

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

August 12, 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
Donna Silva	Director of Finance
Kate Motonaga	Finance Project Manager
Teri Hart	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

OTHER ATTENDEES

Sandy Harris	Customer
Sharon & Perry Hogan	Customer
Bob Matteoli	DPMWD
Shawn Silva & Family	Employee's Family
Tom Gray	FOWD
Dave Underwood	FOWD
Tony Barela	SJWD
Judy Johnson	SJWD
George Machado	SJWD
Jason Mayorga	SJWD
Kevin Thomas	SSWD

AGENDA ITEMS

- I. Public Forum**
- II. Oath of Office**
- III. Consent Calendar**
- 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 7:03 p.m. President Costa moved Agenda Item II to the beginning of the meeting. The meeting minutes will remain in the original order.

I. PUBLIC FORUM

Mr. Perry Hogan addressed the Board and voiced concern regarding the Hidden Lakes Estates ponds which are going dry. In response to his questions, Mr. Durkin explained that the District's ordinance for Stage 4 water conservation is in response to the State mandated requirement for 36% water conservation. The Governor's order is effective through February 2016. Mr. Durkin explained that if there is rain in the fall or winter then the Executive Order might be removed as well as the restriction.

II. OATH OF OFFICE

Ms. Lorance introduced Donna Silva as the new Director of Finance by conducting a brief presentation on her work experience.

Vice President Tobin moved to appoint Donna Silva as Treasurer to the San Juan Water District Board of Directors. Director Walters seconded the motion and it carried unanimously.

President Costa administered the Oath of Office for Treasurer to Donna Silva.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meetings

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

1. Minutes of the Joint Board of Directors Meeting, June 25, 2015
2. Minutes of the Board of Directors Meeting, July 8, 2015

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

ACTION AND INFORMATIONAL ITEMS

IV. COMMITTEE REPORTS

1. Public Information Committee (7/6/15)

Director Miller reported that the committee met on July 6, 2015, and discussed the following:

- Update on Drought Information

- Other Public Information Matters
- Public Comment

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

Update on Drought Information

Director Miller reported that the committee discussed the fact that the Bureau is following their projections for increasing the releases from Folsom Reservoir this month. He commented that the District continues to monitor the releases and projections in anticipation of the projected water level of 120,000 AF at the end of September.

Director Miller reported that the committee discussed having a public meeting towards the end of August to give an update and answer questions regarding the drought. It was suggested that representatives from the Bureau of Reclamation, California Department of Fish and Wildlife, and Congressman Tom McClintock be invited to participate in the discussions. Ms. Lorance reported that the Town Hall meeting is scheduled for August 26th at Eureka Union School District gymnasium at 6:00 pm.

Director Miller informed the Board that SJWD-Retail saw a 45% decrease in water production for June 2015 as compared to June 2013. He informed the Board that staff has been working very hard with the increased volume of calls due to the drought. In addition, the committee discussed the raw water supply that is the source of water to the ponds in the Treelakes area, which is delivered by the City of Roseville.

For information, no action requested.

Mountain Counties Water Resources Association Membership

For *Mountain Counties Water Resources Association Membership*, please refer to the committee meeting minutes.

Other Public Information Matters

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

2. Water Supply & Reliability Committee (7/9/15)

Director Walters reported that the committee met on July 9, 2015, and discussed the following:

- Water Supply Status (W & R)
- Increasing the Reliability of SJWD-W Water Supplies Through Conjunctive Use and Other Options (W)
- Dry-Year Operations Guidance Plan (W &R)
- Other Matters
- Public Comment

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

Water Supply Status (W & R)

Ms. Lorange will report updated information under the General Manager's Report.

Increasing the Reliability of SJWD-W Water Supplies Through Conjunctive Use and Other Options (W)

Director Walters reported that the committee is looking into options to increase water supply reliability. An initial list of options that the committee reviewed includes, but is not limited to:

1. Use of CVP water with the City of Roseville, PCWA, or others for injection and use.
2. Purchasing the CalAm service area.
3. Injection wells along the CTP within SJWD wholesale service area boundaries.
4. Purchasing the existing groundwater wells from wholesale customer agencies.
5. Seeking out other agency(ies) to consolidate with.
6. Looking into small reservoirs upstream.

Director Walters informed the Board that Legal Counsel provided some advice regarding what the District can do.

For information only; no action requested.

Dry-Year Operations Guidance Plan (W &R)

Mr. Durkin informed the Board that he provided the committee with an updated status report on the SSWD-SJWD Antelope Booster Pump Station Pump Back and Flow Control Stations Projects. He stated that a draft operations "guidance plan" was developed to set initial parameters for operating the projects along with available groundwater wells and interties under scenarios of reduced to no surface water deliveries. He commented that staff worked closely with Citrus Heights and Fair Oaks Water District's operation staff to develop the plan. It is anticipated that the operations plan will be refined during start up, testing and monitoring of the projects.

Mr. Durkin informed the Board that staff received comments and questions from Citrus Heights Water District and prepared a draft response. The committee reviewed the proposed responses, discussed each response, and provided some minor revisions.

For information only; no action requested.

Other Matters

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

3. Water Supply & Reliability Committee (7/30/15)

Director Walters reported that the committee met on July 30, 2015, and discussed the following:

- Water Supply Status (W & R)
- Groundwater and Surface Water Management Options (W)
- Scope of Work for a Conjunctive Use Study (W)
- Other Matters
- Public Comment

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

Water Supply Status (W & R)

Ms. Lorance will report updated information under the General Manager's Report and Mr. Durkin will report updated information under the Assistant General Manager's Report.

Groundwater and Surface Water Management Options (W)

Director Walters reported that the committee is working on Groundwater and Surface Water Management Options.

Vice President Tobin commented that the radio station KFBK conducted a panel discussion regarding pre-1914 water rights, sustainability and water needs for the entire state of California. The panel consisted of an almond grower, a representative from East Bay MUD, and Felicia Marcus and Fran Spivey Webber from the State Water Resources Control Board. The panel was discussing re-aligning all pre-1914, senior and junior water rights and Vice President Tobin inquired if that is even feasible. Mr. Horowitz responded that they could try to do anything they wanted but pre-1914 water rights are property and if the state took the property then they would have to compensate the District. In addition, he commented that his advice, should that ever happen, would be for the District to defend its water rights under federal claims court.

For information only; no action requested.

Scope of Work for a Conjunctive Use Study (W)

Director Walters reported that the committee is working on the Scope of Work for Conjunctive Use Study.

For information only; no action requested.

4. Legal Affairs Committee (8/3/15)

Director Walters reported that the committee met on August 3, 2015, and discussed the following:

- RWA Subscription Update (W & R)

- Discussion of Policy 3110
- Joint Defense Agreements
- Other Legal Affairs Matters
- Public Comment
- Closed Session
- Open Session

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

RWA Subscription Update (W & R)

Director Walters reported that Mr. Dave Brent, RWA's Water Policy Advisor, attended the committee meeting to discuss the RWA Lobbyist Subscription Program (LSP). Director Walters reported that Mr. Brent reviewed some of the bills that LSP has worked on and answered some questions regarding representation on the LSP committee.

For information only; no action requested

Discussion of Policy 3110

Director Walters reported that the committee discussed Policy 3110 that was referred by the Board to the Legal Affairs Committee. He reported that the committee agreed that the Personnel Committee should retain oversight responsibility as set forth in Section 3110.01. In addition, the committee would like this policy discussed at a Board workshop as it relates to staffing recommendations and compensation budgets.

For information only; no action requested

Joint Defense Agreements

Director Walters reported that the Joint Defense Agreements was discussed under Closed Session.

Other Legal Affairs Matters (W & R)

Director Walters reported that Ms. Lisa Brown, Co-Customer Service Manager, informed the committee that, due to drought conditions and requirements, customer service calls are starting to escalate in emotion where some customers are extremely concerned of the demise of the fish and wildlife if the Hidden Lakes ponds run dry.

Director Walters reported that the Legal Affairs Committee will review the options for water management once referred to them by the Water & Supply Reliability Committee for legal analysis.

For information only; no action requested

Director Walters reported that there was a Closed Session item which will be discussed in Closed Session at the end of the Board meeting.

5. Finance Committee (8/11/15)

President Costa reported that the committee met on August 11, 2015, and discussed the following:

- Review and Pay Bills (W & R)
- Other Finance Matters
- Public Comment

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

Review and Pay Bills (W & R)

President Costa reported that the committee reviewed bills and claims in the amount of \$1,872,126.17 and found them to be in order.

In response to Director Walters' question, Ms. Lorance confirmed that the large number of invoices for temporary workers is directly related to the additional work associated with the drought.

President Costa moved to approve Resolution 15-11. Vice President Tobin seconded the motion and it carried unanimously.

For information only; no action requested.

Other Finance Matters (W/R)

President Costa informed the Board that Ms. Donna Silva was introduced to the committee. Ms. Lorance commented that Ms. Silva was informed of the Board's request to receive reports on the reserve balances and for the General Manager to receive monthly reporting on the District finances.

For information only; no action requested.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply Update

Ms. Lorance reported that Folsom Reservoir is at approximately 247,000 AF. She explained that releases at Folsom have been higher as expected in order for the Bureau to comply with the State Water Resources Control Board's requirement to maintain water in Shasta Lake in order to save cold water for the winter run chinook salmon. She explained that the releases will remain higher until about October when the releases will drop to 500 cfs.

Ms. Lorance explained that the water level at Folsom is slightly higher than the Bureau's projections due to PCWA's water transfer water being stored until the Fall. She commented that once that water is released then the

projections should be met, with Folsom dropping to 120,000 AF by the end of September.

For information, no action requested

1.2 ACWA President

Ms. Lorance reported that Kathleen Tiegs has requested support for her nomination for ACWA president.

Director Miller moved to adopt Resolution 15-12 supporting Kathleen Tiegs for President of ACWA. Director Walters seconded the motion and it carried unanimously.

1.3 ACWA Region 4

Ms. Lorance informed the Board that the recommended slate for ACWA Region 4 Board of Directors has been prepared by the ACWA Nominating Committee.

Director Walters moved to cast a vote for the recommended slate of candidates for ACWA Region 4. Director Miller seconded the motion and it carried unanimously.

1.4 Report Back Item

1.4.1 Response to letter to SSWD on schedule for Phase 2B

Ms. Lorance reported that Rob Roscoe, SSWD General Manager, informed her that the SSWD Board of Directors will not be replying to the letter that was sent to SSWD requesting a schedule for Phase 2B. President Costa commented that he attended the SSWD Board meeting and they acknowledged the letter and he expects they will respond to it eventually. In response to Director Rich's question, Ms. Lorance explained that SSWD is discussing Phase 2B with SJWD's wholesale customer agencies. OVWC, CHWD and Folsom would like SSWD and SJWD to proceed to Phase 2B in order to obtain more information. SSWD has a meeting scheduled with FOWD to discuss Phase 2B.

For information, no action requested

1.5 Miscellaneous District Issues and Correspondence

1.5.1 USBR Response letter to SJWD's March 6th Letter

Ms. Lorance reported that a response to the District's March 6th letter was received from the Bureau related to the BDCP. The response informed the District that the Bureau is looking at different alternatives and will continue to work with the CVP contractors to make sure concerns are addressed. She commented that there have been meetings regarding this and staff is working with the Bureau on the water fix.

1.5.2 State Water Board Notice of Petition for Temporary Change Involving the Transfer of Water under El Dorado Irrigation District License 2184

Ms. Lorance reported that the El Dorado Irrigation District requested to transfer 3,100 AF of their pre-1914 water rights.

For information, no action requested

1.5.3 State Water Board Partial Rescission of April, May and June 2015 Curtailment Notices and Clarification of State Water Board Position

Ms. Lorance reported that the State Water Board rescinded some of the curtailment notices for unavailability of water for some water rights and reissued the notice with different wording. She explained that this does not affect the District.

For information, no action requested

1.5.4 FOWD 12-Inch Wholesale Meter Connection (Twin Lakes)

Ms. Lorance reported that FOWD informed the District that they will be eliminating the intertie that connects FOWD to the District at Twin Lakes. A copy of the letter from FOWD will be attached to the meeting minutes.

For information, no action requested

Ms. Lorance informed the Board that CSDA and ACWA committee nominations are open and requested that if anyone wants to be considered for a position to inform the Board Secretary who will submit the forms. President Costa would like to be considered for the Energy Committee, Vice President Tobin would like to be considered for the Federal Affairs and Local Government committees, and Director Walters requested to be considered for State Legislative Committee. In addition, Ms. Lorance will place a request for the Business Development Committee since she is the current chairperson.

Ms. Lorance reminded the Board that the Town Hall Meeting, which will be opened as a Board meeting, will be held August 26th at 6:00 pm at the Eureka School District gymnasium. She explained that there are no agenda items for the Board to address, just presentations and public forum. In response to Director Walters' comment, Ms. Lorance explained that the meeting will cover the current drought conditions, water supply, and, as requested from the Public Information Committee, will be focused on retail

with representatives from the Bureau and possibly from Fish & Wildlife making presentations and answering questions.

For information, no action requested

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 American River Group/SWRCB Stakeholder Meetings

Mr. Durkin reported that in June the SWRCB directed the USBR to develop a temperature management plan for the Sacramento River and Shasta Reservoir in order to preserve cold water for the fishery habitats. Therefore, USBR submitted an operation plan with one projection bringing Folsom Reservoir as low as 42,000 AF by the end of December. After some SWRCB public hearings where American River Group representatives testified, the SWRCB started to include the water purveyors in their meetings regarding the operation plan.

There have been three American River Group/SWRCB Stakeholder meetings. Through the meetings with SWRCB staff, it was clarified that the hard stop at 120,000 AF was intended for the end of September but it was understood that the level could go lower if it is a dry October/November. The SWRCB has been using real-time data and their projections are better.

For information, no action requested

2.2 USBR Revised Folsom Operations Plan and Updated Emergency Pumping Plans

Mr. Durkin reported that USBR will not be mobilizing a barge to meet the District and Roseville's water demands. Instead, USBR's plan is to first try to maintain storage so that the water level remains above the intake and the second plan will be to utilize the emergency pump located in the penstock which is about ten feet below the M&I intake as a booster pump. This emergency pump would be able to supply water for the reduced fall and winter demands of the District and the City of Roseville. In addition, USBR plans to install a separate pump system that will deliver water to Folsom Prison and the City of Folsom to meet their fall and winter demands.

Mr. Durkin informed the Board that Tony Barela will represent the District at a value engineering workshop regarding the emergency pump station. Mr. Durkin was informed that USBR's long term plan is to not use the barge at all, and instead consider a semi-permanent facility to pump water out of the stilling basin (below the dam) using the pumps from the barge to the existing pump station. Mr. Durkin commented that USBR has a significant challenge and they are working with the region to develop the best plan. In addition, Mr. Durkin commented that the region is communicating with Tom Howard, Executive Director of the SWRCB, to voice concerns regarding water supplies.

2.3 Report Back Items

Mr. Durkin reported that the Lower Granite Bay Pump Station (Castellanos Pump Station) has been in use since mid-July. He reviewed the project and explained that the new pump station improves pumping efficiency and decreases electrical costs, and has saved an estimated \$2 million in capital costs.

For information, no action requested

2.4 Miscellaneous District Issues and Correspondence

Mr. Durkin reported that the Congressional Water Tour is scheduled for August 18-20, 2015, with a reception on August 19th that the Board members are invited to attend.

For information, no action requested

3. DIRECTOR OF FINANCE'S REPORT

3.1. San Juan Water District Draft Retail Budget Updates

Ms. Donna Silva invited Ms. Motonaga to present an update on the SJWD Retail Budget. Ms. Motonaga conducted a brief presentation and a copy of the presentation will be attached to the meeting minutes.

Ms. Motonaga provided the Board members with the requested information from the August 6th workshop. She reviewed the proposed rate increase from the Retail Financial Plan and explained that a 3% rate increase is not fiscally viable and is not recommended. She provided information, per Director Miller's request, which showed the revenue variance due to the drought at a \$3.09 million loss.

Ms. Motonaga reviewed the scenarios for rate increases at 6%, 9%, 12%, 15%, 19% and 25%. Ms. Lorange commented that the scenarios assume that revenue returns and the drought does not continue; therefore, if the drought persists then FY2016-17 could require a higher increase than projected. Ms. Motonaga informed the Board that staff recommends the 19% retail rate increase which will bring the reserves above the Board Determined Discretionary Reserve Balance by late FY2016-17. The 19% rate increase equates to approximately \$5 per month for the average customer. Ms. Motonaga provided information, per Director Walters' request, which showed the estimated effects on monthly customer billings.

Ms. Motonaga reminded the Board that staff needs direction from the Board on the information to place in the Proposition 218 notice and is not asking for adoption of a rate increase at this meeting. She explained that based on the discussion at the workshop and review of long term projections and anticipated effects on the Reserves, staff recommends that the Board approve the Prop. 218 notice with a schedule that reflects an up to, but not to exceed, 19%

increase. In doing this amount, customers will see a rate increase related to the drought while we are still in a drought, as recommended by Director Rich at the workshop. Ms. Motonaga commented that the existing drought surcharge is still applied to retail customers until such time that the Board reduces the Stage 4 conservation requirement.

The Board discussed the recommended rate increase and the drought surcharge. Ms. Motonaga explained that a 19% rate increase would be applied to both the base charge and volumetric portion of the current rate and the 10% drought surcharge is only applied to the volumetric portion of the rate.

Director Rich moved to approve information for the Prop 218 Notice equating to a not to exceed 19% rate increase as recommended by staff. Vice President Tobin seconded the motion and it carried unanimously.

