

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

December 9, 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
Teri Grant	Board Secretary/Administrative Assistant
Ryan Bezerra	Legal Counsel

OTHER ATTENDEES

Rob Swartz	SGA
Yung-Hsin Sun	MWH
Tony Barela	SJWD

AGENDA ITEMS

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

President Costa called the meeting to order at 7:00 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 Meetings

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

1. Minutes of the Board of Directors Meeting, November 18, 2015

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

III. PRESENTATIONS

1. SGA and the New Groundwater Legislation – Rob Swartz

Ms. Lorance introduced Mr. Rob Swartz, Sacramento Groundwater Authority. Mr. Swartz conducted a presentation on *Sustainable Groundwater Management Act and SGA*. A copy of the presentation will be attached to the meeting minutes.

Mr. Swartz provided a review of the Sacramento Groundwater Authority (SGA) background, the Sustainable Groundwater Management Act (SGMA) of 2014, what SGA is doing about SGMA, and the differences for SGA as a result of SGMA. The Board discussed various issues with Mr. Swartz regarding groundwater and SGMA.

ACTION AND INFORMATIONAL ITEMS

IV. COMMITTEE REPORTS

1. Personnel Committee (10/27/15)

Ms. Lorance reported that the committee met on October 27, 2015, and the agenda items were discussed at a previous Board meeting:

- Assistant General Manager Employment Contract (W & R)
- Staffing Workshop (W & R)
- Other Personnel Matters
- Public Comment

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

Assistant General Manager Employment Contract (W & R)

In response to Director Walters' questions, Ms. Lorance explained that the contract with the AGM is for the current AGM only. She explained that any new AGM would be given a salary within the Board approved salary range, and if the GM was no longer at the District then the Board would set the salary within the salary range. In addition, she informed the Board that the contract is for an existing executive level manager and any future employee in the AGM position would not necessarily be under a contract. Director Walters suggested that a policy be considered for contracts. Ms. Lorance will place this item on the staffing workshop agenda.

President Costa recalled that the Personnel Committee was going to review the 10% over average policy. The Board discussed the policy being reviewed and it was requested to be placed on the next Board workshop.

At Vice President Tobin's request, Ms. Lorance explained that the District had a policy in the past of setting pay ranges for employees based on the 75th percentile then, due to the difficulty of obtaining the correct sampling size, it was changed and the compensation study completed in 2006 was based on setting the top of the salary ranges at 10% above average. In addition, Ms. Lorance explained that the compensation policy was reviewed and updated by the board for the 2015 Compensation Study. Ms. Lorance explained that per the policy the top of the salary range for each benchmark position is set at 10% over average and the bottom of the range is about 10% below average. Ms. Lorance explained that new employees are brought in towards the bottom of the range, which is 10% below average, and then there is an opportunity, based on performance, for employees to receive merit increases that could place their salary 10% above average. The Board will discuss the policy at the next Board workshop.

In response to Director Miller's comment, Mr. Bezerra explained that usually contract discussions are performed in closed session to negotiate the contract then discussed with the employee and the contract is voted on under open session. Ms. Lorance explained that Mr. Horowitz informed the Board that if the severance section was taken out then the contract could be negotiated between Ms. Lorance and the AGM. Ms. Lorance reported that she negotiated the contract with the AGM at the direction of the Board at the November Board meeting. She informed the Board that the contract is signed with a 4.5% salary increase to bring the AGM to the top of the salary range, an additional week of administrative leave, and gives the GM the opportunity to award an incentive award, up to 10%, provided there are funds in the budget. She informed the Board that since severance pay was removed, the termination without cause was removed from the contract. In addition, Mr. Durkin added that the contract requires the AGM to give a 28-day notice of termination. Ms. Lorance will send a copy of the contract to the Board members.

For information only; no action requested.

Staffing Workshop (W & R)

For *Staffing Workshop*, please refer to the committee meeting minutes.

Other Personnel Matters

For *Other Personnel Matters*, please refer to the committee meeting minutes.

2. Water Supply & Reliability Committee (11/19/15)

Director Walters reported that the committee met on November 19, 2015, and discussed the following:

- Water Supply Status (W & R)

- Request for Proposal for a Water Management and Reliability Study Update (W)
- Urban Water Management Plan (W & R)
- Planning for Various Year Types for 2016 (R)
- Other Matters
- Public Comment

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

Water Supply Status (W & R)

Director Walters reported that an update will be provided under the General Manager's Report.

Request for Proposal for a Water Management and Reliability Study Update (W)

Director Walters reported that staff expects 3-4 proposals to be submitted. Staff will review the proposals prior to the December 14th committee meeting and then the committee's recommendation will be reviewed by the Board at the January 14th Board meeting.

For information only; no action requested.

Urban Water Management Plan (W & R)

Ms. Lorance informed the Board that the five-year Urban Water Management Plan (UWMP) will be due in 2016. She explained that the UWMP needs to be well done given the fact that water has been a statewide issue and the UWMP will most likely be a driver for some decisions in the future.

Ms. Lorance informed the Board that Kennedy/Jenks was contacted and a proposal was obtained for consulting services to complete the UWMP. The proposal for completion of the UWMP was received with a not to exceed amount of \$62,694. She explained that the consultant will work with the wholesale customer agencies to obtain and verify their information.

Director Walters moved to approve a contract with Kennedy/Jenks for completion of the Urban Water Management Plan in the amount not to exceed \$62,694, with a 10% contingency of \$6,270. Vice President Tobin seconded the motion and it carried unanimously.

In response to Director Walters' question, Ms. Lorance confirmed that the portion of the UWMP that covers wholesale is a benefit to the Wholesale Customer Agencies.

Planning for Various Year Types for 2016 (R)

Ms. Lorance reported that at this point it is unknown whether next year will be a wet year, a continuation of existing conditions, or a worsening of the drought. Therefore, a meeting of the volunteer Drought Committee is scheduled for December 15th to discuss planning for these scenarios.

Other Matters

Ms. Lorance informed the Board that staff is looking into WaterSMART grants. This topic will be discussed under Finance Committee. She mentioned that staff is looking at conservation grants. In addition, there is an automated meter grant; however, the District is not ready to fund 50% on a meter replacement program to obtain and install automated meters. Mr. Durkin reported that PCWA is in the middle of a study to look at the cost to install AMI meters and they will share the information with the District once it is complete. President Costa commented that SSWD has the AMI meters in some areas and there may be a way to coordinate with them on the signal use. President Costa commented that he was approached by a person reading meters for CHWD and was told that their company could save SJWD 50% in costs if the District were to outsource meter reading. Ms. Lorance commented that with the retail service area spread out more, there may not be that large of a savings, if any; however, she informed the Board that before hiring anyone for the position in the future, she will check on outsourcing.

For information only; no action requested.

Public Comment

For *Public Comment*, please refer to the committee meeting minutes.

3. Engineering Committee (12/7/15)

Director Rich reported that the committee met on December 7, 2015, and discussed the following:

- WTP Flocculation/Sedimentation Basin Improvements Project (W)
- Other Engineering Matters
- Public Comment

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

WTP Flocculation/Sedimentation Basin Improvements Project (W)

Director Rich reported that the 90% design submittal for the WTP Flocculation/Sedimentation Basin Improvements Project was received last week and staff is reviewing the draft plans and specifications. He stated that an overview of the project was provided by Mr. Durkin and the importance of the project was communicated to the committee. Director Rich informed the Board that total project costs will be approximately \$1.2 million above the amount estimated in the ten-year wholesale financial plan.

Director Rich reported that the committee discussed the project and schedule and agreed with the staff recommendation that staff should proceed with bidding and constructing the WTP Flocculation/Sedimentation Basin Improvements Project as planned.

4. Finance Committee (12/8/15)

President Costa reported that the committee met on December 8, 2015, and discussed the following:

- Review and Pay Bills (W & R)
- WTP Flocculation/Sedimentation Basin Improvements Project (W)
- USBR WaterSMART Grant Application (R)
- Investment Policy Review (W & R)
- Other Finance Matters
- Public Comment

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

Review and Pay Bills (W & R)

President Costa reported that the committee reviewed bills and claims in the amount of \$1,361,321.96 and found them to be in order.

President Costa moved to approve Resolution 15-19. Vice President Tobin seconded the motion and it carried unanimously.

WTP Flocculation/Sedimentation Basin Improvements Project (W)

President Costa reported that the committee discussed the project, budget, and financial plan, and agreed that this is a high priority project and should be completed.

For information only; no action requested.

USBR WaterSMART Grant Application (R)

President Costa reported that the committee reviewed the information provided by staff regarding the WaterSMART grant application and the committee recommended that the District apply for the grant.

Ms. Lorange explained that there is a budget for the items covered under the grant and the grant funds would then double the budget. In addition, Ms. Brown is working with the HOAs and if any are interested in the grant then the HOAs will provide the dollar amount that they will fund and the District will include that amount in the grant application, in addition to the District's amount, so that the HOAs will be considered for the grant funds.

Vice President Tobin moved to adopt Resolution No. 15-20 authorizing San Juan Water District to apply for the USBR WaterSMART water and energy efficiency grant for FY2016. Director Walters seconded the motion and it carried unanimously.

Investment Policy Review (W & R)

President Costa reported that the committee reviewed San Juan's Investment Policy which was revised by the investment advisor, Ms. Silva, and Legal Counsel. In addition, the committee discussed the changes in the policy and

requested that consideration of a motion to accept the changes in the Investment Policy be placed on the Consent Calendar at the January Board meeting; however, President Costa requested that the item not be on the Consent Calendar and instead placed on the Finance Committee agenda.

For information only; no action requested.

Other Finance Matters (W or R)

President Costa reported that Ms. Silva will provide a Quarterly Treasurer's report at the next Board meeting as she was unable to attend this meeting.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply Update

Ms. Lorange reported that Folsom Reservoir is at 136,000 AF and seems to be leveling out. Mr. Bezerra reported that the State Water Board is considering issuing another urgency order next week. He informed the Board that the proposal includes a minimum carryover storage of 200,000 AF at the end of October 2016, which is the first time the State Water Board has proposed to set a rule for minimum storage in Folsom Reservoir.

In response to Director Rich's question, Mr. Bezerra responded that the proposed rule is inconsistent with the California WaterFix modeling where Folsom is drawn down to 100,000 AF ten percent of all years. Ms. Lorange requested that Vice President Tobin provide comment at the State Water Board meeting.

For information, no action requested

1.2 California WaterFix

Ms. Lorange reported that this will be discussed under Closed Session.

1.3 OCAP FEIR

Ms. Lorange informed the Board that the OCAP FEIR (Final Environmental Impact Report), also known as the long-term operations for the CVP and SWP, was released for review and comments. There are a couple concerns regarding the document which are the operations drawing down Folsom Reservoir too low and use of emergency facilities for long-term use. Ms. Lorange reported that she, Director Walters and Vice President Tobin attended a meeting with USBR at the ACWA Fall Conference regarding these concerns.

For information, no action requested

1.4 SWRCB

Ms. Lorance reported that the State Water Board is looking at continuing conservation requirements. She provided the Board with a staff report which will be attached to the meeting minutes.

Ms. Lorance reported that the State Water Board is also looking at how they will be charging water fees, which could result in a \$10,000 to \$25,000 increase for the District.

For information, no action requested

1.5 Overview of 2015

Ms. Lorance conducted a presentation on an *Overview of 2015*. A copy of the presentation will be attached to the meeting minutes. She reviewed the goals and action items which came out of the numerous Board Workshops regarding Water Use Strategy, Strategic Goals and Miscellaneous Action Items, Water Storage Options, Retail Rate Structure, Communication with Legal Counsel, Governor's Drought Declaration and SWRCB Regulatory Framework, and Conservation Stages and Drought Rate. In addition, she reviewed other activities which included the Water Transfer with SCVWD, Coordinated Operating Agreement between USBR and DWR, CVP M&I Shortage Policy, Merger Discussions with SSWD, Water Smart Home Reports, Groundwater Reimbursement, PCWA Contract, Mandated Conservation, FO-40 Second Phase, Folsom Control Manual, Telephone Town Halls, Safety and Liability, and Impacts from Drought.

Ms. Lorance provided some insight into activities for 2016 which included but are not limited to Drought Activities, Development of 5-year Wholesale and Retail Financial Plans, Organizational Planning, California WaterFix, OCAP FEIR, Water Supply Reliability, and Water Supply Contracts.

Director Rich requested that the Board review the water supply conditions and cumulative conservation obtained at the first Board meeting in January to determine if the ban on filling ponds can be lifted for the month of January in order to not exceed the 36% conservation requirement.

For information, no action requested

1.6 Report Back Item

There were no items discussed.

1.7 Miscellaneous District Issues and Correspondence

There were no items discussed.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Report Back Items

There were no items discussed.

2.2 Miscellaneous District Issues and Correspondence

There were no items discussed.

3. DIRECTOR OF FINANCE'S REPORT

3.1. Quarterly Treasurer's Report

Ms. Lorance informed the Board that Ms. Silva could not attend the Board meeting due to a personal emergency. The report will be given at the January Board meeting.

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. Bezerra reported that there would be a Closed Session tonight.

President Costa requested that the San Juan Suburban Financing Corporation minutes be placed in the minute book once they are completed. Ms. Lorance commented that can be done and the minutes will still be brought back for confirmation at the next annual meeting.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA meets December 10, 2015.

5.2 RWA

Vice President Tobin reported that the RWA Social is December 10, 2015.

5.3 ACWA

5.3.1 Local/Federal Government/Region 4 - Pam Tobin

Vice President Tobin reported that she has forwarded emails regarding the Federal Affairs Committee to the Board members. She reported that Dave Bolland spoke on the Governor's mandated emergency conservation requirements and that the conservation percentages were lower in October. In addition, the State Water Board is discussing penalties for water agencies that are not meeting the mandatory conservation requirement. She reported that ACWA issued comments and there is a workshop next week regarding the proposed changes in the language of the drought requirements.

Vice President Tobin reported that there are 72 agencies that have lost revenues of approximately half a billion dollars due to conservation costs and activities. She commented that there are rate increases occurring across the state.

