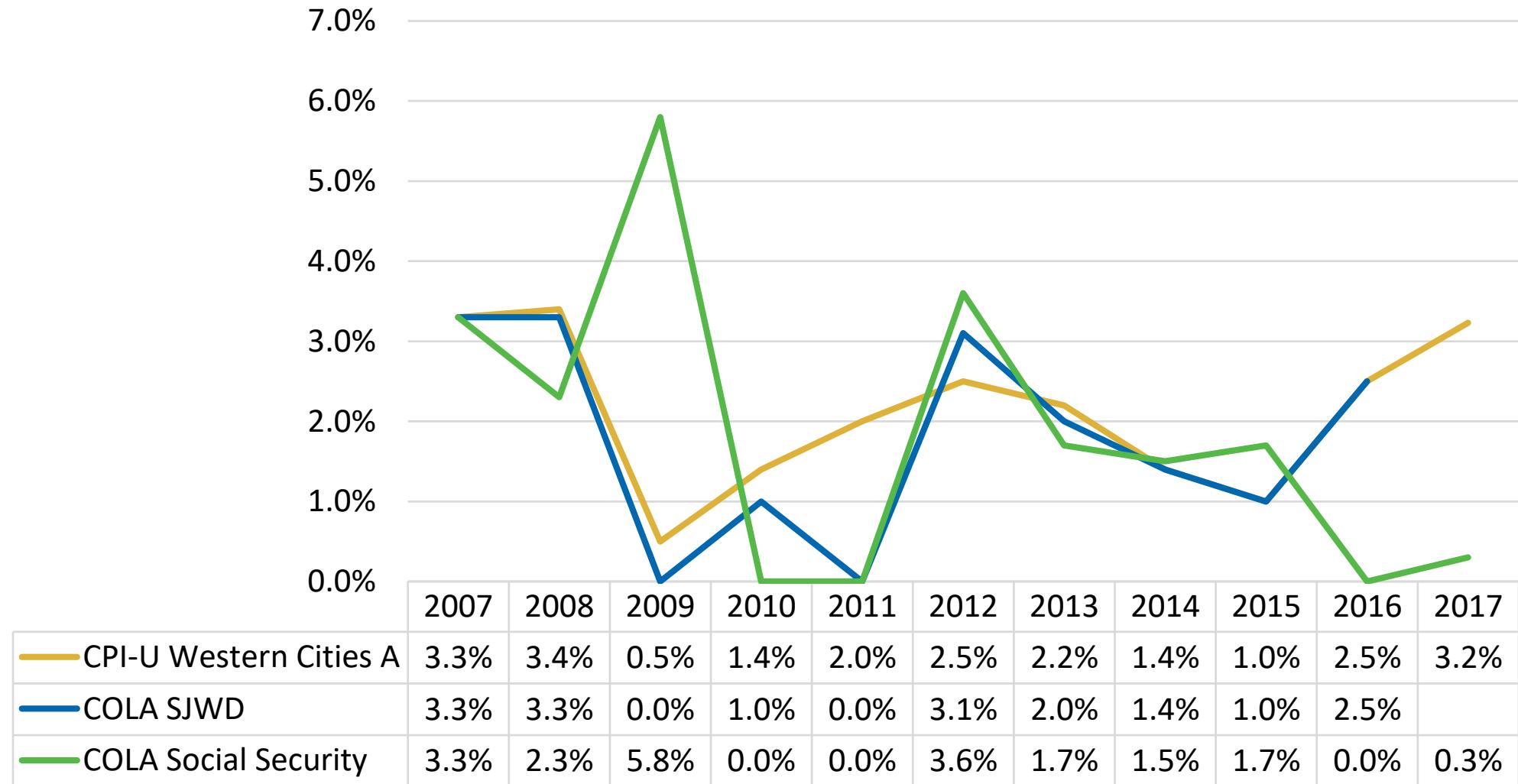


- Health Benefits – 5% increase assumed
- Retirement Contributions
  - Tier One ER Contribution Rates 12.698%
  - Tier Two ER Contribution Rates 12.036%
  - PEPRA ER Contribution Rates 6.533%
  - Unfunded Liability Payment \$403,300

