

SAN JUAN WATER DISTRICT

Board of Director's Workshop Minutes

March 19, 2015 – 4:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Teri Hart	Board Secretary/Administrative Assistant

OTHER ATTENDEES

Al Dains	Citrus Heights Water District
Bob Churchill	Citrus Heights Water District
Ray Riehle	Citrus Heights Water District
Tom Gray	Fair Oaks Water District
Tony Barela	San Juan Water District
Mitch Dion	San Juan Water District
Vicki Sacksteder	San Juan Water District

AGENDA ITEMS

- I. Board Workshop – Water Use Strategy**
- II. Public Comment**
- III. Adjourn**

President Costa called the meeting to order at 4:08 p.m. President Costa opened the floor for Public Comment. Mr. Bob Churchill addressed the Board and introduced the new Division 2 Director, Mr. Ray Riehle.

I. BOARD WORKSHOP – WATER USE STRATEGY

Ms. Lorance conducted a presentation on *Strategy of Water Source Usage*. A copy of the presentation will be attached to the meeting minutes. Mr. Durkin informed the Board that a decision was made by Reclamation's American River Group to reduce the flows at Folsom Reservoir from 800 cfs to 500 cfs by March 27th. Ms. Lorance informed the Board that a revised projection for Folsom Reservoir water level and flows should be received by March 27th.

1. Water Rights

The District's water rights are summarized as follows and more details are provided in the presentation:

- The 1853 water rights are not limited in their place of use at 60 cfs
- The 1928 water right has a place of use limited to the existing SJWD boundaries at 15 cfs

- Both contracts combined equate to the 75 cfs maximum diversion rate and 33,000 af per calendar year limitation
- USBR contract does not distinguish between 1853 and 1928 water rights
- Most secure water supply
- Not subject to reduction

For information, no action requested

2. PCWA

The District's PCWA water supplies are summarized as follows and more details are provided in the presentation:

- First contract in 1972, revised contract in 2000
- 25,000 af, with 4,000 af assigned to Roseville
- 20 year take or pay contract – renew in 2021
- Use restricted to Placer County in Warren Act, with charge to use CVP facilities at Folsom to deliver water
- Relatively secure water supply
- Might be less secure in future

Ms. Lorance informed the Board that the District is allowed to reduce the quantity of the contract with 90 days' notice prior to start of year; however, once the contract is reduced then it cannot be increased in the future. The Board may want to discuss the contract in the future.

For information, no action requested

3. CVP

The District's CVP water supplies are summarized as follows and more details are provided in the presentation:

- 1962 entered CVP contract for 40,000 AF
- 1967 notified by USBR that contract reduced to 11,200 due to non-usage
- 1990 additional CVP contract, PL 101-514 (Fazio) 13,000 AF
- 2004 PL 108-137 amended PL 101-514 and combined both CVP contracts
- Shortage allocations based on 3 historical years usage
- Can be used within existing service area, which can be modified with USBR approval which is unlikely to happen
- Long term contract expires 2045
- Least reliable water supply

The Board discussed the use of CVP water and its place of use, in addition to the use of water rights water.

For information, no action requested

4. Groundwater

Groundwater was discussed under Drought Operations.

5. Drought Operations

Ms. Lorance explained that the general operational strategy is to use surface water when available to meet demands and limit groundwater pumping for maintaining facilities. Groundwater would be used to assist in emergency or shortage conditions. Ms. Lorance reviewed 2013 and 2014 water rights and contract usage along with CHWD and FOWD groundwater production. She reviewed the total production of groundwater wells and the WTP, along with surface water deliveries in 2013 and 2014. In addition, she summarized 2013 and 2014 surface and groundwater water usage, which showed a 21% reduction for SJWD-W and a 29% reduction for SJWD-R.

Ms. Lorance informed the Board that 2015 is a very dry year so far; however, the District could meet demands with surface water provided the same conservation levels are maintained and there are peak reductions. Another option would be to reduce surface water production and increase groundwater pumping, which is more expensive.

Ms. Lorance provided information regarding the outcome of the recent State Water Resources Control Board (SWRCB) meeting, which is included in the presentation attachment. She explained that the new changes for the District are no irrigating turf or ornamental landscapes during and 48 hours following measurable precipitation, and limit days per week for irrigation in drought contingency plans or limit irrigation to 2 days per week. The Water Supply & Reliability Committee will be reviewing the conservation stages and watering requirement. Overlaying the SWRCB requirements does not require an ordinance change.