Vice President Tobin reported that ACWA has a Board Workshop scheduled in March to discuss Prop. 218. They are in a coalition with CSAC with a goal to assist members to be able to offer lifeline rates to lower income families and to support legislative initiatives to assist water agencies. Ms. Lorance informed the Board that she voted against the process with ACWA for the Development Committee since the main concern is that if it allows conservation rates not based on actual costs then does that open it up for the State Water Board to require those rates. Ms. Lorance commented that Paul Bartkiewicz is working to get wording that it cannot be required.

Vice President Tobin reported that the public goods charge (SB 20) was discussed as well as various trailer bills. In addition, she reported that CSDA conducted a tour of special districts for fifteen legislative staff that took place in October.

5.3.2 Energy Committee - Ted Costa

President Costa reported that he attended the ACWA Fall Conference and the Energy Committee meeting. He reported that six months ago peak demand energy was selling at 36 cents per kilowatt and now it is selling at 70 cents per kilowatt.

5.3.3 JPIA - Bob Walters

Director Walters reported that he attended the ACWA Fall Conference and the JPIA Board meeting. He reported that JPIA will be setting up a leadership program and will have classes available to their members. He reported that there were updates on the Liability Program, the Workers Compensation Program, and the Property Program, in which the District was recognized for limited losses in all three programs.

5.4 CVP Water Users Association

President Costa reported that he attended the CVP Water Users Association meeting a couple weeks ago, and agreed to be on their Finance Committee. The CVPWUA continues to work on the CVP cost allocations. The next meeting is December 11, 2015.

5.5 Other Reports and Comments

5.5.1 2016 Board Officers

President Costa opened the nominations for President and Vice President for the San Juan Water District Board of Directors.

Director Miller moved to elect Pam Tobin as Board President. Director Walters seconded the motion and it carried unanimously.

President Costa moved to elect Ken Miller as Board Vice President. Vice President Tobin seconded the motion and it carried unanimously.

VI. UPCOMING EVENTS

1. RWA/SGA Holiday Social
December 10, 2015
North Ridge Country Club
2. SJWD Employee Awards
December 16, 2015
Folsom, CA

President Costa called for Closed Session at 9:43 pm.

VII. 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 Costa returned to Open Session at 10:20 pm.

VIII. OPEN SESSION

There was no reported action during closed session.

IX. ADJOURN

The meeting was adjourned at 10:21 p.m.

ATTEST:

PAMELA TOBIN, President
Board of Directors
San Juan Water District

TERI GRANT, Board Secretary

Sustainable Groundwater Management Act and SGA

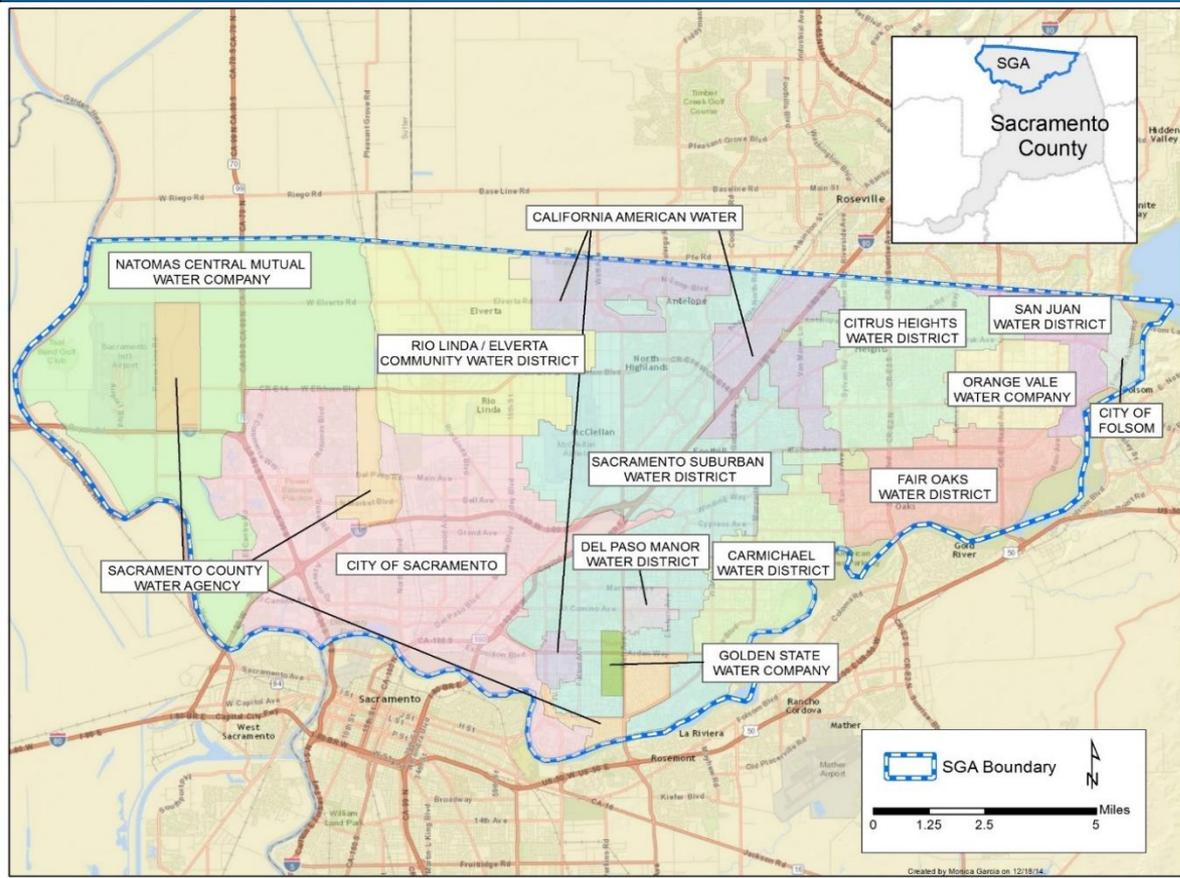


SJWD Board Meeting
December 9, 2015

Overview

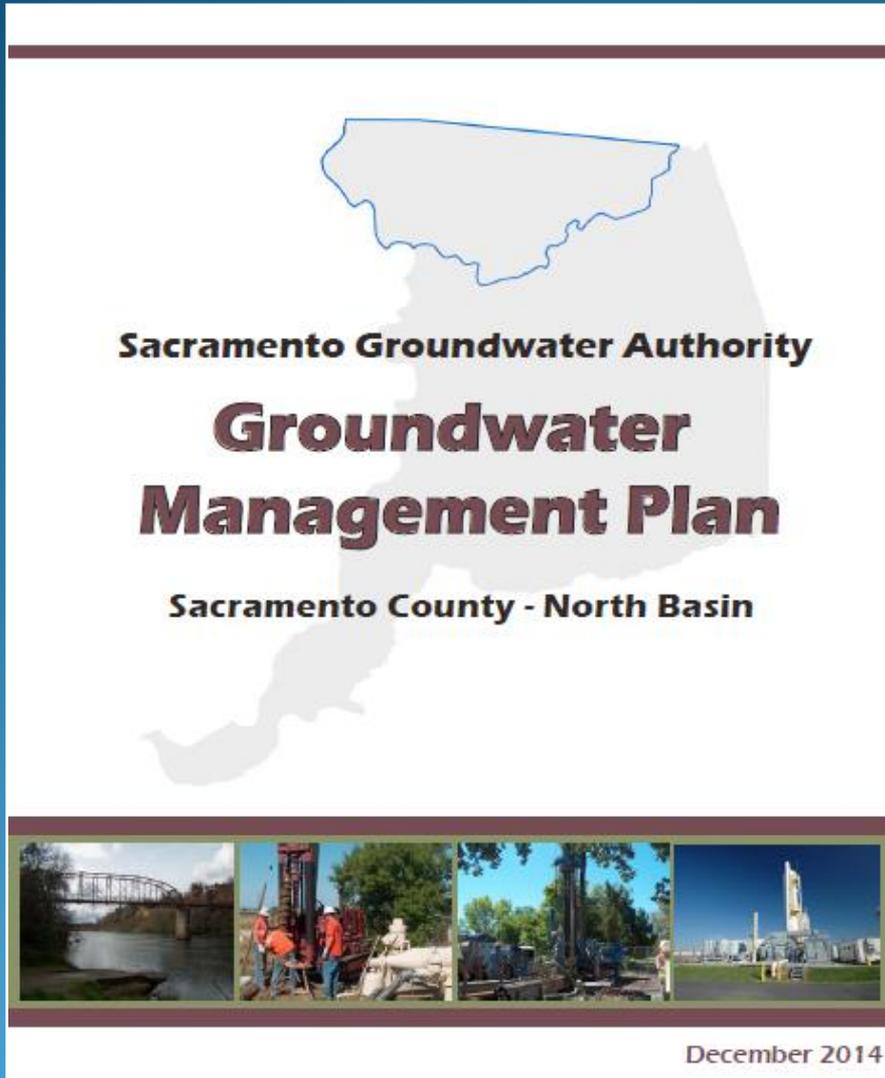
- Sacramento Groundwater Authority (SGA) Background
- Sustainable Groundwater Management Act (SGMA) of 2014
- What is SGA doing about SGMA?
- Differences for SGA as a result of SGMA

SGA Background



- Formed in 1998 as part of Water Forum Agreement
- Uses police powers of 3 cities and county
- Manage groundwater basin under north Sac County
- 14 water suppliers and 2 independent pumping groups comprise Board

SGA Management Program



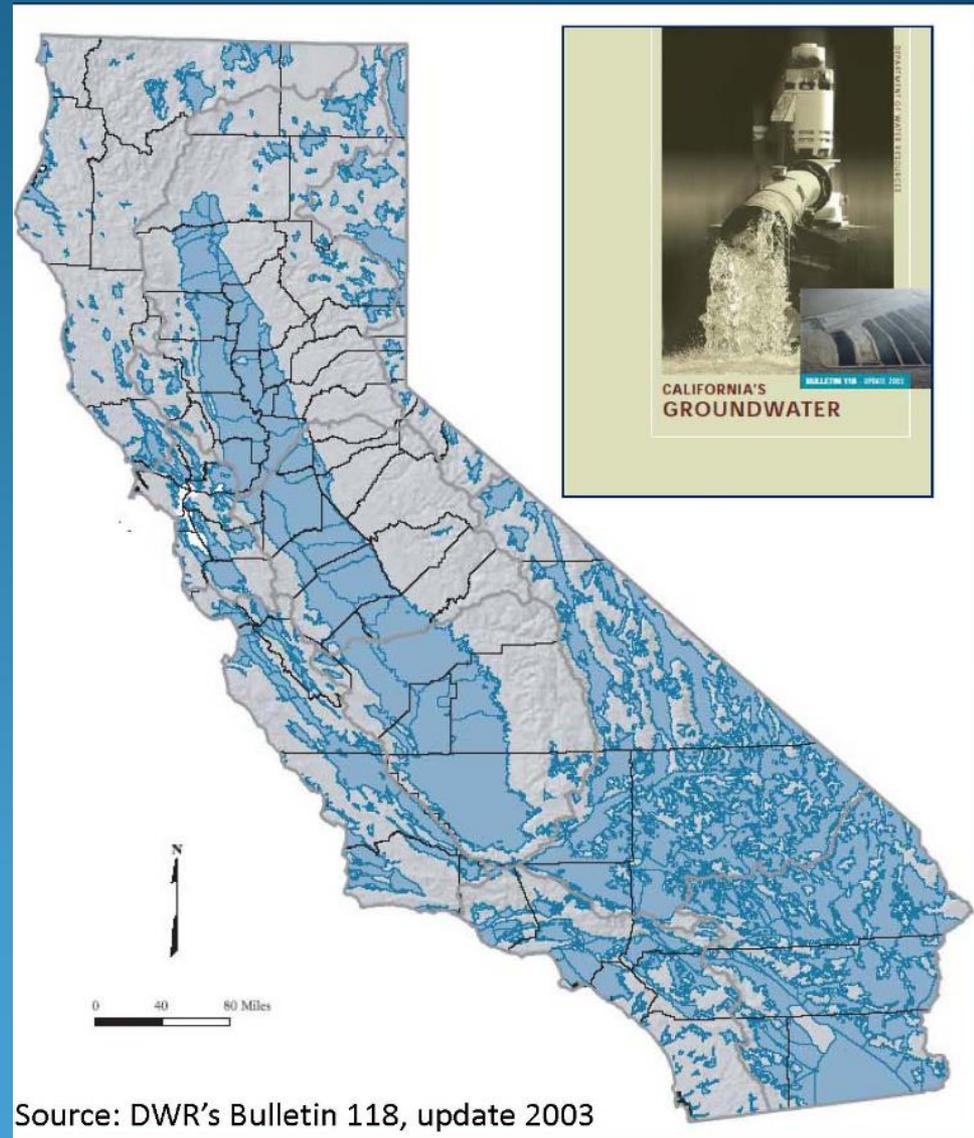
- Established objectives for volumes and quality of groundwater in our management area
- Monitor and report on meeting these objectives
- Conduct special studies as needed
- Largely seen as a model of good groundwater management

SGMA of 2014

- Expected to fundamentally change groundwater management in California
- Creates authority to establish local Groundwater Sustainability Agency (GSA) with broad powers
- Requires Groundwater Sustainability Plan (GSP) be developed for all high and medium priority groundwater basins in state
- Provides for State intervention

Basins

- 515 basins/subbasins statewide
- 127 basins classified as high or medium priority by DWR



Source: DWR's Bulletin 118, update 2003

Requirements for Establishing a GSA

- Limited to local agency or combination of local agencies overlying a groundwater basin
- Establish and maintain a list of interested parties
- Public notice and hearing
- Submit notification to form GSA to Department of Water Resources (DWR)
- DWR posts notice from GSA on website
- GSA presumed after 90 days, provided that no other overlapping notice was submitted

GSA Powers

For any groundwater user extracting more than 2 acre-feet per year, a Groundwater Sustainability Agency may:

- Require registration of wells
- Require meters and extraction reporting from wells
- Assess fees on extractions
- Regulate, limit, or suspend extraction from individual wells

GSP Components

- Measurable objectives and interim milestones for “sustainable groundwater management” within 20 years
 - Defined as “without causing undesirable results.”
- Monitoring water levels, water quality, subsidence, groundwater-surface water interaction
- Annual reporting, including aggregate groundwater extraction and change in storage