# COLA Discussion



Historical COLA's and CPI Data



# COLA Policy Recommendation



## Link Employee COLA to Social Security COLA

### Advantages

- Never exceeds that which retired customers receive – removes perception issue
- Certainty for employees
- Certainty for financial planning/budgeting

### Disadvantages

- Time lag
- Social Security index does not represent cost of living in California – any lag could be corrected in future compensation surveys



# QUESTIONS?



# AGENDA ITEM IV-3

## STAFF REPORT

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To: Board of Directors  
From: Keith Durkin, Assistant General Manager  
Date: April 20, 2017  
Subject: FY16/17 Water Mains and Services Replacement Project

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### RECOMMENDED ACTION

Staff recommends a motion to award a construction contract to Navajo Pipelines, Inc. for the amount of \$988,888.00 and authorize a construction contingency of ten-percent for a total construction budget of \$1,087,788.00.

### BACKGROUND

This Project involves replacement of two sections of Retail Service Area pipeline totaling approximately 2,365-LF, and three new Pressure Reducing Stations. The five individual projects making up the overall improvement Project are listed below:

1. Oak Avenue (1,465 LF of 12-inch C900 and 3 services)
2. Main Avenue (900 LF of 12-inch C900 and 8 services)
3. American River Canyon North/South Pressure Reducing Station
4. Cavitt Stallman Pressure Reducing Station
5. Olive Ranch Pressure Reducing Station

These pipelines are needed to replace aged and leaking pipelines, and the valve stations are needed to improve efficiency, and health and emergency safety redundancy within the Retail Service Area. The designs were completed in-house, and the five individual projects were bundled together and bid as a single combined Project.

### STATUS

Four (4) Bids for the project were received on April 18<sup>th</sup> and are summarized as follows:

Navajo Pipelines, Inc.	\$988,888.00
T&S Construction Co., Inc.	\$1,338,055.00
C&D Contractors, Inc.	\$1,388,559.00
R.J. Gordon Construction, Inc.	\$1,555,624.50

Navajo Pipelines, Inc. (Navajo) is the lowest responsive, responsible bidder. Navajo's bid documents were reviewed and found to be complete and in order, including license, insurance and bonds.

### FINANCIAL CONSIDERATIONS

Each of the five individual projects listed above are included in the District's approved Retail CIP, and were budgeted for a combined total amount of \$1,204,000 in Fiscal Year 2016-2017. This Project will be completed in the 2017 construction season, with a portion of the funds being spent in FY 16/17 and the remainder being spent in FY 17/18.

## STAFF REPORT

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To: Keith Durkin, Assistant General Manager  
From: Rob Watson, Engineering Services Manager  
Date: April 19, 2017  
Subject: Old Shop Building Rehabilitation

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### **RECOMMENDED ACTION**

For information, there is no requested Board action at this time other than to consider options for replacement or rehabilitation in the FY17-18 budgeting process.

### **BACKGROUND**

The existing storage building (old shop) is approximately 100-ft by 40-ft in dimension, was built in the late 1950's, and is located on the south-west portion of the SJWD Corporation Site. This building is currently used as maintenance space to dismantle and salvage meters and valves, and to store construction equipment and materials, safety equipment, items being sent to auction, and paper records for Finance/Accounting and Engineering. Until recently Customer Service also stored conservation-related and other materials and records in this building, however these items were removed to protect them from weather and varmint-related damage.

This building currently suffers from significant leakage through the roof, doors that cannot be closed and locked, surrounding surface grading and drainage issues, pest infestation, and structural problems. These problems need to be rectified if the building is to continue to be used. Rats, mice, and poisonous snakes and spiders are often found residing in the building and within the equipment, materials, and paper records being stored within and around this building. Pest and varmint infestation is also a safety and health issue for District personnel.

Since all departments have an identified need for storage of materials, equipment and records, this building was most recently evaluated for either replacement or rehabilitation in order to satisfy the District's short- and long-term space requirements. The preliminary finding was that the building should either be replaced "in-kind" (\$400,000) or abandoned and demolished as part of plans to build a new administrative building and re-purpose existing building space.