The Board will be considering changes to the conservation stages and triggers and will discuss a drought contingency plan or limitations on irrigation to 2 days per week. In addition, the Board will be looking at the Drought Rates which were adopted by the Board last year.

Ms. Lorance provided the Board with some items for discussion:

- Water Rights
 - ◆ Make sure entire water right is used each year
- PCWA
 - ◆ Do we reduce contract total?
 - ◆ Do we reduce use but still pay for?
 - ◆ Do we continue to maximize PCWA use in Placer County?
- CVP
 - ◆ Do we use less PCWA to increase historical use of CVP?
 - ◆ Cost increase as PCWA take or pay

- Operations
 - ♦ After August – SSWD pump back?
 - ♦ Policy Direction regarding groundwater usage?
- Water strategy for 2015
 - ♦ Call on groundwater or extra conservation?
 - ♦ Meet with WCAs
- Hire limited term (temporary) patrol staff until situation improves

Ms. Lorance informed the Board that the Water Supply & Reliability Committee will be discussing the SWRCB's recent restrictions on water use along with a drought contingency plan to address the larger users such as schools and golf courses. In addition, the committee will review the conservation stages and groundwater use.

For information, no action requested

6. Other

Vice President Tobin commented that if the Board does any rate increases then she suggests that it is a one-time increase. Ms. Lorance commented that it will be suggested that when the Prop. 218 notice is sent that the drought rate information is included at that time.

For information, no action requested

II. PUBLIC COMMENT

There were no public comments.

III. ADJOURN

The meeting was adjourned at 5:30 p.m.

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

ATTEST:

TERI HART, Board Secretary

Strategy of Water Source Usage



Shauna Lorance
General Manager
March 19, 2015

Contents



- ❧ Water Rights
- ❧ PCWA Contract
- ❧ CVP Contract
- ❧ Drought Operations

Water Rights



History



- ∞ 14 May 1954 purchase of water rights and facilities from NFDC
- ∞ \$600,000
- ∞ Transfer of assets on December 31, 1954
- ∞ NFDC signed agreement with USBR and COE
- ∞ Agreement transferred from NFDC to SJWD at time of purchase

Overview



- ❧ 12 April 1954 Agreement with Corps and USBR
- ❧ Based on 1853 right with adjudication in 1899
- ❧ Permit 4009 issued 26 October 1932
- ❧ Both used since that time
- ❧ Both contracts combined equate to the 75 cfs and 33,000 af limitations per calendar year
- ❧ If used at 75 cfs all year would equal over 54,000 af

Overview



- ∞ “shall deliver to the contractor as much water as the contractor shall request”
- ∞ “No interest in the water rights possessed by the contractor shall be considered to have been transmitted to the government”
- ∞ “No storage space in Folsom Reservoir shall be considered as being involved in this contract, except to the minimum extent as required in each instance necessary to enable the government to comply with the terms hereof and to provide at the times and in quantities as specified herein..”

Overview



- ❧ USBR contract does not distinguish between 1853 and 1928 water rights
- ❧ Both are related to the north fork of the American River
- ❧ The 1928 water right has a place of use limited to the existing SJWD boundaries
- ❧ The 1853 water rights are not limited in their place of use
- ❧ The 33,000 af limitation in USBR contract is not assigned to the separate water rights
- ❧ 1986 federal district court decision that SJWD must pay for incremental pumping to new higher WTP

Water Rights Usage



- œ Most secure water supply
 - œ Not subject to reduction
 - œ CVP junior
- œ Past practice – make sure entire quantity is used
- œ Future Options: make sure entire water right is used each year

PCWA Contract



History



- œ SJWD water demands >supplies
- œ Requested extra supplies from USBR
- œ Additional long term water supply needed
- œ First contract in 1972
- œ Revised Contract in 2000

Contract Overview



- ❧ Take or pay contract
- ❧ Use restricted to Placer County in Warren Act
- ❧ If Warren Act agreement changed, use in Sacramento at a different cost and PCWA can pull back at any time
- ❧ Sacramento use limited by amount of inflow to Folsom
- ❧ 25,000 af
 - ❧ 4000 assigned to Roseville
 - ❧ Price for use in Placer County based on average CVP price of Roseville, SJWD and PCWA, exclusive of environmental
 - ❧ USBR Warren Act charge to use Facilities

Contract Overview



- ⌘ Allowed to reduce quantity of contract with 90 days notice prior to start of year
- ⌘ PCWA apportions water in shortage years
- ⌘ 20 year contract – renew in 2021

PCWA Water Usage



- ❧ Relatively secure water supply
 - ❧ Might be less secure in future
 - ❧ Limited use potential outside Placer County in dry years

- ❧ Past practice – account for all use in Placer County as PCWA

- ❧ Future Options:
 - ❧ Do we reduce contract total?
 - ❧ Do we reduce use but still pay for?
 - ❧ Do we continue to maximize PCWA use in Placer County?