Undesirable Results

- Chronic lowering of groundwater levels (overdraft)
- Significant and unreasonable
 - Reduction in groundwater storage
 - Seawater intrusion
 - Degraded water quality (e.g., move contaminants)
 - Land subsidence
- Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of surface water

Timeline

Time	Action
January 1, 2015	Law took effect
June 30, 2017	Local agencies form GSA and notify DWR
January 31, 2020	Completion of GSP in critically overdrafted basins
January 31, 2022	Completion of GSP in remaining high and medium priority basins
20-year implementation from submission of GSP	Local agencies implement GSPs and report progress to DWR

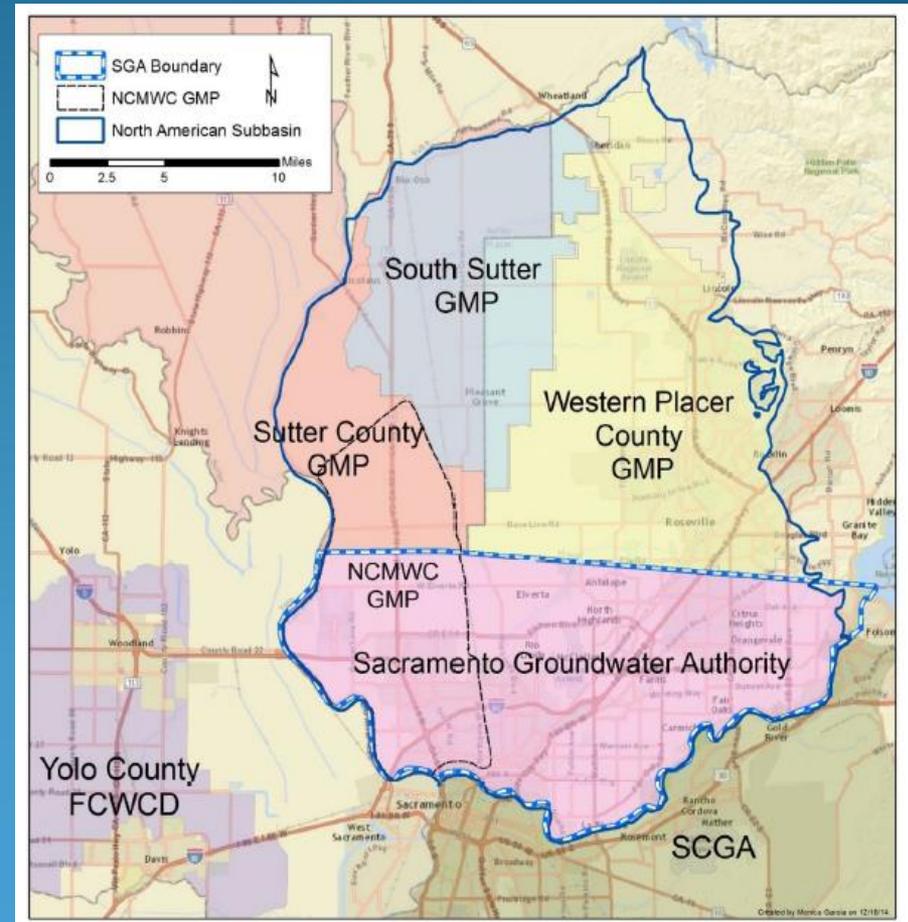
State Intervention

- Water Board can declare a basin as probationary
 - Authorized to require report of groundwater extraction by any user in excess of 2 acre-feet per year
 - Authorized to develop interim GSP

After	Cause of Intervention
June 30, 2017	No GSA formed
January 31, 2020	In critically overdrafted basins, no GSP or GSP deemed inadequate by DWR
January 31, 2022	In remaining basins, no GSP or GSP is inadequate and basin in overdraft
January 31, 2025	GSP is inadequate and significant depletions of interconnected surface waters

What is SGA Doing About SGMA?

- Participating in DWR regulation development
- Coordinating with others in our basin
- Filed to become GSA for our portion of basin
- Considering development of a single, coordinated GSP for entire basin



Differences for SGA as a Result of SGMA

- Will require formal coordination agreements with other GSA's within our basin
- May require coordination agreements with adjacent basins
- May choose to prepare a single GSP for basin coordinated with the other GSAs
- May need to conduct additional technical work (e.g., model to determine sustainable yield)
- Will require more frequent reporting with more data
- Will increase number of stakeholders in SGA

Questions?

Rob Swartz

rswartz@rwah20.org

916-967-7692

www.sgah20.org

AGENDA ITEM IV-1 DRAFT

Personnel Committee Meeting San Juan Water District October 27, 2015 1:00 p.m.

Committee Members: Pam Tobin, Chair
Bob Walters, Director

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Donna Silva, Director of Finance
Teri Hart, Board Secretary/Administrative Assistant

Topics: Assistant General Manager Employment Contract (W & R)
Staffing Workshop (W & R)
Other Personnel Matters
Public Comment

1. Assistant General Manager Employment Contract (W & R)

Ms. Lorance reviewed a draft of the *SJWD Employment Agreement with Assistant General Manager (AGM)* with the committee. She explained the agreement was revised to include, “serve in the General Manager’s absence to direct, oversee, and participate in all internal activities and operations of the District, and participate, coordinate, and maintain activities with outside agencies and organizations; and such other duties and responsibilities as may be assigned by the General Manager.” In addition, the agreement provides for 40 hours of AGM leave, the potential to earn merit based incentive awards issued by the GM, 21 days written notice of termination by the AGM, and an option for termination without cause by SJWD with 3 months of salary and benefits.

The committee discussed the 21 day written notice of termination and all were in agreement that there should be a 28 day written notice of termination. The contract will be changed to reflect the committee’s recommendation. Ms. Lorance informed the committee that the AGM would be paid a salary in the amount equal to the top of the Assistant General Manager’s salary range as identified in the latest compensation study completed for the District.

The Personnel Committee recommends consideration of a motion to allow the General Manager to sign the SJWD Employment Agreement with Assistant General Manager.

2. Staffing Workshop (W & R)

Ms. Lorance informed the committee that she is working on information for the staffing workshop, which will be scheduled for January. She explained that she is gathering information from similar water agencies, and will provide information on staffing at those agencies, the current staffing at the District, a potential increase in staffing in the near future, and a 10-year forecast for staffing. Since the District is both wholesale and retail, the information will be provided for both types of agencies. In addition, the District’s succession plan will be reviewed at the workshop.

3. Other Personnel Matters

Ms. Lorange informed the committee that recruitment has been started for the Instrumentation Technician position. In addition, she is looking into outsourcing the HR activities at the District, through the use of a consultant. Ms. Silva commented that HR, IT, and Finance are distinct and separate skill sets.

Ms. Lorange informed the committee that Silvers HR will provide the committee with examples on how incentive programs are implemented in the private sector. Director Walters suggested that a list of employees and their accomplishments which have gone unrewarded be provided when this topic comes up for conversation.

For information only; no action requested.

4. Public Comment (W/R)

There was no public comment.

The meeting was adjourned at 1:53 p.m.

AGENDA ITEM IV-2 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District November 19, 2015 4:00 p.m.

Committee Members: Bob Walters, Chair
Dan Rich, Director

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Michael Schaefer, Orange Vale Water Company
Randy Dodd, Customer

Topics: Water Supply Status (W & R)
Request for Proposal for a Water Management and Reliability Study Update (W)
Urban Water Management Plan (W & R)
Planning for Various Year Types for 2016 (R)
Other Matters
Public Comment

1. Water Supply Status (W & R)

Ms. Lorance reported that Folsom Lake is currently at 139,194 AF of water storage. She meets with the Bureau of Reclamation on November 20th and expects the projections to be about 137,000 AF by the end of November and 155,000 AF by the end of December assuming some rainfall. The rainfall projections are based on historical data and snowpack data will not be available until January with the most reliable snowpack data coming in April. Ms. Lorance reported that releases out of Natomas are at 580 cfs and will likely be increased by 50 cfs.

For information only; no action requested.

2. Request for Proposal for a Water Management and Reliability Study Update (W)

Ms. Lorance informed the committee that the proposals are due on November 20th for the Water Management and Reliability Study. Mr. Durkin commented that he expects 3-4 proposals to be submitted. Ms. Lorance explained that the proposals will be reviewed by staff prior to the December committee meeting and then the committee's recommendation will be reviewed by the Board at the January 14th Board meeting. The committee set the next meeting for Monday, December 14th at 4:00 pm.

For information only; no action requested.

3. Urban Water Management Plan (W & R)

Ms. Lorance informed the committee that the Urban Water Management Plan (UWMP) will be due in 2016. The plan is due every five years and was due in 2015

but the deadline was extended to June 2016. She explained that the UWMP needs to be well done given the fact that water has been a statewide issue and the UWMP will most likely be a driver for some decisions in the future.

Ms. Lorance informed the committee that the Water Resource Analyst was tasked with completing the UWMP; however, the Water Resource Analyst is on leave and in order to meet the deadline the report needs to be completed by an outside consultant. Mr. Durkin reported that Kennedy/Jenks was contacted and a proposal was obtained for consulting services to complete the UWMP. A copy of the proposal will be attached to the meeting minutes. He informed the committee that staff reviewed the proposal and found it to cover the District's needs for completion of the UWMP with a not to exceed amount of \$62,694.

Ms. Lorance explained that the consultant will work with the wholesale customer agencies to obtain and verify their information. In addition, some elements of groundwater will be included in the report as well as reference to the District's conservation efforts and results as it pertains to the state mandate of 20% conservation by 2020.

The Water Supply & Reliability Committee recommends consideration of a motion to approve a contract with Kennedy/Jenks for completion of the Urban Water Management Plan in the amount not to exceed \$62,694.

4. Planning for Various Year Types for 2016 (R)

Ms. Lorance discussed the need to develop a plan for three possible alternatives; a wet year, a continuation of existing conditions, or a worsening of the drought. She informed the committee that she talked to Director Tobin and Director Walters regarding the involvement of the volunteer Drought Committee, which might be able to give valuable insight into planning for these scenarios. The committee discussed the involvement of the volunteer Drought Committee and agreed with staff that a meeting should be scheduled. Director Walters suggested that Ms. Lorance obtain the list of members from him and Director Tobin as some members have removed themselves from the committee and new members may need to be added. Ms. Lorance will work to schedule the meeting for the week of December 14th.

For information only; no action requested.

5. Other Matters

Ms. Lorance informed the committee that the Bureau has a WaterSmart grant for which SJWD is applying that will help the home owner associations. She is working to obtain information regarding the HOAs in SJWD retail service area for the 50/50 funding that will be available. In addition, there is a drought resilience grant that will be available as well. She mentioned that there is an automated meter grant; however, the District is not ready to fund 50% on a meter replacement program to obtain and install automated meters. Director Rich requested that staff provide an analysis of the potential cost to install automated meters. Mr. Durkin will provide the information at a later date.

Director Walter requested that the committee meetings include more wholesale updates.

As a follow up, Ms. Lorance informed the committee that FOWD's letter requesting collaboration will be included in the evaluation by the consultant under the Water Management and Reliability Study. In addition, she will be meeting with OVWC and Folsom regarding the groundwater reimbursements.

In response to Director Walters' comment, Ms. Lorance will check with PCWA to see what they are doing regarding signing up on the project that Jim Branham addressed at the last meeting. In addition, Ms. Lorance will email Mr. Branham reaffirming the district's discussion that SJWD may be interested in being a participant in his study.

For information only; no action requested.

5.1 Next Meeting Date

The next committee meeting is scheduled for Monday, December 14, 2015 at 4:00 pm.

6. Public Comment

Mr. Randy Dodd introduced himself and informed the committee that he talked to Director Rich at the last board meeting and expressed his interest in learning more about water reliability; therefore, Director Rich suggested that he attend the committee meetings.

The meeting adjourned at 5:10 pm.

Kennedy/Jenks Consultants

Engineers & Scientists

10850 Gold Center Drive, Suite 350
Rancho Cordova, California 95670
916-858-2700
FAX: 916-858-2754

13 November 2015

Ms. Shauna Lorance
General Manager
San Juan Water District
P.O. Box 2157
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Subject: Proposal for Professional Consulting Services -
2015 Urban Water Management Plan Update

Dear Ms. Lorance:

As requested, Kennedy/Jenks Consultants (Consultant) is pleased to provide a proposal for preparation of the 2015 Urban Water Management Plan Update for San Juan Water District (District). The Scope of Work defined below is based on our understanding of the project requirements, our familiarity with District water supplies and facilities, our experience with the applicable regulations and guidance documents, and our experience on similar projects.

Introduction

Section 10610 et seq. of the California Water Code (Water Code) requires the preparation of an Urban Water Management Plan (UWMP, Plan) and periodic updates. The Water Code also specifies the contents and procedures for adoption of the Plan. Plans must be adopted and submitted to the California Department of Water Resources (DWR) before December 31 for years ending in 5 or 0; recent legislation (Assembly Bill 2067) has mandated that the 2015 UWMP Updates be due 1 July 2016. Consequently, the District's Plan Update must be adopted and submitted to DWR prior to 1 July 2016.

Please note that as of the date of this proposal, significant amendments were made by the Legislature to the UWMP Act during 2014. New UWMP legislation includes the following revisions:

- Changes in the way that the Demand Management Measures (DMMs) are reported.
- Reporting of quantified distribution system water loss utilizing American Water Works Association (AWWA) water system balance methodology (retail water suppliers).
- Description of distribution system asset management programs (wholesale water suppliers).
- Estimation of the effects of codes, standards and ordinances on demand, if information is available and applicable to a water supplier.
- Guidelines for voluntary reporting of embedded energy costs.

Ms. Shauna Lorance
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- Electronic online submittal of the UWMP on standardized DWR forms.
- 2015 UWMPs are due for submittal to DWR by 1 July 2016. Please note that this will require the UWMP to be completed, provided for public review and adopted by the District's governing body at least 30 days prior to the 1 July submittal date. Please see the "Schedule" section of this Scope of Work for more detail and recommendations regarding this revision to the UWMP Act.

DWR has indicated that it will produce a final "Guidebook to Assist Water Suppliers in the Preparation of a 2015 Urban Water Management Plan" in November 2015. Amendments legislated to date have been incorporated into this proposal. All amendments took effect 1 January 2015. Requirements promulgated by conversion of the amendments into guidance by DWR that take effect after this proposal date may require additional scope and budget.

