

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

March 11, 2015 – 7:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

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

OTHER ATTENDEES

Sandy Harris	Customer (volunteer Drought Committee member)
Matt Dillon	Customer (volunteer Drought Committee member)
Keith Harbeck	Customer (volunteer Drought Committee member)
David Burke	Customer (volunteer Drought Committee member)
George Babcock	Customer (volunteer Drought Committee member)
Mary Lynn Scherrer	Customer
Bob Matteoli	Non-Customer
Mike McRae	FOWD
Tom Gray	FOWD
Kim Silvers	Silvers HR
Tony Barela	SJWD
Jason Mayorga	SJWD
Vicki Sacksteder	SJWD
Mitch Dion	SJWD
Kevin Thomas	SSWD

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 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 February 11, 2015
2. Minutes of the Board of Directors Meeting February 25, 2015

Vice President Tobin requested that the items on the Consent Calendar be considered under separate motions.

Director Walters moved to approve the minutes of the Board of Directors' February 11, 2015 meeting. Vice President Tobin seconded the motion and it carried unanimously.

Director Walters moved to approve the minutes of the Board of Directors' February 25, 2015 meeting. Vice President Tobin seconded the motion and it carried with 3 Aye votes and 2 Abstain votes (Tobin and Walters were not at the meeting).

III. PRESENTATIONS

1. Recommendations on Conservation Stages – Drought Committee

Ms. Vicki Sacksteder reported that the volunteer Drought Committee has been working on the conservation stages. The State Water Resources Control Board is meeting March 17th and might be changing the regulations; therefore, instead of a presentation on the proposed changes to the conservation stages, the committee will be providing an overview of the committee. Ms. Sacksteder introduced the members of the volunteer Drought Committee who were in attendance at the meeting.

Mr. Keith Harbeck, Premier Pools owner, provided information on how installing swimming pools positively affects the economy, what pool owners can do to save water, and compared water use of a pool versus lawn. In addition, he voiced concern regarding implementing any restrictions on filling swimming pools until a Stage 5 is enacted.

Mr. Matt Dillion, Granite Bay Golf Course Superintendent, provided information on large turf areas. He voiced concern regarding adopting any restrictions on days

or times of watering. He proposed that the District consider an Alternate Means of Compliance, which each large turf area District customer would agree to comply with.

Mr. David Burke, San Juan Unified School District Director of Planning and Property Management, informed that Board that SJUSD developed an Alternate Means of Compliance plan which they are taking to Sacramento Suburban Water District for review. The plan sets a goal of 25% water conservation, continued use of best management practices, and no ornamental landscaping. SJUSD is committed to saving water and encourages the Board to not adopt any restrictions on days or times of watering.

Vice President Tobin thanked Mr. Burke for providing her with the materials which she delivered to representatives in Washington, DC., which received rave reviews. In response to Director Miller's question, Mr. Burke will gather information and report back on how many acres of SJUSD property is within the SJWD boundaries. In addition, Mr. Burke explained that SJUSD is in the process of categorizing the types of landscaping within the school district.

2. Finance Systems Process Update – Shauna Lorance

Ms. Lorance conducted a brief presentation on *Finance Systems Process Update*. A copy of the presentation will be attached to the meeting minutes. She reviewed the history of the Finance Department since she started in 1996, the current status in the department, and anticipated changes that are expected over the next year.

Ms. Lorance explained that the department is one year into a two year process of updating the finance processes, including full implementation of Tyler. In addition, the District is now utilizing Tyler as the accounting system and has additional modules to implement through Fall 2015. She explained that the auditors have identified recommendations for actions in Solomon and improved controls that are necessary. The majority of these actions (including all actions identified to date) have been or will be implemented in Tyler. Ms. Lorance informed that Board that the role of the Finance & Administrative Services Manager will be clarified at a Board Workshop prior to the recruitment process.

Director Miller recommended that a timeframe with targets for various Tyler implementations be created. Ms. Lorance will provide updates periodically.

ACTION AND INFORMATIONAL ITEMS

IV. COMMITTEE REPORTS

1. 2x2 Water Management Ad Hoc Committee (2/5/15)

President Costa reported that the committee met on February 5, 2015. Ms. Lorance informed the Board that the committee already reported on the meeting and the minutes will go to the next 2x2 Committee meeting for

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

For information only; no action requested.

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

Ms. Lorance reported that the committee met on February 19, 2015, and discussed the following:

- Water Supply Status (W & R)
- SJWD-W Statement of Responsibility (W)
- Water Allowances (W)
- Revised Conservation Stages 3-5 (R)
- Triggers for Changing Conservation Stage Declarations (R)
- Other Matters
- Public Comment

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

Water Supply Status (W & R)

An updated water supply status will be provided under the General Manager's report.

For information only; no action requested.

SJWD-W Statement of Responsibility (W)

The committee discussed the Statement of Responsibility and whether or not SJWD should declare a Statement of Responsibility regarding water supply sources. The committee referred the item to the Legal Affairs Committee for review to determine if there is existing limitations in the formation documents or existing contracts.

For information only; no action requested.

Water Allowances (W)

The committee decided to hold off discussions regarding water allowances until discussions on the SJWD-W Statement of Responsibility are completed.

For information only; no action requested.

Revised Conservation Stages 3-5 (R)

The committee reviewed the revised conservation stages and referred them to the volunteer Drought Committee for comments. Ms. Lorance reported that the State Water Resources Control Board has a meeting scheduled for March 17th at which they will announce what additional conservation requirements will be required from water agencies.

Triggers for Changing Conservation Stage Declarations (R)

The volunteer Drought Committee is working on the triggers for increasing and decreasing conservation stage declarations.

For information only; no action requested.

Other Matters

The Engineering Committee referred an item to this committee regarding water meters and concerns pertained to potentially inaccurate water meters showing customer use at a higher amount than they are actually using. Ms. Lorange explained that the District has data loggers which are out of date and would cost a reasonable amount to upgrade. She commented that the conservation staff gets excellent results by working with the customers directly. Therefore, the committee recommended not upgrading the data logger software.

The committee was informed that USBR should receive the final plans and specs on the emergency barge pump station next week. The USBR's technical service center is doing a thorough review and the results will be provided to the District.

The next committee meeting was scheduled for March 12, 2015 at 4:00 pm.

3. Personnel Committee (2/27/15)

Vice President Tobin informed the Board that the committee met for Closed Session regarding the General Manager evaluation. The Board will meet in Closed Session at the end of the meeting to discuss the General Manager's evaluation.

For information only; no action requested.

4. Engineering Committee (3/4/15)

Director Rich reported that the committee met on March 4, 2015, and discussed the following:

- WTP Improvements Proposal for Engineering Services (W)
- Antelope Pump-Back Booster Pump Station Draft Operations Plan (W)
- FO-40 Pipeline Phase II Rehabilitation Project (W/R)
- Other Engineering Matters (W & R)
- Public Comment (W & R)

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

WTP Improvements Proposal for Engineering Services (W)

The committee reviewed the WTP Flocculation/Sedimentation Basin Improvements project which will improve reliability and replace some aged

equipment. The committee discussed the project and the timeline, and reviewed the proposal from Kennedy/Jenks.

Vice President Tobin moved to approve entering into an agreement with Kennedy/Jenks Consultants for design of the WTP improvements for a not-to-exceed amount of \$452,000 with a total authorized design budget of \$498,000 which includes a 10% contingency. Director Walters seconded the motion and it carried unanimously.

Antelope Pump-Back Booster Pump Station Draft Operations Plan (W)

Staff presented the draft Wholesale Dry-Year and Emergency Operations Guidance Plan regarding the Antelope Pump-Back Booster Pump Station to the committee. The plan shows how the system would operate in the future.

For information only; no action needed

FO-40 Pipeline Phase II Rehabilitation Project (W/R)

Staff has begun work on the FO-40 Pipeline Phase II work plan that will confirm the project description, provide a schedule for the design and construction work, and update the project cost estimate. Staff will bring the work plan to the committee at the next meeting and then report to the wholesale customer agencies and address any concerns that they might have.

For information only; no action needed

Other Engineering Matters

The committee was informed that 7 bids were received for the 2015 Mains & Services Project for the retail service area. The project has been referred to the Finance Committee.

For information only; no action needed

5. Legal Affairs Committee (3/5/15)

Director Walters reported that the committee met on March 5, 2015, and discussed the following:

- Legislation to permit increase to number of members of SJWD Board of Directors (W)
- SJWD-W Responsibilities (W)
- Water Connections During Drought (R)
- Agreement Between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)
- Naming of new Lower Granite Bay Booster Pump Station (R)
- Other Legal Affairs Matters
- Public Comment

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

Legislation to permit increase to number of members of SJWD Board of Directors (W)

As directed by the 2x2 Water Management Ad Hoc Committee meeting, staff brought the discussion of special legislation to SJWD for discussion of possible legislative action due to the fact that the deadlines for introducing/modifying bills were quickly approaching. The committee discussed the topic and voiced concern regarding the timing of special legislation and the need to permanently increase the number of directors above the allowed five. Should the District move towards a merger with SSWD then there would be discussion pursuant to a larger board.

For information only; no action requested.

SJWD-W Responsibilities (W)

A request from FOWD to identify SJWD-W responsibilities as it pertains to supplying surface water versus groundwater was reviewed by the Water Supply & Reliability Committee. The Water Supply & Reliability Committee requested that the Legal Affairs Committee determine what current responsibilities and authorities SJWD-W already has to the wholesale customer agencies under the water supply agreements or other documents.

The Legal Affairs Committee received information from Legal Counsel which indicated that SJWD-W has broad authority (with no limitations) to purchase, sell, and transfer any type of water supply and that there is no distinction in the code regarding surface versus groundwater. In addition, the agreements provide for first priority of water supplies to existing wholesale customer agencies.

The Legal Affairs Committee referred this topic back to the Water Supply & Reliability Committee with the understanding that the Board has authority to manage water supplies pursuant to the information provided by Legal Counsel.

Water Connections During Drought (R)

The committee discussed the issue of allowing new water connections and withholding will serve letters during drought conditions. The committee will review this topic at a future meeting. President Costa commented that Mr. Gray mentioned at the committee meeting that FOWD allows connections if customers follow the existing rules.

For information only; no action requested.

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

Staff was still working on a response to the letter from CHWD and FOWD which was received by the Board at their last meeting.

Naming of new Lower Granite Bay Booster Pump Station (R)

There are some SJWD employees who have requested that the new Lower Granite Bay Booster Pump Station be named in honor of a former employee, Al Castellanos. As requested by the committee, a written request to the SJWD Board explaining their request and the reasons that the Board should consider naming the facility after this past employee was provided to the Board.

The Board discussed the request and whether there was a policy regarding naming facilities. The Board agreed that this should be placed on the next Board agenda.

For information only; no action requested.

Other Legal Affairs Matters (W/R)

For more information on this agenda item, please refer to the committee meeting minutes.

6. Finance Committee (3/10/15)

Director Costa reported that the committee met on March 10, 2015, and discussed the following:

- Review and Pay Bills (W/R)
- 2015 Mains and Services Improvements Project (R)
- Groundwater Pumping Reimbursement (W)
- Fiscal Year 2016 Budget Assumptions and Timeline (W & R)
- Finance Department Process Update (W & R)
- Other Financial Matters
- Public Comment

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

Review and Pay Bills (W/R)

Director Costa reported that the committee reviewed bills and claims in the amount of \$1,434,976.46 and found them to be in order. Payment for the Granite Bay Pump Station project (both upper and lower pump stations) in the amount of \$624,687.27 is included in the February payables.

Director Costa moved to approve Resolution 15-03. Vice President Tobin seconded the motion and it carried unanimously.

2015 Mains and Services Improvements Project (R)

A staff report will be attached to the committee meeting minutes, which explains the project.

Director Miller moved to award a construction contract to West Valley Construction for \$1,028,389 with an authorized construction budget of

\$1,131,300 which includes a 10% contingency. Vice President Tobin seconded the motion and it carried unanimously.

Groundwater Pumping Reimbursement (W)

Ms. Lorance informed the Board that there were no comments received regarding Mitch Dion's recommendations on the groundwater pumping reimbursement. The committee discussed the topic and voiced concern with the fact that the reimbursement request included five years of charges, and recommended that the full Board review the reimbursement request at a future Board meeting.

The Board discussed the review process, which included Mr. Dion analyzing the reimbursement request, discussing his recommendations with the wholesale customer agencies (WCAs), and review at the past Special Finance Committee meeting with a request for comments from the WCAs who were all present. In response to Director Rich's comment, Mr. Dion suggested that he follow-up with each WCA to assure that there are no further comments. Director Walters voiced concern with this process since all the meetings with agenda items regarding this topic have been publically noticed and if there are concerns or comments, then the public can address the Board or committee at that time.

President Costa requested Legal Counsel's opinion on whether the District can pass an ordinance regarding payment of late invoices and if an allotted time can be set before invoices are considered late and unpayable. Mr. Horowitz will research the item and bring information back to the Board.

In response to Director Miller's question, Ms. Lorance explained that the committee recommended that the full Board review the topic since it is important enough and a relatively large dollar amount that will affect the District. The presentation will be brought to the Board at the next meeting.

Mr. Tom Gray suggested that the WCAs meet and come to a consensus. Director Walters suggested that instead, prior to the next Board meeting, if anyone wants to meet with Mr. Dion that they contact him directly.

For information only; no action requested.

Fiscal Year 2016 Budget Assumptions and Timeline (W & R)

Ms. Motonaga reviewed the *Fiscal Year 2016 Budget Assumptions and Timeline* with the committee and will be presenting the information under the Finance and Administrative Services Manager's Report.

Finance Department Process Update (W & R)

Ms. Lorance reviewed the *Finance Department Process Update* with the committee which she reported on under Presentations.

Other Finance Matters (W/R)

There were no other matters discussed.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply Update

Ms. Lorance reported Folsom Reservoir is at 570 TAF which is slightly above average for this time of year. It is expected that the water level will start to decline unless there is significant precipitation. Therefore, the peak, which is hit normally in June, will be hit in March.

For information, no action requested

1.2 Water Forum

President Costa appointed Marty Hanneman as SJWD's representative to the Water Forum plenary sessions, which requires Board approval.

President Costa moved to appoint Marty Hanneman as SJWD representative to the Water Forum plenary sessions and authorize a \$75 stipend per meeting to cover expenses. Director Walters seconded the motion and it carried unanimously.

1.3 Report Back Items

There were no items discussed.

1.4 Miscellaneous District Issues and Correspondence

Ms. Lorance reported that Mr. Tom Gray sent an email regarding adopting a San Juan User's Group. She mentioned that the Executive Committee was changed to an ad hoc committee with the intent to meet when needed. In addition, she commented that most of the items which Mr. Gray mentioned in the email are already being worked on in different venues. She commented that anyone can form a user's group; however, she does not expect San Juan staff to attend.

President Costa directed Ms. Lorance to revise the response letter to CHWD and FOWD as suggested and sign the letter for him.

Ms. Lorance reported that updated CVP water rates were received from the Bureau. Although the District is not using CVP water this year, the rates are being raised significantly due to the reduced allocations and a large surcharge will be added. The Warren Act contract rates, which is for the cost of PCWA water that is transferred through the Bureau facilities, are increasing from \$12 AF to \$16 AF. Ms. Motonaga will include the CVP cost increases for comparison purposes.

Ms. Lorance reported that the District received a complimentary letter which mentioned the excellent customer service of Mr. Darren Van Dusen in conservation.

For information, no action requested

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. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Report Back Items

Ms. Motonaga conducted a presentation on the Fiscal Year 2015-2016 Budget. A copy of the presentation will be attached to the meeting minutes. She explained that the timeline is very short in order to get the budgets approved by the end of this fiscal year. In addition, she explained that she will be looking for Board consensus on certain items as the budget process moves forward. She requested that any comments or questions regarding the budget be communicated to her as early as possible during the budget process.

She reviewed the Legal Requirements, the Budget Development Process Timeline, FY 2015-16 Budget Related Items, Budget Assumptions District-wide and for wholesale and retail individually, the COLA History, and Water Production since 2007 and projections into 2016 for both wholesale and retail individually.

At the request of Vice President Tobin, Ms. Motonaga will prepare a high level comparison on revenue and water expenses regarding both a normal and a drought based budget.

President Costa voiced concern that the existing District funds have not been discussed and therefore how can a budget be prepared without that knowledge. Ms. Motonaga explained that this year the budget will be developed from a bottom-up perspective. Staff is reviewing all expenses in detail and are working with Ms. Motonaga to develop a very comprehensive budget. In addition, the budget will include assumptions based on improvements or adjustments which are suggested from the departments.

For information, no action requested

3.2. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz commented that drought messaging and drought rates are a big issue for many agencies in the water community. He reminded the Board that the District has a drought rate in place that allows the District to impose the rate if needed without any Prop. 218 notice.

Mr. Horowitz reported that the SWRCB is meeting on March 17th and they have posted draft amended water conservation regulations. The Board will receive information once the outcome of the meeting is finalized.

Mr. Horowitz reported that the Board will go into Closed Session at the end of the meeting to discuss the General Manager evaluation and discuss water issues.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin will bring back Groundwater Management Plan booklets for the Board.

5.2 RWA

Vice President Tobin reported that RWA meets March 12, 2015, and Ms. Lorance will attend in her place.

5.3 ACWA

5.4.1 Local/Federal Government/Region 4 - Pam Tobin

Vice President Tobin will attend the ACWA Federal Affairs meeting on March 12, 2015.

Vice President Tobin reported that she attended the ACWA legislative conference in Washington, DC. She explained that there were four groups – water solutions group, water management group, water supply group, and water infrastructure group. The groups met with various representatives.

5.4.2 Energy Committee - Ted Costa

The next meeting is in April; however, there is a small hydro workshop on March 19th.

5.4.3 JPIA - Bob Walters

No report.

5.4 CVP Water Users Association

President Costa reported that there is a meeting set for April.

5.5 Other Reports and Comments

Ms. Sandy Harris inquired what has happened with the Water Bond funds that were approved in the general elections last November. Ms. Lorance responded that it takes at least a year to process before selling the bonds. Ms. Lorance commented that Sites Reservoir and Temperance Reservoir are being pushed for funds in order to add more surface storage. The California Water Commission is in charge of allocating the funding.

Ms. Mary Lynn Scherrer commented that she belongs to a horse club and would like to know what category the arena falls under – residential or commercial rates. Ms. Lorance will have customer service contact her regarding the horse arena.

VI. UPCOMING EVENTS

1. 2015 Water Education Foundation – Executive Briefing
March 25, 2015
Sacramento, CA
2. 2015 ACWA Spring Conference
May 5-8, 2015
Sacramento, CA
3. 2015 AWWA Annual Conference & Exposition
June 7-10, 2015
Anaheim, CA

President Costa called for Closed Session at 9:10 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
2. General Manager's performance evaluation, and conference with negotiating committee involving compensation of General Manager, under Government Code sections 54954.5(e) and 54954.5(f), 64947 and 54957.6.

President Costa returned to Open Session at 11:06 pm.

VIII. OPEN SESSION

There was no reported action during closed session.

Motion/Second for the General Manager to be paid an incentive award of five percent of base pay and a COLA adjustment to her base pay in July consistent with any COLA awarded to other District employees. The motion was approved by a unanimous vote of all directors.

IX. ADJOURN

The meeting was adjourned at 11:07 p.m.