Director Walters commented that the drought surcharge information needs to be explained in the notice including the expected end date. Ms. Lorance informed the Board that the Prop. 218 notice will inform the public of the proposed rate increase, the existing drought surcharge and the October 28th public hearing.

3.2. Report Back Items

There were no items discussed.

3.3. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz reported that the State Water Board has made it clear that there will be no more curtailments. He commented that the Governor has been meeting with Southern California water agencies discussing the concept of permanent conservation requirements, which would be a concern if only Northern California is required to conserve. In addition, Mr. Horowitz reported that the Board will go into Closed Session at the end of the meeting.

In response to Director Walters' question, Mr. Horowitz informed the Board that the Supreme Court refused to de-publish the San Juan Capistrano tiered rate case. Mr. Horowitz informed the Board that the decision on this case does not affect the District since the District has a uniform rate.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA meets August 13, 2015.

5.2 RWA

Vice President Tobin reported that there is a RWA Executive Director's evaluation meeting on August 19, 2015. Director Walters attended the July 9th RWA meeting as the alternate for Vice President Tobin.

5.3 ACWA

5.3.1 Local/Federal Government/Region 4 - Pam Tobin

Vice President Tobin reported that the Federal Affairs Committee meets September 17, 2015.

5.3.2 Energy Committee - Ted Costa

No report.

5.3.3 JPIA - Bob Walters

No report.

5.4 CVP Water Users Association

President Costa reported that the CVPWUA met and they are still working on the fees.

5.5 Other Reports and Comments

There were no other items discussed.

VI. UPCOMING EVENTS

1. ACWA Continuing Legal Education Seminar
September 10-11, 2015
Oakland, CA
2. ACWA Regulatory Summit
October 14, 2015
Ontario, CA

President Costa called for Closed Session at 9:25 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. Conference with real property negotiators involving the transfer of up to 12,000 acre-feet of water conserved under the District's pre-1914 water right and by groundwater substitution to CVP contractors. The Board will provide direction to District negotiators, General Manager Shauna Lorange and Assistant General Manager Keith Durkin, on the price, terms of payment or both for the

transferred water. The specific buyers and their representatives with whom the District will negotiate have not yet been identified, but those buyers and representatives will be publicly identified at the Board meeting or as soon thereafter as possible. (See Government Code sections 54954.5(b) and 54956.8.)

President Costa returned to Open Session at 9:42 pm.

VIII. OPEN SESSION

There was no reported action during closed session.

IX. ADJOURN

The meeting was adjourned at 9:42 p.m.

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

ATTEST:

TERI HART, Board Secretary

**Public Information Committee Meeting Minutes
San Juan Water District
July 6, 2015
2:00 p.m.**

Committee Members: Ken Miller (Chair)
Pam Tobin, Member

District Staff & Consultants: Shauna Lorance, General Manager
Judy Johnson, Customer Service Manager
Lisa Brown, Customer Service Manager
Teri Hart, Board Secretary/Administrative Assistant
Christine Braziel, Crocker and Crocker

Topics: Update on Drought Activities
Mountain Counties Water Resources Association Membership
Other Public Information Matters
Public Comment

1. Update on Drought Activities

Ms. Lorance informed the committee that the Bureau is following their projections for increasing the releases from Folsom Reservoir this month. They received approval of their temporary urgency change order for the temperature management plan on the Sacramento River, but have not yet received approval for their operation plan. She commented that at the end of August/early September the District should be able to tell if conditions have allowed the Bureau to follow their plan or if there have had to be modifications resulting in a higher or lower lake level. In addition, at that time the Board should start discussing the triggers for Stage 5 and coordinating any potential decisions with the cities of Folsom and Roseville.

The committee discussed scheduling a public meeting towards the end of August to give an update and answer questions regarding the drought. It was suggested that representatives from the Bureau of Reclamation, California Department of Fish and Wildlife, and Congressman Tom McClintock be invited to participate in the discussions. Ms. Lorance will provide a verbal report at the July 8th Board meeting.

Ms. Lorance reported that SJWD-Retail saw a 45% decrease in water production for June 2015 as compared to June 2013, and she added that SJWD-Wholesale saw a 43% reduction in water production for the same time period. Ms. Lorance informed the committee that water transfers will be discussed in Closed Session at Wednesday's Board meeting.

Ms. Brown informed the committee that staff has been working very hard with the increased volume of calls due to the drought. She reported that customers have been receiving warnings with the offer of assistance. Door hangers will now be used

by staff to assist with water waste patrol. She informed the committee that the night patrol is providing staff with their reports the following day after their shifts so that staff can follow up on the waste reported. In addition, staff has been reading meters on 95 higher use customers on a bi-weekly basis to more closely monitor their use. Furthermore, eight customers have requested to modify their watering schedule to have more flexibility to water their larger lots due to the large number of irrigation stations they have – these customer still have to comply with the 36% reduction requirement. Ms. Johnson informed the committee that she contacted the Hidden Lakes HOA and they agreed to disable their auto-fill valve to their pond. Director Miller said the level is down about a foot.

In response to Director Miller's question about water used for dust control at the Auburn Folsom Road widening project, Ms. Johnson explained that the District is allowing permits for filling trucks from designated hydrants to help the District flush the system at various locations. Ms. Lorance responded that although there may be negative public perception, flushing the system is a state mandated requirement.

In response to Director Miller's question about the source of water to the ponds in the Treelakes area, Ms. Johnson responded that the water has been tested and does not contain chlorine; we believe the water is supplied by the City of Roseville through their raw water pipeline. Ms. Brown said she would follow up with the City of Roseville. At Director Miller's request, staff will report back on the source of the water since the property is within the District's service area and customers may be concerned.

For information, no action requested.

2. Mountain Counties Water Resources Association Membership

Ms. Lorance informed the committee that the District received a letter requesting that the District join the Mountain Counties Water Resources Association at a cost of \$4,125 per year. The committee discussed the request and does not recommend that the District join the association since the District is already a member of the Regional Water Association.

For information, no action requested.

3. Other Public Information Matters

Ms. Lorance reported that a letter to the State Water Resources Control Board was sent by the cities of Roseville, Folsom and Sacramento, and SJWD to voice concerns regarding maintaining the Sacramento River flows at the detriment of Folsom Reservoir water storage levels.

Ms. Lorance informed the committee that the ACWA Communications Committee released two key messages – *Message Points Regarding New Development and Drought* and *Message Points on Water Rate Increases*. A copy of the key messages will be attached to the meeting minutes.

Ms. Lorance reported that she expects to receive more information on the barge at the next meeting with the Bureau on July 16, 2015.

The committee discussed the availability of various rebates and the availability of grants that are available to help with drought projects. Ms. Brown reported that the District is seeking funding through an RWA grant submission to receive a grant to help fund the WaterSmart Program to free up funding for other drought related expenses.

3.1 Next Meeting Date

The next committee meeting will be scheduled as needed.

4. Public Comment

There was no public comment.

The meeting adjourned at 2:43 pm.

Message Points Regarding New Development and Drought

Prepared by the ACWA Communications Committee

June 2015

As a fourth year of drought unfolds and California implements the first-ever statewide mandatory reductions in urban water use, water agencies around the state are ramping up outdoor water use restrictions and outreach programs to meet new conservation targets approved by the State Water Resources Control Board on May 5. Even as the drought dominates local headlines, new residential and commercial development projects are poised to move forward in some communities, prompting some residents to question why new homes or businesses are being built when water is in short supply.

The fact is, however, that many projects moving forward today are the result of long-term planning processes involving water providers, cities and counties. Many projects were approved several years ago and were delayed during the economic downturn. Development is an important part of California's economy.

ACWA has developed the following message points to help water agencies answer questions about new development, the lengthy approval process by local governments, and the role water providers play.

General points about the process:

- New development projects are subject to a years-long process of planning, review, analysis and approval.
- Cities and counties plan and approve land uses within their boundaries through their general plans. They set long-range development policies, prepare environmental documents, and approve individual projects.
- Water suppliers provide water supply assessments to inform land use agencies' decision making process. They also do water supply planning through their Urban Water Management Plans (UWMP), which are updated every five years and are required to utilize a 20-year planning horizon. The UWMPs include water supply reliability analysis, demand forecasts, water shortage contingency plans, etc., and are adopted by an agency's board of directors with public input and then submitted to the state for compliance review.
- As specific projects move ahead, proposed developments with over 500 dwelling units are subject to water supply assessments required by two state laws passed in 2001, SB 610 and SB 221. The

analyses must be consistent with the local UWMP findings, and assess whether the forecasted water supply for the next 20 years meets the development project's water demands in normal years, a single dry year and multiple dry years.

- Land-use planning agencies approve or disapprove specific projects based on a number of factors, including water supply assessments.
- Also, at a point during the planning stage of a specific project, a water supplier is asked to issue a "will-serve letter" that confirms the project is in its service area, that the supplier can provide water for potable use and basic health and safety, etc. Will-serve letters are often "conditioned" to give the water supplier discretion, if events arise, to delay connections or temporarily impose service constraints. The actual "decision to connect" can be delayed, if conditions warrant, but not denied outright once a water supplier has issued a "will-serve letter" to the project.
- Many suppliers include the option to delay connections in the higher levels of their water shortage contingency plans.

Message Points

- Development decisions are local decisions made by city and/or county land use planning agencies.
- In many communities, developments that are moving ahead today were actually approved / studied several years ago but were "on hold" due to the economic downturn. Now that the economy is picking up, these projects are getting back on track.
- Because of improved efficiency standards – i.e., low-flow toilets, more efficient appliances, drought-tolerant landscaping and efficient irrigation technologies, etc. – new construction doesn't necessarily translate into increased water consumption. New homes are typically more efficient than existing older housing stock. Also, if the new housing is dense (i.e., apartments, condos, townhouses), yards tend to be smaller or nonexistent and consequently require less water than traditional single-family residential properties.
- Some water suppliers require proponents of new development to "offset" the water demand associated with their projects by investing in water efficiency improvements in existing / older homes.
- New development can add to a community's rate base, which in turn allows greater ability to invest in / improve water supply infrastructure. There are examples of agencies with a very small customer base that have difficulty financing capital projects.

- Population growth continues to occur in California, and people need places to live. Development is a key driver in many local economies.
- There is a difference between short-term water shortages due to drought and those due to ongoing supply limitations.
- Each community must prioritize what it needs to do for its residents and businesses.
- California is a drought-prone state, but we cannot unplug our economy every time we are in a dry period. If businesses and jobs leave California, property values will go down.
- California water managers statewide are addressing the short-term crisis of this drought, while also staying the course and pursuing long-term improvements in our water system. With the funding assistance provided by Proposition 1 – approved overwhelmingly by California voters in November 2014 – California is set to make historic investments in water storage, conservation, recycling, groundwater sustainability, and both brackish and ocean water desalination as part of an “all-of-the-above” strategy to diversify our water supplies in order to meet our 21st century water needs.

Message Points on Water Rate Increases

Prepared by ACWA's Communications Committee

June 2015

California water agencies deliver safe, reliable and affordable water to every corner of the state every day. That service continues to be a great value, but a fourth year of drought and new mandatory conservation regulations require many water agencies to adopt rate increases.

With costs on the rise and water rates going up as a result, some customers will find themselves using less water but paying more. Public education is more important than ever. Water agencies that are proactive in communicating the issues can help their elected boards, customers and opinion leaders better understand the current landscape and the need for rate increases, drought surcharges or other pricing adjustments during this critical drought year.

ACWA has developed message points to help water agencies educate their elected officials and customers about factors affecting costs this year and the need for rate increases and other changes to rate structures.

Clear communication is especially important in the wake a recent appellate court decision that raised questions about tiered rate structures and compliance with Proposition 218. An estimated two-thirds of urban agencies have adopted some form of tiered or inclining block water rate structures, often considered a key tool to encourage efficient water use and meet conservation targets.

Additionally, Gov. Jerry Brown's April 1, 2015, executive order on drought called for the State Water Resources Control Board to direct urban water suppliers to develop rate structures and other pricing mechanisms – including surcharges, fees and penalties – to maximize water conservation consistent with the new statewide mandatory reductions.

Background about Water Rates

Water rates and water rate structures vary significantly around the state. Factors such as geography, water supply sources, infrastructure needs, water treatment needs and size of the customer base all play a role. Depending on where customers live in California, their water may come from a nearby well or river, or it may travel hundreds of miles through canals or pipelines to reach their tap.

Many ACWA members have adopted innovative approaches to water rates to encourage water conservation and have helped achieve long-term reductions in water use in their service areas. A significant number of agencies adopted rate increases in recent months, while dozens more have

proposed rate increases that will go to their governing boards in the near future. Agencies will hold public hearings on the proposed changes and engage their customers as they move forward.

Agencies that need to adjust their water rate structures or institute drought surcharges will need to follow notification processes such as those laid out in Proposition 218.

Recommended Steps for Agencies Proposing Rate Increases and Changes to Rate Structures

The following guidance is offered for water agencies as they move forward with proposed rate increases or other changes to their rate structures in response to the drought.

1. Communicate early and often with your customers.
2. Go above the minimum Proposition 218 requirements to notify your customers about rate increases and/or rate restructuring.
3. Develop and adopt guiding principles or policies for your agency regarding rates. Examples include:
 - Commitment to high levels of service
 - Commitment to ensure rates reflect what it costs to deliver safe and reliable water during the drought crisis
 - Ongoing commitment to use revenues derived from rates to invest in local water supply reliability, efficiencies and capital improvement upgrades
4. Identify and explain the costs and infrastructure that go into providing reliable water service. For Proposition 218 processes, these factors must be carefully documented.
5. Stress that your agency is a good steward of ratepayer dollars.
6. Identify examples of the value your customers receive for their ratepayer dollars.

Message Points for Internal Audiences

The following points can help water agency staff educate elected directors about the need for water rate increases and other rate structure changes.

- Water agencies in every region of the state are looking at rate increases or changes to their rate structures in response to the drought crisis.
- The public understands we are in a drought crisis that requires extraordinary action and response. Public opinion surveys show that Californians overwhelmingly view the drought as a major problem and they look to their local public water agency as a credible source of information about the drought and the need to conserve.

- Water agencies work hard to keep rates low, but this is an extraordinary time of crisis. New state emergency regulations are requiring all urban water agencies to reduce water use, which will affect revenues. Fiscally responsible agencies know they must adjust rates or institute drought surcharges or other mechanisms to meet conservation targets and maintain the stability of their agencies.
- Now is the time to move forward with rate increases or other changes to manage through the crisis this year and also provide revenue needed to invest in long-term planning and programs that increase local water supply reliability.

Message Points for External Audiences

The following points can help water agencies educate customers and other external audiences on the need for water rate increases and other changes to rate structures.

- Local water agencies work hard to provide safe, reliable and affordable water. They pride themselves on being stewards of the environment as well as stewards of their ratepayer dollars.
- As California grapples with a fourth consecutive year of drought, water agencies throughout the state are facing reduced water supplies and the first-ever mandatory urban water conservation regulations adopted by the State Water Resources Control Board. The regulations will require urban water agencies to reduce water use by 8% to up to 36% -- depending on per-capita water use figures reported in 2014 – in order to meet the statewide target of a 25% overall reduction in water use.
- Agencies that do not meet their state-mandated conservation targets could face fines ranging from \$500-\$10,000 a day. Agencies would need to pass this on to their customer base.
- Because mandatory conservation translates into reduced water sales, many water agencies will see potentially significant reductions in revenues in 2015.
- To address these challenges, agencies around the state are proposing rate increases, drought surcharges and/or other pricing adjustments to address the anticipated drop in revenues and also encourage water conservation.
- Water agencies will engage their customers and communities to get input on proposed changes to rates and structures.
- Even with proposed rate increases and adjustments to rate structures, water service provided by local public water agencies remains a great value.
- View ACWA's updated Value of Water fact sheet for more information.

AGENDA ITEM IV-2 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District July 9, 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
Lisa Brown, Customer Service Manager
Vicki Sacksteder, Water Resources Analyst
Joshua Horowitz, Legal Counsel
Teri Hart, Administrative Assistant/Board Secretary

Members of the Public: Tom Gray, Fair Oaks Water District
Michael Schaefer, Orange Vale Water Company
Sharon Wilcox, Orange Vale Water Company
Joe Duran, Orange Vale Water Company
Ted Costa, San Juan Water District

Topics: Water Supply Status (W & R)
Increasing the Reliability of SJWD-W Water Supplies Through Conjunctive Use
and Other Options (W)
Dry-Year Operations Guidance Plan (W &R)
Other Matters
Public Comment

Director Walters acknowledged that Director Costa was in attendance as a member of the public and would not participate in discussions.

1. Water Supply Status (W & R)

Ms. Lorance reported that the Bureau is reducing the proposed releases through July, but will be increasing releases in August and September. The Bureau intends to maintain at least the SWRCB required hard stop at 120,000 AF of water in Folsom Reservoir by the end of September.

Ms. Lorance informed the committee that a tour is scheduled in August for federal representatives which includes the American River and Sacramento River, the Delta and North Bay.

Ms. Lorance informed the committee that she received an announcement that there is an 80% chance for El Niño to hit this fall. She commented that a strong El Niño is needed in order for significant amounts of rain to hit Northern California.

For information only; no action requested.