Since the District serves water at both wholesale and retail, new amendments applicable to both will apply.

Scope of Services

Based on our discussions with District staff, the following scope of work has been developed for preparation of the 2015 Urban Water Management Plan Update.

Task 1 – Collect and Review Background Information

Consultant shall review background information collected for the District's service area, water supply and demand, and water policies. The objective of this task is to gather available data necessary to prepare the 2015 UWMP update. Information to be collected and reviewed includes the following:

- Current and proposed land uses.
- Population estimates and projections (the UWMP Planning Act requires a 20-year planning horizon; Kennedy/Jenks recommends 25 years, which in this case would be 2040).
- Historical, current, and projected (to the year 2035) water consumption by user sector, including recycled water consumption, if applicable (the UWMP Planning Act requires a 20-year planning horizon; Kennedy/Jenks recommends 25 years, which in this case would be 2040).
- Current seasonal water consumption by user sector.
- Water sources, including reliability, with specific information required for groundwater supplies.
- Water quality issues, including known contaminants.
- Saline intrusion.
- Current water rate structure.
- Water demand management programs over the last five years (note that significant legislation amending Section 10631 of the UWMP Act takes effect 1 January 2015).
- Conservation and No-Waste ordinances currently or previously adopted by the District.

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- Water shortage contingency plans.
- Planned modifications to the District water system and available supply (such as addition of new wells and/or water treatment facilities).
- Progress towards meeting SBX7-7 legislative goals (20x2020 reductions in per capita water use in gallons per capita per day, GPCD) (retail water suppliers). Note: if “significant changes” in population and/or water demands have occurred since the baseline GPCD calculations were prepared for the 2010 UWMP, a retailer may revise its 2020 GPCD target. DWR has developed guidance regarding the criteria for such a revision. Distribution system water losses, utilizing AWWA protocols (retail water suppliers). It is assumed that the District has conducted this audit.

Consultant assumes the above information is readily available from the District, and will provide District staff with a Data Collection Form to assist them in collection of the data.

Task 2 – Update Service Area and Demand Characteristics

Consultant shall update the existing description of the District’s service area to satisfy the requirements of the Urban Water Management Planning Act and subsequent amendments. Land use, population and water consumption estimates and projections will be updated based on District-provided information, as well as land use and population data collected and calculated by Consultant. Population and water demand projections will be presented in 5-year increments for a 25-year period, through 2040.

Recent legislation provides that “if available and applicable” to the District, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area. Note: water use projections that do not account for these water savings shall be noted of that fact in the 2015 UWMP.

Task 3 – Update Water Resources and Supply Outlook

Consultant shall update the existing description of District water sources, including local water supplies, imported water supplies, potential for exchanges or transfers, and other potential water supplies. Consultant shall update the description of water quality, including any known contamination that may impact water resources. Consultant shall evaluate the adequacy of the existing supply to meet the projected water demands as well as assess the frequency and magnitude of supply deficiencies. Based on recent legislation, included in the analysis for the 2015 UWMP will be the reporting of distribution system water loss for the most recent 12-month period available. (For all subsequent UWMP updates, the distribution system water loss shall be quantified for each of the five years preceding the plan update.)

The supply reliability analysis will include the average water year, single dry water year, and multiple dry water years (the UWMP Planning Act requires a 20-year planning horizon; Kennedy/Jenks recommends 25 years, which in this case would be 2040).

Consultant shall also include the specific information required by Section 10631 (b) regarding groundwater supplies. Note: significant legislation regarding groundwater management was enacted in 2014 (Senate Bills 1168 and 1319 and Assembly Bill 1739). Consultant assumes

Ms. Shauna Lorance
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information about groundwater supplies relevant to the District is readily available from the District, and will provide District staff with a Data Collection Form to assist them in collection of the data.

Task 4 – Evaluate Water Recycling

Consultant shall describe the availability of recycled water and its potential for use as a water source within the District. Even if no recycled water is anticipated, the UWMP Act requires that certain information be provided and tables completed. Consultant assumes information about recycled water supplies relevant to the District's service area is readily available from District documents. It is assumed that District will provide to Consultant all extant information about the availability of recycled water so that the DWR UWMP checklist requirements can be met.

Task 5 – Review Water Shortage Contingency Plan

As a result of Governor Brown's January 2014 drought proclamation and April 2014 emergency declaration, urban water suppliers were called upon to implement their local water shortage contingency plans. Consultant shall review the District's existing water shortage contingency documents and measures to determine compliance with provisions identified in the Water Code. Consultant shall provide the District with applicable revisions and a draft Water Shortage Contingency Plan so that it can be implemented according to the drought and emergency proclamations. The plan shall include the following elements.

1. Description of plan coordination with local and regional suppliers.
2. Highest historic total annual water demand and predicted highest water demand at the end of 12, 24, and 36 months.
3. Estimate of worst-case water supply at the end of 12, 24, and 36 months.
4. Description of stages of rationing and associated triggers.
5. Description of mandatory prohibitions and consumption limits.
6. Description of adopted penalties and charges for excessive use.
7. Revenue and expenditure analysis (includes evaluation of impacts and proposed measures to overcome the impacts, such as the development of reserves and rate adjustments).
8. Implementation resolution or ordinance.
9. Description of monitoring mechanisms.
10. Description of public noticing and plan adoption.

The water shortage contingency plan must be adopted and incorporated into District municipal code. DWR will make status of these updates publicly available.

The Water Shortage Contingency Plan may be updated and adopted as part of the 2015 UWMP, or it may be updated and adopted separately and provided as an appendix to the UWMP.

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Task 6 – Report Water Demand Management Measures Implementation

The Governor’s April 2014 emergency declaration requires that all state agencies that distribute funding for projects that impact water resources, including groundwater resources, will require recipients of future financial assistance to have appropriate conservation and efficiency programs in place.

Recent UWMP legislation revises the demand management measures (DMM) reporting requirements. If a water supplier is a member of the California Urban Water Conservation Council (CUWCC) it may continue to submit its annual reports as required by Section 6.2 of the Memorandum of Understanding Regarding Urban Water Conservation in California in order to comply with this section of the UWMP Act.

District will provide Consultant with the appropriate CUWCC annual reports, to be appended to the 2015 UWMP in compliance with this part.

Consultant shall develop a narrative description, comporting with the guidance provided in the DWR 2015 UWMP Guidebook, and relying on data and information provided by the District, of each DMM implemented over the past five years; each of the following DMMs, and including those DMMs the District plans to implement to achieve its SBX7-7 water use target:

1. Implementation of the Foundational DMMs implemented over the last five years, which include:
 - A. Water waste prevention ordinances (retail only)
 - B. Metering (retail, wholesale)
 - C. Conservation pricing (retail only)
 - D. Public education and outreach (retail, wholesale)
 - E. Programs to assess and manage distribution system real loss (retail only)
 - F. Water conservation program coordination and staffing support (retail, wholesale)
 - G. Wholesale supplier assistance programs (wholesale only)
 - H. Wholesale supplier distribution system asset management (wholesale only)
2. A description of other DMMs implemented in the previous five years that have a significant effect on water use as measured in gallons per capita per day, including innovative measures if implemented.

Based on the District’s previous UWMP and discussions with District personnel, Consultant shall summarize the water demand management goals, programs implemented to date, overall progress and effectiveness of the current program. This narrative section will also describe future programs anticipated by District staff.

Task 7 – Prepare Draft and Final Plans

Consultant shall document the findings in a Draft UWMP Update for the District. An electronic version of the draft 2015 UWMP will be submitted to the District for review. Consultant will incorporate District comments on the electronic draft and submit one (1) hard copy of the Final Plan Update to the District. Consultant will also provide the District with the final UWMP on compact disk (CD). Additional deliverables and copies will require a budget augmentation.

Ms. Shauna Lorance
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Subtask 7A: New legislation requires 2015 UWMPs to be provided to DWR via an online database on preexisting standardized forms, to be made available by DWR during 2016.

When the online submittal system is made available by DWR, an estimate of the level of effort required to assist the District to prepare the online submittal forms and upload the submittal to DWR will be provided. An augmentation for additional budget will be required.

Task 8 – Attend Public Hearing

Consultant shall attend the required public hearing and support the District's staff providing conclusions and recommendations of the plan. Attendance at additional hearings or meetings will require additional budget.

Task 9 – Project Management

Consultant's project manager shall assure that proper resources and staff are dedicated to this project to assure a timely completion of the 2015 UWMP Update. Consultant's Project Manager shall also implement and enforce internal Quality Assurance and Quality Control programs. Consultant anticipates a minimum of bi-weekly communication with the District's Project Manager.

Optional Tasks

Climate Change Analysis

In its guidance, DWR encourages UWMPs to consider the impacts of climate change and recommends inclusion of an Integrated Regional Water Management Plan (IRWMP) Vulnerability Assessment to meet this guidance. If this optional task is selected Consultant would include the Vulnerability Assessment for the American River Basin IRWMP in the 2015 UWMP in the sections discussing water resource and supply reliability.

Estimated budget: \$0.

Budget

Consultant proposes to provide the scope of services on a time and materials basis for an estimated fee of \$62,694. We will not exceed this amount without prior authorization by the District.

Project Team

Mike Downey, PE, Project Manager

Mike is a registered engineer with experience in planning, design, and evaluation of water and wastewater piping, water treatment plants, pumping systems, and groundwater wells. Mike has special expertise with water planning projects including urban planning and water master plans, contributing to 21 UWMPs during the 2010 cycle. He has assisted with the design of water and wastewater infrastructure including developing plans and specifications, as well as hydraulic evaluations, environmental permitting, and construction support.

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Mary Lou Cotton, CCP, Water Resources Technical Expert and Quality Assurance/Quality Control

Mary Lou is a Certified Water Conservation Practitioner (CCP) with particular expertise in water resources planning and water conservation. She will provide QA/QC of the approach and draft UWMP and advise on legislative policy. Mary Lou has over 20 years of management experience with water agencies statewide. She is assisting several agencies with a wide variety of urban water planning efforts, specializing in services for wholesale water agencies. In addition, Mary Lou assists the State Water Contractors in an advisory capacity on Bay-Delta matters and is also serving as the General Manager of the State Water Project Contractors Authority. Prior to joining Kennedy/Jenks, Mary Lou served as Water Resources Manager for the Castaic Lake Water Agency, managing all aspects of the Agency's water resource projects. She served as the agency's Conservation Coordinator, responsible for BMP implementation and reporting, while also supervising the development of Urban Water Management Plans and SB610 water supply assessments.

Jacques DeBra, PE, Water Resources Specialist

Jacques brings a wealth of water enterprise conservation program knowledge, having managed the conservation programs for the City of Davis and City of Santa Barbara for several decades. Jacques has been involved with preparation of UWMPs every five year cycle since 1985 and is a respected expert in the field of water use efficiency. Jacques will support the District by completing the review of the Water Shortage Contingency Plan and will assist with preparation of the Demand Management Measures section. Jacques credentials include service as a Water Instructor for CA/NV AWWA where Jacques was a key contributor in development of the Section's Water Use Efficiency Certification Program.

Jennifer Lau, PE, Staff Engineer

Jennifer is a registered civil engineer with over six (6) years of experience in water resources planning work applying technical strategies to support planning projects and programs related to statewide and regional flood preparation/response, water supply, and environmental studies and documentation. From her work, Jennifer has gained insight into water district surface water operations, become familiar with Integrated Regional Water Management Planning, reservoir operations and power utility water efficiency, groundwater planning, and hydrologic and climate data management and modeling systems.

Ryan Young, PE, ENV SP, Staff Engineer

Ryan Young has experience supporting water resources planning work through: water system supply/demand planning, groundwater well equipping design, computerized hydraulic modeling of water systems, pipeline design, and technical process piloting while at Kennedy/Jenks. His design, cost estimating, inspection and planning services have supported groundwater, water storage and booster pumping, wastewater treatment, transmission pipeline and trenchless methods.

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Schedule

Consultant is prepared to initiate work on this project immediately following receipt of a notice to proceed. Based on discussions with District staff, our experience on other similar projects, the Scope of Services as outlined, and the depth, experience and availability of the project team participants, Consultant will submit the draft subject Plan within three months from receipt of Notice to Proceed and the initial District-provided data. The final Plan will be completed within five months following receipt of written District comments.

It is imperative that Notice to Proceed be issued prior to 1 January 2016 in order to allow ample time to complete, adopt and submit the Plan by 1 July 2016. Consultant recommends having the final UWMP completed by 1 April 2016 to allow for city/county notifications, public review, and District adoption. Please note that the UWMP Act requires the following:

- 1) "...any city or county within which the supplier provides water supplies" was notified at least 60 days prior to the UWMP public hearing that the plan was being reviewed and changes were being considered, and 2) provide documentation that within 30 days of submitting the UWMP to DWR, the adopted UWMP has been or will be available for public review during normal business hours.

Consultant strongly recommends that District General Counsel review the UWMP Act and Government Code Section 6066 notification requirements. Consultant will not be responsible for public notifications.

We appreciate the opportunity to provide water resource planning services to San Juan Water District. Please call if you have any questions or need additional information.