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

ATTEST:

TERI HART, Board Secretary

Finance Department Process Update

Shauna Lorance
General Manager
March 11, 2015

Where Were We? (1/4)

- When I Started Here – 1996
 - All accounting done on ledgers
 - Some of data was input into computer
 - Computer was formatted to match ledger process
 - Computer was not trusted
- New Management in Finance
 - Computers now trusted
 - Paper records were replaced with digital records
 - Information input into Solomon

Where Were We? (2/4)

- Fast Forward to Nov 14, 2012
 - New finance system approved for purchase
 - Intent to update finance processes
 - Not follow processes used in written records
 - Develop system that utilizes benefits of electronic capabilities
- Where did 2013 go?
 - Unsuccessfully trying to stay on top of day to day activities
 - Requested an additional finance position

Where Were We? (3/4)

- December 16, 2013
 - Hired Finance and Administrative Analyst
 - 1 ½ finance positions in wholesale
 - 1 ½ finance positions in retail
- January 2014
 - Tyler being set up to match Solomon processes
 - Time constraints limiting change
- Need overhaul change, not cosmetic change
 - Not willing to continue with existing processes
 - Need to proceed as if developing a new organization
 - Informed desired process changes would take **2 YEARS**
 - One year into process

Where Were We? (4/4)

- May 7 Accountant position out on medical leave
- Temporary in accountant position
- October 8 Accountant retired
- Temporary employee understood Solomon and Tyler so full time replacement delayed
- 2 fulltime temporary positions on board

Where are We Now? (1/3)

- Tyler finance module is live
 - Still working on issues from 2014 Solomon
 - Audit identifying additional fixes in Solomon
 - Audit identifying improved controls necessary
 - Transitions into revisions/reconciliations in Tyler
- No 2015 data is being input into Solomon
- All finance and budget being implemented in Tyler

Where are We Now? (2/3)

- Payroll has been transitioned to Tyler
- Dual payroll systems run for 2 payroll cycles in December
- 2015 entirely in Tyler

Where are We Now? (3/3)

- Accountant position starts March 23, 2015
- CAFR report -Kathy Kitchell
- Entirely new finance processes developed
- Process manuals being developed
- Purchasing controls implemented
- 2016 budget process will use Tyler

Where are We Going? (1/3)

- Accounts Receivable module Live early summer
 - Finance bills and receives payments from WCA, shared projects, etc.
- Specialized reporting for reserve balances being developed – summer
- Comptrollers reporting module – late summer
- CAFR module – late summer

Where are We Going? (2/3)

- Manager access to view financial data – fall
- Continuing monitoring by GM on weekly basis
- Reconciliations
 - Adjust and corrected entries require updating FY 2013-14 reconciliations
 - Updated reconciliation information in Solomon input in Tyler
 - FY 2014-15 all accounts need to be reconciled for all months
- Maintain temporary staffing until regular positions identified and filled

Where are We Going? (3/3)

- Completing other tasks concurrently
 - Bond Reporting (Project and Annual)
 - Budget FY 2015-2016
 - OPEB, CERBT and GASB 43/45 ARC (Retirement) Reporting Requirements (annual)
 - FY 2015 Audit (Starts May 2015 – Sept 2015)
 - GL Clean up
 - Fixed Asset Allocation Corrections
 - Project expenses vs Capital and Billable Projects

Finance and Accounting Manager

- Finance and Accounting Manager
 - Identify role – strategic
 - Hire for strategic role
 - Outcome of merger discussions important to applicants (stability of position)
 - Discuss staffing levels at workshop meeting
- Begin recruitment process in May
 - Advertise in May (After workshop and joint board meeting on merger)
 - Applications due in June
 - Interview in June/July
 - First day at District in August/September

Summary

- One year into TWO YEAR process
- One more year left
- Tyler is now our accounting system
- Additional modules to be implemented through fall
- Audit identifying necessary changes
- FASM –role definition causing difficulty in hiring – clarifying role at workshop

**2x2 Water Management Ad Hoc Committee Meeting Notes
San Juan Water District
February 5, 2015
1:00 p.m.**

Call to Order

Director Costa called the meeting to order at 1:00 p.m.

Roll Call

Committee Members: Ted Costa, SJWD Director
Bob Walters, SJWD Director
Neil Schild, SSWD Director
Kevin Thomas, SSWD Director

Staff Present: Keith Durkin, SJWD Assistant General Manager
Rob Roscoe, SSWD General Manager
Teri Hart, Board Secretary/Administrative Assistant

Public Present: Bob Matteoli
Paul Stanbrough
John O'Farrell, Consultant
Al Dains, Citrus Heights Water District (CHWD)
Bob Churchill, CHWD
Lynette Mareno, Carmichael Water District
Debra Sedwick, Del Paso Manor Water District (DPMWD)
Jim Crowley, JCG
Michelle Smira-Brattmiller, MMS Strategies
Marilyn Wright, MMS Strategies
Mike Schaefer, Orange Vale Water Company (OVWC)
Sharon Wilcox, OVWC
Joe Duran, OVWC
Pam Tobin, San Juan Water District (SJWD)
Ken Miller, SJWD
Kate Motonaga, SJWD
Jason Mayorga, SJWD
Dan Bills, SSWD
Dan York, SSWD
Bill Eubanks, SSWD Ratepayer
Greg Young, Tully & Young

Director Schild inquired if there was a legal reason that the meetings are recorded and how long are the recordings kept. Mr. Roscoe responded that the meetings are ad hoc committee meetings; however, the committee requested that staff publicize the meetings and provide meeting notes. Teri Hart stated this meeting is being recorded.

In addition, Mr. Durkin added that the recording is used to assist the Board Secretary in preparing the meeting notes and are erased after 30 days or until the notes are approved, whichever is later.

Director Costa announced that there were a couple of directors in the audience, from SJWD, who were attending the meeting as members of the public only; they would not be participating.

Public Comment

There were no public comments.

Items for Discussion and Action

1. Approve Notes of December 18, 2014 Committee Meeting

SSWD Director Thomas moved to approve the meeting notes of the December 18, 2014, committee meeting. SJWD Director Walters seconded the motion and it carried with 3 Aye votes and 1 No vote (Schild).

Director Schild commented that he had requested release of the survey so that he could make comments on the survey and he was told that the survey would be released for the director's information only and not for edits. Mr. Roscoe commented that, after Director Schild's conversation with MMS, he reviewed the audio recording and confirmed that the notes accurately reflected the committee meeting discussions. Mr. Roscoe commented that the committee's direction at the last 2x2 meeting was that the survey questions would be released to the directors and other parties 24 hours prior to the survey for informational purposes. Director Schild voiced concern that the general public does not know what is happening.

2. Discuss Policy Items

Mr. Durkin informed the committee that a staff report was provided in the meeting packet. A copy will be attached to the meeting notes. The staff report provides some background on the status of the Phase 2A evaluation and identifies some policy decisions which will need to be reviewed prior to continuing onto Phase 2B and during the Phase 2B process.

Mr. John O'Farrell informed the committee that a consensus on the policy items was not needed until a later date. He reviewed the policy items with the committee and noted that during Phase 1 it was recommended that the successor agency be San Juan Suburban Community Services District in order to not jeopardize the pre-1914 water rights. He explained that some policy items will need to be agreed upon before moving into Phase 2B and other policy items will need to be given direction at various points throughout the Phase 2B process.

In response to Director Shield's question, Mr. Bills responded that all of the comments that have been received to date have been incorporated into the current version of the draft report. Mr. Bills indicated that the draft report should be released at the next committee meeting.

In response to Director Costa and Director Schild's comments, Mr. O'Farrell responded that if the Joint Boards decide to move forward as a community services district then special legislation will be requested to increase the size of the future Board of Directors to the appropriate number. Mr. Roscoe commented that there is concern with submitting special legislation this year due to legislative calendar dates. In response to Director Walters' question, Mr. Durkin responded that the special legislation should be worded so that the maximum number of Board Directors is indicated and then the Board can reduce the amount.

Director Schild voiced concern that he was not informed of the meetings that the consultant was setting up in order for him to decide whether or not he would like to attend the meeting. Mr. O'Farrell explained that the Executive Team and consultant were empowered by the committee to schedule and attend meetings with elected officials and representatives; however, the directors are welcome to attend. Mr. Roscoe informed the committee that approximately 50-60 meetings have been held with elected officials and other stakeholders in order to inform them of the process that the agencies are considering. Mr. Roscoe commented that if more calendars need to be considered when scheduling these meetings, then the process will take much longer.

After discussion, the committee directed staff to review the policy items and develop recommendations to provide for discussion and approval at the next Joint Board meeting.

3. Discuss Meetings Held To-Date and Results

Mr. O'Farrell reviewed the list of meetings that have been held to date or are scheduled in February. In addition, he reviewed the principle issues and concerns that have been conveyed during the stakeholder outreach. He noted that the phone survey was completed and the results will be brought to the next committee meeting. A copy of the staff report will be attached to the meeting minutes.

Director Schild voiced concern that SJWD's water rights have not been analyzed. He commented that the Joint Boards agreed to hire a mutual solicitor or attorney to review the existing water rights. In addition, he mentioned that the water rights summary produced by Attorney Paul Bartkiewicz indicated that the pre-1914 water rights that San Juan Water District holds is a settlement contract. Director Costa commented that the water rights information was provided at the beginning of discussions between the two agencies. Mr. Durkin commented that both the Joint Boards and the committee specifically did not want to hire a mutual attorney and the direction was to have each agency hire separate counsel at the appropriate

time, with no conflict of interest, so that each agency's interest is protected by its own legal counsel.

Director Costa commented that beneficial use of the water rights needs to be reviewed and determined. Director Walters commented that beneficial use is on the table and the committee needs to finish the process for Phase 2A with review of the draft report. Mr. O'Farrell commented that the final administrative draft of the Phase 2A report needs to be completed and distributed, begin a 30-day public review period on the report, develop an addendum to the report with the comments and responses, include the separate document regarding water rights from BKS, then set another committee meeting with the intent to make a recommendation to the Joint Boards regarding Phase 2B.

4. Financial Summary of Phase 2A Project To-Date

SSWD Director Thomas moved to approve amending the contract with John O'Farrell & Associates in the amount of \$8,500. SJWD Director Walters seconded the motion and it carried with 3 Aye votes and 1 No vote (Schild).

The committee discussed the request for an increase in the budget. Mr. Roscoe explained that the consultant met with more stakeholders than originally anticipated in order to address the Joint Board's concerns for making sure that this is a very public process. Mr. Durkin added that more information has been incorporated into the Phase 2A report than originally anticipated based on refined direction from the Directors of both agencies.

5. Discuss Upcoming Tasks and Meetings

Mr. Roscoe informed the committee that a public draft of the report is expected by the end of the month which will be reviewed at the next committee meeting. There will be a 30-day public review period which will start after the committee reviews the draft report. In addition, the results of the phone survey should be presented at the next committee meeting.

The Joint Board will meet after the 30-day public review period to review the final administrative draft for consideration of a decision to proceed to Phase 2B or end discussions.

Director Schild voiced concern regarding the wording in the MMS agreement. Mr. Roscoe explained that the agreement was reviewed by the Joint Board at the last meeting and staff was given authority to execute the contract and proceed with the survey.

Mr. Bob Churchill commented that Director Costa's concern for use of the water supply is valid and keeping the water supply in the region is a valid point. Mr. Churchill voiced concern on how the water is delivered and the cost to rate payers. In addition, he is concerned with maintaining SJWD-Wholesale's assets, assurances on water supplies,

and price advantages to the existing wholesale customer agencies using the pre-1914 water rights.

Mr. Tom Gray thanked the committee regarding agenda item 2 wherein it addresses the assurances of wholesale water customer agencies on pre-1914 water rights reliability and cost benefits, which is a top concern to FOWD. He requested that the policy item be moved prior to entering into Phase 2B or the LAFCo process. In addition, he requested a business analysis regarding the need to retain the water rights versus putting everything at risk.

Mr. Ken Miller commented that the committee might want to consider presenting a brief overview at the next meeting regarding how the committee began, what prompted the discussions, what has happened, and where the agencies are today. Director Costa requested staff to add that item to the next meeting agenda.

In response to Mr. Bill Eubanks' question, Mr. Roscoe explained that the State Water Resources Control Board (SWRCB) determines if water is put to beneficial use. Mr. Eubanks suggested that the agencies ask the SWRCB or whoever if the merger would satisfy the beneficial use requirement. Director Schild commented that the USBR makes the determination. Director Costa suggested that this be determined.

The meeting was adjourned at 2:25 p.m.

STAFF REPORT

To: 2X2 Water Management Ad Hoc Committee

From: Shauna Lorange, GM SJWD
Rob Roscoe, GM SSWD

Date: February 5, 2015

Subject: Policy Items

RECOMMENDED ACTION

This item is provided for information. Action is not requested at this time.

BACKGROUND

After the SJWD and SSWD Boards of Directors (Boards) receive the draft Phase 2A report that is ready for public comment, the comment period ends, and responses to comments have been received, both Boards will receive the final version of the Phase 2A report. At that time, the Boards will be determining whether or not to proceed to Phase 2B. If the majority of both Boards individually elect to proceed to Phase 2B, both Boards will need to make some additional policy decisions. These policy decisions are provided in this staff report to provide notice that such decisions are still remaining, but are decisions that will not be made unless or until the Boards elect to proceed with merging the two Districts. However, staff desires to receive Committee input at this time while the Phase 2A report is still in process of completion.

CURRENT STATUS

The Phase 2A report was designed to provide additional information, such as validating the Phase 1 findings, identifying "fatal flaws", if any, and further analyzing the benefits and risks of merging (reorganization), sufficient to allow the two Boards to make the decision on whether or not to continue to proceed with potentially merging (reorganizing) the two Districts by moving to a Phase 2B process that would include providing a recommendation to LAFCo and beginning the LAFCo approval process.

As Phase 2A winds down and if a decision is made to proceed with Phase 2B, the following policy questions must be answered:

1. Continuing the Process and beginning Phase 2B

Phase 2B is defined as completing the steps necessary to apply to LAFCO to reorganize the two districts into one single District.

- a. Should the two Boards of Directors proceed and initiate Phase 2B?
 - i. If no, stop. The evaluation is over.
 - ii. If yes, Boards separately adopt similarly worded resolutions and proceed to item 2.

2. Scope of Work and Budget for Phase 2B Process

The level of detail researched and discussed, and the decisions made, in Phase 2B will be determined based on the amount of information the Boards determine should be decided in advance by the two Boards versus the decisions to be made by the new Board of Directors. The balance will be to make enough decisions that both Boards are comfortable with the decisions, but to retain enough flexibility for the new Board of Directors to identify the most effective and efficient way to run the new organization.

The level of detail determined to be appropriate will drive the scope of work and budget for the Phase 2B process. The Boards will decide whether to set the scope of work at the level to provide the necessary information to meet the requirements of LAFCO, or to develop exceedingly detailed information with a very detailed scope of work and detailed management of every step of the process. The budget necessary for the project will depend on the detail requested for the Phase 2B process.

- a. Do the Boards wish to have legal counsel for Phase 2B?
- b. Do the Boards desire to meet the requirements of LAFCO and let the future Board of Directors make the decision on details?
 - i. If yes, then develop scope and associated budget
 - ii. If no, staff will develop a more detailed decisions tree for the new Board of Directors to utilize as an inaugural level of detail to develop associated budgets.

3. Successor Agency

Which agency should be the successor agency? At this time, the agencies have been discussing reorganizing SSWD as a part of SJWD.

- a. Do the agencies desire to reorganize into one agency?
 - i. If yes, proceed below.
 - ii. If no, there needs to be further discussion on how a merger would proceed.
- b. Do the Boards of Directors desire to maintain SJWD as the successor agency?
 - i. If yes, go to number 4.
 - ii. If no, continue
- c. Do the Boards of Directors desire to maintain SSWD as the successor agency?
 - i. If yes, go to number 4.

- ii. If no, determine approach and consider additional study on that approach.

4. Directors of the new Board of Directors

How should the Directors of the new board be elected?

- a. Should the Directors be elected at large, by division or residing in a division?
 - i. If yes, go to number 5
 - ii. If no, continue
- b. Should the directors be elected by division, residing in that division?
 - i. If yes, go to number 5
 - ii. If no, what?

5. Number of Directors on the new Board

How many directors should ultimately be on the Board of Directors?*

- a. 5
- b. 7
- c. 9
- d. 11
- e. ?

(* Note: For more than 5 directors, special legislation required if a Community Services District is the selected successor structure.)

6. Transitional Board of Directors

The makeup of the transitional Board is the initial Boards of the pre-existing districts.

- a. Should the transitional Board of Directors comprise all ten of the existing Directors?
 - i. If no, identify how the transitional Board should be determined.

The following policy questions will need to be considered as additional information is developed and will be provided to the committee and Boards of Directors for policy direction at various points throughout the Phase 2B process.

- 1. Human resource principles for employees
 - a. Organizational chart
 - b. Transition to one salary schedule
 - c. Benefits
 - d. Application of PERS retirement rules and PEPRA
- 2. Principles on water resources
 - a. Identification of cost structure
 - b. Assurances to wholesale customer agencies on pre-1914 water rights reliability and cost benefits
 - c. Assurances to SSWD on reliability and cost benefits of existing groundwater resources

3. Financial
 - a. Both districts current bond covenants require maintaining separately the books of each predecessor district until such time as the bonds can be refinanced or retired. At this point the earliest feasible refinancing period is 2019 to 2022.
 - b. Because of "a." above, rates will remain separate for customers in the current service areas of each district until – 1) all pre-merger debt is refinanced into the name of the new district, 2) reserve amounts of the predecessor districts are fully utilized in the pre-existing service areas, 3) and infrastructure and other district-specific pre-merger costs can be appropriately charged to customers in pre-existing service areas.
 - c. Revenues and Costs solely attributable to the new district can be identified and equitably charged to the new district customers.
4. Terms and conditions for LAFCo application other than those noted above, e.g. effective date
5. Selection of General Manager

STAFF REPORT

To: 2X2 Ad Hoc Water Management Committee

From: Shauna Lorance, General Manager SJWD
Robert S. Roscoe, General Manager SSWD
Michelle Smira-Brattmiller, MMS Strategies
Marilyn Wright, MMS Strategies
John O'Farrell, Consultant

Date: January 30, 2015

Subject: Meetings Held To-Date and Results

RECOMMENDED ACTION

Information Only.

BACKGROUND

When both John O'Farrell & Associates and MMS Strategies were brought on to assist with the Phase 2A Study and Process, one of the primary tasks of each firm was to perform outreach, advocacy and hold stakeholders meetings. To date much of the outreach function has been completed as detailed more fully below. The primary outreach remaining to be performed is customer outreach. Other than the telephone survey that has been completed, the scope and budget for significant customer outreach was to be determined by the Joint Boards of Directors as part of the Phase 2B Process, should the Boards decide to continue with Phase 2B.

Stakeholder Meetings held to date and those planned for early February include:

Internal:

1. SSWD Board of Directors, all, former and new.
2. SJWD Board of Directors, all, former and new.
3. 2x2 Ad Hoc Water Management Committee, Separate meetings with each Director (4 meetings)
4. San Juan Wholesale Customer Agencies—Citrus Heights, Fair Oaks, Orange Vale, and Folsom City Council and staff.

External:

December 2014

Meetings

- ✓ Placer County Supervisor Kirk Uhler
- ✓ Roseville Council member Susan Rohan
- ✓ Roseville Utilities Director Ed Kriz
- ✓ Roseville Council Member Carol Garcia
- ✓ Roseville Council Member Bonnie Gore
- ✓ Sacramento County Supervisor Susan Peters
- ✓ Sacramento Metro Fire Chief
- ✓ City of Citrus Heights Mayor Sue Frost
- ✓ Citrus Heights Council Member Jeff Slowey
- ✓ Citrus Heights City Manager Henry Tingle
- ✓ Citrus Heights General Services Director David Wheaton
- ✓ Citrus Heights Principal Senior Engineer Chris Fallbeck
- ✓ Folsom Council Member Jeff Starsky
- ✓ Folsom Council Member Steve Miklos
- ✓ Folsom City Manager Evert Palmer
- ✓ Placer County CAO David Boesch
- ✓ Citrus Heights Chamber CEO (has since resigned)

January 2015

Meetings

- ✓ Sacramento Supervisor Patrick Kennedy
- ✓ Sacramento Supervisor Roberta MacGlashan
- ✓ Roseville Council Member Tim Herman
- ✓ Roseville Council Member Pauline Roccucci
- ✓ Roseville City Manager Ray Kerridge
- ✓ Citrus Heights Council Member Mel Turner
- ✓ Folsom Mayor Andy Morin
- ✓ Folsom City Council Presentation
- ✓ Metro Chamber
- ✓ Roseville Chamber CEO Wendy Gerig
- ✓ Folsom Chamber Government Affairs Cmte Presentation
- ✓ Folsom Chamber President Russ Davis
- ✓ Carmichael Water District
- ✓ Sacramento County Water Agency
- ✓ City of Sacramento
- ✓ RWA
- ✓ SGA
- ✓ PCWA

February 2015

Meetings

- ✓ Senator Richard Pan
- ✓ Senator Ted Gaines

- ✓ Assembly Member Ken Cooley
- ✓ Assembly Member Beth Gaines

Public Outreach

- ✓ Granite Bay MAC
- ✓ Supervisor Peters Coffee Meeting
- ✓ North State BIA
- ✓ Citrus Heights Chamber

Principle Issues and Concerns:

(Please note all comments, concerns, suggestions from such meetings/interviews are noted in the Draft Phase 2A report. Although the report is still in process of completion, directors may refer to Section 2, pages 25 through 34, of the Draft Phase 2A report provided at the last Joint Board Meeting (December 16, 2014.)

A summary of the comments and concerns noted thus far are:

1. Water Rates/Debt/Reserves:
 - a. Are they separate or blended?
 - b. Infrastructure needs on either side – how will they be paid for?
2. Governance:
 - a. How many board members?
 - b. How are they to be elected? At large, by division?
3. Customer Service – access:
 - a. How?
 - b. Where will customers pay their bills? Ask questions? Start/Stop service?
 - c. Board meeting venues?
4. Water Assortment/Cost:
 - a. How will SSWD customers be impacted if water is pumped to SJWD customers – primary concern is water availability?
 - b. How will SJWD customers be impacted if water is wheeled to SSWD customers – water availability?
 - c. Effect on water rights? Contractual rights? Will reorganization change the cost of water or assurance that water will be available to existing retail – wholesale customers?
 - d. Water quality/pressure concerns?

5. Water Rights/Contracts:
 - a. Will merger affect existing water rights/contracts of Folsom, Roseville or Carmichael Water District?
 - b. Will the merger jeopardize water rights if SJWD used water from SSWD?

6. Employees:
 - a. No concerns voiced yet, but HR principles will need to be developed to address employees' issues.

7. Adjacent Agencies:
 - a. Is this merger a preview of bigger things to come? Hostile take-over or forced merger concerns, etc.?