2. Increasing the Reliability of SJWD-W Water Supplies Through Conjunctive Use and Other Options (W)

Ms. Lorance informed the committee that as a result of the Joint Board of Directors meeting from last week, it was requested to add discussion of other options for water supply reliability. Ms. Lorance provided the committee an initial list of options that have been suggested by Board Members to date, including but not limited to:

1. Use of CVP water with the City of Roseville, PCWA, or others for injection and use.
2. Purchasing the CalAm service area.
3. Injection wells along the CTP within SJWD wholesale service area boundaries.
4. Purchasing the existing groundwater wells from wholesale customer agencies.
5. Seeking out other agency(ies) to consolidate with.
6. Looking into small reservoirs upstream.

The committee reviewed the list of options and discussed defining a goal and determining long-term water supply reliability. Ms. Lorance mentioned that surface water supply reliability will become even more important with the projected climate change impacts on Folsom Reservoir water storage levels. In addition, she commented that increasing groundwater storage should be part of any plans to use more groundwater to maintain a sustainable groundwater basin.

Mr. Horowitz commented that, during wet years, there is water available that the District should make use of in the region. Ms. Lorance commented that sale of water during dry years when the District has access to stored groundwater could provide revenue that could help offset costs. The committee discussed legislation regarding beneficial use.

Ms. Lorance commented that she could develop a matrix with the options and goals and provide a draft RFP for a consultant or the consultant could develop the options and goals. The committee discussed and directed the General Manager to develop a draft RFP with the scope of work for the committee to discuss and review along with a matrix that includes the pros and cons of the options discussed by the committee.

The committee also directed staff to draft a letter to SSWD requesting a timeline for making a decision on proceeding with the merger study.

In response to Director Walters' question, Mr. Horowitz responded that in order to comply with groundwater legislation, the District would need to work with SGA and others to develop a plan for sustainably managing groundwater use should the District plan to utilize groundwater.

For information only; no action requested.

3. Dry-Year Operations Guidance Plan (W &R)

Mr. Durkin informed the committee that, with the construction of the SSWD-SJWD Antelope Booster Pump Station Pump Back and Flow Control Stations Projects, it is important to effectively utilize the projects and ensure adequate distribution of available supplies to all wholesale customers; therefore, a draft operations “guidance plan” was developed to set initial parameters for operating the projects along with available groundwater wells and interties under scenarios of reduced to no surface water deliveries. He commented that staff worked closely with Citrus Heights and Fair Oaks Water District’s operation staff to develop the plan. It is anticipated that the operations plan will be refined during start up, testing and monitoring of the projects.

Mr. Durkin informed the committee that staff has prepared a draft response to comments received from Citrus Heights Water District on the March 4, 2015, Wholesale Dry-Year and Emergency Operations Guidance Plan. The committee reviewed the proposed responses, discussed each response, and provided some minor revisions.

Mr. Durkin informed the committee that a letter will be sent to the wholesale customer agencies and SSWD regarding use of the CTP for the SSWD-SJWD Antelope Booster Pump Station Pump Back Project. Mr. Durkin mentioned that although the project is not a new connection to the CTP, it is a different use of the CTP. The committee directed Mr. Durkin to have legal counsel review the need for a letter and the letter prior to sending.

Mr. Tom Gray commented the FOWD is “all in” during emergency situations, but FOWD and CHWD have concerns during the dry-year scenario regarding use of SSWD groundwater. Mr. Durkin commented that SJWD did not receive any comments from FOWD regarding operations and SJWD met with the GMs and operators of the wholesale customer agencies. Ms. Lorance commented that the wholesale customer agencies need to provide input so that any concerns can be addressed. Mr. Durkin commented that the SJWD policy is to provide the highest reasonable level of reliability regardless of the water source. The committee discussed that if the wholesale customer agencies do not want SJWD to maximize water supply reliability to their service area, including supplies that may potentially include SSWD groundwater, then they need to communicate that to SJWD. The committee requested that the General Managers discuss this issue at their next GM Meeting. Ms. Lorance will place this on the agenda for the next GM Meeting and report back.

For information only; no action requested.

4. Other Matters

Ms. Lorance mentioned that there were three items that were referred to this committee – allocation of SJWD water rights, a letter to Mr. John O’Farrell thanking him for his work, and a response letter to the June 29, 2015 FOWD letter. She commented that the water rights discussion should wait until completion of the

options analysis and can be placed on a future meeting agenda at the will of the committee and she will write the letter to Mr. O'Farrell for President Costa's signature.

The committee discussed the response letter to FOWD. Director Walters posed some questions regarding the FOWD Board directive and requested that the response letter request that FOWD define what reasonable operations are and what the risks to surface supply reliability are that the FOWD letter is referring to. Ms. Lorange will draft a response letter for review by the Board.

Ms. Lorange reported that the design of the barge will be discussed at the next meeting with the Bureau which is scheduled for July 16, 2015. She explained that there are three pumps that the Bureau refers to – the pump station, which is used during normal operations; the e-pump, which is the emergency pump located in the penstock approximately 10 feet lower than the M&I intake; and the barge, which is referred to as the temporary floating pump station.

Ms. Lorange informed the committee that the Public Information Committee would like to schedule a town hall meeting to inform the public of drought conditions and related activities. The meeting is planned for August 26th at the Eureka School District gym and once the meeting location is confirmed then Ms. Lorange will work to have a representative from the Bureau attend.

4.1 Next Meeting Date

The next committee meeting was scheduled for July 30, 2015, at 4:00 pm.

5. Public Comment

There was no public comment.

The meeting adjourned at 5:54 pm.

AGENDA ITEM IV-3 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District July 30, 2015 4:00 p.m.

Committee Members: Bob Walters, Chair
Dan Rich, Director

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

Members of the Public: Hilary Straus, Citrus Heights Water District
Joe Duran, Orange Vale Water Company
Ted Costa, San Juan Water District

Topics: Water Supply Status (W & R)
Groundwater and Surface Water Management Options (W)
Scope of Work for a Conjunctive Use Study (W)
Other Matters
Public Comment

Director Walters acknowledged that Director Costa was in attendance as a member of the public and would not participate in discussions.

1. Water Supply Status (W & R)

Mr. Durkin reported that Folsom Reservoir is at approximately 293,000 acre feet (AF) of water storage and is declining drastically, with about 5,000 AF lost each day. He commented that it is expected that Folsom will reach 283,000 AF by July 31, 2015, which would be 20,000 AF higher than the Bureau's projections. Mr. Durkin pointed out that the Bureau is working hard to maintain colder temperatures in Shasta Reservoir and along the upper Sacramento River and in doing so they are releasing more from Folsom and Lake Oroville. Currently Lake Oroville releases are higher, but Folsom releases will be higher than projected in August and September, therefore, it is expected that the water level at Folsom will be on track to hit 120,000 AF by the end of September.

Mr. Durkin stated that the Bureau is managing releases on a day to day basis. He commented that the temperatures at Watt Avenue are higher than normal and it is expected that there will be a significant impact on the fish. Mr. Durkin informed the committee that the State Board clarified that the hard stop of 120,000 AF for Folsom storage is for the end of September and that it is expected that the lake level could drop below 120,000 AF after September.

Mr. Durkin informed the committee that the Bureau is developing a different plan for supplying water. He explained that they are getting the pumps for the barge facility but not mobilizing to construct the barge. Instead, the Bureau is looking at utilizing the emergency pump (e-pump) that is located in one of the power penstocks. The e-pump is capable of pumping about 70 cfs as a booster pump into the regular pump

station which would then deliver water to SJWD and the City of Roseville. The Bureau would deliver water to the City of Folsom and Folsom Prison via a different pump. Mr. Durkin noted that there is concern utilizing this method as the e-pump was not designed for this type of usage. Mr. Durkin informed the committee that he has been attending numerous planning meetings with the Bureau on this subject. The committee discussed the delivery of water from the Bureau, including getting clarification from Legal Counsel on the Bureau's legal obligation to provide 75 cfs of water rights water to the District.

Mr. Durkin reported that the Antelope Pump Back Station Project is nearing completion and the PCWA Intertie Project should be completed in the next couple of weeks. He stated that the Antelope Pump Back Station should be ready for testing the 3rd or 4th week of August, and the testing will be coordinated with the wholesale customer agencies.

For information only; no action requested.

2. Groundwater and Surface Water Management Options (W)

Mr. Durkin reviewed the staff report for Groundwater and Surface Water Management Options. A copy of the staff report will be attached to the meeting minutes. Mr. Durkin explained that SJWD is tasked with providing reliable water supply and, in reviewing the wholesale water supply contracts, there is nothing that restricts or limits SJWD to providing only surface water. SJWD was formed as a Community Services District and there is nothing in the LAFCO formation resolution that restricts SJWD to only serve surface water. The committee reviewed the wholesale water supply contract and discussed the list of groundwater and surface water management options. Staff will update the options for inclusion into an RFP for consulting services to evaluate the options. Director Walters suggested that the Legal Affairs Committee discuss the option of forming a JPA to manage water.

For information only; no action requested.

3. Scope of Work for a Conjunctive Use Study (W)

Mr. Durkin reviewed the staff report for Scope of Work for Conjunctive Use Study. A copy of the staff report will be attached to the meeting minutes. The committee discussed the draft scope of work and agreed that the options to be investigated are more than just for conjunctive use so they requested that the scope refer to a water management reliability study. The committee discussed the scope of work. Staff will revise the outline and combine some options per the committee's suggestions, and then bring back to the committee for review.

Mr. Hilary Straus, CHWD Assistant General Manager, suggested that the District create a technical advisory committee that includes the wholesale customer agencies to help develop water management reliability. He commented that staff should be able to work out a lot of the issues prior to it being placed before the Board.

The committee discussed the need to formalize a groundwater reimbursement plan. Mr. Durkin mentioned that some of the wholesale customer agencies apparently have concerns that they would be supplied groundwater versus surface water but he is unsure of the exact issue.

For information only; no action requested.

4. Other Matters

4.1 Next Meeting Date

The next committee meeting was scheduled for August 17, 2015, at 4:00 pm.

5. Public Comment

There was no public comment.

The meeting adjourned at 5:34 pm.

STAFF REPORT

To: Water Supply and Reliability Committee
From: Shauna Lorange, General Manager
Date: July 13, 2015
Subject: Groundwater and Surface Water Management Options

RECOMMENDED ACTION

Consider the list of options provided as a starting point for a conjunctive use study.

BACKGROUND

SJWD Board of Directors initiated a study with SSWD to analyze the possibilities for better water management. After four years of studying, including:

1. Phase 1 – High level evaluation of water management benefits and options
2. Phase 2 – Study of all elements of a potential merger, beginning with Phase 2A

SSWD elected to suspend Phase 2 of the study and not proceed to Phase 2B. SJWD Board of Directors considers better management of groundwater and surface water for the benefit of the ratepayers an important goal. With the potential for SSWD delaying for the long term the completion of the study of merging SSWD and SJWD, SJWD is evaluating other options for meeting the District's goal.

CURRENT STATUS

The Water Supply and Reliability Committee has been charged with identifying options for better water management of groundwater and surface water for the District's customers. The committee identified a few initial options to include in the evaluation. Staff was directed to develop a pros and cons table for these initial options. The pros and cons are high level comments; further detail would be developed by the consultants hired to complete the study.

	Option	Pros	Cons
1	Work with Roseville to use existing ASR wells	reduced capital costs; already permitted; facilities installed; CVP contractor so possible use of CVP water	limited ability to provide dry year water to SJWD; agmt could be terminated in future; requires cooperation and agreements of more than one agency
2	Work with PCWA to coord gw and sw	west placer an opportunity; possibility to have access to sw above Folsom; CVP contractor so possible use of CVP water	agmt could be terminated in future; requires cooperation and agreements of more than one agency
3	Work with PCWA on treatment plant capacities; ours and theirs	possible access to sw above Folsom; more use of SJWD WTP during wet years	does not provide dry year reliability
4	Work with other GW agency	possible ability to manage gw and sw	same restrictions as SSWD wo merger
5	Install gw wells along CTP	control of gw and sw by one agency; efficient transmission of water	may not be gw along route; WCA may have concerns
6	Install gw wells in SJWD boundaries (wholesale area)	control of gw and sw by one agency; likely adequate gw	WCAs may have concerns; transmission pipelines could be costly
7	Purchase Cal AM Citrus Heights service area	would provide same benefits as SSWD	cost to purchase system likely very high so Cal Am customer water rates would increase
8	Consolidate/merge with another agency	could provide same benefit as SSWD	have not identified willing partner
9	Develop additional sw storage	would provide sw storage under SJWD control;	good location could be hard to find; would have environmental responsibilities
10	Work with WCAs on conjunctive use	within existing wholesale service area;	would require agreements and cooperation; agreements could be terminated; would require sw injection as in lieu not an option

STAFF REPORT

To: Water Supply and Reliability Committee
From: Shauna Lorance, General Manager
Date: July 13, 2015
Subject: Scope of Work for Conjunctive Use Study

RECOMMENDED ACTION

Staff recommends the committee review the attached scope of work and discuss any revisions necessary to meet the goal of the committee.

BACKGROUND

The SJWD Board of Directors directed the Water Supply and Reliability Committee to evaluate the potential to initiate a conjunctive use program utilizing SJWD surface water supplies in the event SSWD does not elect to proceed with the Phase 2B study of the potential merger of SJWD and SSWD.

The committee identified an initial list of options, and believes there may be more options that should be evaluated. The committee agreed with staff that the evaluation would need to be done by an outside consultant, and requested a draft scope of work be developed to guide further discussion by the committee.

CURRENT STATUS

Staff developed the attached draft scope of work for discussion and consideration by the committee. The intent of the scope of work is to provide a general framework of the tasks desired to be completed by the consultant. This will allow the consultant to develop the detailed approach with the flexibility to modify the tasks to achieve the best outcome with the most efficiency.

FINANCIAL CONSIDERATIONS

The cost of the study will be highly dependent on the level of detail and assurance desired on the groundwater availability and quality. A budget should be developed for conducting the study to provide the consultant with direction on the level of effort desired.

SJWD Wholesale Conjunctive Use Study

Goals of Study

The goals of the study are to identify a program that meets the following objectives:

1. Use more of SJWD surface water during wet years to recharge the groundwater basin
2. Use groundwater during dry years when surface water supply is limited
3. Increase groundwater storage through in lieu or injection
4. Actively manage the groundwater and surface water management to provide a benefit to the statewide water supply and financial benefit to our ratepayers

Scope of Work

- I. Evaluate options for developing a conjunctive use program for use of SJWD surface water during wet years and providing reliable groundwater during times of reduced surface water supply.
 - a. Identify all reasonably possible options
 - b. Provide high level pros and cons for each option
- II. Evaluate the groundwater availability and quality associated with each of the options identified
 - a) Review past SJWD retail Groundwater Study dated _____.
 - a. Has there been any new information that would require an update to this study?
 - b. If not, proceed with determination that there is not available groundwater below SJWD retail service area.
 - b) Review groundwater studies completed by others to determine general boundaries of the groundwater basin associated with the options being studied.
 - a. Obtain studies completed by:
 - i. Regional Water Authority
 - ii. Sacramento Groundwater Authority
 - iii. Wholesale Customer Agencies
 - iv. State of California, Department of Water Resources
 - v. Others?
 - b. Review and combine information to determine best available information on groundwater basin boundaries
 - c) Review Aquifer Storage and Recovery (ASR) studies and programs completed by the City of Roseville and Sacramento Suburban Water District
 - a. Summarize requirements to initiate an ASR program within the area being studied.
 - b. Determine any additional information required to evaluate the potential for an ASR program within the area being studied.

- d) Review opportunities for in-lieu groundwater recharge in the area being studied.
 - e) Review data associated with groundwater quality and summarize variances between areas
 - f) Develop recommended scope of work for additional study and field reconnaissance to:
 - i. Determine boundaries of GW basin that is adequate for ASR underlying area being studied
 - ii. Determine boundaries of GW basin that is adequate for in-lieu recharge
 - iii. Develop map of groundwater qualities by area
- III. Evaluate SJWD surface water supplies and ability to use supplies in area being studied
- a. Evaluate the legal, institutional, and other limitations of
 - i. in lieu recharge
 - ii. ASR program.
- IV. Recommend preferred conjunctive use program, including:
- a. Recommended Option
 - i. Description of recommended option
 - ii. Political or legal requirements to implement
 - b. Technical Information
 - i. Surface water supplies to be used
 - ii. Location of proposed GW wells
 - iii. Location of necessary infrastructure to tie GW wells to SJWD wholesale facilities
 - iv. Cost estimate
 - v. Schedule
 - vi. Wholesale water supply rate impacts
- V. Write Report
- a. Technical memorandums
 - b. Draft report
 - c. Final report

AGENDA ITEM IV-4 DRAFT

Legal Affairs Committee Meeting August 3, 2015 2:00 p.m.

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

District Staff: Keith Durkin, Assistant General Manager
Lisa Brown, Customer Service Manager
Teri Hart, Board Secretary/Administrative Assistant
Josh Horowitz, Legal Counsel

Members of the Public: Dave Brent, Regional Water Authority Water Policy Advisor

Topics: RWA Subscription Update (W & R)
Discussion of Policy 3110
Joint Defense Agreements
Other Legal Affairs Matters
Public Comment
Closed Session
Open Session

1. **RWA Subscription Update (W & R)**

Mr. Durkin introduced Mr. Dave Brent, RWA's Water Policy Advisor. The committee was provided with the RWA Advocacy Quarterly Report for April through July 2015. A copy of the memorandum will be attached to the meeting minutes. Mr. Brent explained that in 2010 seven area agencies formed the Sacramento Regional Water Alliance (SRWA) to work with Lobbyist Soyla Fernandez on state legislative lobbying. SRWA transitioned to be managed under RWA's Lobbyist Subscription Program (LSP) in 2015 and currently has ten agencies participating.