Very truly yours,

KENNEDY/JENKS CONSULTANTS



Tim Williams
Principal



Mary Lou Cotton
Water Resources Technical Expert

Enclosures (Schedule, Proposal Fee Estimate, and 2015 Rate Schedule)

cc: Keith Durkin, Assistant General Manager

Proposed SJWD 2015 Urban Water Management Plan Project Schedule

ID	Task Name	Duration	Start	Finish	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
1	Notice to Proceed	1 day	Tue 12/1/15	Tue 12/1/15		◆ 12/1								
2	Task 1 - Collect and Review Background Information	11 days	Tue 12/1/15	Tue 12/15/15		■								
3	Task 2 - Update Service Area and Demand Characteristics	20 days	Mon 1/4/16	Fri 1/29/16			■							
4	Task 3 - Update Water Resources and Supply Outlook	20 days	Mon 1/4/16	Fri 1/29/16			■							
5	Task 4 - Evaluate Water Recycling	20 days	Mon 1/4/16	Fri 1/29/16			■							
6	Task 5 - Review Water Shortage Contingency Plan	25 days	Mon 1/11/16	Fri 2/12/16			■							
7	Task 6 - Review DMM Implementation	30 days	Mon 1/18/16	Fri 2/26/16			■							
8	Task 7 - Prepare Draft and Final Plans	109 days	Mon 2/1/16	Thu 6/30/16					◆					
9	Prepare Admin Draft Plan	27 days	Mon 2/1/16	Tue 3/8/16				■						
10	District Review	18 days	Wed 3/9/16	Fri 4/1/16					■					
11	Final Draft Plan	10 days	Mon 4/4/16	Fri 4/15/16						■				
12	Issue Final Draft Plan for Public Review	23 days	Mon 4/18/16	Wed 5/18/16							■			
13	Prepare Final Plan and Distribution List	13 days	Wed 6/1/16	Fri 6/17/16								■		
14	Submit to DWR	1 day	Thu 6/30/16	Thu 6/30/16									◆ 6/30	
15	Task 8 - Attend Meetings and Public Hearing	11 days	Wed 5/18/16	Wed 6/1/16								◆		
16	Public Hearing to Approve Plan	11 days	Wed 5/18/16	Wed 6/1/16								■		
17	Task 9 - Project Management	154 days	Tue 12/1/15	Fri 7/1/16	■									

Project: SJWD 2015 UWMP
Date: 11/13/2015

Task Milestone ◆

Summary

Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: San Juan Water District
 PROJECT Description: 2015 UWMP Update
 Proposal/Job Number: _____ Date: 11/13/2015

November 13, 2015 Custom Rates	Mary Lou Cotton Technical Advisor Eng-Sci-8	Mike Downey Project Manager Eng-Sci-5	Jacques De Bra Water Resources Specialist Eng-Sci-6	Jennifer Lau Staff Engineer Eng-Sci-4	Ryan Young Staff Engineer Eng-Sci-3	Administrative Assistant		KJ	KJ	KJ	KJ			
Classification:							Total	Labor	Comm. Charges	ODCs	ODCs Markup	Total Labor	Total Expenses	Total Labor + Subs + Expenses
Hourly Rate:	\$235	\$172	\$194	\$159	\$145	\$81	Hours	Fees	0%	Fees	5%			Fees
Scope Tasks														
Task 1 - Collect and Review Background Information				4	8	50	62	\$9,298	\$0	\$100	\$5	\$9,298	\$105	\$9,403
Task 2 - Update Service Area and Demand Characteristics					14	20	34	\$5,126	\$0		\$0	\$5,126	\$0	\$5,126
Task 3 - Update Water Resources and Supply Outlook					10	30	40	\$5,940	\$0		\$0	\$5,940	\$0	\$5,940
Task 4 - Evaluate Water Recycling					8	10	18	\$2,722	\$0		\$0	\$2,722	\$0	\$2,722
Task 5 - Review Water Shortage Contingency Plan				12		16	28	\$4,648	\$0		\$0	\$4,648	\$0	\$4,648
Task 6 - Report Water DMM Implementation				8		20	28	\$4,452	\$0		\$0	\$4,452	\$0	\$4,452
Task 7 - Prepare Draft and Final Plans	12	12	10	20	40	16	110	\$17,100	\$0	\$100	\$5	\$17,100	\$105	\$17,205
Task 8 - Attend Meetings and Public Hearing	8	8					16	\$3,256	\$0	\$100	\$5	\$3,256	\$105	\$3,361
Task 9 - Project Management	8	40				12	60	\$9,732	\$0	\$100	\$5	\$9,732	\$105	\$9,837
Subtotal	28	60	34	60	186	28	396	\$62,274	\$0	\$400	\$20	\$62,274	\$420	\$62,694
Optional Scope Tasks														
Climate Change Analysis							0	\$0			\$0	\$0	\$0	\$0
Optional Tasks Subtotal														\$0

Client/Address: San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Contract/Proposal Date: 2015 Urban Water Management Plan Assistance / 13 November 2015

Custom Schedule of Charges

13 November 2015

Personnel Compensation

Classification	Hourly Rate
CAD-Technician	\$115
Designer-Senior Technician	\$140
Engineer-Scientist-Specialist 1	\$118
Engineer-Scientist-Specialist 2	\$130
Engineer-Scientist-Specialist 3	\$145
Engineer-Scientist-Specialist 4	\$159
Engineer-Scientist-Specialist 5	\$172
Engineer-Scientist-Specialist 6	\$194
Engineer-Scientist-Specialist 7	\$212
Engineer-Scientist-Specialist 8	\$235
Engineer-Scientist-Specialist 9	\$265
Project Administrator	\$100
Administrative Assistant	\$81
Aide.....	\$63

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective November 13, 2015 through December 31, 2016. After December 31, 2016, invoices will reflect a three percent escalation on the schedule of charges provided above.

Engineering Committee Meeting Minutes
San Juan Water District
December 7, 2015
4:00 p.m.

Committee Members: Dan Rich, Chair
Ken Miller, Director

District Staff: Keith Durkin, Assistant General Manager
Teri Hart, Board Secretary/Administrative Assistant

Topics: WTP Flocculation/Sedimentation Basin Improvements Project (W)
Other Engineering Matters
Public Comment

1. WTP Flocculation/Sedimentation Basin Improvements Project (W)

Mr. Durkin informed the committee that the 90% design submittal for the WTP Flocculation/Sedimentation Basin Improvements Project was received last week and staff is reviewing the draft plans and specifications. An updated engineer's construction cost estimate was also provided with the 90% submittal. When the estimated construction cost is combined with the planning, design and inspection/construction management costs, total project costs will be approximately \$1.2 million above the amount estimated in the ten-year wholesale financial plan. Mr. Durkin explained that budget related information for the project will be discussed with the Finance Committee. He would like the Engineering Committee to review the scope of the project and staff's recommendation to proceed with the entire project as planned.

Mr. Durkin informed the committee that there are four main elements of the project which are:

1. Replacement of the flocculation equipment
2. Replacement of the sludge collection equipment
3. Construction of a new settled water channel
4. Retro-fitting the existing sedimentation basin launder anchor assemblies

Mr. Durkin reviewed the project with the committee and the need for the replacements, improvements, and repairs. He explained that the flocculation and sludge collection equipment is at the end of its useful life, and WTP staff has already worked hard to extend the service life of the equipment while deferring replacement for the past eight years. The new settled water channel is necessary to meet hydraulic requirements and to allow the existing channel to be taken out of service for an extended period for repairs and rehabilitation. There have been a number of launder anchor failures the past few years and the retrofits are necessary to prevent additional failures and WTP outages. He informed the committee that staff recommends that the entire project be bid and constructed as planned.

The committee discussed the project and schedule and agreed with the staff recommendation to proceed as planned. Director Rich noted the likelihood that costs will increase and the project will cost more if delayed based on what he is seeing in the industry. Construction costs are rising sharply as the economy has rebounded and the number of public works projects has increased.

The Engineering Committee agreed that staff should proceed with bidding and constructing the WTP Flocculation/Sedimentation Basin Improvements Project as planned.

2. Other Engineering Matters

In response to a question by Director Miller, Mr. Durkin informed the committee that the Lower Granite Bay Booster Pump Station is online and fully operational. In addition, the new Upper Granite Bay Booster Pump Station is still under construction.

2.1 Next Meeting Date

The next committee meeting will be scheduled when needed.

3. Public Comment

There were no public comments.

The meeting was adjourned at 4:39 p.m.

Finance Committee Meeting Minutes
San Juan Water District
December 8, 2015
4:00 p.m.

Committee Members: Ted Costa, Director (Chair)
Ken Miller, Director

District Staff: Keith Durkin, Assistant General Manager
Donna Silva, Director of Finance
Teri Hart, Board Secretary/Administrative Assistant

Topics: Review and Pay Bills (W & R)
WTP Flocculation/Sedimentation Basin Improvements Project (W)
USBR WaterSMART Grant Application (R)
Investment Policy Review (W & R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

The committee reviewed the presented bills and claims. The committee specifically reviewed and authorized credit card charges and reimbursements for the General Manager. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for November payables is \$1,361,321.96.

The Finance Committee recommends approval of Resolution 15-19.

2. WTP Flocculation/Sedimentation Basin Improvements Project (W)

Mr. Durkin informed the committee that the 90% design submittal for the WTP Flocculation/Sedimentation Basin Improvements Project was received last week and staff is reviewing the draft plans and specifications. An updated engineer's construction cost estimate was also provided with the 90% submittal. When the estimated construction cost is combined with the planning, design and inspection/construction management costs, total project costs will be approximately \$1.2 million above the amount estimated in the ten-year wholesale financial plan.

Mr. Durkin reported that the Engineering Committee reviewed the project which includes four main elements:

1. Replacement of the flocculation equipment
2. Replacement of the sludge collection equipment
3. Construction of a new settled water channel
4. Retro-fitting the existing sedimentation basin launder anchor assemblies

Mr. Durkin reported that the Engineering Committee agreed that staff should proceed with bidding and constructing the WTP Flocculation/Sedimentation Basin Improvements Project as planned. Construction is expected to take approximately fifteen months to complete. He explained that a portion of the project is included in this year's budget and the remaining amount will be included in next year's budget to cover the full cost of the project. The actual cost of the project will be taken into consideration as we complete the next update to the wholesale financial plan, which is starting later this month.

The committee discussed the project, budget, and financial plan. Director Miller commented that this is a high priority project and should be completed.

For information only; no action requested.

3. USBR WaterSMART Grant Application (R)

Mr. Durkin referred the committee to the staff report included in the board meeting agenda packet. He informed the committee that San Juan has a long standing irrigation efficiency rebate program. He explained that receiving grant funding would enable staff to expand its current program and offer smart timer and irrigation efficiency rebates to more customers, including homeowner associations. He explained that San Juan is eligible to request up to \$300,000 through a USBR WaterSmart grant application but will only request as much as matching fund contributions allow. The grant application requires an adopted Board resolution as part of the application packet.

The Finance Committee recommends consideration of a motion to adopt Resolution No. 15-20 authorizing San Juan Water District to apply for the USBR WaterSMART water and energy efficiency grant for FY2016.

4. Investment Policy Review (W & R)

The committee reviewed San Juan's Investment Policy which was revised by the investment advisor, Ms. Silva, and Legal Counsel. Ms. Silva explained that the most significant revision to the policy allows the District to invest in more diverse investments in alignment with the government code.

The committee discussed the changes in the policy and requested that consideration of a motion to accept the changes in the Investment Policy be placed on the Consent Calendar at the January Board meeting.

For information only; no action requested.

5. Other Finance Matters (W or R)

Ms. Silva informed the committee that she provided a Quarterly Treasurer's report in the Board packet and will provide the next quarterly report in February.

In response to President Costa's question, Mr. Durkin informed the committee that Ms. Lorange provided him with the Assistant General Manager's contract and that issue is complete.

For information only; no action requested.

6. Public Comment

There were no public comments.

The meeting was adjourned at 4:56 p.m.

San Juan Water District

**RESOLUTION 15-19
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,361,321.96; and

WHEREAS, the Finance Committee of the Board of Directors has found the bills and claims to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Juan Water District as follows:

1. The bills and claims attached hereto totaling \$1,361,321.96 are hereby approved.
2. That the depository be and the same is hereby authorized to pay said bills and claims in the total sum of \$1,361,321.96 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 9th day of December 2015, by the following vote:

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

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

TERI HART
Secretary, Board of Directors

December 2015 Payment Register

Approved Paid in Advance:

<u>Check Date:</u>	<u>Vendor:</u>			<u>Amount:</u>
11/30/2015	Payroll			452,833.77
12/4/2015	Western Area Power Admin - Restoration Fund	EFT	404365	2,135.76
11/30/2015	State Water Resources Control Board - Annual Permit Fee	CK	49405	2,037.00
12/4/2015	Galic Disbursing Company - Payroll	CK	49406	400.00
11/25/2015	CalPERS - Long Term Care	CK	49403	167.39
11/25/2015	JPIA / ACWA - Employee Assistance Program	CK	49404	113.85
Total Approved Paid in Advance				457,687.77

Approved Checks:

** Checks cut from approved Open Payable List and Approved Pending Payables. - See Attached Check Register

Total Check Register	890,005.64
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Approved Pending Payables:

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
November Statement	US Bank - CalCards	7,744.49	7,744.49
November Invoice	PG&E - November Electric & Gas Services - Estimate	3,500.00	3,500.00
11897	Meyers Fozi - Employment Legal Services	925.00	925.00
60736	Wienhoff - Drug Testing	840.00	840.00
9756430585	Verizon - Cell Phone Services - Estimate	335.00	335.00
221401	Tyler Business Forms	188.60	188.60
November Invoice	MCI - Long Distance	95.46	95.46

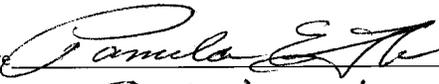
Total Approved Pending Payables	13,628.55
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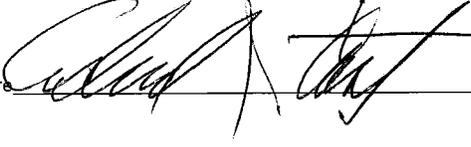
REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE	1,361,321.96
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Adjustments:

TOTAL PAID AND PAYABLE	1,361,321.96
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Regular Checks	716,841.61
EFT's	173,164.03
TOTAL PAID	890,005.64