AGENDA ITEM IV-2 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District February 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
Judy Johnson, Customer Service Manager
Vicki Sacksteder, Water Resources Analyst
Teri Hart, Administrative Assistant/Board Secretary

Members of the Public: Dave Kane, Citrus Heights Water District
Tom Gray, Fair Oaks Water District
Joe Duran, Orange Vale Water Company
Tony Barela, SJWD

Topics: Water Supply Status (W & R)
SJWD-W Statement of Responsibility (W)
Water Allowances (W)
Revised Conservation Stages 3-5 (R)
Triggers for Changing Conservation Stage Declarations (R)
Other Matters
Public Comment

1. Water Supply Status (W & R)

Ms. Lorance commented that Folsom Reservoir is currently at 550 TAF of water storage, which is about average for this time of year. She explained that the concern is related to the lack of snowpack in the Sierras. She explained that with no snow, the expectation is the 550 TAF will be the peak for the season. The lake will be losing water starting in March this year, whereas it started losing water in May last year.

Ms. Lorance informed the committee that in mid to late March there should be a better indication of the water supply status as we will have a better idea of the potential for rain this spring. In addition, she commented that the current Stage 3 conservation status is appropriate until we have a better forecast for water conditions this year.

Ms. Durkin commented that the Bureau implemented a reduction in the outflow from 900 cfs to 800 cfs, which is the lowest under the current flow management standard. Mr. Durkin commented that storage conservation and maintaining a cold water pool are very high on the Bureau's priority list.

Director Walters commented that the perception from the volunteer Drought Committee when they saw the Folsom Reservoir water level graph was that water

supplies were okay. He commented that the same reaction would probably be received from the general public. Ms. Lorance commented that the Public Information Committee should discuss this topic to combat potential water use increases.

The committee discussed will serve letters and new connections during drought conditions. Ms. Lorance commented that whether or not to allow new connections or provide will serve letters is a policy discussion for the Board of Directors. She suggested referring this issue to legal affairs to identify the legal constraints related to this topic.

In response to Director Walters' request, Ms. Lorance will have Ms. Sacksteder locate the Sacramento Bee article discussing water supply for the future regarding 30% growth versus 20% water conservation. The committee referred discussion of the article to the Public Information Committee.

Ms. Lorance stated that a joint board meeting or workshop should be scheduled with the wholesale customer agencies at the end of March to discuss water supply needs and planning.

For information only; no action requested.

2. SJWD-W Statement of Responsibility (W)

Ms. Lorance informed the committee that they discussed the SJWD-W Statement of Responsibility and Water Allowances at the last committee meeting. She explained that there are differing opinions on whether SJWD-W should be involved with securing the highest water supply reliability by including groundwater and other water supplies, or if SJWD-W should focus only on surface water supplies.

The committee discussed the development of a SJWD-W Statement of Responsibility. Director Walters suggested that the Legal Affairs Committee review whether or not there are already existing documents which outline SJWD-W's overall responsibilities. Ms. Lorance will inform Legal Counsel of the request prior to the next Legal Affairs Committee meeting.

Mr. Tom Gray commented that it is FOWD's belief that SJWD-W's current responsibility is reliable surface water. He added that FOWD's responsibility is to develop water supply reliability to its service area. Director Walters requested that the FOWD position is submitted in writing.

The Water Supply & Reliability Committee referred this topic to the Legal Affairs Committee.

3. Water Allowances (W)

Ms. Lorance informed the committee that there was a request for SJWD-W to consider water allowances for the wholesale customer agencies (WCAs). She commented that the WCAs view this as a way to give them some assurances that

water would be reserved for them to utilize and that SJWD-W would not commit the water elsewhere.

Ms. Lorange commented that, at the last Board meeting, it was discussed that there are already assurances in the wholesale water supply agreements and the Directors were not sure if there would be a benefit to set allowances. Mr. Durkin commented that Legal Counsel recently provided an analysis on the District's water rights and contracts which indicates a legal obligation to provide water to the existing WCAs first before providing water elsewhere.

The committee discussed water allowances and water rights. The committee would like to wait until the Legal Affairs Committee reviews the SJWD-W Statement of Responsibility before they consider a recommendation on water allowances.

For information only; no action requested.

4. Revised Conservation Stages 3-5 (R)

Ms. Lorange informed the committee that the volunteer Drought Committee made some revisions to the conservation stages 3-5 for review and consideration by the committee. The revisions were provided to the committee at the last meeting. She informed the committee that the volunteer Drought Committee would like to present the information at the March 11th Board meeting.

In response to Director Rich's question, Ms. Sacksteder responded that the water stages and restrictions vary throughout the region; however, the region is working with SACOG and RWA to develop over-arching stages that are consistent throughout the region. The committee discussed Stage 5 and new connections.

For information only; no action requested.

5. Triggers for Changing Conservation Stage Declarations (R)

Ms. Lorange informed the committee that the volunteer Drought Committee reviewed the conservation stages 3-5 in order to work on the triggers for increasing and decreasing conservation stage declarations.

For information only; no action requested.

6. Other Matters

Ms. Sacksteder reported that the two major projects that the volunteer Drought Committee worked on were the conservation stages and associated triggers. She explained that both projects will be included in the Urban Water Management Plan under a contingency plan for drought response.

Director Walters commented that when he created the Drought Committee there was no intention that it would replace policy formation which comes through the Water Supply & Reliability Committee to the Board of Directors. Director Walters

suggested that the volunteer Drought Committee make their presentation at the March 11th Board meeting for information then the committee review the topic at their next meeting in order to provide a recommendation to the Board.

Mr. Durkin informed the committee that the Engineering Committee referred an item to this committee based on information that Director Ken Miller received from some customers who had questions regarding their water meters. The customers' concerns pertained to potentially inaccurate water meters showing customer use at a higher amount than they are actually using. Mr. Durkin explained that meters usually show less water usage as they begin to wear.

Mr. Durkin commented that there is a process which includes conservation staff evaluating water use with the customer to determine their actual water usage and whether or not the meter needs to be replaced. In addition, the District has a data logger that could be installed at the customer's water meter location. However, the District's data logger has not been used in several years because the software would need to be upgraded. Ms. Johnson commented that the water audit usually solves the problem with customer water usage.

Mr. Durkin requested that any complaints or questions regarding water usage be directed to the District's conservation department. The committee discussed the issue and recommends not upgrading the data logger software and possibly selling the data loggers.

Mr. Durkin informed the committee that he attended a meeting with the USBR. The contractor retained to develop a design and construct an emergency barge pump station provided the final submittal to the USBR. He commented that USBR's technical service center is doing a thorough review and the results will be provided to the District.

6.1 **Next Meeting Date**

The next committee meeting was scheduled for March 12, 2015 at 4:00 pm.

7. Public Comment

There was no public comment.

The meeting adjourned at 5:30 pm.

**Personnel Committee Meeting
San Juan Water District
February 27, 2015
3:30 p.m.**

Committee Members: Pam Tobin, Chair
Bob Walters, Director (Alternate)

District Staff: Shauna Lorance, General Manager
Teri Hart, Board Secretary/Administrative Assistant

Members of the Public: Kim Silvers, Silvers HR

Topics: Public Comment
Other Personnel Matters
Closed Session
Open Session

1. Public Comment (W/R)

There was no public comment.

2. Other Personnel Matters

There were no other matters discussed.

Director Tobin called for closed session at 3:32 pm. Ms. Lorance and Ms. Hart excused themselves from the Closed Session.

3. Closed Session

General Manager's performance evaluation, and conference with negotiating committee involving compensation of General Manager, under Government Code sections 54954.5(e) and 54954.5(f), 64947 and 54957.6.

4. Open Session

There was no report from the closed session

The meeting was adjourned at 4:50 p.m.

**Engineering Committee Meeting Minutes
San Juan Water District
March 4, 2015
3:30 p.m.**

Committee Members: Dan Rich, Chair
Ken Miller, Director

District Staff: Keith Durkin, Assistant General Manager
Rob Watson, Engineering Services Manager
Tony Barela, Operations Manager
Teri Hart, Board Secretary/Administrative Assistant

Members of the Public: Tom Gray, Fair Oaks Water District

Topics: WTP Improvements Proposal for Engineering Services (W)
Antelope Pump-Back Booster Pump Station Draft Operations Plan (W)
FO-40 Pipeline Phase II Rehabilitation Project (W/R)
Other Engineering Matters (W & R)
Public Comment (W & R)

1. WTP Improvements Proposal for Engineering Services (W)

Mr. Durkin reviewed project background information from the last committee meeting and the direction that staff should request a sole source proposal from Kennedy/Jenks Consultants for the design work on the WTP Flocculation/Sedimentation Basin Improvements project. Staff received a proposal and negotiated the final scope and budget to meet the District's project requirements. A copy of the final proposal will be attached to the committee minutes.

The committee discussed the project and the timeline, and reviewed the proposal from Kennedy/Jenks.

The Engineering Committee recommends consideration of a motion to approve entering into an agreement with Kennedy/Jenks Consultants for design of the WTP improvements for a not-to-exceed amount of \$452,000 with a total authorized design budget of \$498,000 which includes a 10% contingency.

2. Antelope Pump-Back Booster Pump Station Draft Operations Plan (W)

Mr. Durkin informed the committee that staff has prepared a Wholesale Dry-Year and Emergency Operations Guidance Plan. A copy of the staff report will be attached to the meeting minutes.

Mr. Tony Barela conducted a presentation on the plan. A copy of the presentation will be attached to the meeting minutes. Mr. Barela commented that communication with the wholesale customer agencies to refine the plan during actual dry year or emergency operations is paramount. Mr. Barela informed the committee that the guidance plan includes recommendations for comprehensive system testing,

including simulating testing for both no surface water and reduced surface water scenarios.

The committee discussed water supply and pressure. In addition, the committee discussed connections along the CTP and the CTP agreement. Mr. Durkin commented that staff is working to make sure that water flows correctly through the system under all scenarios. He informed the committee that the pump back project and Barton Road intertie is expected to be completed by August/September and operations testing can take place in the fall and winter.

For information only; no action needed

3. FO-40 Pipeline Phase II Rehabilitation Project (W/R)

Mr. Durkin informed the committee that staff has begun work on the FO-40 Pipeline Phase II work plan that will confirm the project description, provide a schedule for the design and construction work, and update the project cost estimate.

Mr. Durkin explained that during construction of Phase I internal pipeline work, the actual requirements for Phase II work were determined based on the ability to get in the pipe and perform a hands-on condition assessment, which identified additional re-lining needs. The recommended budget for Phase II was estimated at approximately \$2 million and the work was recommended to be completed within a 5-year timeframe. The 11-month inspection report completed last year and provided to all agencies confirmed the need for the Phase II work within the original 5-year timeframe.

Mr. Durkin informed the committee that construction reports, condition assessment report, and final close-out report with recommendations for Phase II were provided to the Board and the wholesale customer agencies. The Phase II project was included in the CIP developed for the 2014 5-year Wholesale Financial Plan. The project will be paid for through the capital facilities charges included in the rates over a 5 year period beginning in CY2016.

Mr. Durkin explained that the intent of the work plan is to provide an abundance of communication with the wholesale customer agencies. Staff will bring the work plan to the committee at the next meeting and then report to the wholesale customer agencies and address any concerns that they might have.

For information only; no action needed

4. Other Engineering Matters

Mr. Durkin informed the committee that 7 bids were received for the 2015 Mains & Services Project for the retail service area. He commented that design of the project was completed in-house by staff and construction management will also be handled by staff for the project. In addition, he mentioned that the bids were in line with the engineer's estimate.

4.1 Next Meeting Date

The next committee meeting will be scheduled for the first week of April.

5. Public Comment

Mr. Tom Gray commented that FOWD would like to have an agreement on the ownership and operations of the Fair Oaks-40 pipeline similar to the CTP and the Antelope Pump Back Project. Director Rich commented that the directors will be discussing this at the next 2x2 meeting between FOWD and SJWD.

The meeting was adjourned at 4:50 p.m.

Kennedy/Jenks Consultants

Engineers & Scientists

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

4 March 2015

Mr. Keith Durkin
Assistant General Manager
San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746

Subject: Proposal for Design Services for the Flocculation/Sedimentation Basin
Improvements Phase 2
SJWD Flocc/Sed Basin Improvements Phase 2
K/J B10701062 / 0001

Dear Mr. Durkin:

San Juan Water District (District) has requested a proposal from Kennedy/Jenks Consultants (Kennedy/Jenks) to work together to complete design of the second phase of the Flocculation/Sedimentation Basin Improvements project. We appreciate the opportunity to build upon the work that we have completed for the District in the past, which began with the completion of the 2001 Wholesale Water Master Plan.

The Master Plan was followed by filtration improvements, backwash treatment and sludge handling improvements, and raw and treated water pipeline improvements from 2001 through 2010. That work was then followed by the Flocculation/Sedimentation (Floc/Sed) Basin Improvements Phase 1 project completed in 2010, which included design of the second SES Channel for the sedimentation basin. In 2012, we also completed the preliminary planning work for the Floc/Sed Basin Improvements Phase 2 project.

We are proposing to use the same core team members that have worked on the WTP improvement projects over the last 15 years. Our key project team members know the District's water treatment plant (WTP) inside and out. Our knowledge base brings value to the District as we have no learning curve in executing the work and we can leverage our very positive working relationship with District staff to thereby deliver a cost effective project. Our key project team members will be led by Tim Williams, Project Manager, who managed the previous Floc/Sed Basin Improvements projects and several other projects at the WTP. The other key Kennedy/Jenks team members that have direct experience working on the previous Floc/Sed Basin and other WTP improvements that will be working on this project include: Doug Henderson, Project Engineer; Ken Wong, Process Engineer; Peter Symonds, Structural Engineer; and Tony Wakim, Electrical Engineer.

Mr. Keith Durkin
San Juan Water District
4 March 2015
Page 2

The Floc/Sed Basin Improvements Phase 2 project will include:

- 1) Enhancing the instantaneous mixing at the first stage of the Floc/Sed Basins using jet mixing
- 2) Updating the flocculation system, including new flocculators with new motors, replacement baffle walls, reinstated baffle walls, and added stairs into the flocculation basin and from the floc zone into the sedimentation zone to minimize the confined space entry requirements of the basin.
- 3) Updating the sludge collection system by either replacing it with a new sludge vacuum system or refurbishing the existing sludge vacuum system.
- 4) Adding a second settled effluent (SES) channel, which Kennedy/Jenks has already completed the design for under the Phase 1 project.

We offer the following scope of work, project schedule and proposed budget to complete the design and bidding phase of the project:

Scope of Work

The proposed scope of work for this project is as follows:

Task 1 – Design Validation (10% Design Level)

The preliminary design work completed to date will streamline completing the preliminary design efforts, such that merely a design validation is what is needed. Therefore under Task 1, we will validate the work completed from the 2001 Wholesale Water Master Plan, the 2010 design of the SES channel, and the 2012 preplanning work for the Phase 2 project. This will include confirming the selection of the floc/sed basin improvements, which include:

- Validation of using the jet mixing system as the instantaneous mixing improvements;
- Selection of whether to use horizontal turbine flocculators or the horizontal paddle wheel flocculators;
- Selection of whether to modify and refurbish the existing sludge vacuum system or to procure a new sludge vacuum system;
- Validation of baffle wall replacements with access doors and restore baffling as originally constructed with the addition of a new baffle wall at the elevated walkway that contains the sludge vacuum drives;
- Validation of the type and locations of stairs to be installed to enter into the floc/sed basin; and
- Review and recommended updates of the previously designed SES channel. The existing design was completed in September 2006 under the 2001 California Building Code, which was in effect until 2007. The 2001 California Building Code was based on

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the 1997 Uniform Building Code, which has since been retired and is no longer updated. The current code in California is the 2013 California Building Code, based on the 2012 International Building Code. The seismic design parameters and other loading determinations are now based on the ASCE 7-10 Standard.

- Reuse of baffle wall support columns for the elevated walkway will be evaluated based on current code requirements and determined if any improvements are required to reuse them in reinstating the baffle wall.

This work will be comprised of the following subtasks:

- a. Provide a data request list for obtaining information from the District including, but not limited to, 1) its Baldwin Channel hydraulic evaluation; 2) any modifications to the floc/sed basin since 2010; 3) any manufacturer information gathered by the District independently related to jet mixers, flocculators, and sludge collection systems that the District liked or did not like; 4) the District validation test report to increase the capacity of the WTP to 150 mgd during the May to October period and 120 mgd from Nov to April period and the Water Supply Permit issued by SWRCB, Division of Drinking Water; and 5) any supervisory control and data acquisition (SCADA) upgrade information and as-builts at the WTP.
- b. Conduct a kick-off meeting with District staff covering: the project objectives; review of the approach to the design validation and the following design steps for this project; introduction of the key project team members' roles and responsibilities for the District staff and Kennedy/Jenks team; review of the proposed project schedule; review of data gathered and work completed to date; and the sharing of any new data or information collected since 2012.
- c. Conduct a site visit of the floc/sed basin to review the condition of existing structures and equipment, obtain measurements, take photographs, and discuss the design concepts with the District's operations and engineering team.
- d. Review the preliminary design concepts and decisions completed to date with manufacturers of the jet mix, flocculation and sludge collection systems to obtain their input. We will obtain from the manufacturers a review of design assumptions and criteria, conceptual design drawings and the latest equipment catalog data, and updated capital and operations and maintenance (O&M) cost estimates. In addition, we will evaluate and review with these manufacturers prior to submitting to the District the anticipated performance of the WTP with modifications to the instantaneous mix, flocculation, baffle wall addition, and sludge collection system, and operation of two versus one SES channels. This will include discussions on:
 - 1) instantaneous mix improvements, which will update the evaluation of the benefits of the instantaneous mix capabilities during lower flows to provide adequate mixing energy.
 - 2) selecting the most beneficial flocculation system between the horizontal paddle wheel and tapered turbine flocculation systems with an understanding the basins

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- will not be modified (e.g., retention time, flow through velocity, and overflow rate fixed);
- 3) tapered flocculation with the feasibility and benefits of being able to adjust the flocculation energy by decoupling the last stage of the flocculators or some other method to adjust the energy introduced to the floc basin;
 - 4) separating the flocculation drives versus continuing to operate two of the flocculators by one drive, and evaluating the controls for floc drives by PLC and SCADA alternatives;
 - 5) sludge collection with an enhanced existing sludge collection system that may include separate controllers and motor drives for each sludge collection vacuum hood and pulley system versus an entirely new manufactured sludge vacuum system;
 - 6) enhancing sludge collection system control and SCADA compared to continuing with the current continuous operation and no SCADA control or monitoring; and
 - 7) evaluating performance data collected by the District when they updated their Water Supply Permit in 2013.
- e. Review per structural code requirements and recommend any updates to the previous SES channel design to be in compliance with current code. Also validate the design or make recommended updates to the design. Confirm as is anticipated that the SES channel could be constructed while the North Floc/Sed Basin remained in operation.
 - f. Develop conceptual designs for the stairs into the floc/sed basin, baffle wall sliding door and/or hinged door, and addition of former baffle wall with modifications required to the support columns to be compliant with the latest building/seismic codes.
 - g. Update the opinion of probable construction cost and O&M cost for the two flocculation systems and the two sludge vacuum options (modify/refurbish existing sludge vacuum system and new sludge vacuum system), and prepare an updated preliminary probable construction cost and O&M (jet mix system only) cost for the other improvements.
 - h. Participate in Design Validation Workshop #1. Update the decisions that have been previously evaluated with the District based on the feedback provided by the manufacturers and present in a Design Validation Workshop #1 the following:
 - 1) Present decision matrix to be used to select the preferred design concept for flocculation and sludge collection equipment.
 - 2) Review the assumptions and criteria table for each process.
 - 3) Review the design concepts completed based on the previous steps listed above.
 - 4) Review the capital and O&M costs.

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- 5) Present the preliminary pros and cons for each process equipment improvement and other project improvements.
 - i. The District will then provide feedback and list what additional data and/or information is needed to make a decision.
 - j. (OPTIONAL) Arrange and participate in field site visits of up to four (4) locations, if needed, for the District staff to see instantaneous mix, flocculation, and/or sludge vacuum systems in operation.
 - k. Obtain the additional data and/or information to fill the data gaps that the District requested.
 - l. Participate in Design Validation Workshop #2. This workshop will be conducted to present the findings to the District and decisions to select the preferred type of equipment and design concept will be completed. Also, a preliminary design and construction schedule will be prepared and presented at the workshop.
 - m. Prepare Design Validation technical memorandum. A technical memorandum that summarizes the final decisions will serve as the 10% level design document. Kennedy/Jenks will provide a list of specifications and drawings that will be completed during Final Design.

Assistance from the District:

- Attend kick-off meeting and site visit
- **Survey using District GPS equipment spot elevations designated by Kennedy/Jenks within and around the floc/sed basin project area. Provide a digital file of the coordinates and elevations.**
- Attend Design Validation Workshops #1 and #2
- Attend OPTIONAL site visit of equipment installations at other WTPs in the western U.S.