Mr. Brent explained that the goal is to be proactive more than reactive in working with the state legislature. In doing so, LSP will not only work to support or oppose bills but to work with the legislators on drafting the bills and educating them on key issues. Mr. Brent reviewed some of the bills that LSP has worked on. He informed the committee that the LSP committee will be meeting while the state legislature is out of session in order to draft a plan for the next legislative session. The committee discussed the LSP committee structure and Director Walters suggested that elected officials also be on the LSP committee.

The committee discussed the LSP and potential for more RWA members to become participants. In addition, Mr. Brent informed the committee that the RWA Executive Committee will be discussing authorization for the Executive Director, John Woodling, to make decisions on legislative issues within the scope of agreed upon legislative positions.

For information only; no action requested

2. Discussion of Policy 3110

Mr. Durkin informed the committee that the Board referred discussion of Policy 3110 to the Legal Affairs Committee. A copy of the policy was provided to the committee and will be attached to the meeting minutes.

The committee discussed the policy and the need to revise the policy. The committee agreed that the Personnel Committee should retain oversight responsibility as set forth in Section 3110.01. The committee reviewed Section 3110.03 regarding the authorities and responsibilities provided to the General Manager to implement the policy with the approved compensation budget. No changes were recommended at this time.

The committee would like this policy discussed at a Board workshop as it relates to staffing recommendations and compensation budgets. Director Walters also suggested that any future compensation study be completed prior to the budget process so the results of the study can be incorporated into the budget.

For information only; no action requested

3. Joint Defense Agreements

Mr. Durkin informed the committee that this topic would be discussed under Closed Session.

4. Other Legal Affairs Matters (W/R)

Mr. Durkin introduced Ms. Lisa Brown, Customer Service Manager, who informed the committee that customer service calls are starting to escalate in emotion where some customers are extremely concerned of the demise of the fish and wildlife if the Hidden Lakes ponds run dry. She mentioned that some customers have mentioned going to the media for attention to the issue. The water to the Hidden Lakes pond has been shut off due to the state requirement that ponds/lakes not be refilled using potable water and the water level is dropping rapidly. Ms. Brown stated that Hidden Lakes used 43 ccf of water per day in 2013 and now only uses 3.4 ccf per day.

The committee discussed the issue, the state's requirement to meet 36% water conservation, and the possibility of creating exceptions. The committee suggested that the Hidden Lakes HOA submit a letter with any request they may have and include their proposal for meeting the 36% conservation requirement so that the Board can review and make a determination.

Mr. Durkin informed the committee that the Water Supply & Reliability Committee is in the process of reviewing options for water supply management. In doing so, they referred the discussion of utilizing a JPA for water management to the Legal Affairs Committee. The Legal Affairs Committee discussed the JPA option and other options for water management. Mr. Durkin explained that the Water Supply & Reliability Committee will provide a comprehensive list of options for review by a consultant. The committee recommended that any options that could include governance issues such as a JPA or agency consolidations be reviewed by Legal Counsel.

Mr. Durkin informed the committee that a customer and one of the District's field crew were involved in a verbal altercation and the customer might attend the next Board meeting to address the Board.

Director Costa informed the committee that he would like clarification from Legal Counsel on the following items based in part on questions and comments that he received from a wholesale customer agency:

1. SJWD is just wholesale and should not seek out groundwater.
2. SJWD should separate wholesale and retail into separate agencies.
3. If the CTP is used to convey water from the Antelope Pump Back Station, then CHWD should receive compensation.
4. Can SJWD reallocate water to CHWD and FOWD and provide them CVP water instead of water rights water.?
5. With Aerojet contamination in FOWD, shouldn't SJWD Wholesale be included in discussions since the contamination is also within our boundaries?
6. Can SJWD look into forming a JPA to build off-stream storage?
7. Can SJWD bank water since SGA has settled on amounts that can be pumped out of the groundwater basin under the groundwater accounting framework?
8. Can SJWD buy out the capacity in the CTP?

Mr. Horowitz will review the questions and provide a response.

For information only; no action requested

4.1 Next Meeting Date

The next meeting will be scheduled when needed.

5. Public Comment

There were no public comments.

Director Walters called for Closed Session at 3:55 pm.

6. Closed Session

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

Conference with real property negotiators involving the transfer of up to 15,000 acre-feet of water conserved under the District's pre-1914 water right and by groundwater substitution to CVP contractors. The Board will provide direction to District negotiators, General Manager Shauna Lorange and Assistant General Manager Keith Durkin, on the price, terms of payment or both for the transferred water. The specific buyers and their representatives with whom the District will negotiate have not yet been identified, but

those buyers and representatives will be publicly identified at the Board meeting or as soon thereafter as possible. (See Government Code sections 54954.5(b) and 54956.8.)

7. Open Session

There was no report from Closed Session.

The meeting was adjourned at 4:20 p.m.

July 21, 2015

To: RWA Board, Executive Committee, and Member Agencies

From: Dave Brent, Water Policy Advisor

Subject: RWA Advocacy Quarterly Report (April – July 2015*)

RWA Accomplishments and Actions – The RWA Lobbyist Subscription Program (LSP) has been monitoring and responding to over 30 “hot list” bills since the end of the first quarter. As defined by the LSP at the start of the year, “hot list” bills are those earning a high or medium priority per the screening matrix developed as a guide for determining those bills of most significant interest to RWA.

As the legislative session progressed, the hot bill list has been reduced to 29 bills. Of those, RWA has taken positions on 12 while the remaining 17 are on the “watch” list. Summaries of the high and medium priority bills that RWA has taken positions on are attached (Attachments 2 and 3)

The LSP contract lobbyist, Fernandez Government Solutions (FGS) and RWA staff have actively engaged on a number of the high priority bills and have been successful in affecting the outcome of a few. Of particular note, since the last quarterly report, two bills, AB 647 (Eggman) and SB 555 (Wolk), passed through committees with some amendments that moved RWA’s position from one of support to “oppose unless amended”. In both cases, FGS and RWA worked closely with allied organizations and the author’s staff to make amendments that resulted in positive outcomes. In the case of SB 555, Senator Wolk's staff and key legislative committee staff worked closely with RWA and the California Municipal Utilities Association to make subsequent amendments that warranted RWA removing opposition and, in fact, going on record as a supporting organization.

Partially because of RWA input and concern, Assemblywoman Eggman agreed to move AB 647 to a 2-year bill, allowing RWA and other water organizations additional time to work amendments on the bill that would be favorable, or at least neutral, to RWA interests.

There are still several bills that will need to be monitored closely and acted upon once the summer recess is over in mid-August. Of those, two bills were “gut and amended” to the point that they will be added to our list of hot bills. AB 1164 (Gatto) would prohibit local governments from outlawing the residential use of artificial turf and fund up to \$300 million for assisting local agencies with turf replacement (cash for grass) programs. As discussed below, securing funding for turf replacement has been a focus of RWA advocacy efforts.

The second bill that warrants close attention is SB 552 (Wolk). This bill was recently amended to propose the process for the State Board’s increased role in water agency consolidations that was established as part of trailer bill language included with the Governor’s budget.

In addition to taking action on RWA bills of interest, FGS and staff engaged on the Governor’s budget and the series of trailer bills that were included as part of the budget. The consolidation bill mentioned previously was one of several water related trailer bills that moved through both

the Senate and Assembly as part of the budget approval process despite opposition from RWA and statewide organizations such as Association of California Water Agencies, California Municipal Utilities Association, and the California Special Districts Association. Other water related trailer bills moved forward, again despite opposition from RWA and other organizations. These included bills changing the process and determination of State Board drinking water program fees and new monitoring and reporting requirements for reservoir operators that go beyond drought related emergency actions and, according to some, may be technically infeasible. In summary, the trailer bill process offered very little input on significant fiscal and policy issues related to water resources management.

Legislative Advocacy and Outreach – FGS, RWA staff, and representatives from various member agencies continued advocacy and outreach promoting the importance of moving quickly on releasing Proposition 1 funds for conservation. This advocacy took on new importance as the State Water Resources Control Board adopted stringent, emergency water conservation mandates as part of the Governor’s updated Emergency Drought Declaration. The State Board’s mandates were heavily weighted towards reduction of outdoor irrigation that, due to factors such as climate and land use, impact inland communities such as those represented by RWA more than the more temperate, high density coastal communities. With RWA members facing water conservation levels of up to 36%, our advocacy efforts to expedite the appropriation of Proposition 1 water conservation funding for turf replacement took on an added urgency. At the request of key legislative members and their staff, RWA developed a framework document outlining the need and approach for expediting State funding to local water agencies for turf replacement programs. The approach RWA has promoted and the framework document have gained traction with several legislatures and key budget committee staffers. The attached letter from Assemblymember Ken Cooley, requesting support of the funding approach from the Assembly leadership, is an example of this favorable response (Attachment 4). We will continue to work closely with legislators and their staff to promote immediate funding for turf replacement programs.

As a recognized leader in groundwater management, RWA staff will continue to advocate for sensible cleanup language of last year’s Sustainable Groundwater Management Act (SGMA). In the short term, FGS and RWA will continue to work with allied organizations on AB 617 (Perea), a bill that contains key language assuring this regions best practices and groundwater management methods and data remain valid and in compliance with SGMA.

Ongoing Efforts – One primary objective of RWA’s increased advocacy is to be proactive and instrumental in working within the legislative and regulatory arenas to achieve positive outcomes for the RWA membership. To that end, RWA staff conducted a half-day workshop with members of the LSP to begin building a legislative advocacy program that will include defining the foundational priority issues and policy principles used to create annual legislative and regulatory platforms. The intent of these annual platforms will be to develop agendas that will allow RWA to proactively plan for each new legislative session; to identify opportunities beneficial to RWA; and prepare strategies for legislation and/or regulations that will be detrimental to RWA and its member agencies. A big part of this program will be to continue to build and foster strong relationships and working closely with legislators and regulators to positively affect both short term and long term policies and actions important to our members.

* *This report covers activities through the July 17th summer recess of the California legislature.*

SAN JUAN WATER DISTRICT
EMPLOYEE MANUAL

POLICY TYPE : Compensation, Payroll Practices and Hours of Work
POLICY TITLE : Compensation Studies
POLICY NUMBER : 3110
DATE ADOPTED : August 15, 2013
DATES AMENDED :

3110.00 Compensation Philosophy

It is the intention of the District to recruit and retain talented, results-driven employees to support the District's mission, values and goals. A compensation program is necessary to provide each employee with fair and equitable compensation for the skills the employee brings to the District and the position in which they serve. In order to provide each employee with fair and equitable compensation, the District has developed a systematic method to establish and maintain a compensation program by defining the process and clarifying the role and responsibility of the General Manager in that process. Pursuant to California Government Code sections 61051(d) and 61060(f), the General Manager has the responsibility to determine the compensation of employees subject to approval by the Board as given during the annual budget process.

3110.01 Process

To ensure consistency in setting compensation, it is necessary to compare the District to other survey agencies in the appropriate labor market. In order to achieve that goal, the District will conduct a compensation survey with oversight and approval by the Personnel Committee at regular intervals (approximately every five years or sooner as deemed necessary or as directed by the Board). Following the methodology prescribed below, the standard process will consist of:

- a) Selection of a study lead (consultant, agency, staff member, etc.);
- b) Determination of classes to be surveyed (or all as required);
- c) Prepare survey criteria and contact survey agencies;
- d) Collect, analyze and determine comparability of survey data; and
- e) Present recommendations of study lead.
- f) Recommendations will be evaluated and implemented at the Board of Directors' discretion, taking to account the District's standard methodology criteria as outlined in section 3110.02.

3110.02 Methodology

In order to maintain a fair and equitable compensation program, the District has established a standard methodology to be used in conducting compensation studies.

- a) Total compensation program includes: base salary; longevity and other specialized pay (such as, but not limited to auto allowance and incentives); District contribution towards health, dental, or vision insurance(s); and District payment of employee retirement or deferred compensation contribution. In addition, studies may include life insurance, short and long term disability, retirement formula, paid time off (holidays, vacation, sick and administrative leave) and training/educational programs. The total compensation program will be used when comparing the District's pay level to survey agencies as described below, which may include public and private sector when data is available. The intent of utilizing total compensation is to determine modifications other than salary which may be determined necessary.
- b) Survey agencies will include those providing similar services of similar size (number of employees, connections, population and budget) or otherwise deemed to be comparable within a radius identified based on position to the extent possible. For example, staff level positions could have the intent to search within approximately a 35 mile radius, managers within an 80 mile radius, and for the assistant general manager the search will be statewide. If a sufficient number of similar survey agencies are not available within the survey radius, a balanced number of smaller and larger agencies will be included to minimize skewing the results.
- c) The District will maintain a labor market position at 10% above average using the top of the range unless the sample size or other factors warrant further evaluation.
- d) Cost of living differences between surveyed agencies and the Sacramento Metropolitan Area will be evaluated to determine if significant wage differences require an adjustment to the data.

3110.03 Authority and Responsibility

The General Manager (or his/her designee) is responsible for preparing a compensation budget in accordance with this Policy, as well as all applicable District Policies, which will be included as part of the annual budget review process. The General Manager will have the authority to fix and alter employee compensation in accordance with the intent of this policy and within the budgetary guidelines approved by the Board of Directors.

The General Manager may change or alter the compensation budget during the year by either: 1) requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or 2) submitting an amended compensation budget, explaining reasons and recommendations for the change, and receiving Board approval for the change.

The General Manager will have full operational authority to implement this policy up to the limits of the approved compensation budget, which includes:

- a) Determining staffing requirements, titles, positions, responsibilities and organization structure.
- b) Establishing pay/salary ranges and/or total compensation.
- c) Setting goals and conducting performance reviews.
- d) Establishing annual pay/salary adjustments, including annual merit increases and cost-of-living adjustments (COLA).
- e) Creating incentive pay programs.
- f) Creating programs for position upgrades and special assignments.
- g) Providing pay/salary and benefit benchmarking information and studies for Board review.
- h) Creating dual or multiple grade positions as needed.

The General Manager will insure the equitable and uniform implementation of this policy including reporting to the Board at least annually, typically during the budget process.

The Board of Directors is responsible for reviewing the compensation budget as part of the District's annual budget and has the authority to consider, amend as needed, and approve that budget.

Finance Committee Meeting Minutes
San Juan Water District
August 11, 2015
4:00 p.m.

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

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

Topics: Review and Pay Bills (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, Director of Finance, and the Board Secretary. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for June payables is \$1,872,126.17.

The Finance Committee recommends approval of Resolution 15-11.

2. Other Finance Matters (W/R)

The committee discussed the budget workshop, the timing of information provided to the Board, and the differences in Board members' preferences in reviewing the budget. In response to Director Miller's question, Mr. Durkin explained that the net income from a higher rate increase would be allocated to the CIP reserve to cover the existing projects in the CIP, and this would also help keep rate increases lower in the future. In response to Director Miller's question, Mr. Durkin confirmed that the rate increase could be broken down so that it shows where the revenue is going.

Director Costa commented that the Board is still waiting for reports on the reserve balances and he recommends that the General Manager receive monthly reporting on the District finances. Ms. Motonaga informed the committee that a coding change in the Tyler financial software was just implemented that will allow the reports that the Board has requested once the related data is compiled. Mr. Durkin informed the committee that Ms. Motonaga will be focusing on completing the

Tyler conversion and updates, specifically the reporting options, through September/October.

Director Costa commented that, with Ms. Silva's experience in bond financing, he is looking forward to her monitoring potential bond refinancing for the District's COPs.

For information only; no action requested.

3. Public Comment

There were no public comments.

The meeting was adjourned at 4:33 p.m.