Signature 

Signature 



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
01004	2540 Partners LLC	12/09/2015	Regular	0.00	66.96	49407
03091	Ace Hardware - Auburn Folsom Act	12/09/2015	Regular	0.00	360.03	49408
01026	Ace Hardware - Greenback	12/09/2015	Regular	0.00	20.68	49409
01039	AFLAC	12/09/2015	Regular	0.00	1,135.70	49410
01041	Afman Supply - Todd	12/09/2015	Regular	0.00	59.73	49411
03285	Agheli, Asghar	12/09/2015	Regular	0.00	210.84	49412
01068	ALPHA DES - Glenn Walker	12/09/2015	Regular	0.00	968.00	49413
01581	Altara	12/09/2015	Regular	0.00	1,275.00	49414
01073	Amarjeet Singh Garcha	12/09/2015	Regular	0.00	1,830.00	49415
02463	AnswerNet	12/09/2015	Regular	0.00	245.35	49416
01027	Association of California Water Ager	12/09/2015	Regular	0.00	14,359.72	49417
01138	AT&T	12/09/2015	Regular	0.00	61.51	49418
01182	BARTKIEWICZ,KRONICK & SHANAHA	12/09/2015	Regular	0.00	11,403.02	49419
03301	Bjorklund, Patricia	12/09/2015	Regular	0.00	38.90	49420
01219	Borges & Mahoney Company	12/09/2015	Regular	0.00	347.49	49421
01250	C & D Contractors, Inc.	12/09/2015	Regular	0.00	275,033.79	49422
03299	California Cut & Core, Inc	12/09/2015	Regular	0.00	590.00	49423
01363	CINTAS CORPORATION NO.2	12/09/2015	Regular	0.00	1,040.00	49424
01368	Citrus Heights Water District	12/09/2015	Regular	0.00	1,127.75	49425
01372	CITY OF FOLSOM	12/09/2015	Regular	0.00	31.36	49426
01411	Consolidated Communications	12/09/2015	Regular	0.00	1,598.35	49427
01423	COUNTY OF SACRAMENTO	12/09/2015	Regular	0.00	265.20	49428
01472	DAWSON OIL CO	12/09/2015	Regular	0.00	3,446.07	49429
01505	Department Of Consumer Affairs	12/09/2015	Regular	0.00	115.00	49430
01505	DMV Renewal	12/09/2015	Regular	0.00	25.00	49431
01509	Domenichelli & Associates Inc	12/09/2015	Regular	0.00	1,660.00	49432
03302	Dwyer, Rick	12/09/2015	Regular	0.00	52.80	49433
01588	EUREKA UNION SCHOOL DISTRICT	12/09/2015	Regular	0.00	180.00	49434
01630	FM GRAPHICS, INC.	12/09/2015	Regular	0.00	784.53	49435
01634	FOLSOM LAKE FORD	12/09/2015	Regular	0.00	1,371.19	49436
03089	Fulton, Jonathan	12/09/2015	Regular	0.00	9.62	49437
01659	GARY WEBB TRUCKING	12/09/2015	Regular	0.00	115.50	49438
03237	GM Construction & Developers, Inc	12/09/2015	Regular	0.00	13,193.60	49439
01681	Golden State Flow Measurements	12/09/2015	Regular	0.00	393.16	49440
01687	Grainger, Inc.	12/09/2015	Regular	0.00	3,452.95	49441
	Void	12/09/2015	Regular	0.00	0.00	49442
01733	Harris Welding Inc	12/09/2015	Regular	0.00	24.71	49443
01736	Hasler/MailFinance/Neopost	12/09/2015	Regular	0.00	486.00	49444
01741	HDR Engineering, Inc	12/09/2015	Regular	0.00	11,439.93	49445
01763	Holt of California	12/09/2015	Regular	0.00	7,352.22	49446
01890	JOHNSON PETROLEUM CONST. INC.	12/09/2015	Regular	0.00	4,400.00	49447
01895	Joseph G Pollard Co, Inc	12/09/2015	Regular	0.00	118.25	49448
02027	MCMMASTER-CARR SUPPLY COMPAN	12/09/2015	Regular	0.00	138.85	49449
02131	Office Depot Business Serv Div	12/09/2015	Regular	0.00	1,859.00	49450
	Void	12/09/2015	Regular	0.00	0.00	49451
	Void	12/09/2015	Regular	0.00	0.00	49452
02150	Pace Supply Corp	12/09/2015	Regular	0.00	4,306.99	49453
03303	Paulson, Rachael	12/09/2015	Regular	0.00	32.42	49454
03026	PFM Asset Management	12/09/2015	Regular	0.00	901.19	49455
02146	PG&E	12/09/2015	Regular	0.00	10.00	49456
02223	Platt - Rancho cordova	12/09/2015	Regular	0.00	8.82	49457
02221	Radwell International Inc	12/09/2015	Regular	0.00	709.92	49458
02221	Regional Water Authority	12/09/2015	Regular	0.00	440.00	49459
02292	REXEL INC	12/09/2015	Regular	0.00	3,238.98	49460

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02293	RFI Enterprises, Inc	12/09/2015	Regular	0.00	44.00	49461
02214	Robert Half International, Inc	12/09/2015	Regular	0.00	6,283.36	49462
C	ROCKLIN WINDUSTRIAL CO	12/09/2015	Regular	0.00	1,184.67	49463
02335	ROSEVILLE CHAMBER OF COMMERC	12/09/2015	Regular	0.00	955.00	49464
02395	SAFETY KLEEN SYSTEMS INC.	12/09/2015	Regular	0.00	305.61	49465
02446	Sierra Chemical Co	12/09/2015	Regular	0.00	3,664.57	49466
02452	Sierra National Asphalt	12/09/2015	Regular	0.00	4,110.00	49467
02357	SMUD	12/09/2015	Regular	0.00	10,473.48	49468
02544	SYBLON REID	12/09/2015	Regular	0.00	172,813.10	49469
02580	The Eidam Corporation	12/09/2015	Regular	0.00	45,971.02	49470
02624	TRACE ANALYTICS LLC	12/09/2015	Regular	0.00	607.20	49471
02638	Tyler Technologies Inc	12/09/2015	Regular	0.00	4,750.00	49472
03304	Tyson, Steven	12/09/2015	Regular	0.00	375.00	49473
02651	United Parcel Service - UPS	12/09/2015	Regular	0.00	144.14	49474
03298	United Rentals (North America), Inc	12/09/2015	Regular	0.00	555.81	49475
02674	Utility Services Associates	12/09/2015	Regular	0.00	2,654.00	49476
03284	Vavrinek, Trine, Day & Co, LLP	12/09/2015	Regular	0.00	7,846.00	49477
02700	Viking Shred, LLC	12/09/2015	Regular	0.00	155.00	49478
02716	WATER EDUCATION FOUNDATION	12/09/2015	Regular	0.00	7,600.00	49479
02740	West Valley Construction Company	12/09/2015	Regular	0.00	71,328.94	49480
02741	WHITE CAP	12/09/2015	Regular	0.00	333.19	49481
02766	Youngdahl Consulting Group Inc	12/09/2015	Regular	0.00	2,266.00	49482
03305	Yu, Samuel	12/09/2015	Regular	0.00	85.44	49483
01048	Airgas Inc	12/09/2015	EFT	0.00	315.95	404366
01081	American Messaging	12/09/2015	EFT	0.00	14.05	404367
03221	Chemtrade Chemicals Corporation	12/09/2015	EFT	0.00	4,302.76	404368
01486	Department of Energy	12/09/2015	EFT	0.00	3,849.50	404369
01521	DP2 BILLING SOLUTIONS LLC	12/09/2015	EFT	0.00	9,910.78	404370
01589	Eurofins Eaton Analytical, Inc	12/09/2015	EFT	0.00	2,204.00	404371
01611	Ferguson Enterprises, Inc	12/09/2015	EFT	0.00	40.58	404372
0	HACH COMPANY	12/09/2015	EFT	0.00	1,107.35	404373
01000	J. Richard Eichman, CPA	12/09/2015	EFT	0.00	238.50	404374
01917	KENNEDY/JENKS CONSULTANTS	12/09/2015	EFT	0.00	146,775.21	404375
02432	Lorance, Shauna	12/09/2015	EFT	0.00	252.12	404376
02187	Performance Piping, Inc	12/09/2015	EFT	0.00	132.60	404377
03180	SAC ICE LLC	12/09/2015	EFT	0.00	296.13	404378
03220	Solenis LLP	12/09/2015	EFT	0.00	3,676.50	404379
02710	Wageworks, Inc	12/09/2015	EFT	0.00	48.00	404380

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	152	74	0.00	716,841.61
Manual Checks	0	0	0.00	0.00
Voided Checks	0	3	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	29	15	0.00	173,164.03
	181	92	0.00	890,005.64

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	12/2015	890,005.64
			890,005.64

STAFF REPORT

To: Board of Directors

From: Lisa Brown, Customer Service Manager
Shauna Lorange, General Manager

Date: December 2, 2015

Subject: USBR WaterSMART grant application

RECOMMENDED ACTION

Adopt Resolution 15-20 authorizing San Juan Water District to apply for the USBR WaterSMART water and energy efficiency grant for FY2016.

BACKGROUND

San Juan has had a long-standing irrigation efficiency rebate program with a focus of improving outdoor irrigation efficiency to save water by reducing irrigation runoff and eliminating water waste. Receiving grant funding would enable staff to expand its current program and offer smart timer and irrigation efficiency rebates to more customers.

Staff reached out to Homeowner's Associations and City and County agencies to solicit their interest in participating in a grant and has received written interest from one homeowner's association and verbal interest from other agencies. The projects are large and San Juan would not be able to fund these irrigation improvements without grant assistance. The interest letters received will be incorporated into the grant application and their labor to install these improvements will be used as matching fund contributions. The total grant request cannot be completed until all letters of interest have been received. San Juan is eligible to request up to \$300,000 but will only request as much as matching fund contributions allow.

The grant application requires an adopted Board resolution as part of the application packet.

San Juan Water District

RESOLUTION 15-20

**BOARD OF DIRECTORS OF THE
SAN JUAN WATER DISTRICT
APPROVING THE SUBMISSION OF AN APPLICATION FOR FUNDING ASSISTANCE
THROUGH THE U.S. BUREAU OF RECLAMATION
WaterSMART WATER AND ENERGY EFFICIENCY GRANT PROGRAM**

WHEREAS, San Juan Water District has had a long-standing water conservation program with a focus of improving outdoor irrigation efficiency to reduce irrigation run-off and eliminate water waste and is in need of funding assistance to continue its long-standing program; and

WHEREAS, San Juan Water District reached out to Homeowner's Associations and City and County agencies to solicit interest in participating in this grant and has received letters of interest from certain Homeowner's Associations to upgrade their irrigation systems to high-efficiency systems if rebate funding is available; and

WHEREAS, the non-Federal funding specified in the funding plan will be provided by San Juan Water District and through in-kind labor charges incurred from participating rebate recipients.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Juan Water District agrees as follows:

1. The foregoing recitals are true and are incorporated into this Resolution by this reference.
2. The Board of Directors of the San Juan Water District concurs with the General Manager and staff's recommendation and supports submittal of the application to Reclamation.
3. The General Manager of the San Juan Water District is hereby authorized to enter into an agreement with Reclamation.
4. The General Manager and staff are directed to take all actions necessary to implement this Resolution, including working with Reclamation to meet established deadlines for entering into a cooperative agreement.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 9th day of December 2015, by the following vote:

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

ATTEST

TED COSTA
President, Board of Directors

TERI HART
Secretary, Board of Directors

STAFF REPORT

To: Board of Directors

From: Shauna Lorance, General Manager

Date: November 25, 2015

Subject: OCAP FEIR

RECOMMENDED ACTION

For information, no action requested.

BACKGROUND

Reclamation and DWR propose to continue to operate the CVP and SWP to divert, store, and convey Project water consistent with applicable law. The CVP's major storage facilities are Shasta, Trinity, Folsom and New Melones. The upstream reservoirs release water to provide water for the Delta of which can be exported a portion through Jones pumping plant to store in the joint reservoir San Luis or deliver down the Delta Mendota Canal. The SWP owns Lake Oroville upstream and releases water for the Delta that can be exported at Harvey O. Banks Pumping Plant (Banks) for delivery through the California Aqueduct.

The proposed action is the continued operation of the CVP and SWP. The proposed action includes the operation of the temporary barriers project in the south Delta and the 500 cfs increase in SWP Delta export limit July through September. In addition to current day operations, several other actions are included in this consultation. These actions are: (1) an intertie between the California Aqueduct (CA) and the Delta-Mendota Canal (DMC), (2) Freeport Regional Water Project (FRWP), (3) the operation of permanent gates, which will replace the temporary barriers in the South Delta, (4) changes in the operation of the Red Bluff Diversion Dam (RBDD), (5) Sacramento River Water Reliability Project, (6) Alternative Intake Project for CCWD, (7) operational elements of the American River Flow Management Standard, and (8) other minor operational changes.

Reclamation and DWR issued a draft EIR/EIS on the continued operation of the CVP and SWP. SJWD and the cities of Folsom and Roseville provided detailed comments on the draft EIR/EIS.

Current Status

Reclamation has issued a final EIS (FEIS) on the coordinated long-term operation of the Central Valley Project and State Water Project, also known as OCAP. The

FEIS can be viewed online at
http://www.usbr.gov/mp/nepa/nepa_projdetails.cfm?Project_ID=21883.

The earlier draft EIS did not identify Reclamation's preferred alternative. The FEIS identifies Reclamation's preferred alternative as the No Action Alternative, which represents continued operation of the projects and implementation of the current biological opinions. The FEIS states that Reclamation intends to adopt a record of decision after 30 days.

The FEIS includes Reclamation's responses to the comments submitted by the three agencies. The specific concerns with the comments provided to our comments are:

1. They appear to reference the City of Sacramento water rights and CVP contacts off of Folsom Reservoir, but they do not appear to recognize that SJWD and the City of Folsom have much more senior water rights.

"The CVP and SWP operations prioritize meeting federal and state regulatory requirements and deliveries to water rights holders, including the City of Sacramento, prior to deliveries of water to CVP and SWP water contractors. The modeling analyses presented in the EIS include these prioritizations for long-term operation of the CVP and SWP without inclusion of changes that could be developed for specific extreme flood or drought events."

2. The use of the emergency barge and pump stations appear to be assumed to be used for standard operations, not just emergencies.

The agencies will be meeting with USBR next week at ACWA to request clarification and expect modification of the document.

STAFF REPORT

To: Board of Directors

From: Shauna Lorance, General Manager

Date: November 25, 2015

Subject: SWRCB continuing conservation requirements

RECOMMENDED ACTION

For information, no action requested.

BACKGROUND

On January 17, 2014, Governor Brown proclaimed a State of Emergency due to severe drought conditions. On April 25, 2014, Governor Brown proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought. On April 1, 2015, Governor Brown proclaimed the emergency remains in effect.

For the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. To save more water now, the order requires:

The SWRCB developed required conservation targets for agencies across California. To reach the statewide 25 percent reduction mandate, the emergency regulation assigns each urban water supplier (serving more than 3,000 connections) a conservation standard that ranges between 4 percent and 36 percent based on their residential gallons per capita per day (R-GPCD) for the months of July – September 2014. SJWD retail was assigned a mandatory 26% reduction.

Current Status

SJWD-retail customers have achieved a cumulative conservation of 36% between June and October 2015 as compared to 2013.