Deliverables:

- Kick-off meeting agenda and summary notes - one electronic and five hard copies
- Site visit meeting notes and photo log – one electronic and one hard copy
- Validation Workshop #1 agenda, materials, and summary notes – one electronic and five hard copies
- OPTIONAL Equipment site visits meeting notes and photo log – one electronic and one hard copy
- Validation Workshop #2 agenda, and materials– one electronic and five hard copies
- Design Validation Technical Memorandum - one electronic and five hard copies

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Task 2 – Final Design (50%, 90% and Final Design)

The Final Design task will include 50% design, 90% design and final design subtasks as described below:

- a. 50% Design Submittal: Kennedy/Jenks will use the Design Validation Technical Memorandum information to develop the 50% design documents that include:
 - 1) Design drawings as shown in the attached drawing submittal list that include civil, structural, mechanical, electrical, and instrumentation designs will be either updated from the previous design or new drawings will be generated.
 - 2) The OPTIONAL task to evaluate the condition of the existing SES channel and recommended rehabilitation improvements (which if requested would be completed under Task 1) and design of those improvements have not been included in this proposal.
 - 2) Technical specifications (Divisions 2 through 17) for the process improvements for the instantaneous mix, flocculation, and sludge collection systems will be generated.
 - 3) Updated opinion of probable construction cost and construction schedule.
 - 4) A site visit to obtain additional information to move the design concept to 50% design.
 - 5) Submittal of 50% design documents to the District for review.
- b. 50% Design Review Meeting: Conduct a 50% design review meeting with District staff. Prepare meeting notes.
- c. 90% Design Submittal: Kennedy/Jenks will incorporate District comments to develop the 90% design documents that include:
 - 1) Design drawings as shown in the attached drawing submittal list that include civil, structural, mechanical, electrical, and instrumentation designs.
 - 2) Updated technical specifications, development of remaining technical specifications (Divisions 1 through 17), and incorporation of District contract documents (Division 0).
 - 3) Updated opinion of probable construction cost and construction schedule.
 - 4) Submittal of 90% design documents to the District for review.
- d. 90% Design Review Meeting: Conduct a 90% design review meeting with District staff. Prepare meeting notes.

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- e. Final Design Documents: Kennedy/Jenks will incorporate District comments to develop the final design documents suitable for bidding that include:
 - 1) Design drawings as shown in the attached drawing submittal list (Table 2) that include civil, structural, mechanical, electrical, and instrumentation designs.
 - 2) Updated technical specifications and District contract documents.
 - 3) Final opinion of probable construction cost and construction schedule.

Assistance from the District:

- Coordinate second site visit
- Attend 50% and 90% review meetings
- Provide contract specifications in electronic format

Deliverables:

- 50% and 90% submittals – one electronic (pdf) and five hard copies
- 50% and 90% review meeting notes – one electronic and one hard copies
- Final Design Documents – hard copies will include one original full size and five half size drawings, one original set of specifications (unbound), and five bound copies. Electronic drawings and specifications will be provided in pdf format.

Task 3 – Bid Assistance

Kennedy/Jenks will provide engineering support during the bid period of this project. Specific services to be provided include the following:

- a. Respond to bidders' inquiries (received through the District) during bid period.
- b. Prepare up to two (2) addenda prior to bid, if necessary.
- c. Participate in the prebid conference meeting and prepare the meeting agenda and minutes.
- d. Assist District with review of the bids including reviewing the tabulation of the bids compared to the opinion of probable construction cost.
- e. Develop a conformed set of Construction Documents (plans and specifications) that incorporates the bid addenda items.

Assistance from the District:

- Produce and distribute the bid documents to prospective bidders and planholder centers

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- Maintain the bidders lists
- Attend and conduct the prebid conference meeting and conduct the bid opening
- Issue addenda
- Review the contractors' bids for completeness and accuracy, and tabulate the bid results.
- Award a construction contract

Deliverables

- Addenda - one electronic and five hard copies of each
- Prebid meeting agenda and meeting notes - one electronic and one hard copies
- Conformed set of Construction Documents – hard copies will include five original full size and seven half size drawings, and 12 bound sets of specifications. Electronic drawings in AutoCAD and pdf copy and a pdf copy of the specifications will be provided.

Task 4 – Project Management

Project management will be an ongoing process throughout the duration of the project. It includes:

- a. Monthly invoicing together with a monthly project status report.
- b. Project management of the team including project set-up and monitoring project performance of our project team.
- c. Project management will also include coordinating with the District's project manager via email or phone conference call twice per month on the project tasks and schedule status, budget status, and discussion of any outstanding issues.
- d. Project status face to face meetings will include up to three (3) project meetings between the District Project Manager and Kennedy/Jenks Project Manager.
- e. Kennedy/Jenks will attend up to three District Engineering Committee or Board Meetings as directed by the District's project manager to provide a project status update.
- f. Kennedy/Jenks will conduct an internal quality assurance/quality control (QA/QC) review of our project documents prior to submitting them to the District.

Assistance from the District

- Participate in twice monthly project status conference calls and three (3) face-to-face project status meetings.

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Deliverables

- Monthly invoicing and project status reports – one hard copy and one electronic copy
- Twice per month emails or conference call documentation on project status – one electronic copy
- Project status meeting agendas and notes – four hard copies and one electronic copy

Project Schedule

The enclosed proposed project schedule presents the proposed design phase work under Tasks 1 through 4 plus a preliminary project construction schedule showing the 1) project construction startup with mobilization, submittals, and delivery of materials and along with demolition; 2) north floc/sed basin improvements; 3) south floc/sed basin improvements; 4) testing; startup and commissioning activities of north and south floc/sed basins.

Proposed Budget

Kennedy/Jenks has developed a proposed budget to complete the work described in Tasks 1 through 4 under a time and expense reimbursement basis in accordance with our Schedule of Charges dated 25 February 2015, attached. Kennedy/Jenks will provide an estimated cost to complete the OPTIONAL task as described above under Task 2 if requested by the District. Payments will be made monthly based on invoices which describe services and list actual costs and expenses.

Based on our estimate of services required, we propose a budget of \$451,632, which will not be exceeded without authorization. See the attached Table 1 Budget Estimate spreadsheet for details on the estimated costs.

If this proposal meets with your approval please prepare an agreement for our review and signature. We appreciate this opportunity to continue working on this important project and look forward to working with the District to complete the Floc/Sed Basin Improvements Phase 2 project.

Very truly yours,

KENNEDY/JENKS CONSULTANTS



Tim Williams, P.E.
Project Manager

Enclosures (Project Schedule, Schedule of Charges, Table 1 – Budget Estimate Spreadsheet, and Table 2 – List of Drawings)

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

Contract/Proposal Date: Floc/Sed Basin Improvements Phase 2

Custom Schedule of Charges

February 25, 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 February 25, 2015 through December 31, 2015. After December 31, 2015, invoices will reflect the Schedule of Charges currently in effect.

Proposal Fee Estimate

CLIENT Name: San Juan Water District
 PROJECT Description: Flocculation/Sedimentation Basin Improvements Phase 2
 Proposal/Job Number: B10701062/001 Date: 3/2/2015

February 25, 2015 Rates	Eng-Sci-9, T Williams, Proj Mgr	Eng-Sci-9, D Henderson, Proj Engr	Eng-Sci-8, J Drago, Process QC	Eng-Sci-8, T Reynolds, Design QC	Eng-Sci-6 K Wong, Process Engr	Eng-Sci-2, J Rios, Staff Engr	Eng-Sci-8, D Barazza, Struct QC	Eng-Sci-5, P Symonds, Sr Struct Engr	Eng-Sci-4, S Sin, Struct Engr	Eng-Sci-7, Z Harris, Mech QC	Eng-Sci-8, T Wakim, Elec QC	Eng-Sci-3, J Dela Cruz, Elec Engr	Designer	CAD Technician	Project Admin.	Admin. Assist.	Aide	Total	KJ Labor	Sub Fees	KJ Sub-Markup 10%	KJ ODCs Fees	KJ ODCs Markup 10%	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses
Hourly Rate:	\$265	\$265	\$235	\$235	\$194	\$130	\$235	\$172	\$159	\$212	\$235	\$145	\$140	\$115	\$81	\$100	\$63	Hours	Fees	Fees	10%	Fees	10%				Fees
Task 1 - Design Validation (10% Design Level)																											
a. Provide data request to District	1				2	4												7	\$1,173		\$0		\$0	\$1,173	\$0	\$0	\$1,173
b. Conduct kick-off meeting	6	6			6											2		20	\$4,544		\$0	\$225	\$23	\$4,544	\$0	\$248	\$4,792
c. Conduct site visit	4	8			8			8				8						36	\$7,988		\$0	\$325	\$33	\$7,988	\$0	\$358	\$8,346
d. Review preliminary design concepts & decisions	8	48			24	24						8						112	\$24,496		\$0		\$0	\$24,496	\$0	\$0	\$24,496
e. Review Code & determine any SES channel design changes					2			12										14	\$2,452		\$0		\$0	\$2,452	\$0	\$0	\$2,452
f. Develop conceptual designs for stairs & baffle walls		2						4	12									18	\$3,126		\$0		\$0	\$3,126	\$0	\$0	\$3,126
g. Update construction & O&M cost estimates	1	2			6	4		6				4						23	\$4,451		\$0		\$0	\$4,451	\$0	\$0	\$4,451
h. Participate in Design Validation Workshop #1	6	8			6							4				2		22	\$5,074		\$0	\$225	\$23	\$5,074	\$0	\$248	\$5,322
i. Solicit District's needs for data re. decision-making	1				2							2						5	\$1,123		\$0		\$0	\$1,123	\$0	\$0	\$1,123
j. OPTIONAL - Make site visits (4) re. mix, flocc & sludge equip	8				32													40	\$8,328		\$0	\$1,000	\$100	\$8,328	\$0	\$1,100	\$9,428
k. Provide District with requested decision-making inputs	4	16			12	8		2				2				2		46	\$9,682		\$0		\$0	\$9,682	\$0	\$0	\$9,682
l. Participate in Design Validation Workshop #2	6	6			6											2		20	\$4,544		\$0	\$225	\$23	\$4,544	\$0	\$248	\$4,792
m. Prepare Design Validation Technical Memorandum	1	8			24	12		24				12		24				117	\$20,109		\$0	\$250	\$25	\$20,109	\$0	\$275	\$20,384
Task 1 - Subtotal	46	104	0	0	130	52	0	56	12	0	36	0	24	0	0	20	0	480	\$97,090	\$0	\$0	\$2,250	\$225	\$97,090	\$0	\$2,475	\$99,565
Task 2 - Final Design (50%, 90%, & Final Design)																											
a. 50% Design Submittal	2	25			50	78		33	62		13	47	116	31	17	7		482	\$74,497		\$0	\$500	\$50	\$74,497	\$0	\$550	\$75,047
b. 50% Design Review Meeting	4	8				8												20	\$4,220		\$0		\$0	\$4,220	\$0	\$0	\$4,220
c. 90% Design Submittal	4	46			91	143		61	114		23	86	212	57	32	13		884	\$136,578		\$0	\$750	\$75	\$136,578	\$0	\$825	\$137,403
d. 90% Design Review Meeting	4	8				8												20	\$4,220		\$0		\$0	\$4,220	\$0	\$0	\$4,220
e. Final Design Documents	1	13			25	39		17	31		6	24	58	16	9	4		241	\$37,248		\$0	\$750	\$75	\$37,248	\$0	\$825	\$38,073
Task 2 - Subtotal	16	100	0	0	166	276	0	110	208	0	42	157	386	104	0	58	24	1647	\$256,763	\$0	\$0	\$2,000	\$200	\$256,763	\$0	\$2,200	\$258,963
Task 3 - Bid Assistance																											
a. Respond to bidders' inquiries	2	2			4			4			4							16	\$3,464		\$0		\$0	\$3,464	\$0	\$0	\$3,464
b. Prepare addenda (2)		8			4	4		4	4		4	4		12		4		48	\$8,040		\$0		\$0	\$8,040	\$0	\$0	\$8,040
c. Participate in prebid conference & document it	6					6												12	\$2,370		\$0	\$50	\$5	\$2,370	\$0	\$55	\$2,425
d. Assist District with review of bids	4					4												8	\$1,580		\$0		\$0	\$1,580	\$0	\$0	\$1,580
e. Prepare conformed sets of plans & specifications		2				6							16		4	2		30	\$3,676		\$0	\$150		\$3,676	\$0	\$150	\$3,826
Task 3 - Subtotal	12	12	0	0	8	20	0	8	4	0	8	4	0	28	0	8	2	114	\$19,130	\$0	\$0	\$200	\$5	\$19,130	\$0	\$205	\$19,335
Task 4 - Project Management																											
a. Monthly invoicing and status reports	32														8			40	\$9,128		\$0		\$0	\$9,128	\$0	\$0	\$9,128
b. Management of project team	80	20													16			116	\$27,796		\$0		\$0	\$27,796	\$0	\$0	\$27,796
c. Semi-monthly coordination conference calls with District	16																	16	\$4,240		\$0		\$0	\$4,240	\$0	\$0	\$4,240
d. Face-to-face meetings (3) with District Project Manager	6																	6	\$1,590		\$0	\$150	\$15	\$1,590	\$0	\$165	\$1,755
e. Attend up to 3 District Engineering Committee or Board Meetings	12	3				3										4		22	\$4,957		\$0	\$50	\$5	\$4,957	\$0	\$55	\$5,012
f. QA/QC Reviews		4	12	42			12				8	8						86	\$20,146		\$0		\$0	\$20,146	\$0	\$0	\$20,146
g. Internal Concept & Criteria Review Meeting	2	4	4	4	2		4			2	2							24	\$5,692		\$0		\$0	\$5,692	\$0	\$0	\$5,692
Task 4 - Subtotal	148	31	16	46	5	0	16	0	0	10	10	0	0	0	24	4	0	310	\$73,549	\$0	\$0	\$200	\$20	\$73,549	\$0	\$220	\$73,769
All Tasks Total	222	247	16	46	309	348	16	174	224	10	96	161	410	132	24	90	26	2551	\$446,532	\$0	\$0	\$4,650	\$450	\$446,532	\$0	\$5,100	\$451,632

San Juan Water District							
WTP Floc/Sed Basin Improvements Phase 2							3/2/2015
Table 2 - Preliminary List of Drawings							
	DRAWING DESCRIPTION	Notes	Source	50% Submittal	90% Submittal	Final Submittal	
GENERAL							
G-001	Title Sheet, Location and Vicinity Maps, and List of Drawings	update existing	G-0001 KJ #0870014.03	X	X	X	
G-002	Symbols, Abbreviations, Legend, General Notes, & Piping Schedule	update existing	G-0003 KJ #0870014.03	X	X	X	
G-003	Hydraulic Profile and Design Criteria	update existing	G-0004 KJ #0870014.03	X	X	X	
G-004	WTP Process Schematic Diagram	update existing	G-0005 KJ #0470019.00	X	X	X	
CIVIL							
C-001	Site Plan	update existing	C-001 KJ #0870014.03	X	X	X	
C-002	Site Demolition and Improvement Plans	update existing	C-106 KJ #0470019.00	X	X	X	
C-003	Site Grading, Drainage, Paving Plan and Details	update existing	C-107 KJ #0470019.00		X	X	
C-004	Rapid Mixing Improvements Site Plans and Details	new		X	X	X	
C-005	Storm Drain Profiles and Details	update existing	C-114 KJ #0470019.00		X	X	
C-006	Miscellaneous Details	update existing	Portions of C-115, C-116, C-117 KJ #0470019.00		X	X	
STRUCTURAL							
S-001	Structural General Notes & Abbreviations	update existing	S-101 KJ #0470019.00		X	X	
S-002	Structural Concrete Notes and Standard Details	update existing	S-102 KJ #0870014.03		X	X	
S-003	Structural Metalwork Notes and Standard Details	update existing	S-103 KJ #0470019.00		X	X	
S-004	Flocculation & Sedimentation Basin - Flocculator and Launder Opening Demolition and Modifications	update existing	S-104 KJ #0470019.00	X	X	X	
S-005	Flocculation & Sedimentation Basin Concrete Rehabilitation and Notes (OPTIONAL) NIC	update existing	S-105 KJ #0870014.03				
S-006	Flocculation & Sedimentation Basin Foundation Plan	update existing	S-106 KJ #0470019.00	X	X	X	
S-007	Flocculation & Sedimentation Basin Plan at Elev. 425	update existing	S-107 KJ #0470019.00	X	X	X	
S-008	Flocculation & Sedimentation Basin Transverse Section for New Settled Water Conveyance Channel	update existing	S-109 KJ #0470019.00	X	X	X	
S-009	Settled Water Conveyance Channel Sections I	update existing	S-114 KJ #0470019.00		X	X	
S-010	Settled Water Conveyance Channel Sections II	update existing	S-115 KJ #0470019.00		X	X	
S-011	Settled Water Conveyance Channel Details	update existing	S-116 KJ #0470019.00		X	X	
S-012	Emergency Overflow Structure Modifications Plan and Section	update existing	S-117 KJ #0470019.00	X	X	X	
S-013	Western Walkway Plan, Section and Details	update existing	S-118 KJ #0470019.00		X	X	
S-014	Flocculation Drive Support Section and Details	new		X	X	X	
S-015	Existing Baffle Wall Replacement and New Baffle Wall Addition - Section and Details	new		X	X	X	
S-016	Flocculation & Sedimentation Basin - Access Stairs Section & Details	new		X	X	X	
MECHANICAL							
M-001	Rapid Mix System - Plan & Sections	new		X	X	X	
M-002	Flocculation & Sedimentation Basin - Demolition Plan	new		X	X	X	
M-003	Flocculation & Sedimentation Basin - Plan	update existing	M-101 KJ #0870014.03	X	X	X	
M-004	Flocculation & Sedimentation Basin - Piping Plan	update existing	M-103 KJ #0870014.03 & M-103 KJ #0470019.00	X	X	X	
M-005	Flocculation & Sedimentation Basin - Piping Sections	update existing	M-104 KJ #0870014.03 & M-104 KJ #0470019.00	X	X	X	
M-006	Flocculation & Sedimentation Basin - Piping Sections & Details	update existing	M-105 KJ #0470019.00		X	X	
M-007	Rectangular Butterfly Valves and Stop Plates Details	update existing	M-107 KJ #0470019.00		X	X	
M-008	Flocculation Drive Mechanical Sections and Details	new		X	X	X	
M-009	Sludge Collection System Sections and Details	new		X	X	X	

San Juan Water District						
WTP Floc/Sed Basin Improvements Phase 2						3/2/2015
Table 2 - Preliminary List of Drawings						
	DRAWING DESCRIPTION	Notes	Source	50% Submittal	90% Submittal	Final Submittal
M-010	Miscellaneous Mechanical Details 1	update existing	M-115 and M-116 KJ #0470019.00, and M-115 and M-117 KJ #0870014.03		X	X
M-011	Miscellaneous Mechanical Details 2	new			X	X
ELECTRICAL						
E-001	Electrical Symbols and Abbreviations	update existing	E-001 KJ #0870014.03 & E-001 KJ #0470019.00		X	X
E-002	Rapid Mix System - Electrical Plan	new		X	X	X
E-003	Rapid Mix System - Single Line & Elementary Diagrams	new		X	X	X
E-004	Flocculation & Sedimentation Basin - Electrical Plan	update existing	E-103 KJ #0870014.03 & E-103 KJ #0470019.00	X	X	X
E-005	Exist. Solids Handling and Exist. Operations Building Modifications	update existing	E-104 KJ #0870014.03 & E-104 KJ #0470019.00	X	X	X
E-006	Flocculator Drives and Sludge Collection System - Single Line & Elementary Diagrams	new		X	X	X
E-007	Miscellaneous Electrical Details I	update existing	E-105 KJ #0470019.00		X	X
E-008	Miscellaneous Electrical Details II	new			X	X
INSTRUMENTATION						
I-001	Instrumentation and Controls Symbols and Abbreviations	update existing	D-001 KJ #0870014.03 & D-001 KJ #0470019.00	X	X	X
I-002	Rapid Mix System Process & Instrumentation Diagram	new		X	X	X
I-003	Flocculation & Sedimentation Process & Instrumentation Diagram	update existing	D-101 KJ #0870014.03 & D-101 KJ #0470019.00	X	X	X
I-004	Miscellaneous Instrumentation Details	update existing	D-105 KJ #0470019.00		X	X
	Total Number of Drawings			30	49	49



March 4, 2015

To: San Juan Water District
Engineering Committee

Prepared By: Tony Barela, P.E., Operations Manager
Rob Watson, P.E., Engineering Manager
Keith Durkin, P.E., Assistant General Manager, QA/QC

Subject: Wholesale Dry-Year and Emergency Operations Guidance Plan

Directors

Edward J. "Ted" Costa

Kenneth H. Miller

Dan Rich

Pamela Tobin

Bob Walters

General Manager

Shauna Lorange

INTRODUCTION

In response to the 2013-14 drought, San Juan Water District (District) identified potential improvements to increase water supply reliability for all San Juan Water District Wholesale Customer Agencies (SJWD-W). The evaluation included reviewing SJWD-W water demands, existing available alternative water supplies and potential improvements that would be necessary to meet a minimum service level target for all agencies during dry-years or emergency conditions when the surface water supply is reduced.

The initial evaluation was completed in the spring of 2014. The evaluation determined that the proposed Antelope Pump-Back Booster Pump Station Project (APBP), operated in combination with groundwater wells within CHWD and FOWD and the Barton Road Intertie Project between the District's retail service area (SJWD-R) and Placer County Water Agency (PCWA), could meet the minimum service level target. Construction of the APBP began in January 2015 and is expected to be operational in the summer of 2015.