San Juan Water District

**RESOLUTION 15-11
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,872,126.17; 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 \$1,872,126.17 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 \$1,872,126.17 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 12th day of August 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

August 2015 Payment Register

Approved Paid in Advance:

Check Date:	Vendor:			Amount:
7/16/2015	SunPower Corporation System - Solar Maintenance	EFT	404277	17,839.31
7/22/2015	Aflac - Payroll	CK	48885	1,703.55
7/22/2015	CalPERS Long Term Care - Payroll	CK	48886	167.39
7/22/2015	CalPERS Long Term Care - Payroll	CK	48887	167.39
7/22/2015	Galic Disbursing Company - Payroll	CK	48888	800.00
7/22/2015	Department of Energy - Water Restoration Fund June	EFT	404278	1,512.76
8/3/2015	Placer CO Clerk Recorder - NOE for Water Transfer	CK	48889	50.00
8/3/2015	Sacramento CO Clerk Recorder - NOE for Water Transfer	CK	48890	26.00
8/4/2015	ACWA Joint Powers - Workers Comp	CK	48891	16,965.00
8/4/2015	Wageworks - FSA Admin Fee	EFT	404279	48.00
8/6/2015	Santa Clara CO Clerk Recorder - NOE for Water Transfer	CK	48892	50.00
7/31/2015	Payroll			594,784.02
Total Approved Paid in Advance				634,113.42

Approved Checks:

** Checks cut from approved Open Payable List and Approved Pending Payables. - See Attached Check Register	
Total Check Register	716,663.20

Approved Pending Payables:

Invoice No.:	Vendor - Description:	Amount:
July 2015	ACWA Joint Powers - Employee Assistance	113.85
July 2015	Bureau of Reclamation - Wheeling Invoice	27,053.65
July 2015	City Of Folsom	35.84
1436	Crocker & Crocker - WS July Services	5,904.78
1435	Crocker & Crocker - July Services	3,944.55
NNPB00084-0715	Department of Energy - July Service Bill	1,431.90
72086	Employee Relations - Background checks	312.95
L0224376	Eurofins - Ramsgate Testing	250.00
L0225432	Eurofins - Rockwood Testing	36.00
1094992	Ferguson - Inventory Order	610.62
4723	Folsom Landscape Maintenance - July Services	1,500.00
442800-H	HDR Engineering - Granite Bay Booster Pump Station - Thru 5/2/15	19,426.70
446276-H	HDR Engineering - Granite Bay Booster Pump Station - Thru 5/30/15	16,936.09
449545-H	HDR Engineering - Granite Bay Booster Pump Station - Thru 6/27/15	11,781.78
08664602897 07/15	MCI - Phone Services	95.03
34518740	McMaster-CARR - Facility Maintenance Supplies	76.59
33759459	McMaster-CARR - Facility Maintenance Supplies	111.12
33775900	McMaster-CARR - South Side Basin Supplies	598.75
33759460	McMaster-CARR - South Side Basin Supplies	32.31
34491052	McMaster-CARR - South Side Basin Supplies	284.13
33383932	Northern Tool - Drill Bit Set	59.00
0715702	Occu-Med	709.00
0007466826-0	PG&E - COTP Charge	10.00
527704	RFI - Burg Monitoring	44.00
43398667	Robert Half - Temp Worker 07/06/15	1,203.84
43405708	Robert Half - Temp Worker 07/06/15	640.80
43415091	Robert Half - Temp Worker 07/07/15	1,362.45
43415092	Robert Half - Temp Worker 07/07/15	1,308.45
43453234	Robert Half - Temp Worker 07/13/15	1,504.80
43457218	Robert Half - Temp Worker 07/13/15	640.80
43465813	Robert Half - Temp Worker 07/14/15	1,745.20
43502628	Robert Half - Temp Worker 07/20/15	1,504.80
43508349	Robert Half - Temp Worker 07/20/15	1,014.60
43516956	Robert Half - Temp Worker 07/21/15	1,945.20
43566842	Robert Half - Temp Worker 07/28/15	1,945.20
43577507	Robert Half - Temp Worker 07/28/15	1,068.00
43566841	Robert Half - Temp Worker 07/28/15	1,504.80
July 2015	SK Bennett - Construction Overpayment Refund	2,512.41
700001889 07/15	SMUD - Electric Services thru 7/14	20,184.30
27001930 07/27/15	Sutter Health - DOT Exam	108.00
Application 11	Syblon Reid - Grante Bay Pump Stations	181,978.39
025-131013	Tyler - Accounts Receivable Training	156.25
00003E2E70315	UPS - Shipping Charges	65.82
112722	West Valley Construction - Main Replacement	207,596.80
Total Approved Pending Payables		521,349.55

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE **1,872,126.17**

Adjustments:

None -

TOTAL PAID AND PAYABLE **1,872,126.17**

Regular Checks	627,844.07
EFT's	88,819.13
TOTAL PAID	716,663.20

Signature _____

Signature _____



San Juan Water District, CA

Packet: APPKT00583 - 2015-08-12 Finance Comm Approved Open Payables RMP

Check Register

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03091	Ace Hardware - Auburn Folsom Act#20	08/12/2015	Regular	0.00	278.49	48894
01068	ALPHA DES - Glenn Walker	08/12/2015	Regular	0.00	968.00	48895
01073	Amarjeet Singh Garcha	08/12/2015	Regular	0.00	1,000.00	48896
01090	American Water Works Assoc	08/12/2015	Regular	0.00	104.00	48897
02463	AnswerNet	08/12/2015	Regular	0.00	511.60	48898
01328	Association of CA Water Agencies Join	08/12/2015	Regular	0.00	250.00	48899
01027	Association of California Water Agenci	08/12/2015	Regular	0.00	1,245.00	48900
01138	AT&T	08/12/2015	Regular	0.00	61.51	48901
03244	Bader, Jeffery	08/12/2015	Regular	0.00	213.80	48902
01182	BARTKIEWICZ, KRONICK & SHANAHAN	08/12/2015	Regular	0.00	12,636.20	48903
01187	BATTERY BILL INC	08/12/2015	Regular	0.00	125.60	48904
01893	Bird, Jonathan C	08/12/2015	Regular	0.00	162.77	48905
01219	Borges & Mahoney Company	08/12/2015	Regular	0.00	681.04	48906
01232	Brower Mechanical, Inc.	08/12/2015	Regular	0.00	3,469.23	48907
01234	Bryce Consulting Inc	08/12/2015	Regular	0.00	2,724.00	48908
01257	CA State University Sacramento	08/12/2015	Regular	0.00	2,531.37	48909
01291	CALIFORNIA URBAN WATER CONSERV	08/12/2015	Regular	0.00	3,757.72	48910
01298	CalPERS Long Term Care	08/12/2015	Regular	0.00	167.39	48911
03226	Capitol Sand and Gravel Co.	08/12/2015	Regular	0.00	2,900.98	48912
03245	Casey, Deborah	08/12/2015	Regular	0.00	375.00	48913
01373	CITY OF ROSEVILLE	08/12/2015	Regular	0.00	6,000.00	48914
01411	Consolidated Communications	08/12/2015	Regular	0.00	1,574.94	48915
01420	CORT FURNITURE RENTAL	08/12/2015	Regular	0.00	124.32	48916
02556	Costa, Ted	08/12/2015	Regular	0.00	58.07	48917
02214	County of Placer Engineering & Survey	08/12/2015	Regular	0.00	1,755.00	48918
01423	COUNTY OF SACRAMENTO	08/12/2015	Regular	0.00	4,603.88	48919
01472	DAWSON OIL CO	08/12/2015	Regular	0.00	4,883.34	48920
01494	Dewey Services Inc	08/12/2015	Regular	0.00	82.00	48921
01509	Domenichelli & Associates Inc	08/12/2015	Regular	0.00	1,740.00	48922
01569	Employee Relations	08/12/2015	Regular	0.00	816.60	48923
01630	FM GRAPHICS, INC.	08/12/2015	Regular	0.00	892.25	48924
01634	FOLSOM LAKE FORD	08/12/2015	Regular	0.00	4,128.57	48925
03089	Fulton, Jonathan	08/12/2015	Regular	0.00	71.53	48926
01657	Galic Disbursing Company	08/12/2015	Regular	0.00	400.00	48927
01659	GARY WEBB TRUCKING	08/12/2015	Regular	0.00	1,154.75	48928
01687	Grainger, Inc.	08/12/2015	Regular	0.00	770.48	48929
01706	Graymont Western US, Inc	08/12/2015	Regular	0.00	5,844.16	48930
01710	GREENBACK EQUIPMENT RENTALS	08/12/2015	Regular	0.00	75.83	48931
03249	Hamilton, Vernon E	08/12/2015	Regular	0.00	31.96	48932
01733	Harris Welding Inc	08/12/2015	Regular	0.00	24.05	48933
02567	Hart, Teri	08/12/2015	Regular	0.00	20.13	48934
03235	HD Supply Construction Supply LTD	08/12/2015	Regular	0.00	129.94	48935
01483	Hyde-Veith, Denise	08/12/2015	Regular	0.00	209.21	48936
01778	IDEXX DISTRIBUTION INC	08/12/2015	Regular	0.00	149.67	48937
01915	Kirkland, Ken	08/12/2015	Regular	0.00	182.72	48938
01938	KYLE YATES, INC	08/12/2015	Regular	0.00	925.00	48939
03110	Lance, Soll & Lunghard, LLP	08/12/2015	Regular	0.00	10,000.00	48940
03243	Lekas, Tina or John	08/12/2015	Regular	0.00	217.50	48941
03248	Martinez, George	08/12/2015	Regular	0.00	121.11	48942
02021	McClure, George Tom	08/12/2015	Regular	0.00	10.00	48943
02021	McClure, George Tom	08/12/2015	Regular	0.00	200.00	48944
01916	Miller, Ken	08/12/2015	Regular	0.00	6.90	48945
03240	Miller, Marissa	08/12/2015	Regular	0.00	43.80	48946
03160	MMS Strategies	08/12/2015	Regular	0.00	1,802.50	48947

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02121	Northern Tool & Equipment Co. Inc.	08/12/2015	Regular	0.00	4,869.37	48948
02129	OCCU-MED, LTD	08/12/2015	Regular	0.00	482.50	48949
02131	Office Depot Business Serv Div	08/12/2015	Regular	0.00	1,539.50	48950
	Void	08/12/2015	Regular	0.00	0.00	48951
	Void	08/12/2015	Regular	0.00	0.00	48952
02150	Pace Supply Corp	08/12/2015	Regular	0.00	11,789.76	48953
	Void	08/12/2015	Regular	0.00	0.00	48954
03026	PFM Asset Management	08/12/2015	Regular	0.00	869.12	48955
02146	PG&E	08/12/2015	Regular	0.00	6,723.69	48956
03234	Pierson, Andrew	08/12/2015	Regular	0.00	115.00	48957
02205	PLACER CO AIR POLLUTION	08/12/2015	Regular	0.00	95.52	48958
02275	RAMOS ENVIRONMENTAL SERVICE	08/12/2015	Regular	0.00	426.38	48959
02283	Recology Auburn Placer--DB	08/12/2015	Regular	0.00	1,273.41	48960
02286	Regional Water Authority	08/12/2015	Regular	0.00	71,099.00	48961
02293	RFI ENTERPRISES, INC.	08/12/2015	Regular	0.00	1,702.60	48962
02314	Robert Half International, Inc	08/12/2015	Regular	0.00	8,340.26	48963
02328	ROCKLIN WINDUSTRIAL CO	08/12/2015	Regular	0.00	508.35	48964
02376	SACRAMENTO GROUNDWATER AUTH	08/12/2015	Regular	0.00	12,808.00	48965
02384	Sacramento Suburban Water District	08/12/2015	Regular	0.00	342,058.82	48966
02434	SHIELDS CONSULTING GROUP, INC.	08/12/2015	Regular	0.00	1,562.34	48967
02443	Siemens Industry, Inc.	08/12/2015	Regular	0.00	400.79	48968
02446	Sierra Chemical Co	08/12/2015	Regular	0.00	6,781.48	48969
01391	Sinnock, Cody	08/12/2015	Regular	0.00	125.00	48970
02357	SMUD	08/12/2015	Regular	0.00	14,558.47	48971
03241	Stevenson, John or Tracie	08/12/2015	Regular	0.00	78.48	48972
02559	TEICHERT & SON INC	08/12/2015	Regular	0.00	2,273.50	48973
02580	The Eidam Corporation	08/12/2015	Regular	0.00	33,300.87	48974
01844	Thorne, Jedediah	08/12/2015	Regular	0.00	55.00	48975
02622	Total Compensation Systems, Inc	08/12/2015	Regular	0.00	1,450.00	48976
02638	Tyler Technologies Inc	08/12/2015	Regular	0.00	587.50	48977
02643	UNDERGROUND SERVICE ALERT	08/12/2015	Regular	0.00	460.92	48978
02645	Union Bank Fees	08/12/2015	Regular	0.00	1,605.00	48979
02651	UNITED PARCEL SERVICE	08/12/2015	Regular	0.00	226.17	48980
02657	Universal Heating & Air Condit	08/12/2015	Regular	0.00	200.00	48981
02667	US Bank Corporate Payments Sys (Cal	08/12/2015	Regular	0.00	12,438.38	48982
	Void	08/12/2015	Regular	0.00	0.00	48983
	Void	08/12/2015	Regular	0.00	0.00	48984
	Void	08/12/2015	Regular	0.00	0.00	48985
	Void	08/12/2015	Regular	0.00	0.00	48986
03079	Van Dusen, Darren	08/12/2015	Regular	0.00	193.68	48987
02690	VERIZON WIRELESS	08/12/2015	Regular	0.00	641.30	48988
02700	Viking Shred, LLC	08/12/2015	Regular	0.00	150.00	48989
03064	Wecall Inc	08/12/2015	Regular	0.00	721.00	48990
03247	Wright, Cheryl	08/12/2015	Regular	0.00	250.00	48991
01660	Yeatts, Gary C	08/12/2015	Regular	0.00	100.00	48992
02766	Youngdahl Consulting Group Inc	08/12/2015	Regular	0.00	1,769.00	48993
01048	Airgas Inc	08/12/2015	EFT	0.00	133.64	404280
01081	AMERICAN MESSAGING	08/12/2015	EFT	0.00	30.11	404281
01330	CDW GOVERNMENT INC	08/12/2015	EFT	0.00	1,444.12	404282
03221	Chemtrade Chemicals Corporation	08/12/2015	EFT	0.00	16,056.69	404283
01378	Clark Pest Control	08/12/2015	EFT	0.00	516.00	404284
01486	DEPARTMENT OF ENERGY	08/12/2015	EFT	0.00	2,782.74	404285
01521	DP2 BILLING SOLUTIONS LLC	08/12/2015	EFT	0.00	9,411.94	404286
01589	Eurofins Eaton Analytical, Inc	08/12/2015	EFT	0.00	2,391.00	404287
01611	FERGUSON ENTERPRISES, INC.	08/12/2015	EFT	0.00	2,231.20	404288
01721	HACH COMPANY	08/12/2015	EFT	0.00	3,083.02	404289
01935	Konecranes, Inc	08/12/2015	EFT	0.00	1,144.00	404290
02020	MCC Control Systems	08/12/2015	EFT	0.00	3,910.00	404291
02187	PERFORMANCE PIPING, INC	08/12/2015	EFT	0.00	18,898.20	404292
02504	Starr Consulting	08/12/2015	EFT	0.00	560.00	404293
02572	Thatcher Company of CA	08/12/2015	EFT	0.00	6,219.33	404294

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02592	THE REED GROUP, INC	08/12/2015	EFT	0.00	1,500.00	404295
03118	WATERSMART SOFTWARE INC.	08/12/2015	EFT	0.00	18,500.00	404296
02730	Western Area Power Admin	08/12/2015	EFT	0.00	7.14	404297

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	194	93	0.00	627,844.07
Manual Checks	0	0	0.00	0.00
Voided Checks	0	7	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	47	18	0.00	88,819.13
	241	118	0.00	716,663.20

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2015	716,663.20
			716,663.20



AGENDA ITEM V-1.2

10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

Martin E. Zvirbulis
Secretary / General Manager/CEO

July 20, 2015

Ms. Shauna Lorance
San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746

Dear Ms. Lorance,

It is my pleasure to inform you that the Cucamonga Valley Water District took action at our July 14, 2015 board meeting to support Director Kathleen Tieg's in her bid for the Association of California Water Agencies (ACWA) President.

I have had the opportunity to work alongside Director Tieg's for a number of years. Her passion is contagious and her commitment to the water industry is tireless. She has a high level of integrity and excellent leadership skills that build coalitions and collaboration; which is evident from her time on the board as well as her experience with ACWA. Over the past two years Director Tieg's has served in the role of ACWA Vice-President working together with the other ACWA board members and staff, ensuring the highest level of ACWA member engagement and interaction.

I am contacting you to request your agency's support of Director Tieg's' nomination by adopting a resolution endorsing her nomination as ACWA President. Attached you will find a sample resolution. If your board takes action, please forward your resolution of support to our offices by August 14, 2015. We will include your resolution in her submittal packet to ACWA. Should your board not be able to take action by that time, please forward a copy of your resolution to our offices as well as to the ACWA offices at 910 K Street, Suite 100, Sacramento, California 95814.

Thank you so much for your consideration; the future of the ACWA organization could not be in better hands than those of Director Kathleen Tieg's. Should you have any questions, please contact Taya Victorino at (909) 987-2591.

Sincerely,

A handwritten signature in black ink, appearing to read "James V. Curatalo, Jr.", written in a cursive style.

James V. Curatalo, Jr.
President

Enclosure: 2

James V. Curatalo, Jr.
President

Luis Cetina
Vice President

Oscar Gonzalez
Director

Randall Reed
Director

Kathleen J. Tieg's
Director

Kathleen Tiegs

For

**2015-2016 Association of California Water Agencies
President**

July 20, 2015

My Fellow ACWA Member:

I am pleased to share with you my interest in serving as President of the Association of California Agencies (ACWA). Over the past two years I have had the pleasure to serve in the capacity as ACWA Vice-President working closely with President John Coleman, Past President Randy Record and my other colleagues on the ACWA board of directors. As a team, we work collaboratively engaging in issues that are critical to the water community as well as to the ratepayers that we represent at each of our agencies.



My experience with ACWA began on a regional basis having served on the ACWA Region 9 Board of Directors beginning in 2008. I also had the opportunity to serve as the Vice-Chair of the Federal Affairs Committee, and served on the Local Government and the Groundwater Committees. My active participation in the committees and the Region 9 board provided a strong foundation as I began to pursue other avenues to expand my understanding and knowledge of the ACWA organization. The experience I have gained over the past two years has well-equipped me to effectively dialogue with the Administration, regulatory agencies, and other special interest groups that impact our industry. More importantly it has given me the experience to lead our organization, and build upon the accomplishments of those that came before me.

Currently, I serve as the Chair of the Sustainable Groundwater Management Act Implementation Policy Group. The Group has provided a critical role working closely with the Administration and the Department of Water Resources to ensure members concerns are clearly voiced as the law is implemented.



As Vice-President I believe it is important to engage at all levels of the organization so I can better understand the issues in all of our regions to more effectively represent our members. I regularly attend ACWA committee meetings, as well as regional events so I can have a two-way conversation with members and hear what is important to them and their regions.

Currently, I serve on the Cucamonga Valley Water District (CVWD) Board of Directors. I was elected to CVWD in November 2005 and have served as both President and Vice-President of the Board of Directors. Prior to my serving on the CVWD Board, I enjoyed a career in water resources management for a local wholesale water agency for over 30 years. In April 2011, I was honored by State Assembly Member Mike Morrell as the 63rd Assembly District Woman of the Year.