The Governor has issued a new executive order that should the drought still be in effect in January, then the SWRCB is to continue mandatory conservation at the existing overall state requirement of 25%.

SJWD has submitted a comment letter to the SWRCB recommending modifications to the water conservation regulations should they be extended into 2016. The following key points are included:

- Provide an adjustment for climate differences
- Recognize development of drought resilient supplies
- Conservation targets need to consider reduced winter use
- SJWD service are consists of large lots resulting in higher per person usage, though a lower use per acre. Land use density should be considered
- Include flexibility to respond to developing hydrologic conditions through the winter and spring of 2016.

SJWD and RWA comment letters are attached. White papers from ACWA have also been attached to this staff report.

2015 IN REVIEW

December 9, 2015
Shauna Lorance
General Manager



WORKSHOP MEETINGS

Workshop Meetings

- o March 1 – Water Use Strategy
- o March 9 – Strategic Goals and Miscellaneous Action Items
- o March 24
 - o Water Storage Options
 - o Retail Rate Structure
 - o Communication with Legal Counsel
- o April 16 – Governor’s Drought Declaration and SWRCB Regulatory Framework
- o April 29 – Conservation Stages and Drought Rate

Water Use Strategy

- o Overview of water rights and contracts
 - o Water Rights
 - o PCWA
 - o CVP
- o Limitations and opportunities
- o Discussed drought operations

Board discussed changes to conservation stages
and consideration of implementing a drought
surcharge

Strategic Goals (1/6)

Maintain highest quality customer service, both in terms of customer relations and the delivery of a reliable water supply of the highest quality at reasonable and equitable costs.

- o repeatedly told service is much higher
- o Met demands – could have provided more
- o Wholesale water rates are significantly lower than any other agency.
- o Retail costs are reasonable and equitable – larger lots=less connections to cover costs

Strategic Goals (2/6)

Ensure water supply reliability in context of both near-term drought response and long-term drought persistence.

- o planning for future increased surface and groundwater storage
- o providing regional and statewide leadership in water policy
- o Adequate water to supply higher demands than allowed under SWRCB order
- o Constructed pump back and interties
- o Proposals received on Wholesale Water Management and Reliability Study

Strategic Goals (3/6)

Ensure system maintenance and timely replacement

- o Within budgetary limitations
- o Retail-requires + funding to \$5 m per year from rates
- o Wholesale–Hinkle Reservoir cover and continued WTP rehabilitation and replacement
- o Funding options will need to be evaluated as part of the financial plan.

Strategic Goals (4/6)

Maintain high quality staff.

- o staff succession planning
- o staff should raise any concerns they have with management and the board
- o directors supporting staff morale and sense of value
- o Succession plan summarized at beginning of year; update in January
- o Stress levels increasing during drought
- o Completed contract with AGM
- o Compensation survey

Strategic Goals (5/6)

Maintain financial stability, transparency, and accountability.

- o reducing the overall debt service through refinancing
- o Debt refinancing reviewed; to be reviewed each year
- o High level of success in finance department
- o Transparency hub on web site
- o Received Transparency Certificate of Excellence
- o Installed and operating on new financial software
- o Financial stability could be impacted if drought and/or SWRCB mandated reductions continue

Strategic Goals (6/6)

Maintain strong communication and relationships with wholesale customer agencies.

- o clarifying the responsibilities of the District as the wholesaler.
- o identifying where Directors can act directly to support this goal.
- o Board decided wholesale role is to provide most reliable water supply of any source
- o Communication has been maintained with the WCAs
- o Open to suggestions from the 2x2 committee on how to improve relationships the FOWD
- o Periodic updates to executive committee email list helps

Miscellaneous Action Items

(1/3)

- o The board should develop a water bond wish list regarding storage
Groundwater and surface water storage funded in bond.
RWA/SGA developing USBR sanctioned groundwater bank
- o A future board meeting should include an update on SGMA issues
Scheduled for the November meeting; moved to December meeting
- o Investigate ways to encourage the use of recycled water through the use of purple pipes
Will continue to monitor for opportunities
- o The District should track the effectiveness and value of the RWA legislation committee to evaluate if important to get on executive committee
RWA legislative lobbying is being tracked

Miscellaneous Action Items

(2/3)

- o To revive and strengthen relationship, invite Sac Metro's executive director to brief the board on his vision. Secondly, the District should invite the Citrus Heights and Folsom Chambers of Commerce to do the same.

Drought and budget issues took up time and delayed this action item

- o To evaluate whether time and money spent on RWA and SGA would be better spent on own lobbyist, show activities to date and historical results (e.g., cost of annual membership, value of grants obtained, etc.), the costs and expected outcomes and anticipated staffing of different proposed activities, chances for success and risks, and an overall assessment of whether the effort is worthwhile.

RWA and SGA have continued to be well worth the membership fees

- o Investigate legal capacity to develop groundwater within SJWD wholesale service area.

Included in Wholesale Water Management and Reliability Study

Miscellaneous Action Items

(3/3)

- o Cap-to-Cap should include conversation with Congressional representatives on Folsom operations in relation to fish flows

Every visit to DC, including Cap to Cap, included this conversations

- o Draft a letter to the wholesale customer agencies to provide clarity on the relationship with SJWD

The WSR Committee did not recommend a Statement of Responsibility be considered by the Board. SJWD should continue to provide the most reliable water regardless of source

- o Work with the County Assessor's Office to obtain a list of federal properties upstream of Folsom Lake, for the purpose of potential storage

Determined the majority of the property associated with Auburn Dam is owned and managed by BLM. Other storage options to be considered in WS&R study

- o Determine if Placer County Water Agency provides any flexibility in when they release the SJWD water stored in their reservoir

Due to SWRCB mandated conservation and the inability to transfer our conserved water rights removed need for flexibility this year

Water Storage Options

- o Groundwater storage
 - o Cooperation with another agency outside SJWD boundaries
 - o Injection wells outside SJWD boundaries
 - o Injection wells inside SJWD boundaries
 - o some concerns regarding ability, cost, water quantity, political issues, and legal rights
- o Surface water storage
 - o Participate in Sites Reservoir
 - o Construction of new upstream reservoir

Board issued RFP for Wholesale Water Management and Reliability Study

Retail Rate Structure

- o Adoption of uniform water rate included revenue source change
- o previous water rate – 44% from volumetric
- o Current water rates - volumetric 50% of revenue
- o Drought reductions will impact revenue

Staff provided information on impact to various customers; board elected to maintain existing structure

Communication With Legal Counsel

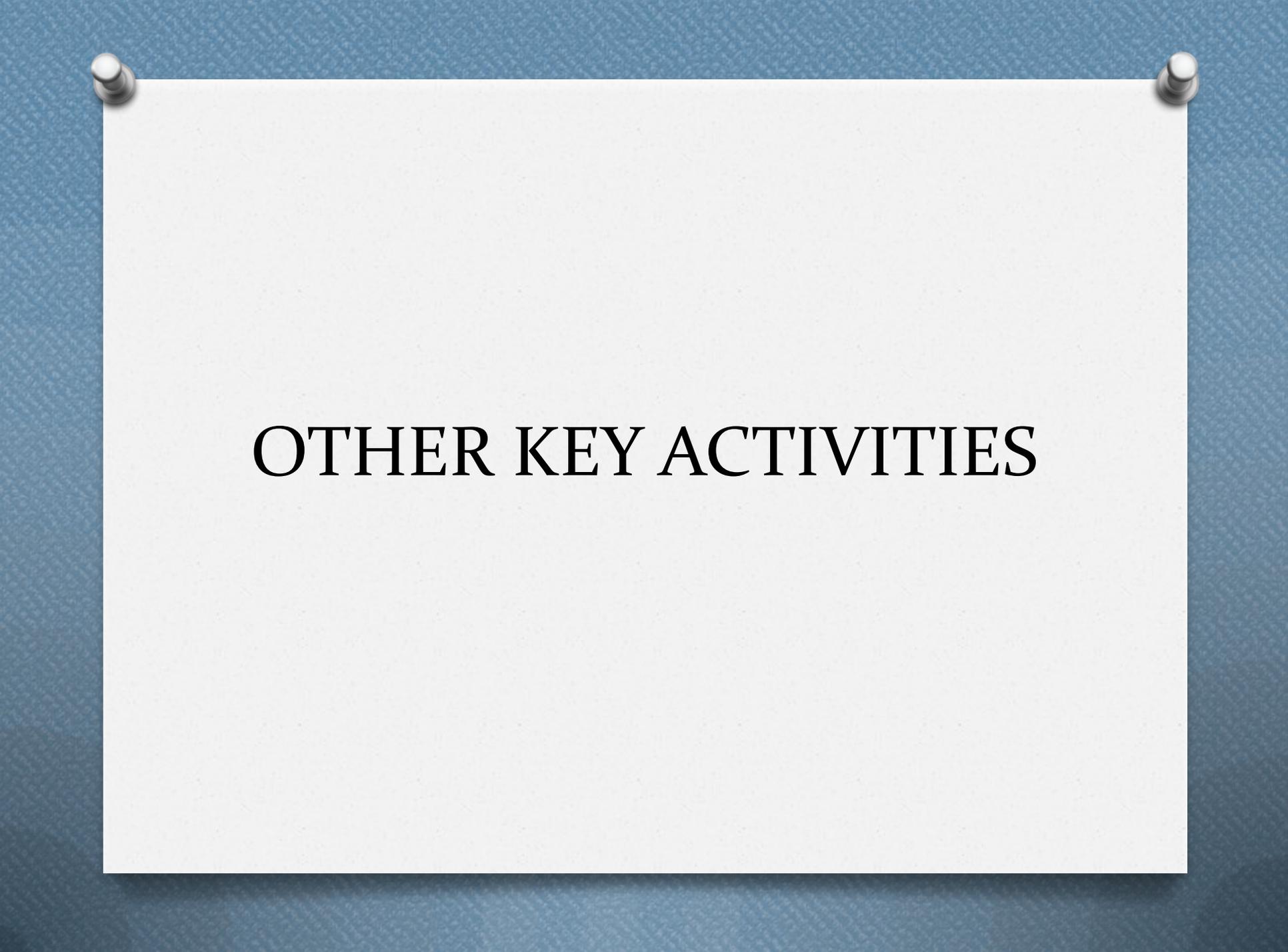
- o Board member with specific legal question-response provided to all Board members
- o Board as a whole can request action
- o General Manager/Assistant General Manager
- o Staff with approval by GM or AGM; provides for AGM or GM to answer questions first

Board elected to maintain existing policy for communicating with legal counsel

Governors Drought Executive Order and SWRCB Actions

- o Varying conservation requirements
- o Modified Conservation Stages 3 & 4 discussed
- o Staff to bring back options

Board adopted modified Conservation Stage 4 to comply with mandated 36% reduction



OTHER KEY ACTIVITIES

Water Transfer

- o Conserved water transfer with SCVWD
- o Negotiated agreement netted SJWD-w \$3 to \$6M
- o Stalled by USBR and DWR
- o Used water free of charge
- o Commitment from USBR to develop a procedure for 2016.

SCVWD agreed to develop draft for SJWD

COA between USBR and DWR

- o Favors SWP over CVP
- o CVP is assigned 75% of in basin use
- o Negotiated agreement
- o USBR and DWR discussing renegotiation
- o Will be an extended process.

Ongoing involvement

CVP M&I Shortage Policy

- o Ag desired equal allocations
- o Risk of much lower allocation of CVP water
- o Negotiated a preference for M&I water

Successful completion of task

Merger Discussions

- o Phase 2A completed
- o Staff resources significant
- o Phase 2B not started
- o Report not complete without Phase 2B

On hold for indefinite time

Water Smart Home Reports

- o Initiated program
- o individual water usage to each customer
- o Customer amazed at how much water used
- o great opportunity to provide assistance and advice

Would be more effective with smart meters

Groundwater Reimbursement

- o CHWD and FOWD provided costs for reimbursement
- o Outside expert provided negotiated agreement
- o GMs could live with costs/reimbursements
- o Not all agree with costs

Meeting set with OVWC, City of Folsom and SJWD to discuss next steps

PCWA Contract

- o Contract take or pay of 25,000 af
- o Use up to 13,000 in last ten years
- o Pay for 10,000 af in WF shortage years
- o Saved \$500,000+

Task for 2016 is to determine terms for renegotiation of contract

Mandated Conservation

- o Mandated reduction of 36%
- o monthly through August >36%
- o Cumulatively through October
- o November at 40%

Next year unknown

FO-40

- o Initiated second phase
- o Communication with FOWD and OVWC

Goal is smoother process for this phase

Folsom Control Manual

- o replace the current flood control curve
- o operating strategy that considers weather forecast
- o headquarters in DC in support
- o local office in support
- o have to confirm support of SF office

Project going well – completion in 2016

Telephone Town Halls

- o Discussion on drought, water supply and conservation
- o Two conducted
- o Over 2000 people connected
- o Very positive feed back

Very much a success – expand usage in future

Safety and Liability

- o Entire year without lost day accident
- o Rebate check from JPIA \$124,278
- o Staff effort and time high
- o Ongoing regulations

Continue excellent work and awareness by all
staff

Impacts from Drought

- o Delayed replacement of vehicles-costs will come
- o Customers frustrated, high customer service efforts
- o Revenue reduced, cost increased
- o SWRCB continued regulations
- o Staff fatigue



Next Years Activities

Drought Activities

- o SWRCB review of existing conservation requirements
- o SWRCB development of long term requirements
- o Continued Drought?

Financial Plan

- o Develop 5-year wholesale and retail financial plans
- o Address impact of past (and continued?) drought
- o Upcoming large capital costs
- o Consider adoption of multi-year water rates?