An additional improvement project, not yet under construction, will be necessary to provide for equitable distribution of available water supplies during dry-year and emergency conditions and to ensure adequate system pressures are maintained in all wholesale customer agency service areas. This improvement project consists of pressure control stations to provide pressure/flow control to CHWD and FOWD to assist with optimizing groundwater production within their respective agencies and to provide peak or emergency supply if pressure within their service area drops below an acceptable level. These control stations, including their locations and operational design parameters, are described in detail below.

This plan provides initial guidance on how to operate the water supply and transmission system and pressure control stations when the surface water supply is reduced. The operations plan will be refined once all improvements are completed and testing of the system can take place under controlled conditions.

DRAFT

The following sections provide the operational strategy of the Wholesale water supply and transmission system under reduced surface water supply conditions. Two water supply conditions are evaluated in this plan:

- 1) No Folsom Lake Surface Water Supply. This would be the extreme “bookend” surface water supply scenario.
- 2) Reduced Folsom Lake Surface Water Supply. This would include a range of surface water supply availability from some minimum supplied by an emergency pump in Folsom Lake to an amount just under normal supply.

All scenarios include the operation of the APBP. The scenarios also assume the wells within CHWD and FOWD are utilized for groundwater supply and the Barton Road Intertie provides water from PCWA to SJWD-R. This plan defines the water supply points of delivery to SJWD-W and operation limitations for the different operational strategies.

SYSTEM DEMAND AND SUPPLY

Demand

Based on the findings of previous evaluations, this plan assumes that a total water supply of 25 MGD will provide an acceptable minimum service level (MSL) for all of SJWD-W. Table 1 shows a breakdown of the 25 MGD demand for the different agencies.

Table 1 - SJWD-W Average Day Demands

Agency	Ave. Day Demand
San Juan Water District – Retail	7 MGD
City of Folsom (Ashland Area)	1 MGD
Citrus Heights Water District	8 MGD
Fair Oaks Water District	6 MGD
Orange Vale Water Company	3 MGD
Assumed Health and Safety Demand	25.0 MGD

Groundwater Availability

Both CHWD and FOWD have groundwater wells located within their retail service areas. Table 2 shows the firm groundwater supply available. This firm supply assumes the highest producing well within each distribution system is off-line.

Table 2 - Existing Firm Groundwater Supply

Agency	Groundwater*
Citrus Heights Water District	9.3 MGD
Fair Oaks Water District	5.9 MGD
Total Groundwater:	15.2 MGD

* Assumes Skycrest and Town Wells are off-line.

Antelope Pump Back Pump Station

When groundwater is available from Sacramento Suburban Water District (SSWD), the new APBP is estimated to provide up to approximately 14.4 MGD through the Cooperative Transmission Pipeline (CTP) to SJWD-W. This station includes two 5,000 gpm (7.2 MGD) vertical turbine pumps that are variable frequency drive (VFD) controlled. Because CHWD and FOWD have wells located within their service areas, the primary beneficiaries of the groundwater supply from the station conveyed through the CTP are SJWD-R, OVWC and the City of Folsom's Ashland Pressure Zone.

Barton Road Intertie

The Barton Road Intertie is an intertie between SJWD-R and Placer County Water Agency (PCWA). The intertie consists of a pressure reducing station and pipeline that will allow up to 2 MGD to be delivered into SJWD-R. Although the additional water supply is dependent on the availability from PCWA, it is assumed under all scenarios that this connection is open and PCWA is delivering 2 MGD to SJWD-R.

Pressure Control Stations

Primary supply to both CHWD & FOWD will be from their groundwater wells within their respective retail distribution systems. During peak times of the day or during emergency operations, both CHWD and FOWD may require supply from Hinkle Reservoir. This supply will be provided through two control stations: one on the CHWD 42" Pipeline at Canyon Falls Drive and the other located on the Fair Oaks 40" Pipeline north of Orangevale Ave (See Figure 2). These stations are sized to supplement peak and fire flow demand while the highest producing well is off-line within each service area. Based on this criteria, the stations are designed to provide approximately 5 MGD to the system with a pressure drop of approximately 4 to 6 psi during peak demands. Due to the lack of storage in the CHWD and FOWD retail areas, the stations will be equipped with a check valve to allow water to backflow from their retail systems to Hinkle Reservoir during low demand times of the day.

WATER SUPPLY DELIVERY SCENARIOS

1) No Folsom Lake Surface Water Available

The no surface water scenario operation assumes:

- Folsom Lake levels have dropped below the District's intake and the U.S. Bureau of Reclamation (USBR) is unable to supply any water from Folsom Lake to the District's water treatment plant, or;
- There is a significant unplanned outage of the Folsom Lake intake, pumping plant, or SJWD water treatment plant,
- The APBP is in operation and providing up to 14.4 MGD through the CTP to Hinkle Reservoir,
- The APBP is the primary supply to SJWD-R, OVWC and the City of Folsom's Ashland service area,

- Both CHWD and FOWD are isolated from SJWD-R and OVWC by closing connections along the CTP, Citrus Heights 42-inch pipeline (CH-42") and the FO-40" Pipeline.
- Two pressure control stations, one on the CH-42" and one on the FO-40" pipeline, are in operation for emergency flow to/from Hinkle Reservoir and CHWD and FOWD, respectively,
- Primary supply to both CHWD and FOWD will be their groundwater wells within their respective retail distribution systems.
- The Barton Road intertie is operating and supplying 2 MGD into the SJWD-R system.

Figure 2 shows the flow supply points to the Wholesale agencies. Based on hydraulic modeling conducted by SJWD engineering staff, both CHWD and FOWD have sufficient groundwater supply to meet average day target MSL deliveries within their retail distribution systems. However, during peak times of the day or during fire flow events the modeling suggests the control valves may open to assist in meeting peak or emergency demands.

APBP water supply will be pumped through the CTP all the way to Hinkle Reservoir, with some water supply delivered directly to OVWC through the existing connections to the CTP. Water supply to SJWD-R and the City of Folsom will be delivered from Hinkle Reservoir through booster pump stations and gravity deliveries to the FO-40 pipeline.

Since CHWD and FOWD will no longer be directly connected to Hinkle Reservoir, they can operate at a lower system pressure, therefore maximizing their specific well capacities. Although most groundwater wells within the two systems are controlled in a manual on/off mode, CHWD has one groundwater well (Sylvan) that operates on a variable frequency drive (VFD) to maintain system pressures. When isolated through the pressure control station, the Sylvan well will be the primary pressure control for CHWD during this operation scenario.

SJWD-R, OVWC and the City of Folsom will remain fully connected to the CTP, FO-40 and/or Hinkle Reservoir and will primarily rely on the APBP for supply. As mentioned above, it is also assumed that a 2 MGD supply through the PCWA intertie will be provided to SJWD-R.

Due to the reduced demand in the system and the slow conveyance of water to and from the Hinkle Reservoir through the CTP, the large transmission mains from Hinkle Reservoir will be operated to achieve the maximum turnover to maintain chlorine residual. Figure 3 shows how water supply from the APBP may be conveyed through the system to maintain water quality when no surface water supply from Folsom Lake is available. Testing in the field and chlorine residual monitoring will be required to assure that the system is operating as modeled.

Hinkle Reservoir will also be closely monitored and operated to maintain chlorine residual and to assure storage turnover. Water treatment personnel will work with SSWD to increase/decrease flows from the APBP to achieve this operational requirement.

2) Reduced Folsom Lake Surface Water Supply

The reduced Folsom Lake Water Supply scenario assumes that the USBR will deliver some amount of surface water to SJWD-W's water treatment plant. Under this scenario, treatment personnel will be required to closely coordinate with all of the Wholesale Agencies to maintain system turnover and residuals and to coordinate the operation of groundwater wells within the

system. Close coordination will also be required with SSWD to reduce flow from the APBP to meet system demands in conjunction with the surface water being delivered from the USBR and groundwater produced by the wells within CHWD and FOWD.

Since this is a multifaceted approach dependent on multiple variables, assumptions need to be made to model this scenario. Operational variables include:

- USBR surface water available,
- System demands,
- Groundwater Well Operation, and
- Turnover and residuals within the transmission system.

Under the reduced Folsom Lake surface water supply scenario, water supply from the APBP and groundwater wells will not be restricted to specific agencies but will be delivered based on hydraulic pressures and system demands to all Wholesale Agencies. The control stations to CHWD and FOWD would not be used and the SJWD-W system will act as a single, interconnected hydraulic system. This scenario assumes:

- USBR is able to deliver a reduced supply of surface water from Folsom Lake to the District's water treatment plant,
- The APBP is in operation and can provide up to 14.4 MGD through the CTP to the wholesale customer agencies and Hinkle Reservoir,
- The APBP supply is available to all Wholesale Agencies,
- Both CHWD and FOWD are connected to the CTP
- CHWD and FOWD are connected to the CH-42" pipeline and FO-40" pipeline, respectively.
- Groundwater supply from CHWD and FOWD is not limited to their respective retail service areas and may be transmitted to OVWC, SJWD-R and up to Hinkle Reservoir based on system hydraulic conditions.
- The Barton Road intertie is operating and can supply up to 2 MGD into the SJWD-R system.

Since the APBP and groundwater wells will be hydraulically connected to Hinkle Reservoir, coordination between all Wholesale agencies will be paramount. Since system pressures will be based on the elevation of Hinkle Reservoir, CHWD and FOWD wells will not see large enough changes in system pressure to automatically control their wells based on hydraulic conditions. Therefore, SJWD field services and treatment personnel will be required to monitor flows into and out of Hinkle Reservoir and throughout the transmission pipelines to assure that turnover of the system is occurring.

Due to the reduced demand in the system and the slow conveyance of water to and from the Hinkle Reservoir through the CTP, the large transmission mains from Hinkle Reservoir will be operated to achieve the maximum turnover and maintain chlorine residual. Figure 4 shows how water supply from the APBP may be conveyed through the system to maintain water quality during a drought condition. Testing in the field and residual monitoring will be required to assure that the system operation is optimized.

Treatment personnel will coordinate with SSWD to adjust flow from the APBP using the VFDs at the station. Groundwater production from CHWD and FOWD will be controlled by SJWD-W Operators notifying the relative agency and requesting wells be turned off or on as the circumstance dictates. This will be a highly coordinated effort and will require cooperation of all agencies.

RECOMMENDATION

Based on hydraulic modeling results and the 2014 system operations, it appears that all scenarios will provide the MSL supply to all SJWD-W agencies. Once the APBP and the control stations are constructed, a comprehensive phased testing plan of the system should be developed and implemented. The following are testing and monitoring recommendations to verify operational reliability of the system:

Operation Test Planning:

- Establish a comprehensive operations team including representatives from each agency to develop and coordinate the testing operations;
- Determine time of year for testing when system demands reach the MSL criteria (December to March timeframe)
- Identify monitoring control points to test system residual and turnover;
- Coordinate well operations with CHWD and FOWD;
- Establish meters to be monitored for flow deliveries;
- Establish preliminary pressure points for CHWD and FOWD control stations.

Preliminary Phased Testing Plan

1. Run the APBP to an open hydraulic system (control stations not in service). Phase in well production and phase out surface water deliveries to test distribution of APBP and groundwater throughout the system;
2. Isolate CHWD or FOWD (control stations in service) one at a time. Verify system pressure set points and monitor flow into and out of the isolated system;
3. Isolate both CHWD and FOWD (control stations in service), run the APBP and reduce surface water demands.

Once testing is complete, an operations plan will be created for dry-year or emergency operations. This operations plan will be incorporated into the District's Emergency Response Plan