There are many wonderful characteristics about ACWA, but the ones that I cherish the most are the diverse perspectives of our members. We have built a collaborative and supportive community that works together on solving issues that have lasting benefits to the regions and areas that we serve as elected officials. We have accomplished so much over these last two year, with actions taken that will forever change our industry and how we do business. There are many more challenges before us that will require a style of leadership that seeks to find solutions that benefit our industry and our ratepayers. I am completely committed, willing and able to continue a legacy of leadership that helps resolve issues and provides a better future for generations that will come after us.

I respectfully request your support to represent you and your organization and the millions of people that rely on our foresight and leadership to provide a high quality and reliable water to our customers. I look forward to the opportunity to represent you and the water industry of California. Thank you for allowing me to share with you my experience, leadership and knowledge. Please feel free to contact me directly at (909) 635-4177.

Thank you in advance for your consideration.

Kathleen Tiegs

San Juan Water District

RESOLUTION 15-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN JUAN WATER DISTRICT SUPPORTING THE NOMINATION
OF KATHLEEN TIEGS AS A CANDIDATE FOR THE
POSITION OF ACWA PRESIDENT**

WHEREAS, the San Juan Water District Board of Directors are active participants in the Association of California Water Agencies (ACWA); and

WHEREAS, Kathleen Tiegs has expressed her interest in serving as the ACWA President for the 2015-2016 term; and

WHEREAS, Kathleen Tiegs has served in a variety of leadership positions in ACWA, including Vice-President of the Board, the Local Government Committee, the Groundwater Committee, Vice-Chair of the Federal Affairs Committee, Region 9 Board of Directors, and as a member of ACWA/JPIA Executive Committee; and

WHEREAS, Kathleen Tiegs is committed to advancing ACWA's Policy Principles and finding common ties between members to develop a long-term strategy that provides a sustainable water future for all members and their constituents.

NOW, THEREFORE, BE IT RESOLVED, that the San Juan Water District Board of Directors does hereby place its full and unreserved support of the nomination of Kathleen Tiegs as President of the Association of California Water Agencies for the 2015-2016 term.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting of said Board held on the 12th day of August 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



Sent via email July 31, 2015

AGENDA ITEM V-1.3

TO: ACWA REGION 4 MEMBER AGENCY BOARD PRESIDENT
AND GENERAL MANAGER

Ballot for Region 4 Board Election for the 2016-2017 Term

It is time to elect the 2016-2017 ACWA Region 4 officers and board members who will represent and serve the members of Region 4. Attached, you will find the official ballot which includes the Region 4 Nominating Committee's recommended slate as well as individual candidates running for the Region 4 Board.

Your agency is entitled to cast only one vote. Please review the attached ballot and have your agency's authorized representative cast its vote for the slate as recommended by the Region 4 Nominating Committee **or** cast its vote for an individual Region 4 chair, vice chair and three to five board members.

2016-2017 ACWA Region 4 Ballot is located [HERE](#).
Region 4 Rules and Regulations are located [HERE](#).

Submit the electronic ballot to ACWA by September 30, 2015.
(Ballots received after September 30 will **not** be accepted.)

REMEMBER, YOUR VOTE IS IMPORTANT. Region 4 board members are elected to represent the issues, concerns and needs of your region. The Region 4 chair and vice chair will serve on ACWA's board of directors for the next two-year term beginning January 1, 2016. Additionally, the newly elected chair and vice chair will make the Region 4 committee appointment recommendations to the ACWA president for the 2016-2017 term. Also, either the chair or vice chair will hold a seat on the ACWA Finance Committee.

If you have questions, please contact your Regional Affairs Representative, Katie Dahl, at katied@acwa.com or call 916-441-4545.

Thank you for your careful consideration and participation in the Region 4 election process.

OFFICIAL

REGION 4 Board Ballot

2016-2017
TERM



Association
of California
Water Agencies
Since 1910
Leadership • Advocacy
Information • Service

Please return completed
ballot by September 30, 2015

E-mail: anat@acwa.com
Mail: ACWA
910 K Street, Suite 100
Sacramento, CA 95814

General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 4 Nominating Committee or vote for individual region board members. Please mark the appropriate box to indicate your decision.
- 2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

1

Nominating Committee's Recommended Slate

- I concur with the Region 4 Nominating Committee's recommended slate below.

Chair:

- **Robert S. Roscoe**, General Manager, Sacramento Suburban Water District

Vice Chair:

- **Glen Grant**, Director & Board President, Solano Irrigation District

Board Members:

- **Mike Hardesty**, General Manager, Reclamation District No. 2068
- **Thomas McGurk**, Director, Stockton East Water District
- **John Mensinger**, Director, Modesto Irrigation District
- **Tim O'Halloran**, General Manager, Yolo County Flood Control & Water Conservation District
- **Pamela Tobin**, Director, San Juan Water District

OR

Individual Board Candidate Nominations

- I do not concur with the Region 4 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

Candidates for Chair: (Choose one)

- Glen Grant**, Director & Board President, Solano Irrigation District
- Robert S. Roscoe**, General Manager, Sacramento Suburban Water District

Candidates for Vice Chair: (Choose one)

- Glen Grant**, Director & Board President, Solano Irrigation District
- Mike Hardesty**, General Manager, Reclamation District No. 2068
- Pamela Tobin**, Director, San Juan Water District

Candidates for Board Members: (Max of 5 choices)

- Glen Grant**, Director & Board President, Solano Irrigation District
- Mike Hardesty**, General Manager, Reclamation District No. 2068
- Thomas McGurk**, Director, Stockton East Water District
- John Mensinger**, Director, Modesto Irrigation District
- Tim O'Halloran**, General Manager, Yolo County Flood Control & Water Conservation District
- Robert S. Roscoe**, General Manager, Sacramento Suburban Water District
- Pamela Tobin**, Director, San Juan Water District

2

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE



AGENDA ITEM V-1.5.1

United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

IN REPLY REFER TO:

MP-100
WTR-4.00

27 2015

Ms. Shauna Lorance
General Manager
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

Subject: Request for Participation

Dear Ms. Lorance:

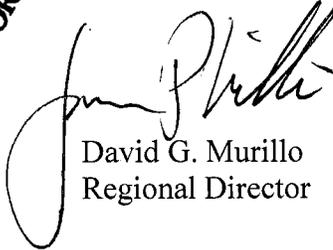
I am responding to your letter of March 6, 2015, regarding matters related to the Bay Delta Conservation Plan (BDCP) including collaboration on the Coordinated Operations Agreement (COA), the efforts to complete the BDCP benefits analysis, and corresponding cost allocation analysis. I appreciate your diligence in following up on these matters and sharing your observations.

As you are aware, the California Department of Water Resources and the Bureau of Reclamation have incorporated the inclusion of new alternatives to the BDCP Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) released on July 10, 2015. Reclamation has identified the new Alternative 4A (Also known as the California Water Fix) as its preferred alternative. This alternative consists of a water conveyance facility with three intakes on the Sacramento River north of Courtland and measures necessary to minimize or avoid project effects. This alternative seeks federal Endangered Species Act compliance through the Section 7 process instead Section 10 Habitat Conservation Plan, process and California Endangered Species Act compliance through Section 2081(b) instead of the Natural Community Conservation Plan process.

Reclamation will be coordinating additional meetings with Central Valley Project (CVP) contractors as information is further developed, including more detail on the operational requirements for a new conveyance facility that would be operated by both the CVP and State Water Project.

With the change in direction for BDCP, the benefits analysis conducted by Reclamation will need to reflect modeling information associated with the preferred alternative. Technical staff is currently working on a scope of work and revised schedule for the next phase of the benefits analysis, from which a cost allocation plan will be developed. With regard to the COA, we will be coordinating with your agency and other CVP contractors to develop appropriate agreements with the State before agreeing to final implementation.

Reclamation looks forward to continuing to work with CVP contractors on the development of a BDCP that is beneficial to all regions of California.

FOR
Sincerely,

David G. Murillo
Regional Director

Identical Letter Sent To:

Mr. Jim Abercrombie
General Manager
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

Mr. Thaddeus L. Bettner
General Manager
Glenn-Colusa Irrigation District
P.O. Box 150
Willows, CA 95988

Mr. Dave Breninger
General Manager
Placer County Water Agency
P.O. Box 6570
Auburn, CA 95604

Mr. Dave Brent
Director
Department of Utilities
City of Sacramento
1395 35th Avenue
Sacramento, CA 95822

Mr. Jerry Brown
General Manager
Contra Costa Water District
P.O. Box H2O
Concord, CA 94524

Identical Letter Sent To:

Continued from previous page.

Mr. Steve Chedester
Executive Director
San Joaquin River Exchange Contractors
541 H Street
Los Banos, CA 93635

Mr. Alexander R. Coate
General Manager
East Bay Municipal Utility District
375 11th Street
Oakland, CA 94607

Mr. David Guy
President
Northern California Water Association
455 Capitol Mall, #335
Sacramento, CA 95814

Mr. Eric Quinley
General Manager
Friant Water Authority
854 N. Harvard Avenue
Lindsay, CA 93247

Mr. Edward J. Kriz
Environmental Utilities Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

Mr. Marcus Yasutake
Environmental and Water Resources Director
City of Folsom
50 Natoma Street
Folsom, CA 95630

Ms. Shauna Lorance
General Manager
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

Identical Letter Sent To:

Continued from previous page.

Mr. Michael Peterson
Agency Engineer
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95814

Mr. Jeffrey P. Sutton
General Manager
Tehama Colusa Canal Authority
5513 Highway 162
Willows, CA 95988



AGENDA ITEM V-1.5.2



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

NOTICE OF PETITION FOR TEMPORARY CHANGE INVOLVING THE TRANSFER OF WATER UNDER EL DORADO IRRIGATION DISTRICT LICENSE 2184 (APPLICATION 1692)

On June 29, 2015, El Dorado Irrigation District (EID) filed a petition for temporary change to transfer water pursuant to California Water Code section 1725 et seq. EID holds Water Right License 2184 and requests to transfer 700 acre-feet (af) under this water right to Westlands Water District (WWD). The transfer water will be made available by re-operating Weber Reservoir to release water that would have remained in storage in 2015. The proposed changes include: (1) addition of the U.S. Bureau of Reclamation (Reclamation) Central Valley Project (CVP) Bill Jones Pumping Plant (Jones) intake facility and San Luis Reservoir as points of rediversion, and (2) addition of the WWD service area to EID License 2184. Temporary changes under Water Code section 1725 may be effective for up to one year.

While not part of this Water Code 1725 petition, the EID transfer project also includes an additional amount through re-operation of EID's Silver Lake under a pre-1914 water right, for a total transfer amount, inclusive of the Weber Reservoir reoperation, of 3,100 af of transfer water.

Pursuant to California Water Code section 1725(f), any interested party may file a comment regarding this petition. **Comments must be received by the Division of Water Rights by 4:30 p.m. on July 24, 2015. A copy must also be provided to EID c/o Brian Poulsen at the email address below.** To obtain detailed information regarding the proposed transfer, you may view the petition by visiting the Division's website at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/transfers_tu_notices/

Any correspondence directed to EID should be emailed to Brian Poulsen at: bpoulsen@eid.org.

Should you have any other questions regarding this matter, please contact Patricia Fernandez at (916) 319-9141 or by email at patricia.fernandez@waterboards.ca.gov. Written correspondence or inquiries should be addressed as follows: State Water Resources Control Board, Division of Water Rights, Attn: Patricia Fernandez, P.O. Box 2000, Sacramento, CA 95812-2000.

Date of Notice: July 9, 2015

FELIX MARQUEZ, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov





Emilio G. Brown Jr.
Chair



Michael R. Brown
Executive Director

State Water Resources Control Board

July 15, 2015

SAN JUAN WATER DISTRICT
PO BOX 2157
GRANITE BAY, CA 95746

PARTIAL RESCISSION OF APRIL, MAY AND JUNE 2015 CURTAILMENT NOTICES AND CLARIFICATION OF STATE WATER BOARD POSITION RE: NOTICES OF UNAVAILABILITY OF WATER FOR THOSE DIVERTING WATER IN THE SACRAMENTO RIVER WATERSHED, SAN JOAQUIN RIVER WATERSHED AND DELTA, AND SCOTT RIVER

The State Water Resources Control Board (State Water Board) issued two letters earlier this year (January 23, 2015 and April 2, 2015) advising persons of the drought and the resulting lack of surface water availability. These letters were issued to facilitate planning for diversions during critical water supply shortages.

In addition to the planning letters, the State Water Board staff has issued notices to specific water diverters alerting categories of users that information available to the State Water Board staff indicates there is insufficient water available to divert under the priority of their water rights. These notices were issued as follows:

Sacramento River and Delta

- o May 1, 2015: All post-1914 rights (concurrent with term 91 curtailment); and
- o June 12, 2015: All appropriative water rights with a priority date between 1903 and 1914.

San Joaquin River

- o April 23, 2015: All post-1914 appropriative rights; and
- o June 12, 2015: All appropriative water rights with a priority date between 1903 and 1914.

Additional San Joaquin River Sub-watersheds

- o June 26, 2015: Appropriative rights in the Upper San Joaquin watershed with a priority date senior to 1903;
- o June 26, 2015: Appropriative rights in the Merced watershed with a priority date between 1858 and 1902; and
- o June 26, 2015: Four appropriative rights in the Tuolumne River watershed.

Scott River

- o April 23, 2015: All Decreed Surplus Class Rights, Post-1914 rights, and Priority class 2 water rights in Schedule D4.

You received one of the above notices because information available to the State Water Board, of which you may not be aware, indicates there is insufficient water to divert under the priority of your right. The notice was provided to ensure that diverters: (a) are aware of the severity of the situation; (b) have reliable information regarding the amount of water available for their diversion; and (c) have information on whether water that may appear to be available instead is only available to serve senior rights (expressed in the notices as priority of rights).

The purpose of this notice is to rescind the "curtailment" portions of the unavailability notices you received. To the extent that any of the notices described above contain language that may be construed as an order requiring you to stop diversions under your affected water right, that language is hereby rescinded. Similarly, any language that may be construed as requiring affected water right holders to submit curtailment certification forms is hereby rescinded.

FRANCIS MARSH, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 J Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov

Please note that information available to the State Water Board continues to indicate that there is insufficient water available for the categories of junior water users identified in the State Water Board's prior correspondence, identified above. If you believe you received this notice in error, or have information that you want to provide in response to this notice, or have information you believe the State Water Board staff should otherwise consider, you may submit that information via email to: SWRCB-Drought-Availability@waterboards.ca.gov

Diversion is always subject to water availability limitations, and diversions under your affected water right may be subject to enforcement should the State Water Board find such diversions are or were unauthorized. The State Water Board is continuing its drought-year inspections to determine whether diverters are using water to which they are not entitled.

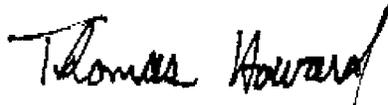
Diversion when there is no available water under the priority of your right is an unauthorized diversion and use and is subject to enforcement by the State Water Board. Those who are found to be diverting water beyond what is legally available to them may be subject to administrative penalties, cease and desist orders, or prosecution in court. If the State Water Board finds following an adjudicative proceeding that a person or entity has diverted or used water unlawfully, the State Water Board may assess penalties of up to \$1,000 per day of violation and \$2,500 for each acre-foot diverted or used in excess of a valid water right. (See Water Code, §§ 1052, 1055.) Additionally, if the State Water Board issues a Cease and Desist Order against an unauthorized diversion, violation of any such order can result in penalties of up to \$10,000 per day. (See Water Code, §§ 1831, 1845.) Any State Water Board enforcement action will be based upon the availability of water and be consistent with the reasonable and beneficial use requirement contained in article X, section 2 of the California Constitution. This notice does not establish or impose any new compliance responsibilities. Non-compliance with this notice shall not constitute a basis for the State Water Board's initiation of any enforcement action.

Consistent with the partial rescission of the prior notices, you are not required to complete and file the Curtailment Certification Form (Form) attached to the prior notices. The prior notices stated that there are no exceptions to curtailment, but provided opportunity for persons to inform the State Water Board, through the Form, whether they were under directives issued by the Division of Drinking Water or local health or drinking water regulation to provide continued water service to meet minimum health and safety standards. Although you are not required to complete the Form, you can voluntarily advise the State Water Board of directives regarding your domestic water system operation to facilitate the State Water Board's response to the drought conditions.

The State Water Board also encourages water right holders to assist in the prevention of unlawful diversion of water and in discouraging any waste or unreasonable use of water. To assist the State Water Board, you may file a complaint at: http://www.dtsc.ca.gov/database/CalEPA_Complaint/index.cfm.

We recognize the burden and loss that California's historic drought is causing, and want to assure that others do not illegally benefit from your compliance with the Water Code.

Sincerely,



Thomas Howard
Executive Director

Bd. my report communication



July 13, 2011

JUL 16 2015

Shauna Lorance, General Manager
San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746

Re: FOWD 12-Inch Wholesale Meter Connection (Twin Lakes)

Ms. Lorance:

FOWD has been diligently working to upgrade our water system's aging infrastructure and our exposure to future financial liability. As part of this work, an analysis of water system operations was performed. This water system analysis included a section of 18-inch water main extending from wholesale meter site 26 to wholesale meter site 7.

Recent capital improvements to the FOWD water system have resulted in the elimination of any primary benefit to the FOWD water system from the existing 12-inch wholesale meter connection at Twin Lakes.