CVP Contract



History



- ❧ 1962 entered CVP contract for 40,000 AF
- ❧ 1967 notified by USBR that contract reduced to 11,200 due to non usage
- ❧ Initial contract expired 1995
- ❧ Multiple interim contracts
- ❧ Long term contract 2005 to 2045

History



- ❧ 1990 additional CVP contract
- ❧ PL 101-514 (Fazio) 13,000 AF
- ❧ 2004 PL 108-137 amended PL 101-514
 - ❧ combined both CVP contracts
 - ❧ Removed annual needs determination for 13,000 AF

Overview



- ❧ Pay for what we use
- ❧ Shortage allocations based on 3 historical years usage
- ❧ Can be used within existing service area
- ❧ Service area can be modified with USBR approval
- ❧ Told revising contract not likely – but could change?
- ❧ USBR not signing any contracts until other studies complete

CVP Water Usage



- ❧ Least reliable water supply
 - ❧ Water Rights most reliable
 - ❧ PCWA next in reliability as long as access to water
 - ❧ CVP higher priority if pumping limited

- ❧ Past practice – used an average of 1586 AF historical unconstrained average

- ❧ Future Options:
 - ❧ Do we use less PCWA to increase historical use of CVP?
 - ❧ Cost increase as PCWA take or pay