**FIGURE 1
SAN JUAN WATER DISTRICT WHOLESALE
SERVICE AREA & CTP ALIGNMENT**

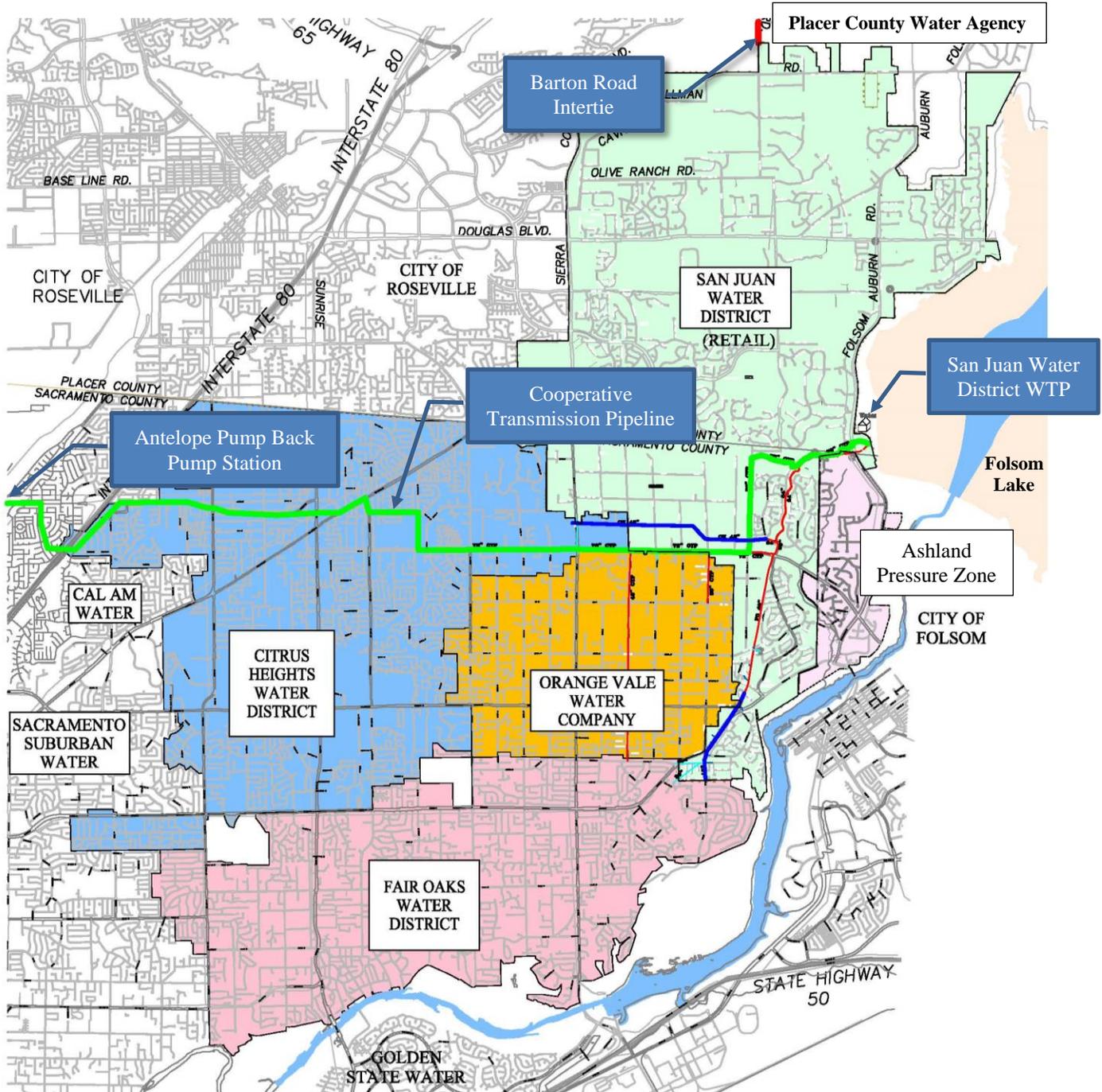


FIGURE 2
SCENARIO 1 – NO FOLSOM LAKE SURFACE WATER AVAILABLE

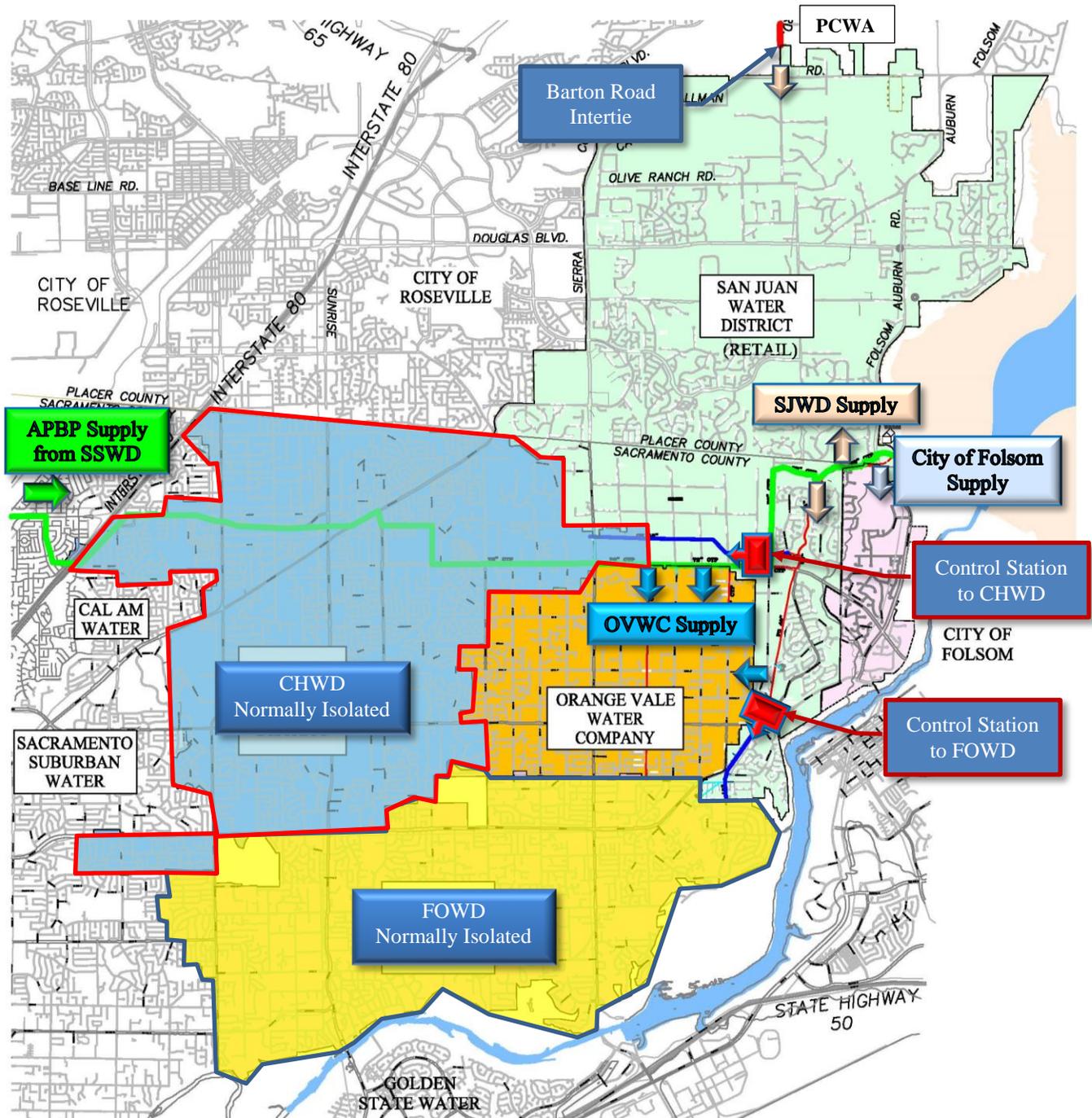


FIGURE 3
SCENARIO 1 – OPERATIONAL STRATEGY OVERVIEW

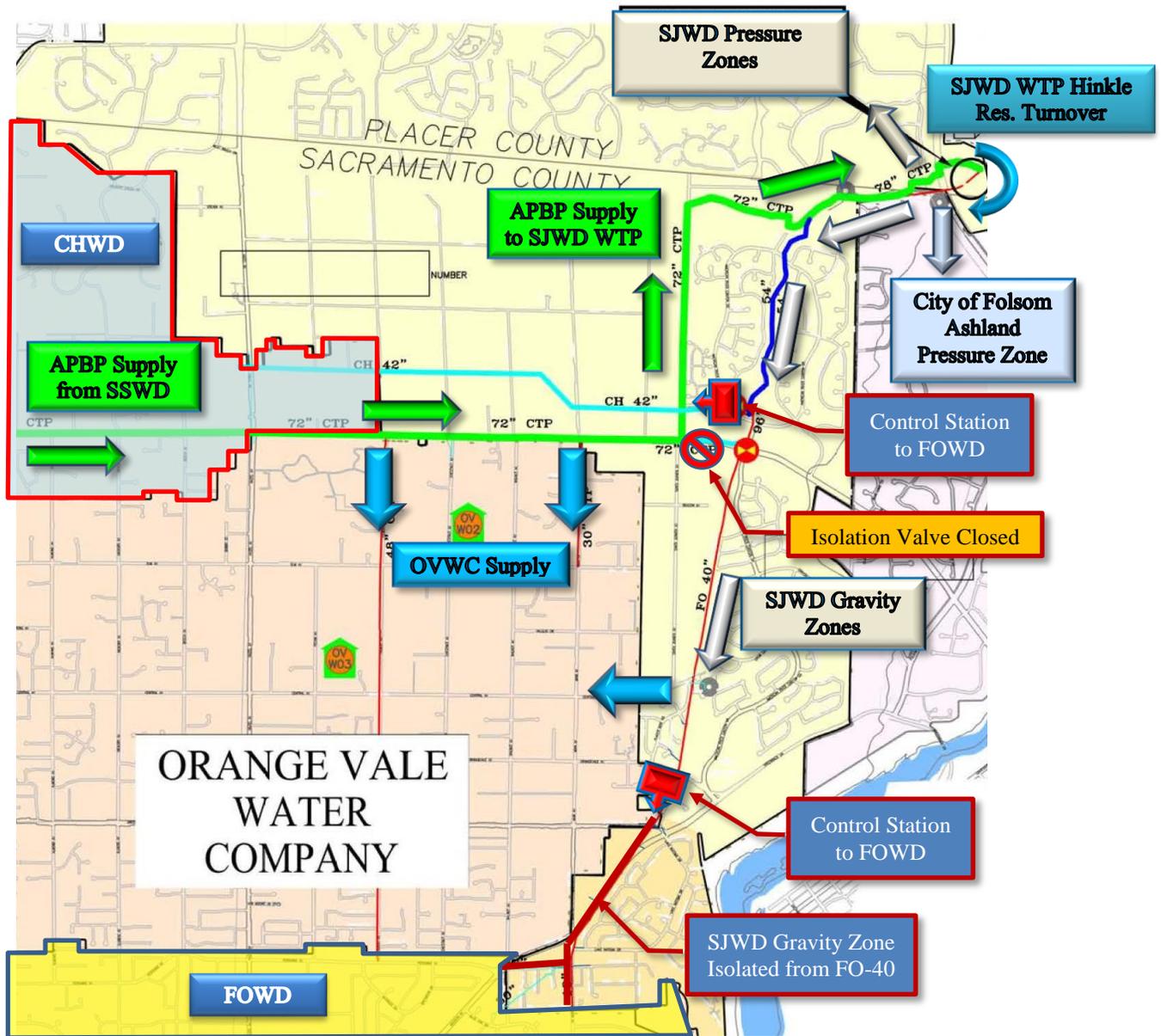
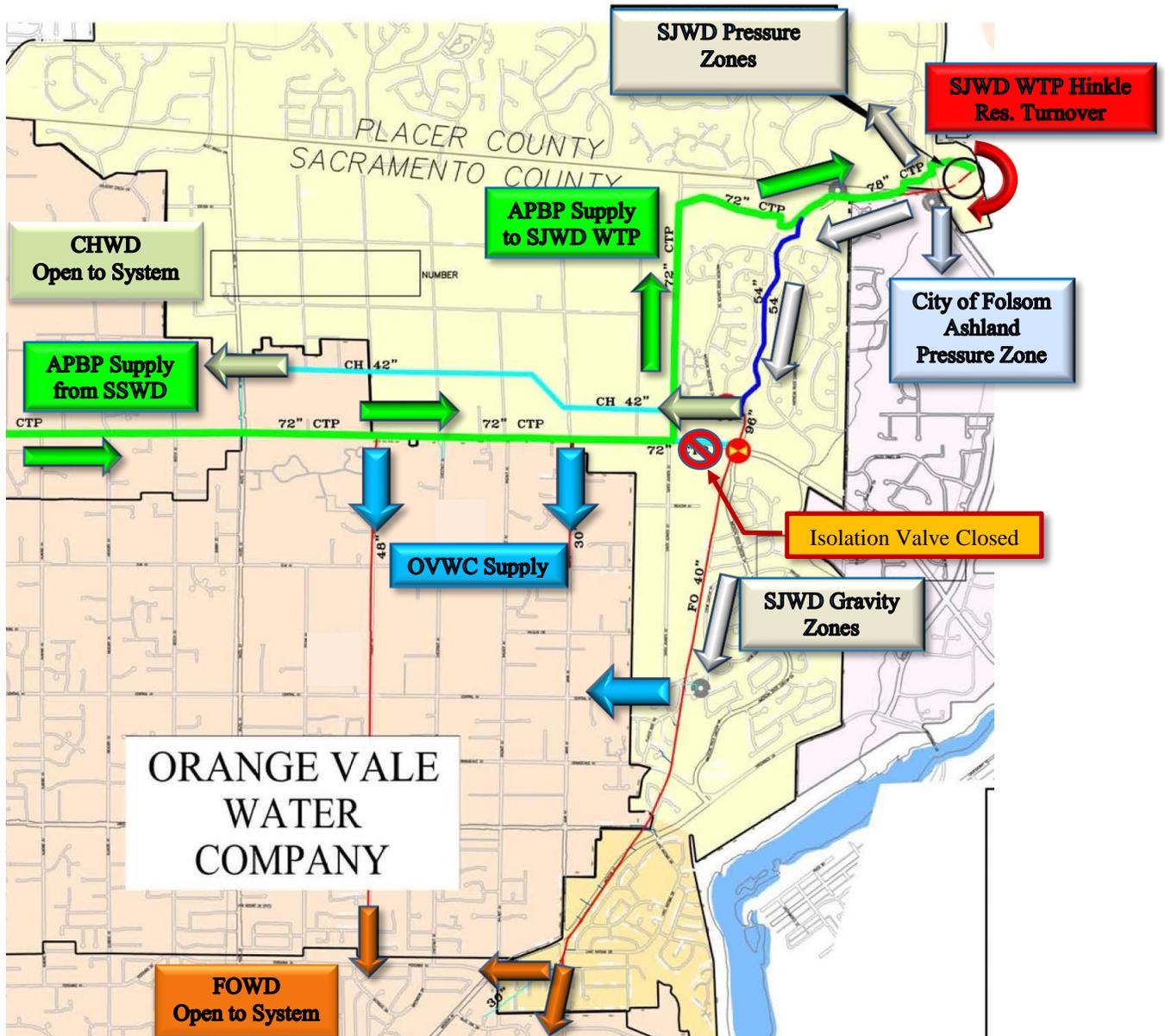
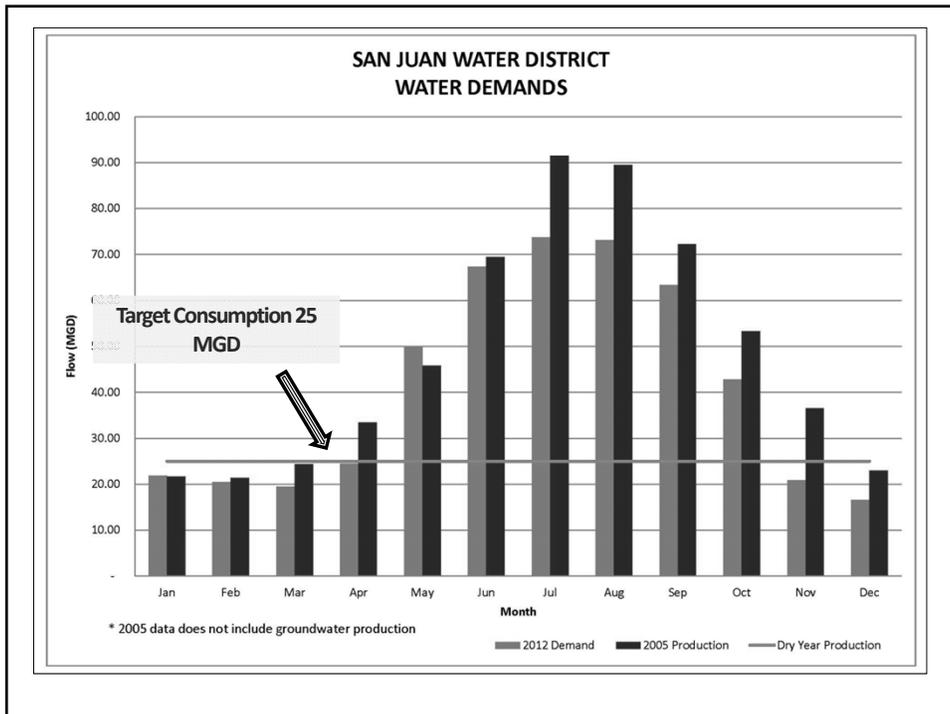


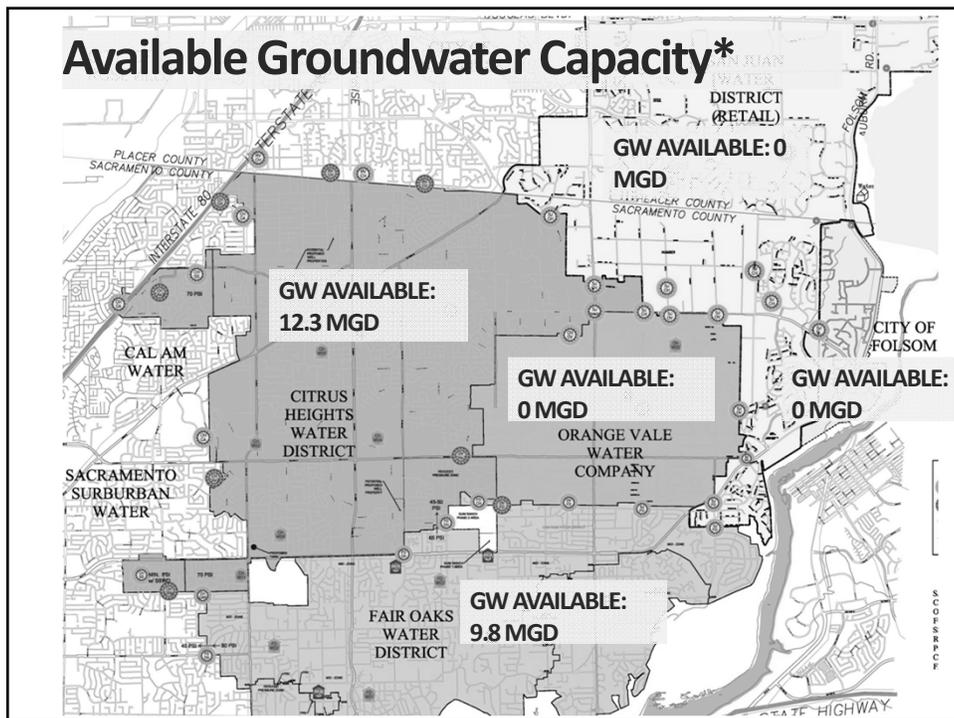
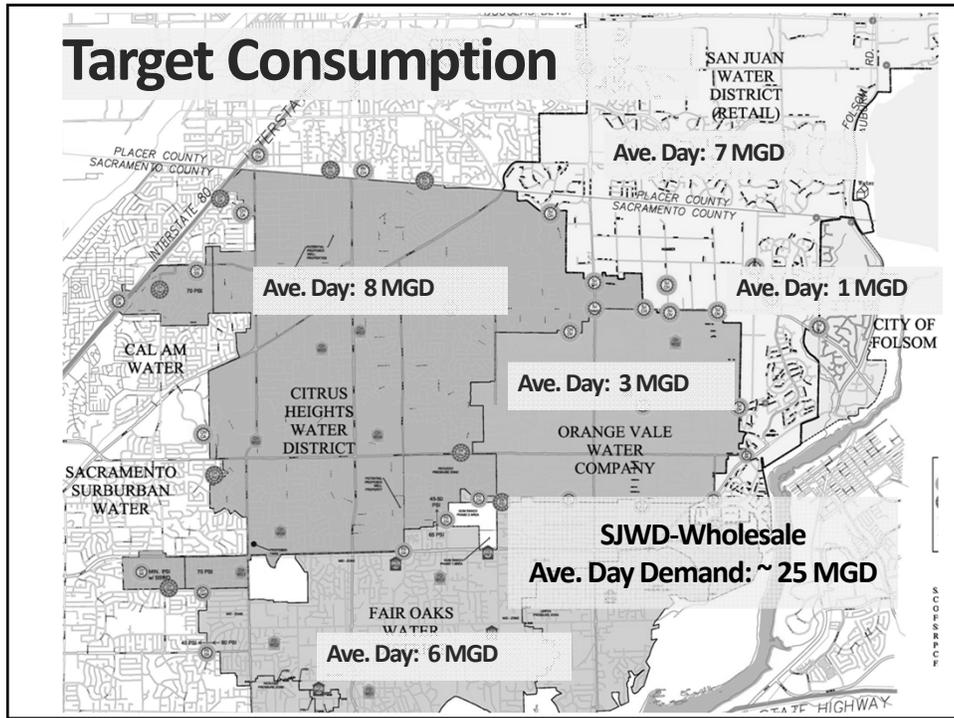
FIGURE 4
SCENARIO 2 – REDUCED FOLSOM LAKE SURFACE WATER SUPPLY

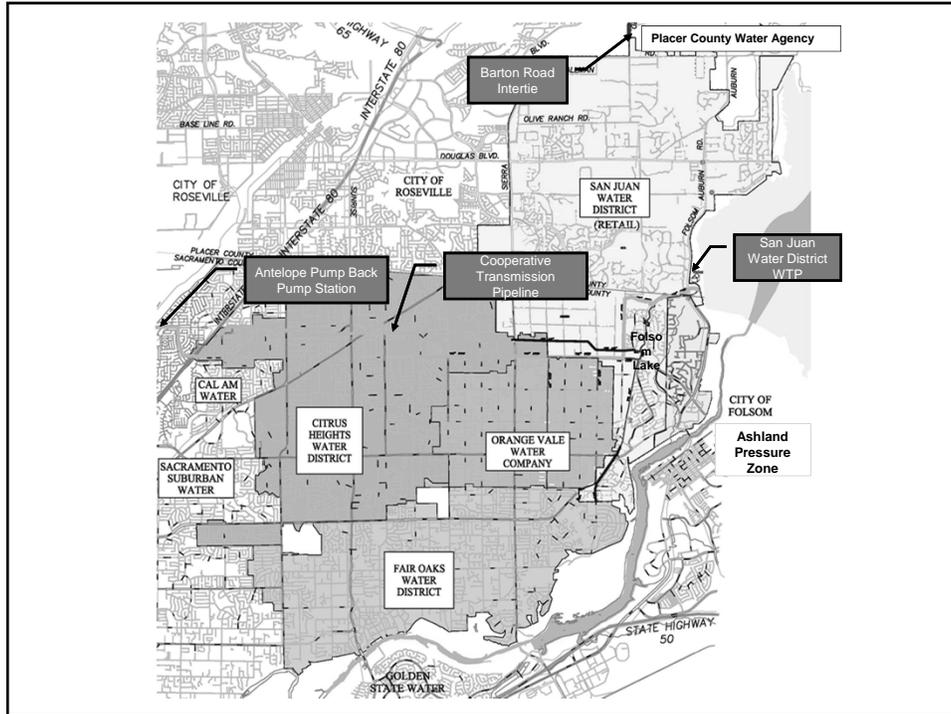


Wholesale Dry-Year and Emergency Operations Guidance Plan

San Juan Water District
March 4, 2015

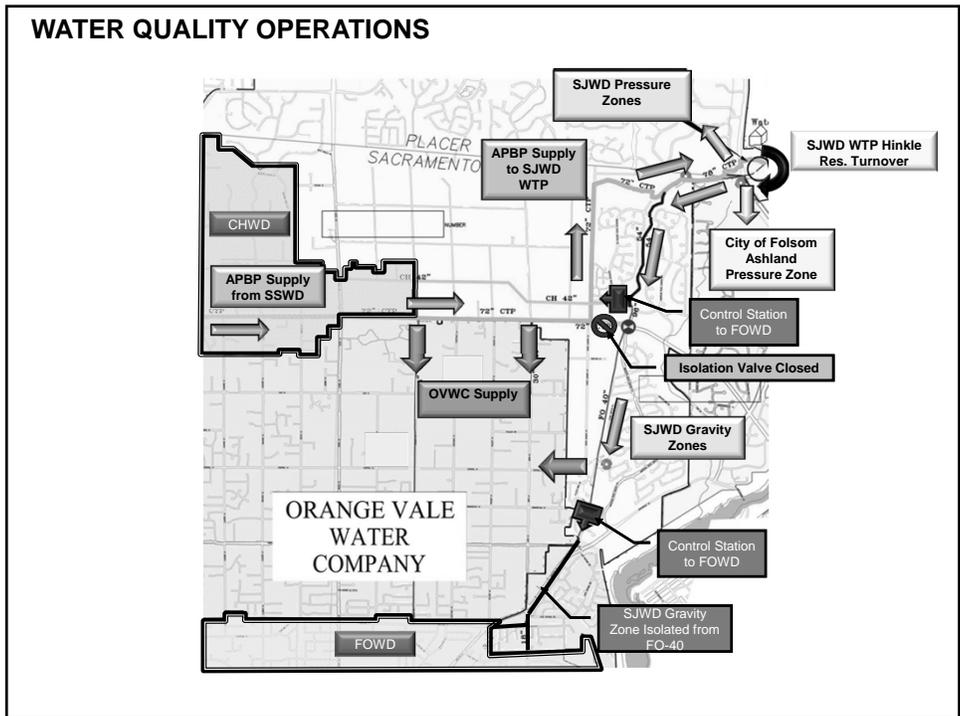
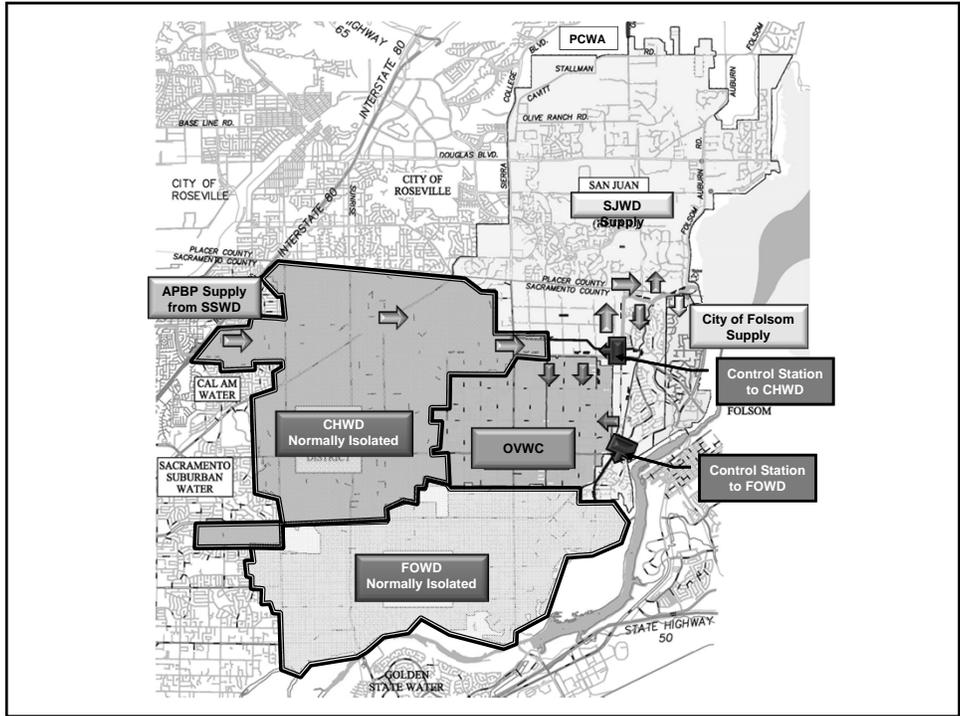






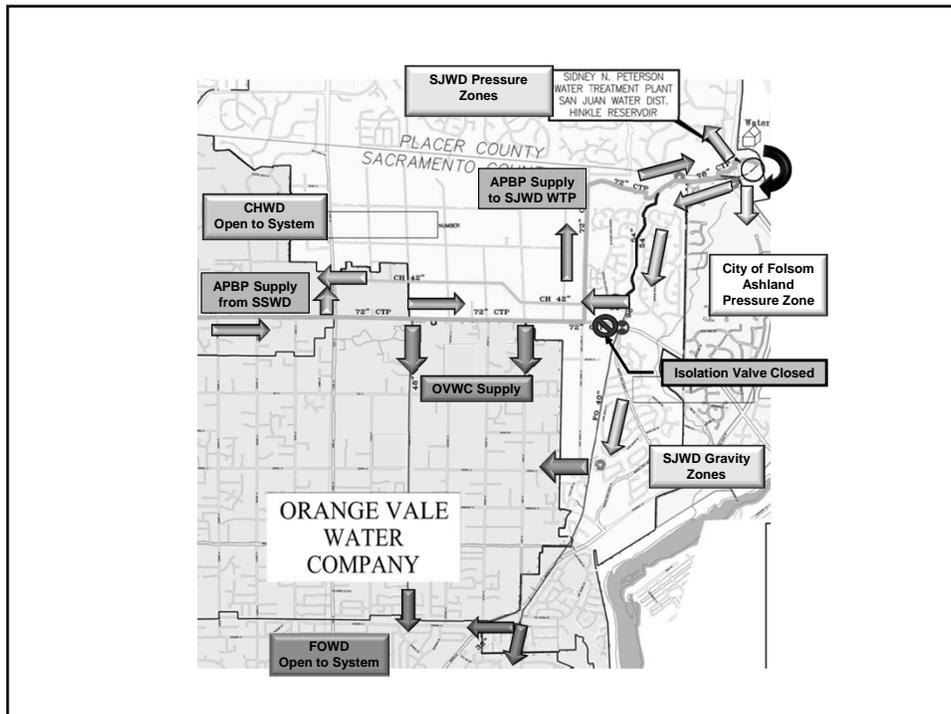
Scenario 1) No Folsom Lake Surface Water Available

- Folsom Lake below the District's intake or significant unplanned outage of the Folsom Lake intake, pumping plant, or SJWD water treatment plant;
- APBP is providing up to 14.4 MGD Supply;
- APBP primary supply to SJWD-R, OVWC and the City of Folsom's Ashland service area;
- CHWD and FOWD are isolated from SJWD-W;
- CH-42" and FO-40" Control Stations are in operation;
- Groundwater wells primary supply to CHWD & FOWD;
- The Barton Road intertie supplying 2 MGD into the SJWD-R.