On May 28, 2015 FOWD staff met with SJWD staff at the Twin Lakes wholesale connection site to discuss the possible abandonment of the connection relative to FOWD benefit. A follow up e-mail was sent on May 29, 2015, providing drawings and schematics for the abandonment project. FOWD has had no further contact from SJWD staff on this project since the May 28, 2015 meeting in the field.

FOWD is scheduled to begin the Twin Lakes wholesale connection abandonment project, in accordance with the drawings and schematics provided to SJWD staff, during the week of July 13, 2015. Upon completion of this project, FOWD will have no need for and no access to wholesale water through the section of 18-inch water main extending from wholesale meter site 26 to wholesale meter site 7.

Regards,

Tom R. Gray
General Manager
Fair Oaks Water District

FY2015 - 2016 Draft Retail Budget

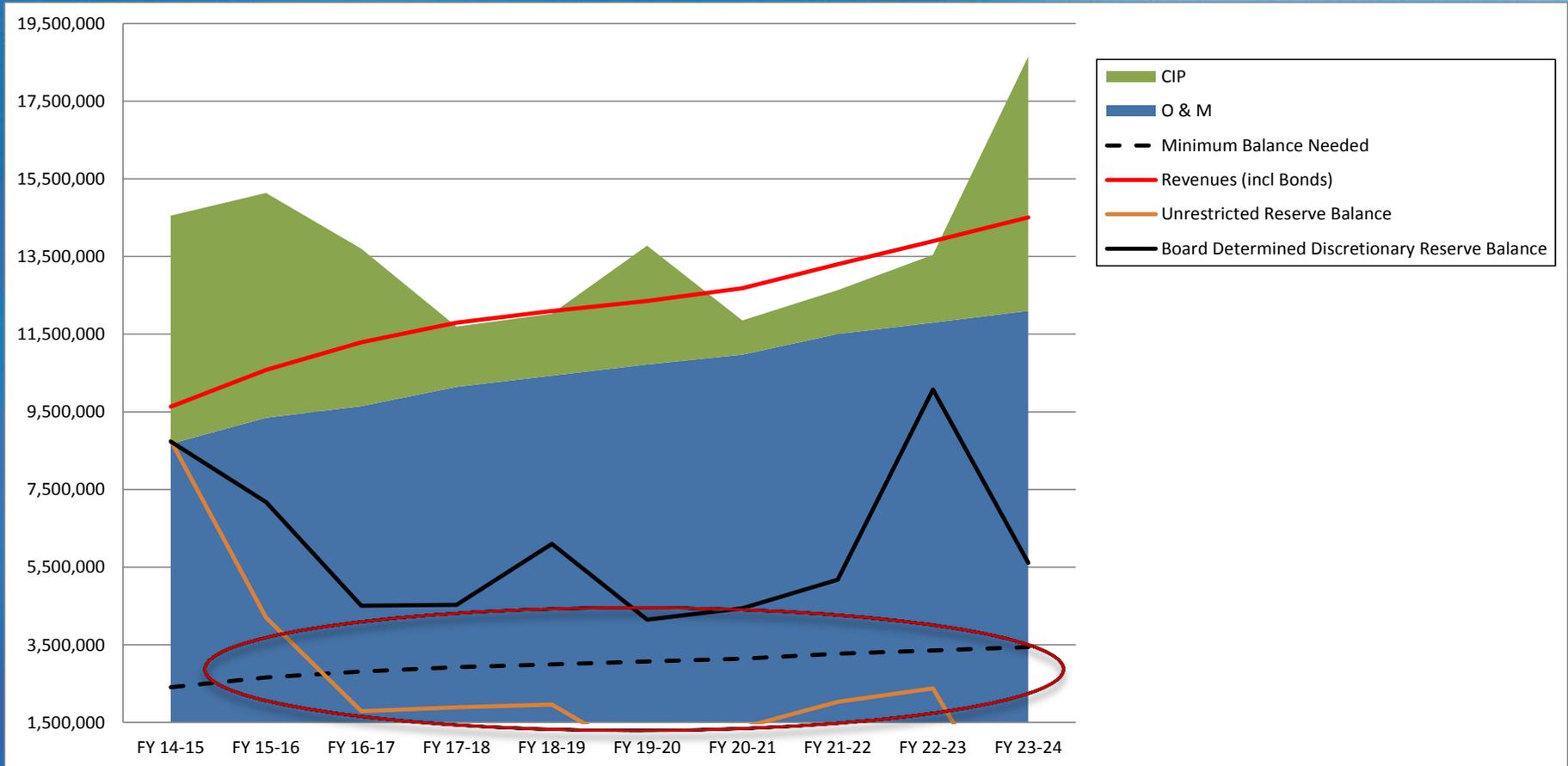
Kate Motonaga
San Juan Water District
August 12, 2015



Retail Reserve Graph Definitions

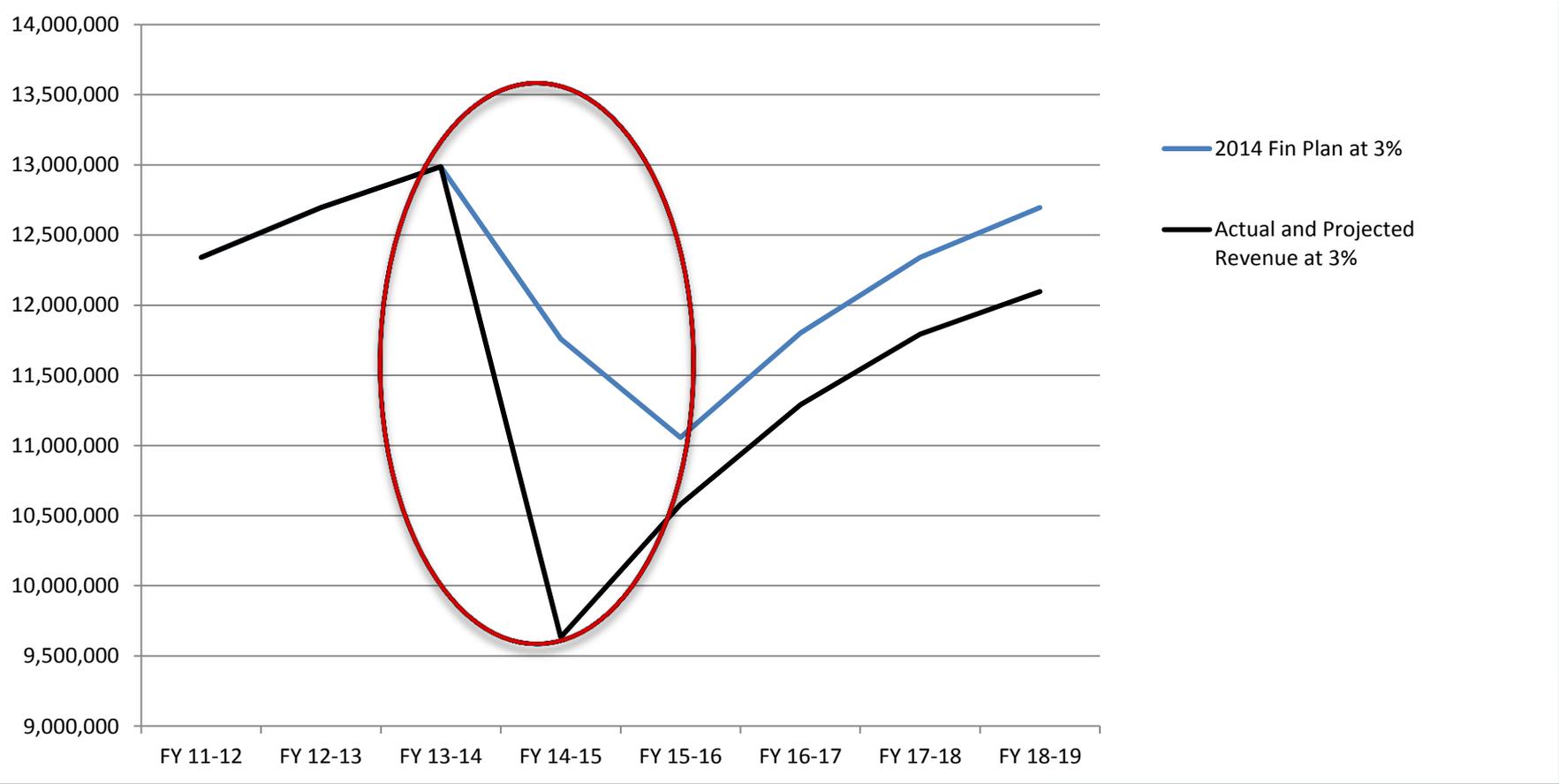
- **Minimum Balance Needed (dotted)**
 - Per Bob Reed's Financial Plan (apples to apples)
 - Operating Reserves (in case of an unplanned problem), Kokila Reserve (since this could result in possible borrowing) and Emergency Reserves.
- **Unrestricted Reserve Balance**
 - This graph does NOT include monies associated with Debt Service or Employee owed Compensated Absences
- **Board Determined Discretionary Reserve Balance (solid)**
 - The Reserve types and amounts determined by the Board for Operating, Kokila, Emergency, PERs, Connections and CIP

Retail Budget Reserve Projections at Financial Plan Increases



- Uses the increases assumed in the Financial Plan
- District is below Minimum Reserves (cash) by mid 2017
- District has no Reserves (cash) by the end of 2019
- Not fiscally viable

Revenue Variance due to Drought

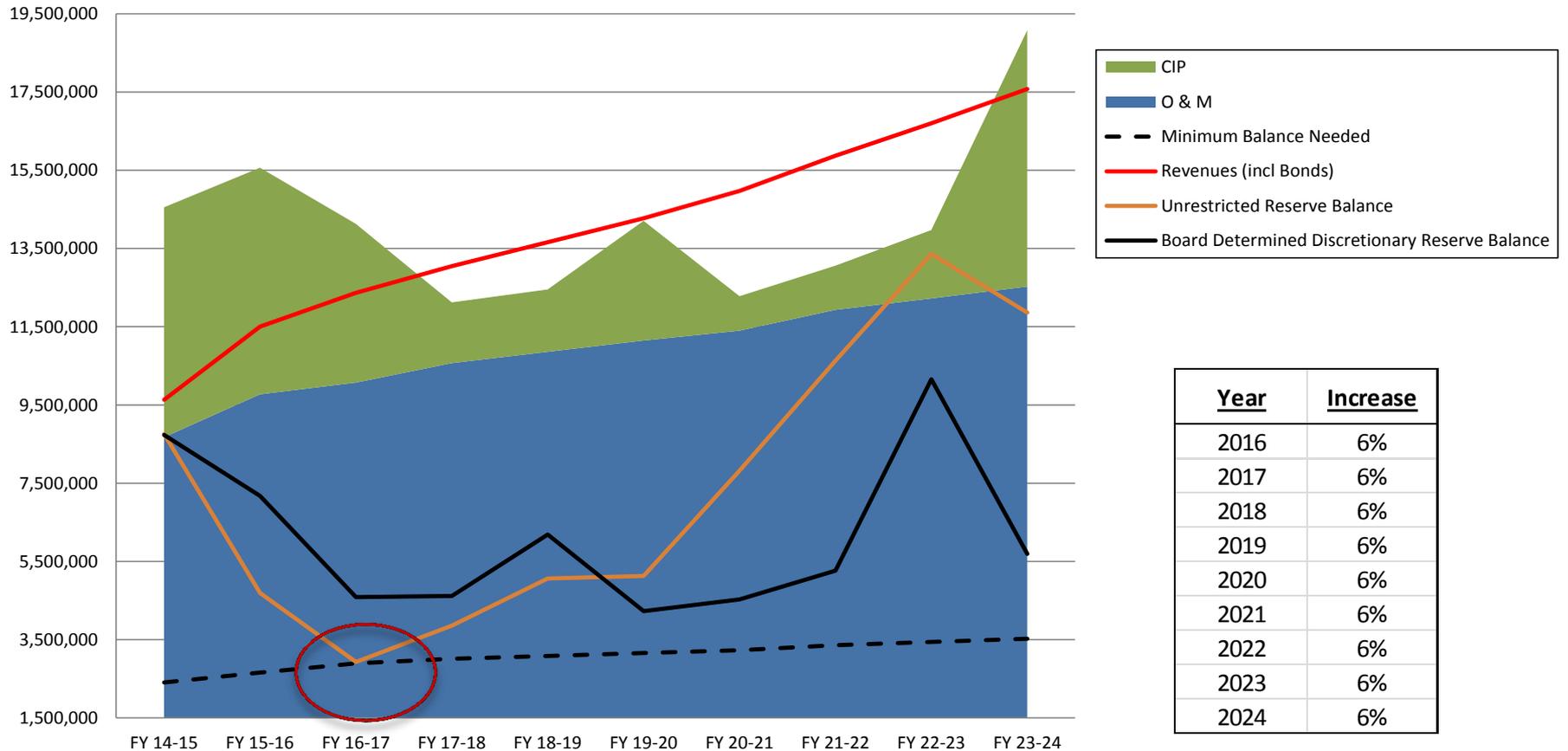


Change from 2014 Financial Plan Reserve Estimates to Current Budget Estimates at 3% Increase

Fin Plan Est Reserve Balance 2016	\$6.84M
CIP Savings	+.65M
Revenue Loss - Drought	-3.06M
Expense Increases – Drought	<u>-.68M</u>
Current Budgeted Reserve Balance 2016	\$3.75M
Result: Loss to Reserves of	\$3.09M

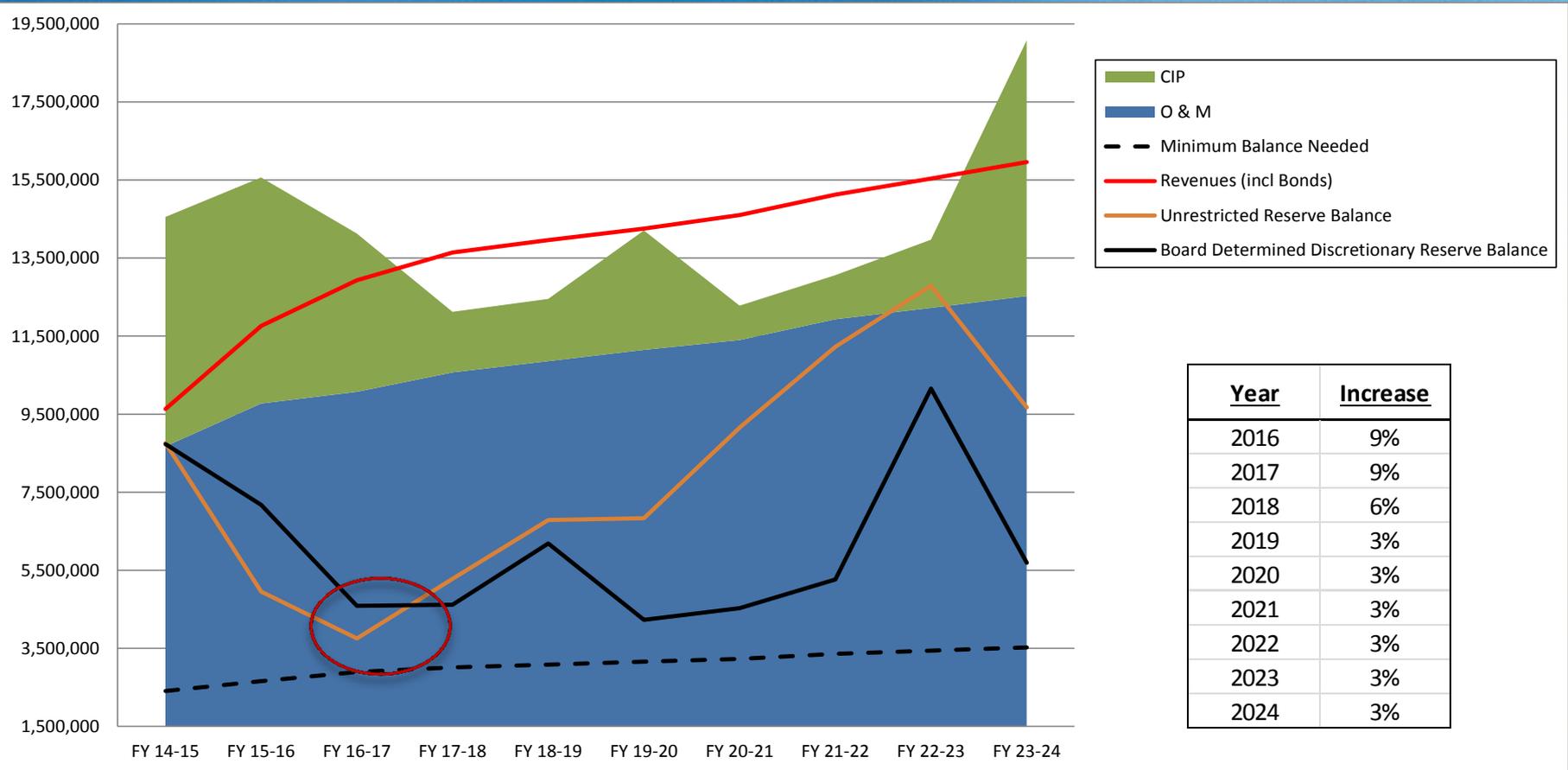
Savings, Losses and Increases are the combined amounts for FY 14-15 and FY 15-16