### **STRUCTURAL EVALUATION**

The significant weather we received this year exacerbated deteriorating conditions of the roof and supporting trusses. The building was evaluated by a structural engineer and it was determined that several repairs are required for safety and stability purposes.

**STAFF REPORT**  
*Old Shop Building Rehabilitation*  
*Rob Watson*

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The following photos provide a general overview of some of the portions of the building that require structural and functional repairs necessary to continue to use the building.



**STAFF REPORT**  
*Old Shop Building Rehabilitation*  
*Rob Watson*

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Photo of outside of north wall of building showing damaged siding and roll-up door



Photo of damaged north-east person access door and wall framing



**STAFF REPORT**  
*Old Shop Building Rehabilitation*  
Rob Watson

Photo of interior of building looking up at roof and truss system needing repairs



Photo of truss seat connection on top plate of wall (one of 52 similar locations)



**STAFF REPORT**  
*Old Shop Building Rehabilitation*  
*Rob Watson*

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Photo of bottom truss chord requiring repair (one of 52 similar locations)





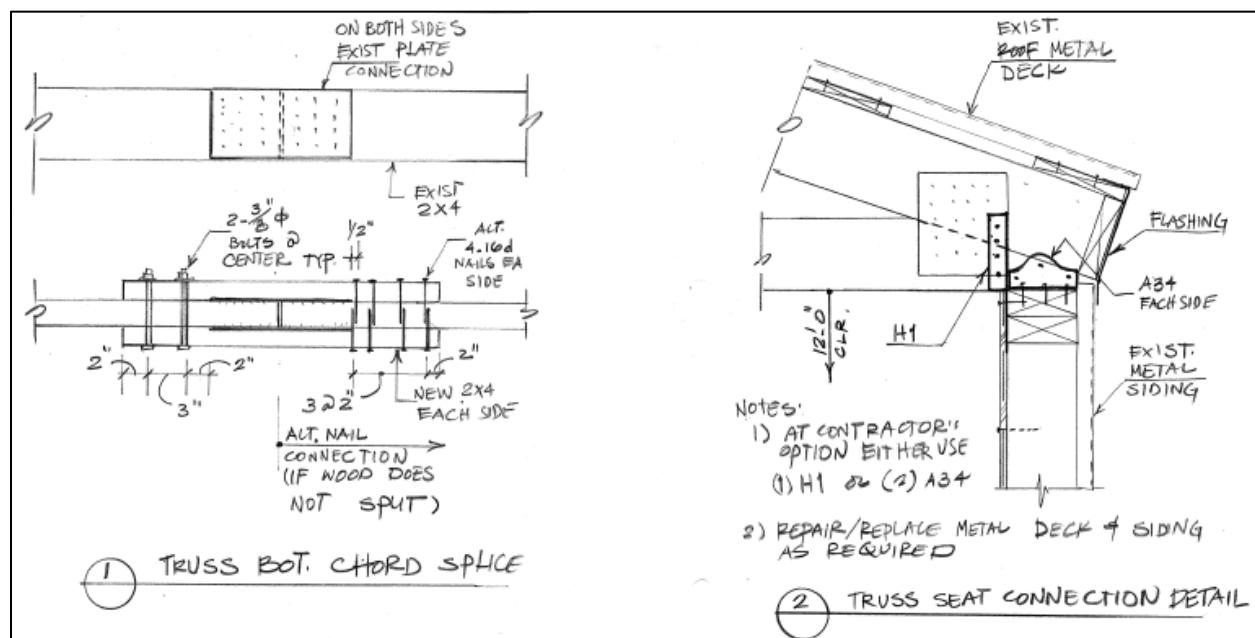
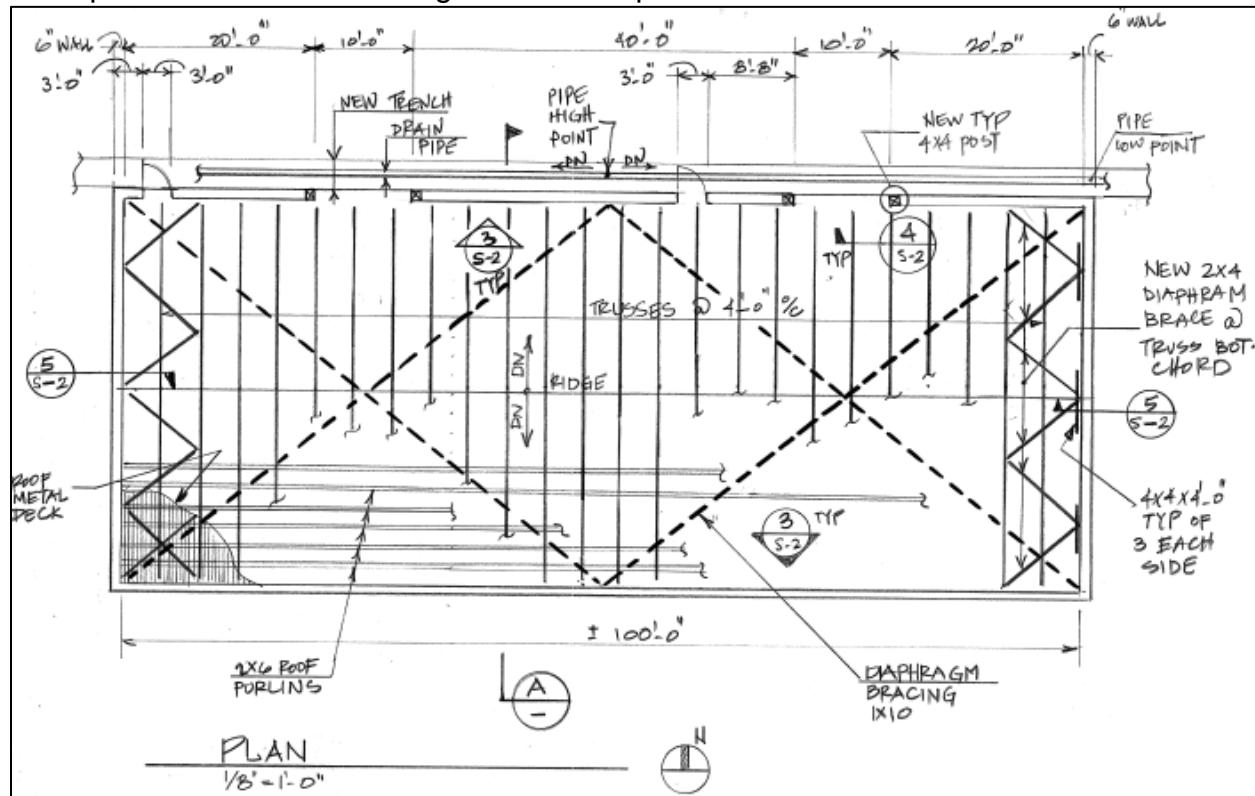
Recommended structural repairs (at a minimum) include the following items:

- Add a 2x4 Diaphragm Brace (12 each, at Truss Bottom Chords)
- Add 4x4x4'L Braces at E&W Truss to Top Plate (3 at each end wall, 6 total)
- Add 4 runs of 1"x10" Diaphragm Cross Bracing (Below Trusses, 256-LF)
- Install 2x4 Truss Bottom Chord Splices (w/ Hardware, at 24 locations)
- Install Truss Seat Connection Repair (Simpson Ties at 52 locations)
- Replace Roll-up Door (incl. door frame, and wall stud repairs)
- Replace Manway Door (incl. door frame, and wall stud repairs)
- R&R shear wall plywood on North Wall (where separated from wall)
- R&R damaged wall studs on North Wall
- Update and repair nailing in wall for the shear plywood

Design details have already been prepared as needed to move forward with the identified structural improvements should the building be approved for rehabilitation.

**STAFF REPORT**  
**Old Shop Building Rehabilitation**  
**Rob Watson**

Example details for the building structural improvements



## ROOF EVALUATION

The existing roof system consists of corrugated metal roofing placed over and nailed onto the roof purlins, which are in turn nailed to the top chord of the trusses. The existing roofing is aged and currently leaks significantly in multiple areas over the entire building.



If the building is rehabilitated then as part of that project the existing roof will need to be replaced. The lowest cost rehabilitation option would be to install a new corrugated roofing system to replace the existing corrugated roof.

## DRAINAGE EVALUATION

During rainfall events water ponds along the north side of the building and in the north-east corner of the building the ponded water can become deep enough to reach the elevation of the slab floor. When ponding conditions take place during storm events water can then flow under the sill plate of the wall and can enter the building. This also results in conditions for dry rot to occur in the lower portions of the wall framing.

Photos showing precipitation ponding along north side of building.



If the building is to be rehabilitated then it is recommended that the existing surrounding surfaces be graded to slope away from the building to eliminate the ponding conditions. Additionally it is recommended that a piped drainage collection system with drain inlets

be installed along the north side of the building to convey rain water away to an appropriate storm drainage discharge location.

### **CURRENT STATUS**

Currently the building is being considered for replacement or rehabilitation. Space and storage accommodations to address needs for all District departments are on hold pending the outcome of facilities planning being considered by management staff and the Board. Roof leaks, structural repairs, and drainage issues will need to be addressed in the meantime so the building can continue to be used.

### **COST ESTIMATE**

Replacement was estimated about three years ago at a cost of about \$400,000. If the replacement option is undertaken it would be expected to result in a building with a design lifespan of 50-years or more. A replacement building would also create a secure site for storage of equipment, materials and documents. Storage of documents would be in an appropriately protected and climate controlled environment. A fire protection system would also be part of a building replacement project.

Repairs to the roof, structural members, and drainage improvements are estimated to cost approximately \$81,000. This work will only result in enough repairs to bring the building to a minimal condition for structural safety, repair of the doors for functionality and limited security, and to keep the roof from leaking onto the stored contents. The rehabilitation option would be considered a short-term option because ultimately the building would either need to be replaced, or a suitable alternative would be needed.

Rehabilitation of the existing building would add several years of usable lifespan to the building at about one-fifth of the cost for replacement however, functionality would be at a considerably reduced level as compared to a building replacement. Rehabilitation would facilitate continued storage of construction equipment and materials, as well as safety equipment and materials but, it would not facilitate document storage.

### **FINANCIAL CONSIDERATIONS**

Approximately \$90,000 should be budgeted in FY17-18 for the repair of the building. A suitable alternative should be identified as soon as possible to address the District's long-term operational and administrative storage requirements.

# AGENDA ITEM VII-1

## DRAFT

### Personnel Committee Meeting San Juan Water District April 18, 2017 4:00 p.m.

**Committee Members:** Dan Rich, Chair  
Bob Walters, Director

**District Staff:** Paul Helliker, General Manager  
Keith Durkin, Assistant General Manager  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Assistant General Manager Recruitment (W & R)  
Other Personnel Matters  
Public Comment

#### **1. Assistant General Manager Recruitment (W & R)**

Mr. Paul Helliker informed the committee that the General Manager's duties are focused primarily on external activities and those activities will be more active over the next few years. He explained that the Assistant General Manager (AGM) duties focus more on internal matters and at the current time the AGM position is needed.

Mr. Durkin explained that there is potential for filling lower level positions in the future which could reduce the workload on the managers and free up time for them to work on higher level tasks which the AGM covers at this time. He commented that a possible succession plan could plan for the new AGM transitioning into the GM position in the future and at the same time potentially eliminate the AGM position while filling lower level positions as mentioned.

The committee discussed the GM and AGM job descriptions and salary range, culture of the District, and other positions such as the Human Resources Specialist and the Public Information Officer. Prior to presenting the proposal to recruit a new AGM to the Board of Directors for review and approval, the GM will prepare a comprehensive staff report.

*The Personnel Committee agrees with staff's recommendation for recruitment of the Assistant General Manager position.*

#### **2. Other Personnel Matters**

Director Rich commented that he is interested in having the committee review retiree health benefits and mentioned that the City of Roseville may provide examples for this topic. In addition, he would like the committee to discuss steps and merit increases.

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

There was no public comment.

The meeting was adjourned at 5:19 p.m.