Scenario 2) Reduced Folsom Lake Surface Water Available

- Reduced surface water supply available from Folsom Lake
- APBP is providing up to 14.4 MGD Supply
- The APBP supply is available to all Wholesale Agencies,
- Single Hydraulic System
 - Both CHWD and FOWD are connected to the CTP
 - FOWD and CHWD are connected to the FO-40 and the CH-42, respectively,
 - Groundwater supply not contained within CHWD & FOWD Distribution Areas
 - The Barton Road intertie supplying 2 MGD into the SJWD-R



RECOMMENDATIONS – Planning and Testing

Operation Test Planning:

- Establish a comprehensive operations team
- Time of year (December to March timeframe)
- Identify monitoring control points;
- Coordinate well operations with CHWD and FOWD;
- Establish meters to be monitored for flow deliveries;
- Establish preliminary pressure for control stations.

Preliminary Phased Testing Plan

1. Run the APBP to an open hydraulic system (control stations not in service).;
2. Isolate CHWD or FOWD (control stations in service) one at a time.;
3. Isolate both CHWD and FOWD (control stations in service), run the APBP and reduce surface water demands.

QUESTIONS??

AGENDA ITEM IV-5 DRAFT

Legal Affairs Committee Meeting March 5, 2015 3:00 p.m.

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

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

Members of the Public: Dave Kane, Citrus Heights Water District
Tom Gray, Fair Oaks Water District
Sharon Wilcox, Orange Vale Water Company
Joe Duran, Orange Vale Water Company

Topics: Legislation to permit increase to number of members of SJWD Board of Directors (W)
SJWD-W Responsibilities (W)
Water Connections During Drought (R)
Agreement Between SSWD and SJWD for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (W & R)
Naming of new Lower Granite Bay Booster Pump Station (R)
Other Legal Affairs Matters
Public Comment

- 1. Legislation to permit increase to number of members of SJWD Board of Directors (W)**
Ms. Lorange informed the committee that, at a 2x2 Water Management Ad Hoc Committee meeting, staff was directed to bring the discussion of special legislation to SJWD for discussion of possible legislative action. Staff requested direction from the committee on whether or not to proceed with drafting legislation to provide authority for LAFCO to increase the number of SJWD directors if requested.

The committee discussed the topic and voiced concern regarding the timing of special legislation and the need to permanently increase the number of directors above the allowed five. LAFCO has authority to allow for temporary increase in number of directors with the number decreasing through future elections. Director Walters requested information on the time limitations related to the LAFCO authority to increase the number of directors. Ms. Lorange informed the committee that the wholesale customer agencies are concerned with adequate representation should the two agencies merge and the number of directors remain at five. Mr. Durkin commented that SSWD Board is concerned that special legislation could take more time than desired and/or not be successful.

For information only; no action requested.

2. SJWD-W Responsibilities (W)

Ms. Lorance informed the committee that a request from FOWD to identify SJWD-W responsibilities as it pertains to supplying surface water versus groundwater was reviewed by the Water Supply & Reliability Committee. The Water Supply & Reliability Committee requested that the Legal Affairs Committee determine what current responsibilities and authorities the SJWD-W already has to the wholesale customer agencies under the water supply agreements.

Mr. Horowitz reviewed several excerpts from the CSD law and the Municipal Water Code. He stated that SJWD-W has broad authority to purchase, sell and transfer any type of water supply and that there is no distinction in the code regarding surface versus groundwater. In addition, he stated that the 1954 SJWD formation documents did not contain any limitations. The current wholesale water supply agreements do not contain limitations, other than providing water when available. In addition, the agreements provide for 1st priority of water supplies to existing wholesale customer agencies.

Mr. Tom Gray inquired what duties are required of the retail agencies. Ms. Lorance responded that the retail agencies should determine their own retail responsibilities. She explained that SJWD-W is responsible to deliver water to the wholesale customer agencies to the pre-determined point of delivery, and the wholesale customer agencies are responsible to their customers.

The Legal Affairs Committee referred this topic back to the Water Supply & Reliability Committee with the understanding that the Board has authority to manage water supplies pursuant to the information provided by Legal Counsel.

3. Water Connections During Drought (R)

The committee discussed this issue of allowing new water connections and withholding will serve letters during drought conditions. Mr. Horowitz explained that the Board has the authority to not approve connections during Stage 5 water conservation per the District's ordinances. The committee discussed policy issues with adjacent water agencies and the impact to the economy. Mr. Horowitz will work with staff to draft a policy on connections during drought conditions.

For information only; no action requested.

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

Mr. Durkin explained that staff is still working on a response to the letter from CHWD and FOWD which was received by the Board at their last meeting.

For information only; no action requested.

5. Naming of new Lower Granite Bay Booster Pump Station (R)

Ms. Lorance informed the committee that some SJWD employees have requested that the new Lower Granite Bay Booster Pump Station be named in honor of a former employee, Al Castellanos. The committee discussed the request and directed staff to submit a written request to the SJWD Board explaining their request and the reasons that the Board should consider naming the facility after this past employee.

For information only; no action requested.

6. Other Legal Affairs Matters (W/R)

Ms. Lorance informed the committee that she is working with BKS and Roseville on a comment letter to the USBR regarding a final Water Shortage Policy and that fact that Term 14 is not addressed in the draft policy.

Director Costa informed the committee that Senator Cannella introduced SB 228 which addresses beneficial use of water.

6.1 Next Meeting Date

The next meeting was scheduled for March 10, 2015 at 2:00 pm.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:25 p.m.

Finance Committee Meeting Minutes
San Juan Water District
March 10, 2015
3:00 p.m.

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

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

Members of the Public: Mitch Dion, SJWD

Topics: Review and Pay Bills (W & R)
2015 Mains and Services Improvements Project (R)
Groundwater Pumping Reimbursement (W)
Fiscal Year 2016 Budget Assumptions and Timeline (W & R)
Finance Department Process Update (W & R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

The committee reviewed the presented bills and claims. In accordance with recommended practices, the committee specifically reviews any credit card charges and reimbursements for the General Manager, Assistant General Manager, Finance and Administrative Services Manager, and the Board Secretary. The reviewed bills and claims were found to be in order.

Ms. Motonaga informed the committee that the account payable amount is larger since payment for the Granite Bay Pump Station project (both upper and lower pump stations) was included in the amount of \$3.64 million. [*However, after reconciling prior payments, the amount due is actually \$624,687.27, as the vendor had not applied those prior payments.*] Ms. Motonaga will supply the project data at the next Board meeting.

Staff update: the total amount of bills and claims provided for approval for February payables is \$1,443,412.03.

The Finance Committee recommends approval of Resolution 15-03.

2. 2015 Mains and Services Improvements Project (R)

Ms. Lorance provided the committee with Keith Durkin's staff report which will be attached to the meeting minutes. Ms. Lorance explained that two projects from the 2015-16 budget need to be completed this fiscal year in order to be completed prior to Placer County's paving project.

The Finance Committee recommends consideration of a motion to award a construction contract to West Valley Construction for \$1,028,389 with an authorized construction budget of \$1,131,300 which includes a 10% contingency.

3. Groundwater Pumping Reimbursement (W)

Ms. Lorance informed the committee there were not any comments received from anyone on Mitch Dion's recommendations on the groundwater pumping reimbursement. In addition, CHWD and OVWC both stated that they could accept the revised invoice. Ms. Lorance recommended that the committee accept the reduced cost as Mr. Dion's report indicated and then review a schedule of payments at the next committee meeting. The report shows that SJWD Retail's allocation of cost would be approximately \$740,000.

The committee discussed the topic and voiced concern with the fact that the reimbursement request included five years of charges. Director Costa suggested that the invoices be sent to USBR for consideration of payment.

The Finance Committee recommends that the full Board review the reimbursement request at a future Board meeting.

4. Fiscal Year 2016 Budget Assumptions and Timeline (W & R)

Ms. Motonaga reviewed a draft of the presentation that she will present at the March 11th Board meeting regarding the *Fiscal Year 2015-2016 Budget*. She reviewed the Legal Requirements, the Budget Development Process Timeline, FY 2015-16 Budget Related Items, Budget Assumptions District-wide and for Wholesale and Retail individually, the COLA History, and Water Production since 2007 and projections into 2016 for both Wholesale and Retail individually.

Ms. Motonaga requested that any comments or questions regarding the budget be communicated to her as early as possible during the budget process. The committee did not have any revisions for the budget assumptions at this time. Director Miller requested that staff provide information on the amount of water used from the various water sources such as pre-1914, CVP, and PCWA. Ms. Lorance will be presenting this information at the March 19th workshop meeting.

For information only; no action requested.

5. Finance Department Process Update (W & R)

Ms. Lorance reviewed a draft of the presentation that she will present at the March 11th Board meeting regarding the *Finance Department Process Update*. She reviewed the history of the Finance Department since she started in 1996, the current status in the department, and anticipated changes that are expected over the next year.

Ms. Lorance explained that the department is one year into a two year process of updating the finance processes, including full implementation of Tyler. In addition, the District is now utilizing Tyler as the accounting system and has additional modules to implement through Fall 2015. She explained that the auditors have

identified recommendations for actions in Solomon and improved controls that are necessary. These actions have already been implemented in Tyler. Ms. Lorange informed that committee that the role of the Finance & Administrative Services Manager will be clarified at a Board Workshop prior to the recruitment process.

The committee discussed the need for standard reports that the General Manager and Assistant General Manager should receive monthly. In addition, they discussed the auditors' tasks which include auditing FY 2013-14 and reporting on that audit to the Board then starting the FY 2014-15 audit.

For information only; no action requested.

6. Other Finance Matters (W/R)

There were no other items discussed.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:45 p.m.

San Juan Water District

**RESOLUTION 15-03
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,434,976.46; 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 \$1,434,976.46 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 \$1,434,976.46 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 11th day of March 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



Check Register

Packet: APPKT00263 - 2015-03-11 Check
Run TB

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Payment Amount	Number
Bank Code: APBNK-APBNK					
01024	ACCOUNTEMPS	03/11/2015	Regular	6,061.36	48293
03091	Ace Hardware - Auburn Folsom Act#2051	03/11/2015	Regular	350.81	48294
01068	ALPHA DES - Glenn Walker	03/11/2015	Regular	968.00	48295
03108	ALPINE CABINET COMPANY	03/11/2015	Regular	6,275.18	48296
01073	AMARJEET SINGH GARCHA	03/11/2015	Regular	1,500.00	48297
01126	ASBURY ENVIRONMENTAL SERVICES	03/11/2015	Regular	338.75	48298
01328	Association of CA Water Agencies Joint Powers Ins Authority	03/11/2015	Regular	111.32	48299
01138	AT&T	03/11/2015	Regular	163.80	48300
03138	Brainfiller, Inc.	03/11/2015	Regular	665.00	48301
01234	BRYCE CONSULTING INC	03/11/2015	Regular	3,412.50	48302
03140	Carol Bolter	03/11/2015	Regular	100.00	48303
01372	CITY OF FOLSOM	03/11/2015	Regular	31.36	48304
02556	COSTA, Ted	03/11/2015	Regular	108.68	48305
01424	COUNTY OF SACRAMENTO	03/11/2015	Regular	731.50	48306
01502	DITCH WITCH EQUIPMENT COMPANY	03/11/2015	Regular	3,380.06	48307
01505	DMV RENEWAL	03/11/2015	Regular	123.00	48308
01510	DON ROBINSON SAND & GRAVEL INC	03/11/2015	Regular	2,161.47	48309
01569	EMPLOYEE RELATIONS	03/11/2015	Regular	357.90	48310
01609	FEDERAL EXPRESS CORP	03/11/2015	Regular	12.48	48311
01634	FOLSOM LAKE FORD	03/11/2015	Regular	4,421.43	48312
01687	Grainger, Inc.	03/11/2015	Regular	933.38	48313
01733	HARRIS WELDING, INC.	03/11/2015	Regular	180.40	48314
01741	HDR ENGINEERING, INC.	03/11/2015	Regular	8,523.31	48315
01778	IDEXX DISTRIBUTION INC	03/11/2015	Regular	40.31	48316
01835	JASON HOFFMAN	03/11/2015	Regular	445.00	48317
01898	JPIA / ACWA	03/11/2015	Regular	45,731.00	48318
03110	Lance, Soll & Lunghard, LLP	03/11/2015	Regular	20,184.00	48319
01837	Mayorga, Jason	03/11/2015	Regular	121.00	48320
02027	MCMMASTER-CARR SUPPLY COMPANY	03/11/2015	Regular	702.29	48321
03141	McMurtry, Raymond or Barbara	03/11/2015	Regular	59.11	48322
01916	Miller, Ken	03/11/2015	Regular	29.90	48323
02119	Northern CA Water Association	03/11/2015	Regular	3,367.00	48324
02129	OCCU-MED, LTD	03/11/2015	Regular	557.50	48325
02131	OFFICE DEPOT BUS SERV DIV	03/11/2015	Regular	670.83	48326
02134	OFFICE TEAM	03/11/2015	Regular	1,049.60	48328
03098	On Scene Event Medical Services LLC	03/11/2015	Regular	5,435.03	48329
02150	Pace Supply Corp	03/11/2015	Regular	3,962.79	48330
03026	PFM Asset Management	03/11/2015	Regular	893.23	48331
02210	Placer County Water Agency	03/11/2015	Regular	492.40	48332
02223	PLATT - RANCHO CORDOVA	03/11/2015	Regular	936.17	48333
02328	ROCKLIN WINDUSTRIAL CO	03/11/2015	Regular	269.52	48334
02334	ROSE STROHMAIER	03/11/2015	Regular	14.70	48335
02366	SAC VAL JANITORIAL SALES INC	03/11/2015	Regular	6.45	48336
03096	Schaffner Trencu	03/11/2015	Regular	4,274.11	48337
02452	Sierra National Asphalt	03/11/2015	Regular	8,051.94	48338
03086	SIERRA SAW POWER EQUIPMENT	03/11/2015	Regular	151.58	48339
02466	Silvers HR, LLC	03/11/2015	Regular	1,850.00	48340

02508	State Board of Equalization	03/11/2015	Regular	934.26	48341
02516	STEPHEN EHNAT	03/11/2015	Regular	51.80	48347
02544	SYBLON REID	03/11/2015	Regular	624,687.27	48348
02567	TERI HART	03/11/2015	Regular	98.30	48349
02580	THE EIDAM CORPORATION	03/11/2015	Regular	18,035.60	48350
02624	TRACE ANALYTICS LLC	03/11/2015	Regular	607.20	48351
02638	TYLER TECHNOLOGIES INC	03/11/2015	Regular	21,745.04	48352
02651	UNITED PARCEL SERVICE	03/11/2015	Regular	152.73	48353
02667	US BANK CORPORATE PAYMENT SYS	03/11/2015	Regular	21,141.83	48354
02690	VERIZON WIRELESS	03/11/2015	Regular	365.65	48365
03064	Wecall Inc	03/11/2015	Regular	620.06	48366
02766	Youngdahl Consulting Group Inc	03/11/2015	Regular	10,941.00	48367
01026	ACE HARDWARE- Greenback	03/11/2015	EFT	16.69	404144
01081	AMERICAN MESSAGING	03/11/2015	EFT	14.05	404145
01165	Backflow Technologies	03/11/2015	EFT	350.59	404146
01378	Clark Pest Control	03/11/2015	EFT	700.00	404147
01486	DEPARTMENT OF ENERGY	03/11/2015	EFT	4,150.28	404148
01589	Eurofins Eaton Analytical, Inc	03/11/2015	EFT	419.00	404149
01611	FERGUSON ENTERPRISES, INC.	03/11/2015	EFT	410.69	404150
01721	HACH COMPANY	03/11/2015	EFT	2,903.78	404151
01902	KAMAN INDUSTRIAL TECHNOLOGIES	03/11/2015	EFT	3,560.91	404152
02432	Lorance, Shauna	03/11/2015	EFT	166.19	404153
02020	MCC Control Systems	03/11/2015	EFT	1,725.00	404154
02179	PAYROLL	03/11/2015	EFT	433,397.27	404155
02162	Tobin, Pamela	03/11/2015	EFT	262.86	404156
02710	Wageworks, Inc	03/11/2015	EFT	48.00	404157
02730	Western Area Power Admin	03/11/2015	EFT	2,380.38	404158
01039	AFLAC	03/11/2015	Regular	2,271.40	48369
01090	American Water Works Assoc	03/11/2015	Regular	60.00	48371
01182	BARTKIEWICZ,KRONICK & SHANAHAN	03/11/2015	Regular	16,707.40	48372
01298	CalPERS Long Term Care	03/11/2015	Regular	123.08	48373
01373	CITY OF ROSEVILLE	03/11/2015	Regular	3,309.80	48374
01375	CITY OF SACRAMENTO	03/11/2015	Regular	3,380.50	48375
03111	COASTLINE WATER RESOURCES INC	03/11/2015	Regular	2,200.00	48376
01420	CORT FURNITURE RENTAL	03/11/2015	Regular	124.32	48377
02214	County of Placer Engineering & Surveying	03/11/2015	Regular	58.50	48378
01433	Crusader Fence Co., Inc.	03/11/2015	Regular	4,463.00	48379
03127	Dennis M. Payne	03/11/2015	Regular	125.00	48380
01509	DOMENICHELLI & ASSOCIATES INC	03/11/2015	Regular	879.50	48381
01657	GALIC DISBURSING COMPANY	03/11/2015	Regular	800.00	48382
01681	GOLDEN STATE FLOW MEASUREMENTS	03/11/2015	Regular	33,171.14	48383
01736	Hasler/MailFinance/Neopost	03/11/2015	Regular	486.00	48384
01763	Holt of California	03/11/2015	Regular	3,262.92	48385
03045	Jim Patton Plumbing	03/11/2015	Regular	625.00	48386
03129	John Johnson	03/11/2015	Regular	397.77	48387
01890	JOHNSON PETROLEUM CONST. INC.	03/11/2015	Regular	637.31	48388
01904	Kathryn Motonaga	03/11/2015	Regular	1,031.20	48389
01925	KHUN KHIE	03/11/2015	Regular	265.00	48390
02094	Neff Rental LLC	03/11/2015	Regular	269.76	48391
02131	OFFICE DEPOT BUS SERV DIV	03/11/2015	Regular	888.74	48392
02134	OFFICE TEAM	03/11/2015	Regular	1,679.26	48394
02280	Rawles Engineering, Inc	03/11/2015	Regular	1,500.00	48395
02283	Recology Auburn Placer--DB	03/11/2015	Regular	632.71	48396
02286	REGIONAL WATER AUTHORITY	03/11/2015	Regular	13,000.00	48397
02334	ROSE STROHMAIER	03/11/2015	Regular	48.41	48398

02357	S M U D	03/11/2015	Regular	8,933.43	48411
02384	SACRAMENTO SUBURBAN WTR DIST	03/11/2015	Regular	12,455.47	48412
02553	TDJE INCORPORATED	03/11/2015	Regular	2,798.94	48413
03120	Union Bank	03/11/2015	Regular	100.11	48414
03079	Van Dusen, Darren	03/11/2015	Regular	50.00	48415
02700	Viking Shred, LLC	03/11/2015	Regular	75.00	48416
01048	AIRGAS INC	03/11/2015	EFT	251.06	404159
01521	DP2 BILLING SOLUTIONS LLC	03/11/2015	EFT	9,248.63	404160
01909	Durkin, Keith	03/11/2015	EFT	260.10	404161
01589	Eurofins Eaton Analytical, Inc	03/11/2015	EFT	614.00	404162
01611	FERGUSON ENTERPRISES, INC.	03/11/2015	EFT	366.36	404163
01775	I.S. Tours, Inc.	03/11/2015	EFT	3,145.00	404164
01775	I.S. Tours, Inc.	03/11/2015	EFT	3,145.00	404165
01775	I.S. Tours, Inc.	03/11/2015	EFT	3,145.00	404166
01819	J. Richard Eichman, CPA	03/11/2015	EFT	241.96	404167
02020	MCC Control Systems	03/11/2015	EFT	915.50	404168
02504	STARR CONSULTING	03/11/2015	EFT	250.00	404169
02572	Thatcher Company of CA	03/11/2015	EFT	6,174.60	404170
02706	VORTEC INDUSTRIES INC	03/11/2015	EFT	315.00	404171

Total Checks: 1,434,976.46

Special Check Run:

2353	SAWWA	105.00
2357	SMUD	4,238.26
		<u><u>4,343.26</u></u>

TOTAL PAID 1,439,319.72

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE **816,899.79**

Syblon Reid	624,687.27
Credit Adjustment	(1,799.63)
Unpaid Office Depot invoices	(467.71)
TOTAL PAID	<u><u>1,439,319.72</u></u>

Regular Checks	956,398.56
EFT's	478,577.90
TOTAL PAID	1,434,976.46

Signature _____ Date _____

Signature _____ Date _____

STAFF REPORT

To: Finance Committee
From: Keith Durkin, Assistant General Manager
Date: March 11, 2015
Subject: 2015 Water Mains and Services Replacement Project

RECOMMENDED ACTION

Staff recommends a motion to award a construction contract to West Valley Construction Company, Inc. for the amount of \$1,028,389 with an authorized total construction budget of \$1,131,300 which includes a 10% contingency.