Retail Budget Reserve Projections at 6% Rate Review



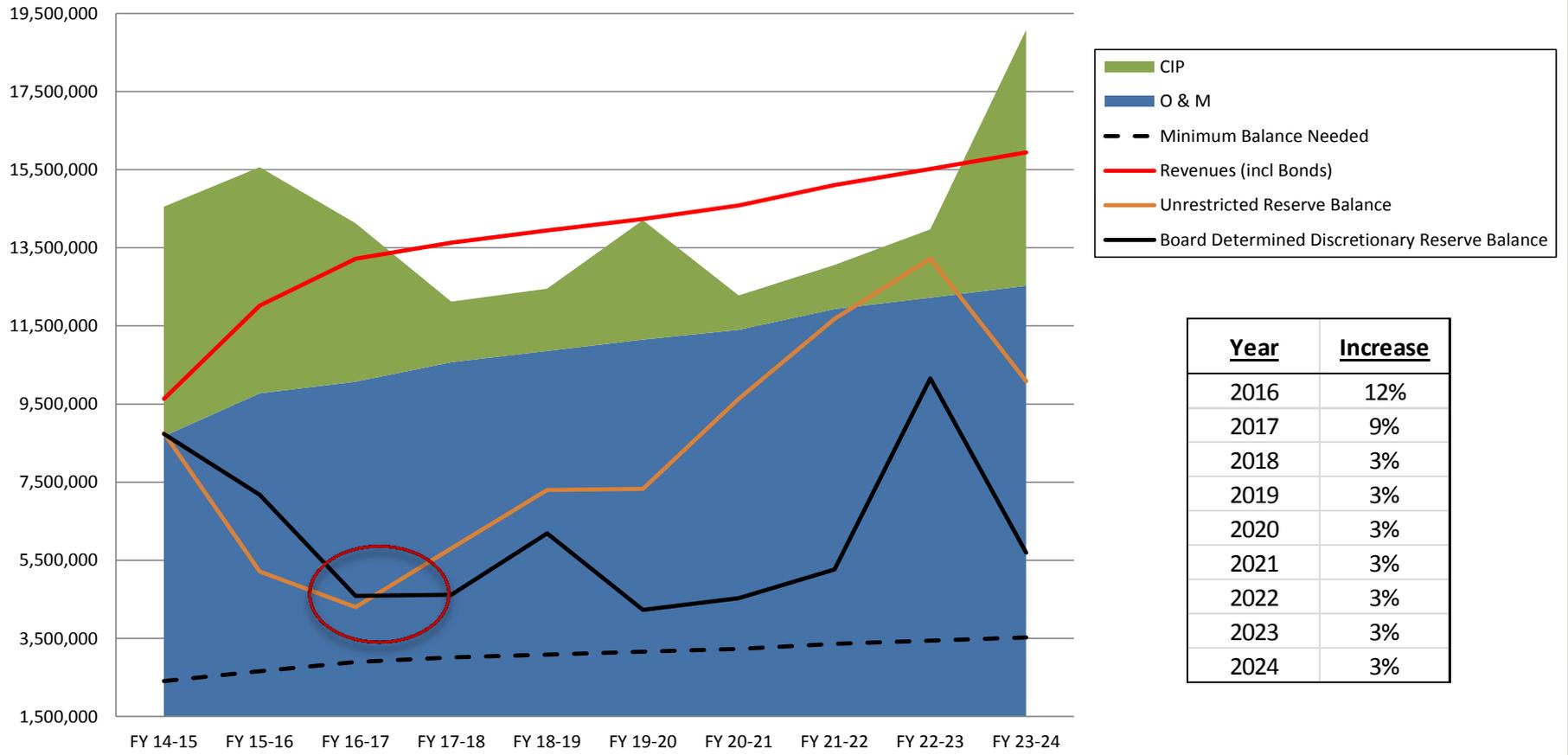
- **Reserves drop to Minimum Balance**
- **Reserves do not recover for 5 years - fiscal risk**
- **Assumes AF recovery and no new additional CIP**
- **Average Customer Increase is \$3 per month**

Retail Budget Reserve Projections at 9% (no double digit % increases)



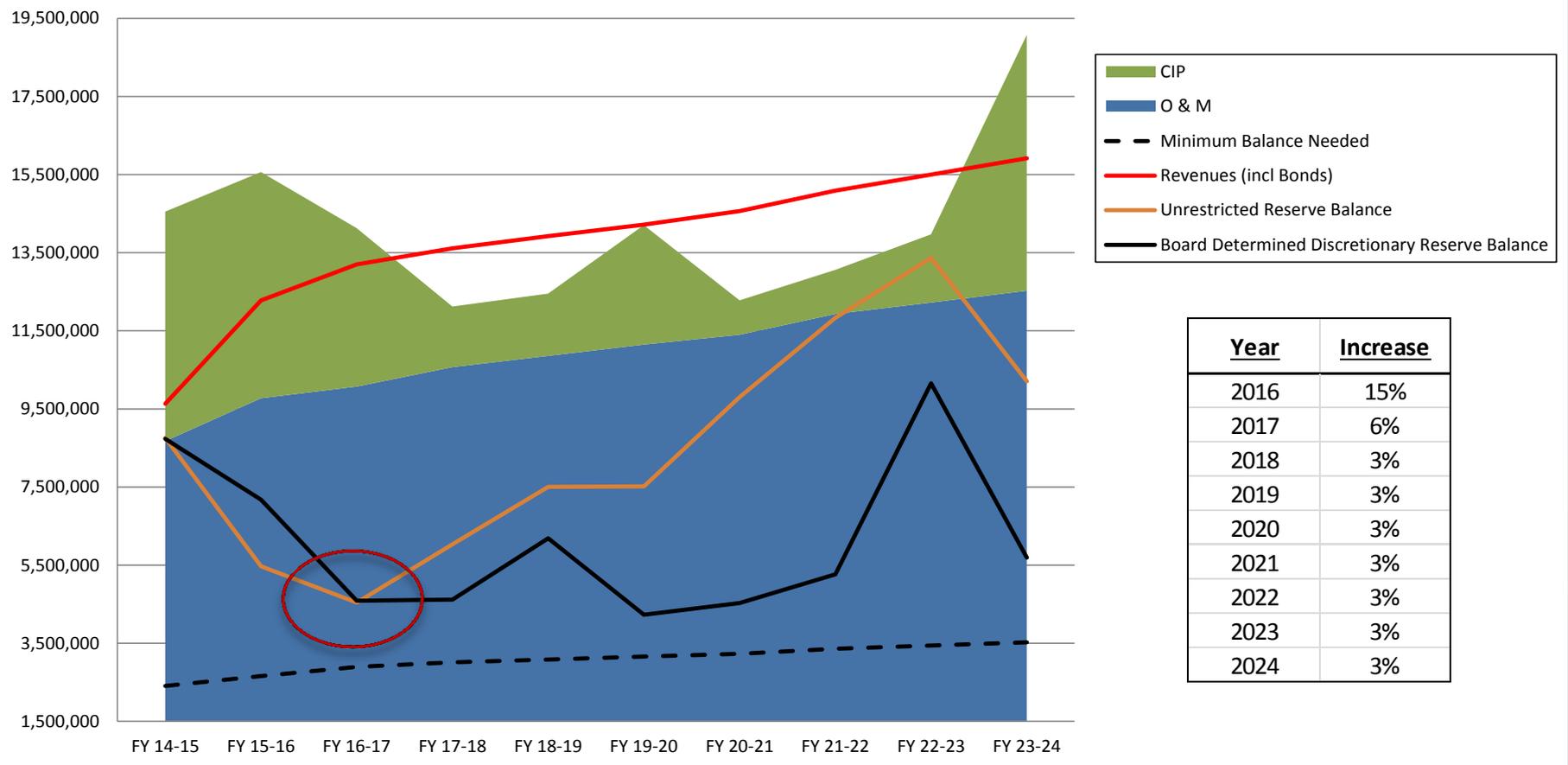
- Reserves do not recover until mid/late FY 17-18 (~2.5 years)
- Assumes AF recovery and no new additional CIP
- Average Customer Increase is \$3 per month

Retail Budget Reserve Projections at 12%



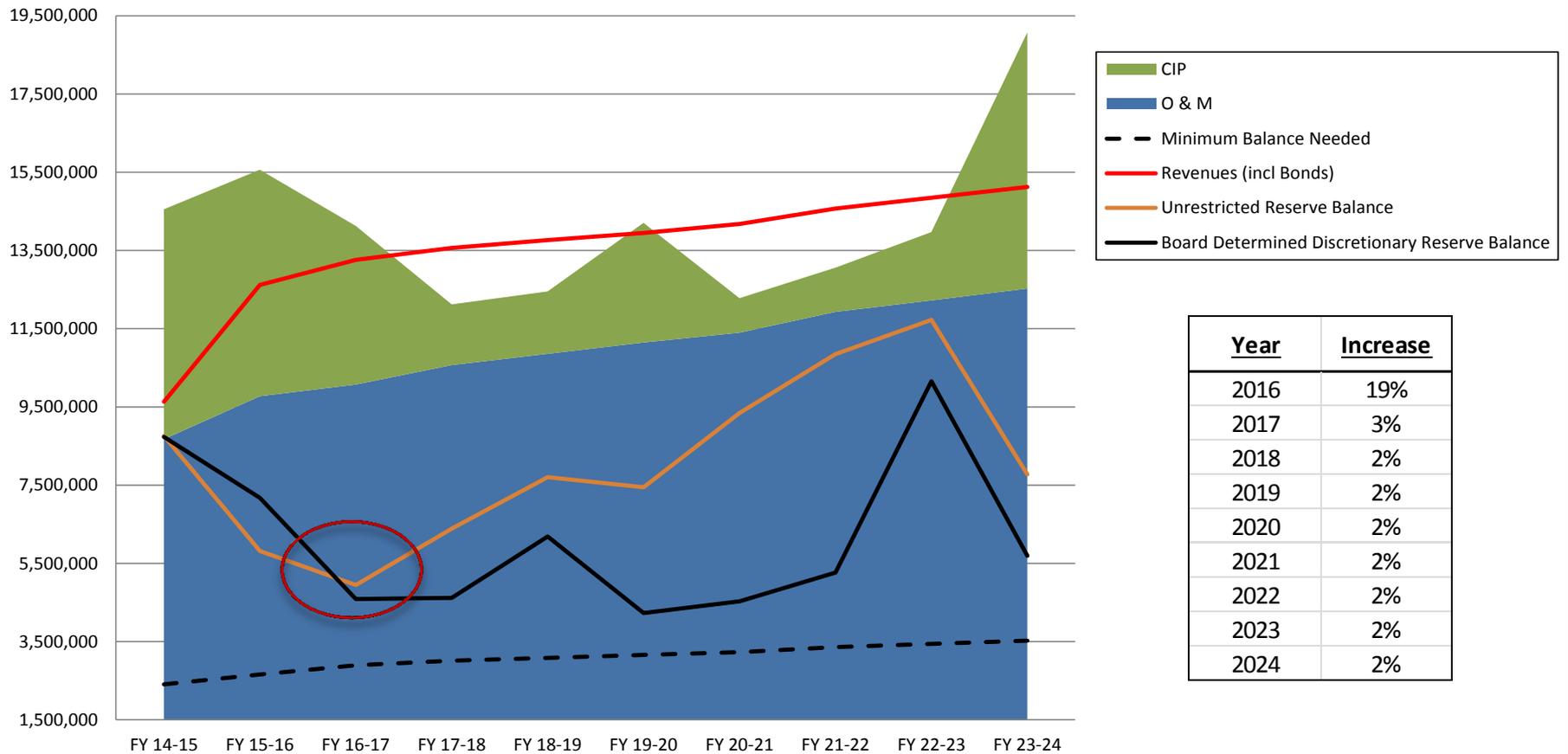
- Reserves do not recover until early/mid FY 17-18 (~2+ years)
- Assumes AF recovery and no new additional CIP
- Average Customer Increase is \$4 per month

Retail Budget Reserve Projections at 15%



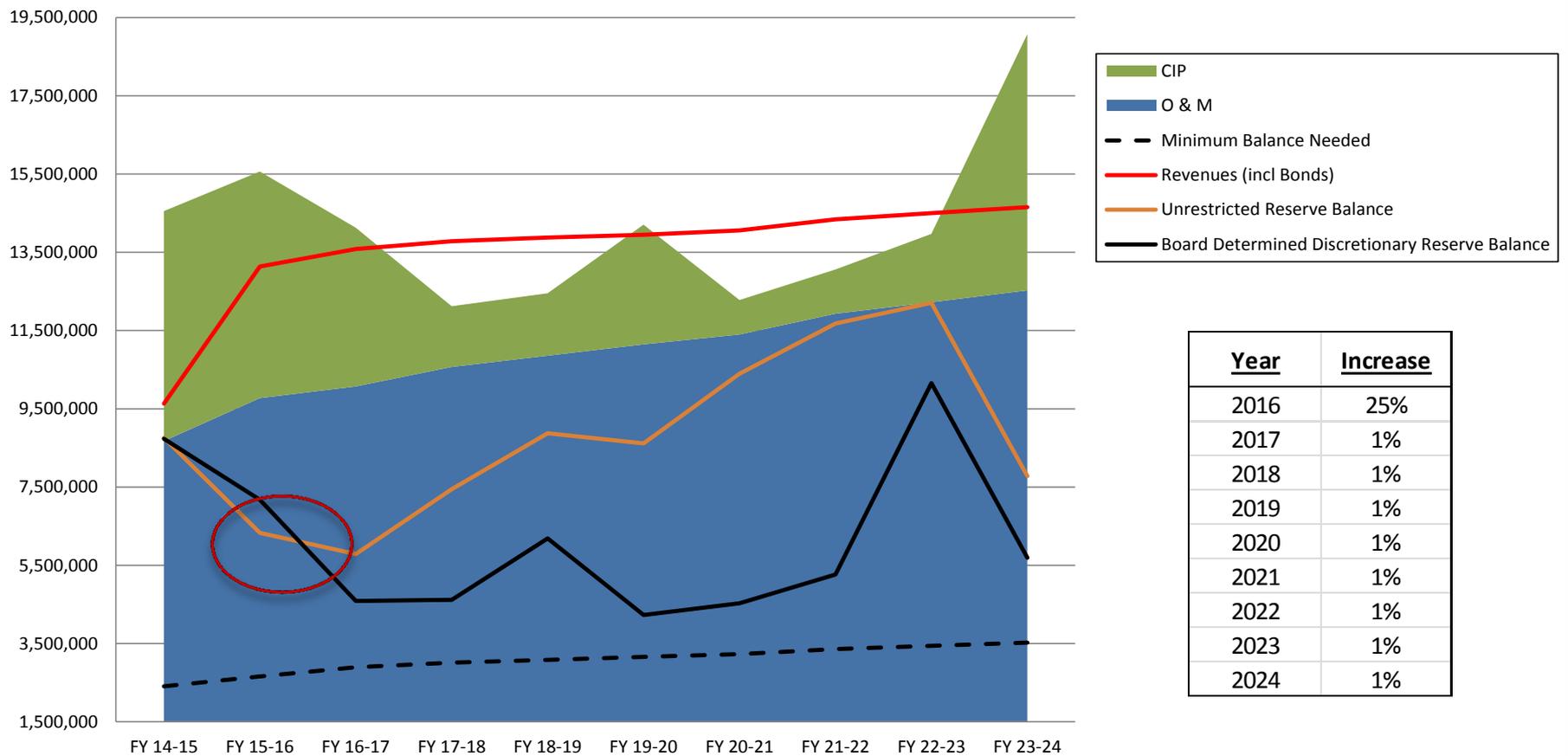
- **Reserves do not recover until FY 16-17 (2 years)**
- **Assumes AF recovery and no new additional CIP**
- **Average Customer Increase is \$5- per month**

Retail Budget Reserve Projections at our Recommended 19%



- **Reserves do not recover until late FY 16-17 (~1.75years)**
- **Assumes AF recovery and no new additional CIP**
- **Average Customer Increase is \$5+ per month**

Retail Budget Reserve Projections at 25% to Maintain Reserves in 2016



- Reserves do not recover until early/mid FY 16-17 (~1 year)
- Assumes AF recovery and no new additional CIP
- Average Customer Increase is \$7 per month

Estimated Effects on Monthly Customer Billings

		Rate 14-15	Rate 15-16					
			6%	9%	12%	15%	19%	25%
Variable Rate		0.80	0.85	0.87	0.90	0.92	0.95	1.00
Average Residential Base Rate		34.54	36.61	37.65	38.68	39.72	41.10	43.17
Low User	10 CCF	\$ 43	\$ 45	\$ 46	\$ 48	\$ 49	\$ 51	\$ 53
Monthly Change			\$ 3	\$ 4	\$ 5	\$ 6	\$ 8	\$ 11
Moderate User	55 CCF	\$ 79	\$ 83	\$ 86	\$ 88	\$ 90	\$ 93	\$ 98
Monthly Change			\$ 5	\$ 7	\$ 9	\$ 12	\$ 15	\$ 20
High User	300 CCF	\$ 275	\$ 291	\$ 299	\$ 307	\$ 316	\$ 327	\$ 343
Monthly Change			\$ 16	\$ 25	\$ 33	\$ 41	\$ 52	\$ 69
Overall Average User	26 CCF	\$ 55	\$ 59	\$ 60	\$ 62	\$ 64	\$ 66	\$ 69
Monthly Change			\$ 3	\$ 6	\$ 8	\$ 9	\$ 11	\$ 14

Staff Recommendation

Based on your discussion at the workshop and review of long term projections and anticipated effects on the Reserves:

- Staff recommends that the Board approve the Prop 218 with a schedule that reflects an up to , but not exceed, 19% increase.
- Customers will see a rate increase related to the drought while we are still in a drought.

Discussion