Organization

- o January workshop
 - o Succession planning
 - o Overview of staffing levels

Water Fix

- o Used to be BDCP – now separated
- o Meetings with USBR and DWR on need for Folsom Carryover requirement and ops plan
- o MBK to review modeled impacts
- o Water Forum and modified FMS
- o Draft EIS comments submitted by Oct 30
- o SWRCB scheduled 34 days of hearings in 2016

OCAP FEIR

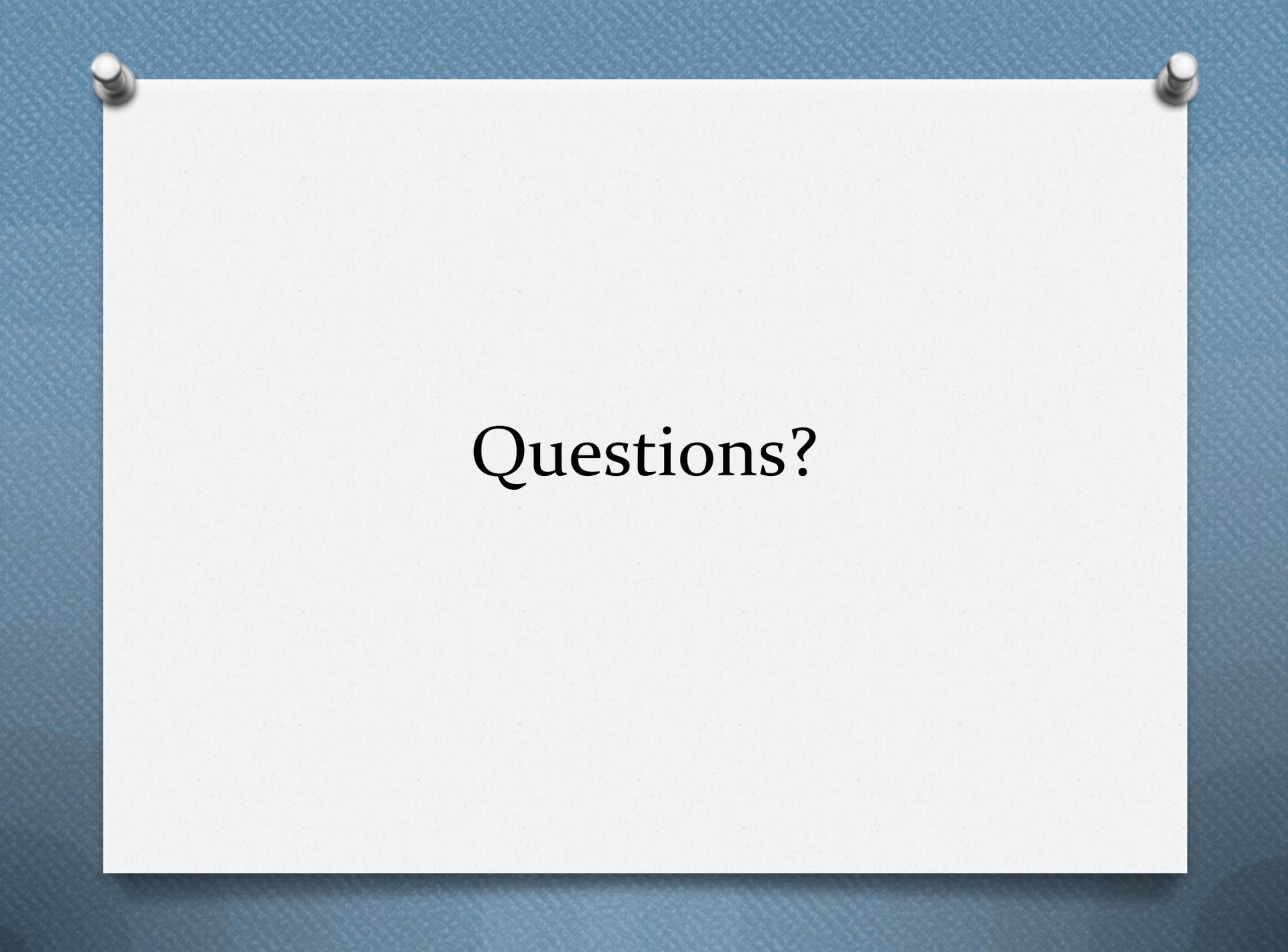
- o Continued existing operation
- o Implementation of existing B0
- o FEIR responses
 - o SJWD water rights on Folsom
 - o Assumes regular use of emergency facilities

Water Supply Reliability

- o Resiliency due to climate and reduced snow pack
- o Cost of future options
- o Decision dates
- o Customer education

Water Supply Contracts

- o Three water supplies
- o Pros and cons of each
- o How to optimize availability and costs



Questions?

STAFF REPORT

To: Board of Directors
 From: Donna Silva, Director of Finance
 Date: December 9, 2015
 Subject: Treasurer's Report – Quarter Ending September 30, 2015

RECOMMENDED ACTION

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

BACKGROUND

The purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the third quarter of calendar year 2015, ending September 30, 2015.

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

1. Safety
2. Liquidity
3. Yield

Attached is the quarterly Treasurer's Report for the three months ended September 30, 2015.

At June 30, 2015, the end of the previous quarter, the value of the District's total portfolio was \$30.4 million. Since that time, the balance decreased by \$2.2 million for an ending balance of \$28.4 million as of September 30, 2015. Cash and short-term investments decreased by \$2 million and long-term investments decreased by \$137,000. The funds are currently held as follows:

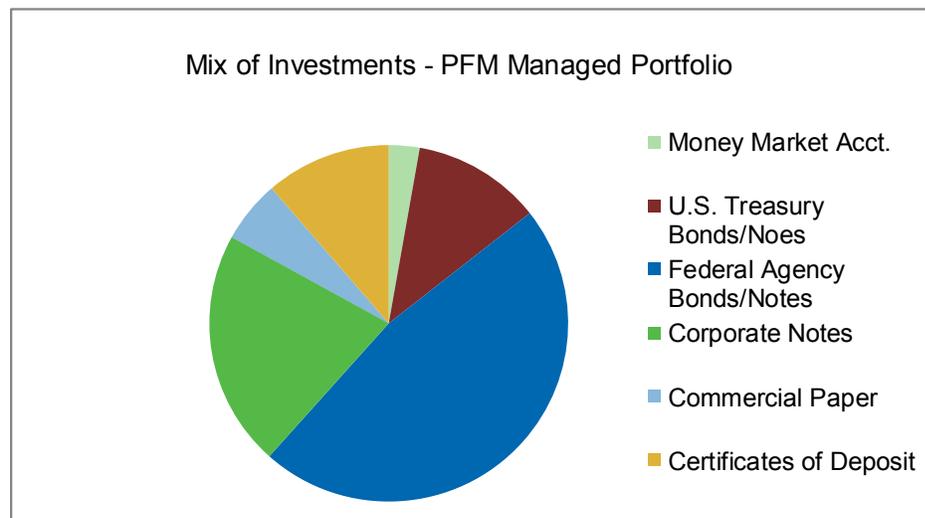
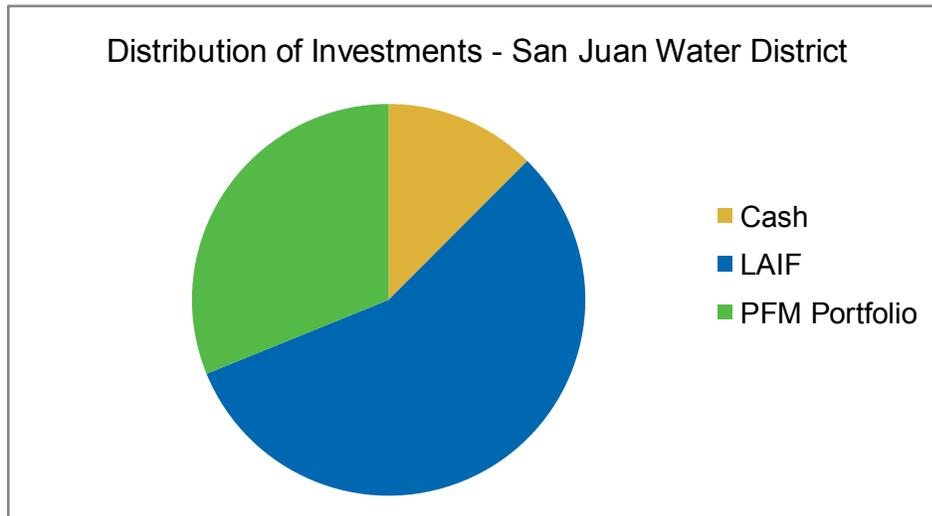
Cash at Banking Institutions	\$ 3,533,971
Local Agency Investment Fund (LAIF)	16,000,070
PFM Managed Investment Portfolio	<u>8,844,063</u>
	<u>\$ 28,378,104</u>

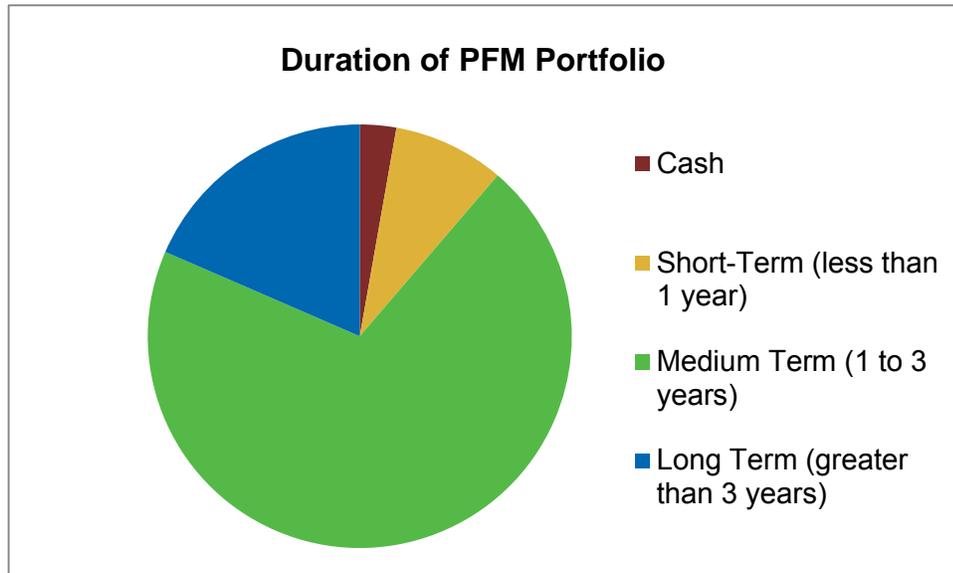
The overall portfolio is diversified with 31% invested in marketable securities, 57% invested in short-term investments that are considered liquid (LAIF) and 12% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically reviews the

mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District's short term cash needs.

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

The distribution, mix and duration of investments is displayed in the following charts:





Interest rates have been at historically low levels. Due to the low interest rate environment, the managed portfolio is concentrated in the medium term duration category. This increases our interest earnings while providing an opportunity to secure higher yield investments when interest rates begin to rise.

The portfolio is performing well and continues to outperform the benchmark (Bank of America Merrill Lynch “BAML” 0-50 year Treasury Index) on a current and historical basis.

Total Returns – period ending June 30, 2015

	Duration (years)	Quarter Ending 6/30/2015	Jan – June 2015	Since Inception
San Juan Water District	2.17	.18%	.95%	1.43%
BAML 0-5 Year Treasury Index	2.18	.03%	.77%	1.15%

**San Juan Water District
Treasurer's Reprt
September 30,2015**

	Yield %	Par Value	Cost	Current Market Value	Maturity Date
CASH & DEMAND DEPOSITS - US Bank:	na	\$ 3,533,970.57	\$ 3,533,970.57	\$ 3,533,970.57	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.337%	\$ 16,000,069.96	\$ 16,000,069.96	\$ 16,000,069.96	na
PFM MONEY MARKET ACCOUNT	na	\$ 245,317.34	\$ 245,317.34	\$ 245,317.34	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio):					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.40%	\$ 195,000.00	\$ 197,940.23	\$ 199,133.61	9/30/2019
US Treasury Notes	1.31%	500,000.00	493,437.50	496,002.50	9/30/2019
US Treasury Notes	1.50%	325,000.00	330,649.41	332,676.50	6/30/2020
<i>Federal Agency Bonds/Notes:</i>					
FHLB Notes	0.59%	1,000,000.00	1,000,570.00	1,002,111.00	12/28/2016
FHLB Global Notes (Callable)	0.84%	175,000.00	175,000.00	175,473.38	3/24/2017
Freddie Mac Global Notes	0.85%	125,000.00	125,423.82	125,845.50	7/28/2017
Freddie Mac Global Notes	0.97%	260,000.00	260,257.40	261,758.64	7/28/2017
FHLB Notes (Callable)	1.00%	1,000,000.00	1,000,000.00	998,444.00	1/25/2018
FNMA Notes (Ex-Callable)	1.05%	1,000,000.00	1,000,000.00	1,003,921.00	2/27/2018
FNMA Notes (Ex-Callable)	1.69%	595,000.00	596,511.30	606,671.52	6/20/2019
<i>Corporate Notes:</i>					
Apple Inc. Corp Note	0.94%	110,000.00	109,924.10	110,210.87	5/12/2017
Chevron Corp Note	1.35%	100,000.00	100,000.00	100,346.50	11/15/2017
Wells Fargo & Company Global Notes	1.52%	1,000,000.00	999,000.00	999,051.00	1/16/2018
IBM Corp Notes	1.23%	225,000.00	224,313.75	224,455.00	2/6/2018
Bank of New York Mellon Corp	1.60%	175,000.00	174,984.25	174,652.28	5/22/2018
CISCO Systems Inc Corp Note	1.66%	185,000.00	184,968.55	186,347.73	6/15/2018
Toyota Motor Credit Corp	1.58%	100,000.00	99,915.00	100,455.40	7/13/2018
<i>Commercial Paper:</i>					
Bank of Tokyo Mitsubishi UFJ	0.36%	500,000.00	499,100.00	499,911.00	11/2/2015
<i>Certificate of Deposit:</i>					
General Capital Retail Bank LT CD	1.32%	250,000.00	250,000.00	251,778.50	8/17/2016
Canadian Imperial Bank NY YCD	1.01%	250,000.00	250,000.00	249,702.50	4/6/2017
Nordea Bank Finland NY CD	1.15%	250,000.00	250,000.00	249,470.00	5/26/2017
Toronto Dominion Bank NY YCD	1.25%	250,000.00	250,000.00	250,327.50	6/16/2017
TOTAL LONG TERM INVESTMENTS		\$ 8,570,000.00	\$ 8,571,995.31	\$ 8,598,745.93	
TOTAL CASH & INVESTMENTS AT 9/30/2015		\$ 28,349,357.87	\$ 28,351,353.18	\$ 28,378,103.80	