BACKGROUND

Five sections of Retail Service Area pipeline totaling approximately 4,410 feet are scheduled for replacement this fiscal year as part of the Retail Capital Improvement Program:

1. Erwin Avenue (770 LF of 8-inch C900 and 22 services)
2. Telegraph Avenue (775 LF of 8-inch C900, 155 LF of 8-inch DIP, and 8 services)
3. Oak Avenue (760 LF of 12-inch DIP and 6 services)
4. Peerless Avenue (1,340 LF of 12-inch C900 and 19 services)
5. Douglas Boulevard (700 LF of 8-inch DIP)

These projects were identified in the Financial Plan and are needed to replace aged, failing and leaking facilities. The designs were completed in-house and the five individual projects were bundled together and bid as a single combined project.

STATUS

Bids for the project were received on March 3rd, 2015 and are summarized as follows:

West Valley Construction Company, Inc.	\$1,028,389
Lamon Construction Company, Inc.	\$1,036,730
Civil Engineering Construction, Inc.	\$1,186,780
Westcon Construction Corporation	\$1,234,100
Martin General Engineering, Inc.	\$1,320,240
McGuire & Hester	\$1,359,200
Rawles Engineering, Inc.	\$1,367,406

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

FINANCIAL CONSIDERATIONS

The Project was budgeted for in FY14/15 in the amount of \$844,000. The Douglas Blvd and a portion of Telegraph Ave projects were added to the FY14/15 project list out of necessity due to County paving projects that were identified subsequent to the preparation of the FY 14/15 Budget. Construction of the projects will continue into FY15/16 and additional funds for construction will be included in the FY15/16 budget.



AGENDA ITEM V-1.4

United States Department of the Interior

BUREAU OF RECLAMATION

Central California Area Office

7794 Folsom Dam Road

Folsom, California 95630-1799

FEB 26 2015

IN REPLY REFER TO:

CC-415

WTR-4.00

Mr. Edward Costa
President, Board of Directors
San Juan Water District
P.O. Box 2157
Granite Bay, California 95746

Subject: 2015 Water Rates – San Juan Water District – Central Valley Project (CVP) and
Warren Act Contracts - CVP, California

Dear Mr. Costa:

This letter provides notice of the updated water rates applicable to your CVP Contract Number 6-07-20-W1373-LTR1 and Warren Act Contract Number 6-07-20-W1315 with the Bureau of Reclamation. The enclosed exhibits amend the water rate exhibits in the contracts effective March 1, 2015.

For questions concerning the 2015 water rates or Contract exhibit, please contact Ms. Georgiana Gregory at 916-989-7172 or e-mail ggregory@usbr.gov.

Sincerely,

Drew F. Lessard
Area Manager

Enclosure

cc: Ms April Naatz
San Juan Water District
P.O. Box 2157
Granite Bay, California 95746
(w/encl)

EXHIBIT A
SAN JUAN WATER DISTRICT
WARREN ACT CONTRACT RATES
WATER YEAR 2015
(Per Acre-Foot)

Cost Component	M&I Cost of Service ¹
Water Marketing	\$5.19
Conveyance O&M ²	\$10.12
Conveyance O&M Sub-Total	\$15.31
Other Cost	\$0.29
Conveyance Construction ²	\$0.40
Conveyance Construction Sub-Total	\$0.69
Total Water Marketing, and Conveyance:	\$16.00
Storage O&M	\$0.00
Storage Construction	\$0.00
Storage Sub-Total:	\$0.00
TOTAL Marketing, Conveyance & Storage	\$16.00

¹ The M&I Cost of Service Rate is applicable to Non-Project Water delivered for municipal and industrial purposes. See definition of "Municipal and Industrial Water" in subdivision (e) of Article 1 of this Contract.

² The Folsom pipeline is tied to the storage unit for recovery purposes; therefore, the storage rate is used for conveyance purposes.

Additional details of the rate components are available on the Internet at www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html

2/18/15 slf

**Exhibit B
 SAN JUAN WATER DISTRICT
 2015 Rates and Charges
 (Per Acre-Foot)**

	M&I Water
COST-OF-SERVICE (COS) RATE	
Construction Component	\$1.90
O&M Component	
Water Marketing	\$5.19
Storage	\$10.12
ARRA	\$0.09
Deficit Cost Component	\$0.40
TOTAL COS RATE (Tier 1 Rate)	\$17.70
M&I FULL COST RATE	\$18.62
TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)	
M&I	
<i>Tier 2 Rate : >80% <=90% of Contract Total</i> [M&I Full Cost Rate - M&I COS Rate]/2 (Amount to be Added to Tier 1 Rate)	\$0.46
<i>Tier 3 Rate : >90% of Contract Total</i> [M&I Full Cost Rate - M&I COS Rate]	\$0.92
CHARGES AND ASSESSMENTS (Payments in Addition to Rates)	
P.L. 102-575 Surcharges (Restoration Fund Payments) ¹ [Section 3407(d)(2)(A)]	\$20.14
P.L. 106-377 Assessment (Trinity Public Utilities District) ² [Appendix B, Section 203]	\$0.23

EXPLANATORY NOTES

- 1 The surcharges were determined pursuant to Title XXXIV of P.L. 102-575. Restoration Fund surcharges under P.L. 102-575 are determined on a fiscal year basis (10/1-9/30).
- 2 The Trinity Public Utilities District Assessment is applicable to each acre-foot of water delivered from 3/1/2015-2/29/2016 and is adjusted annually.

Recent Historic Use, as defined in the CVP M&I Water Shortage Policy, is 1,593 acre-feet.

Additional detail of rate components is available on the Internet at
www.mp.usbr.gov/cvpwaterrates/.

Fiscal Year 2015-2016 Budget

Board Meeting
03/11/2015

Legal Requirements

- **Minimum Legal Requirements:**
 - Meeting where final budget is to be adopted must be publicized, including newspaper disclosure at least 2 weeks prior to the meeting.
 - Budget must be adopted before September 1.
 - Budget must be filed by September 1 with both Placer and Sacramento County.
 - Board may delegate to GM to transfer funds between budget categories; current authorization is to transfer funds within operational budget. Capital budget items approved individual by board.
 - Board must review District's reserve policy annually, best to do at budget time.

Govt. Code Sections 61110 (f); 61111 (b); and 61112 (e)

Budget Development Process

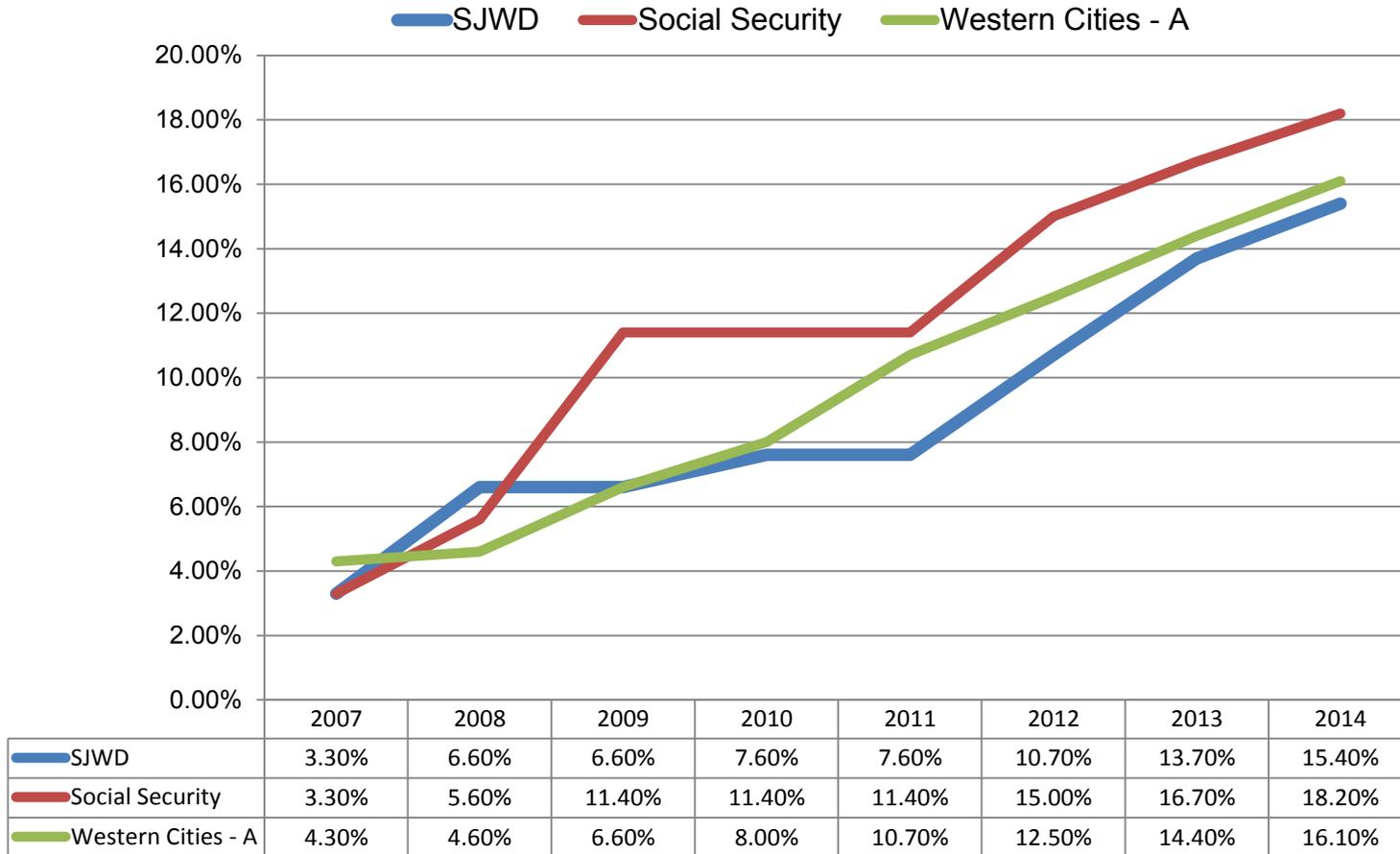
- Finance Committee – 03/10/15
 - Assumptions and Timeline Review
- Board Meeting – 03/11/15
 - Assumptions and Timeline Review and Agreement
- Special Finance Committee – 03/23 /15
 - Review and Recommend Approval of Draft of Wholesale Budget and Rate
- Board Meeting – 03/25/15
 - Review and Approve Draft of Wholesale Budget and Rate
- Finance Committee – 04/7/15
 - Review and Recommend Approval of Draft of Retail Budget and Proposed Rate for 218 Process
- Board Meeting – 04/8/15
 - Review and Approval of Draft of Retail Budget and Proposed Rate for 218 Process
 - Begin 218 Process
- Finance Committee – 06/8/15
 - Review and Recommend Approval of Retail Budget and Rate
- Board Meeting – 06/9/15
 - Review and Approval of Retail Budget and Rate

Budget Assumptions

District-wide

- No change in service boundaries
 - No assumptions related to possible consolidation
- Budget for Stage 3 drought conditions? Drought Rates? All year?
- Updated COLA data is due out next week (expected between 1-2%)
 - Last February increase used for COLA was 1.4%
 - SS Rate Increase for 2015 is 1.7%
- 2.5% for step increases (% of base salaries)
- Health Care premium increase - 6.0%
- OPEB funding requirement increase – 3.0%. (To be updated based on new actuarial valuation)
- No debt refinancing anticipated
- No change to District credit rating is assumed

COLA HISTORY



SJWD COLA is benchmarked to the Western Cities-A Index. Comparison is also shown to SS Index.

Budget Assumptions

Wholesale

Revenue:

- Will determine any rate increase based on projected expenses
- Current financial plan shows 6%

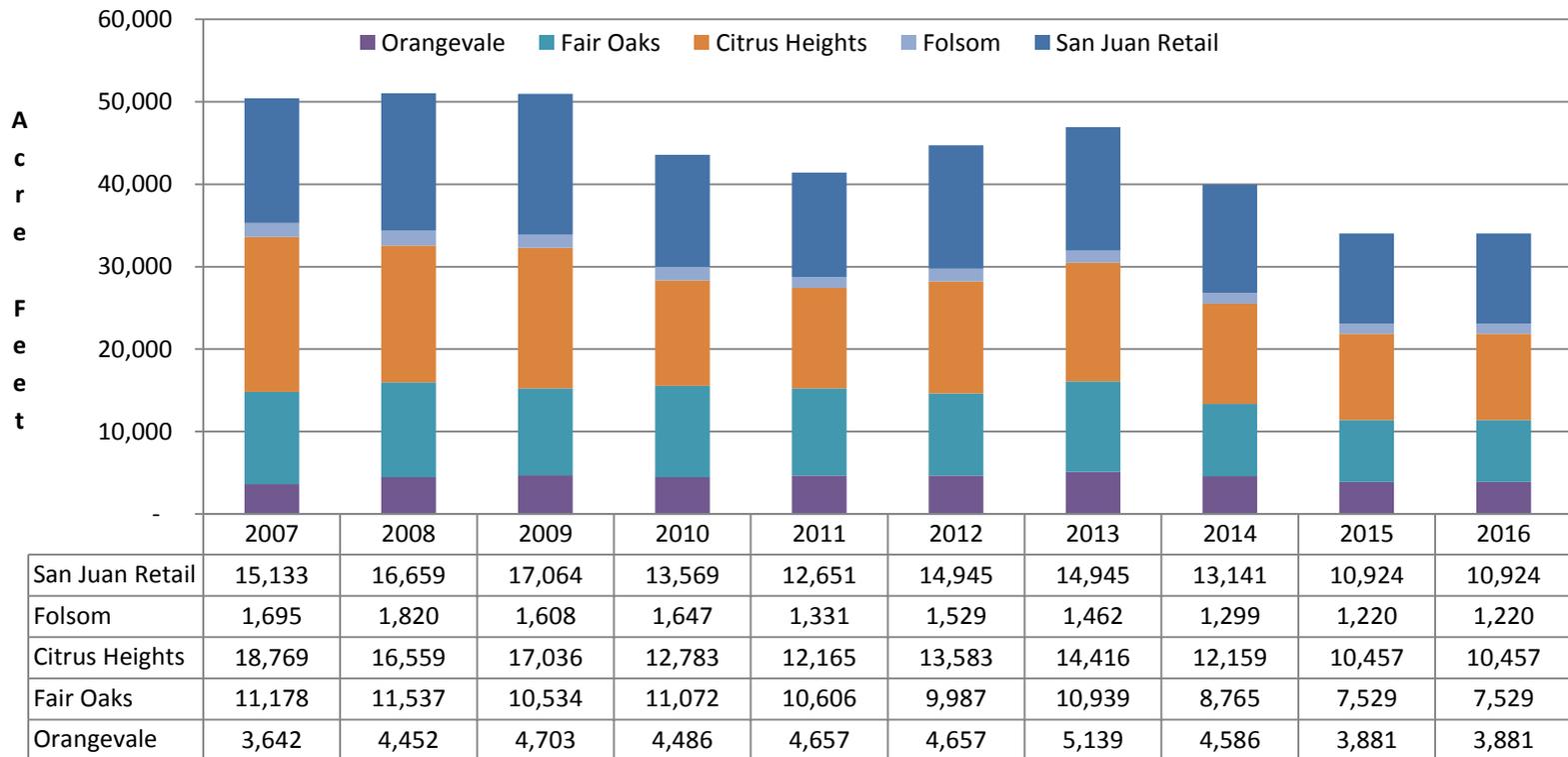
O&M Expenses:

- Water Production – Based on current year, assumes continued drought conditions

CIP Project Costs:

- Developed and included in 5 year Financial Plan
- Recently reviewed with Engineering Committee

Wholesale Water Production Past 9 Years



Proj. 2015 at Budget = 42,830
Proj. 2015 at Budget = \$7,459

Proj. 2015 Current = 34,225 (-20%)
Proj. 2015 Current = \$6,747 (-9%)

Proj. Fin Plan 2016 = 46,083
Proj. Fin Plan 2016 =

Proj. 2016 = 34,225
Proj. 2016 = TBD

Budget Assumptions

Retail

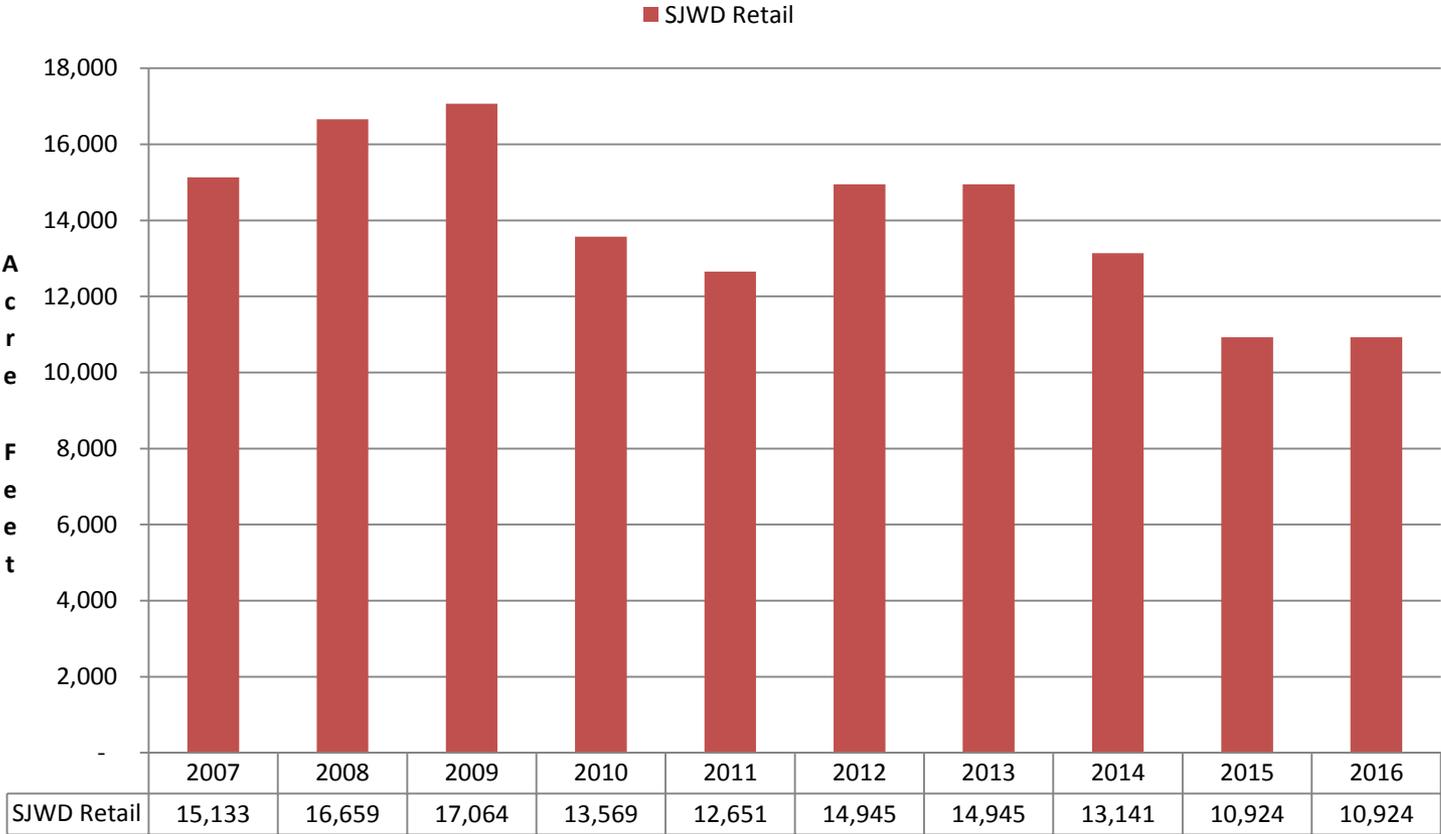
O&M Expenses:

- Water Production – current assumption is no change from current 2014-2015 FY

CIP Project Costs:

- Developed and included in 5 year Financial Plan
- Recently reviewed with Engineering Committee

Retail Water Production Past 9 Years



Proj. 2015 at Budget = 12,969
 Proj. 2015 at Budget = \$8,822

Proj. 2015 Current = 10,924 (-16%)
 Proj. 2015 Current = \$8,008 (-9%)

Proj. Fin Plan 2016 = 14,949
 Proj. Fin Plan 2016 = \$9,339

Proj. 2016 = 10,924
 Proj. 2016 = TBD

QUESTIONS