Drought Operations



Historical Operations



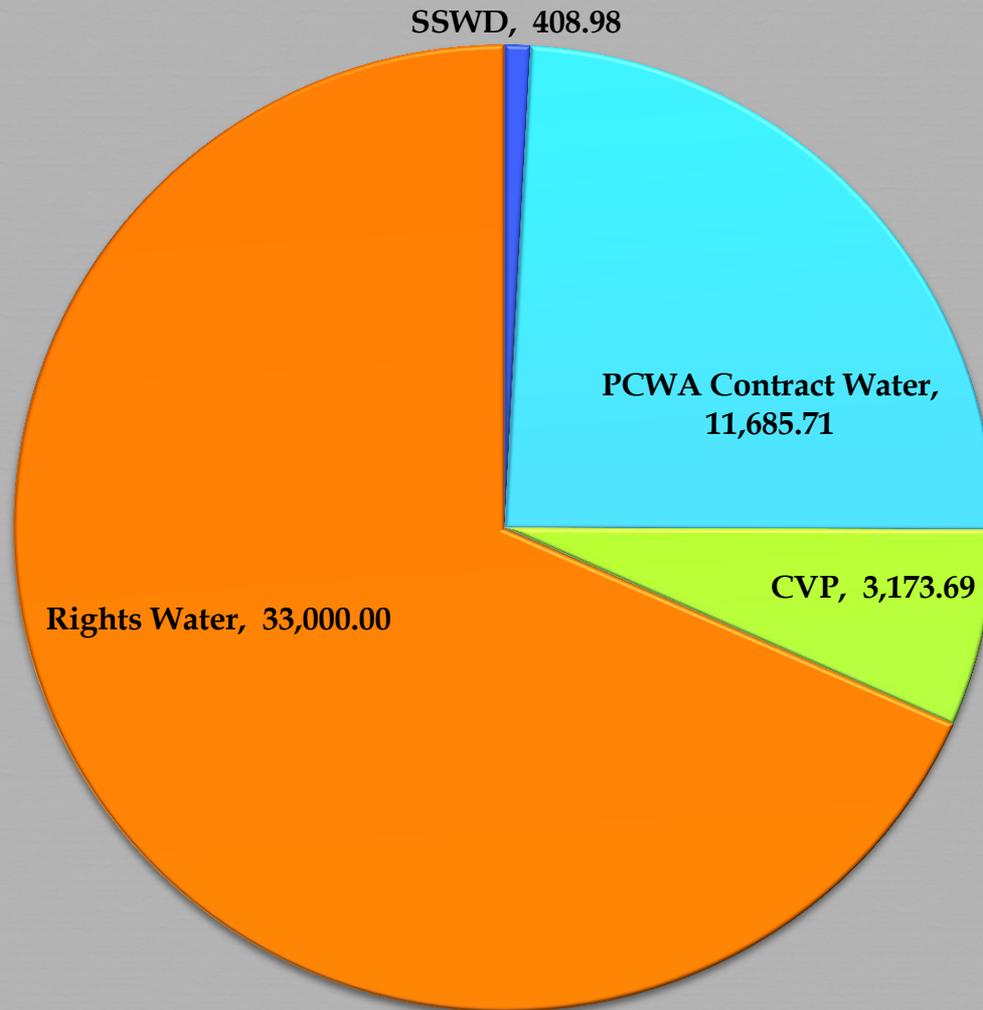
General Operational Strategy

- ∞ Use SW when available
- ∞ Use GW to assist in emergency or shortage conditions

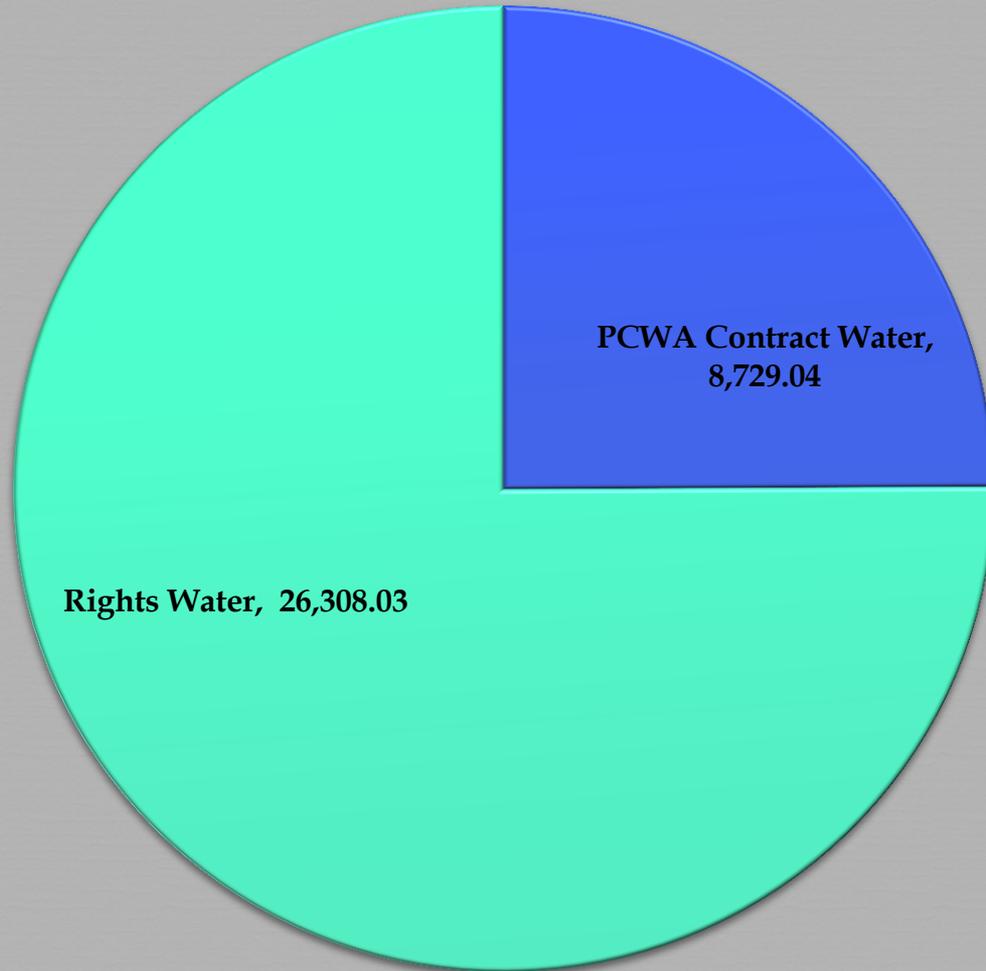
Actual Operational Strategy

- ∞ CHWD - Minimal GW pumping to maintain wells
- ∞ FOWD - 10% of demand met by GW

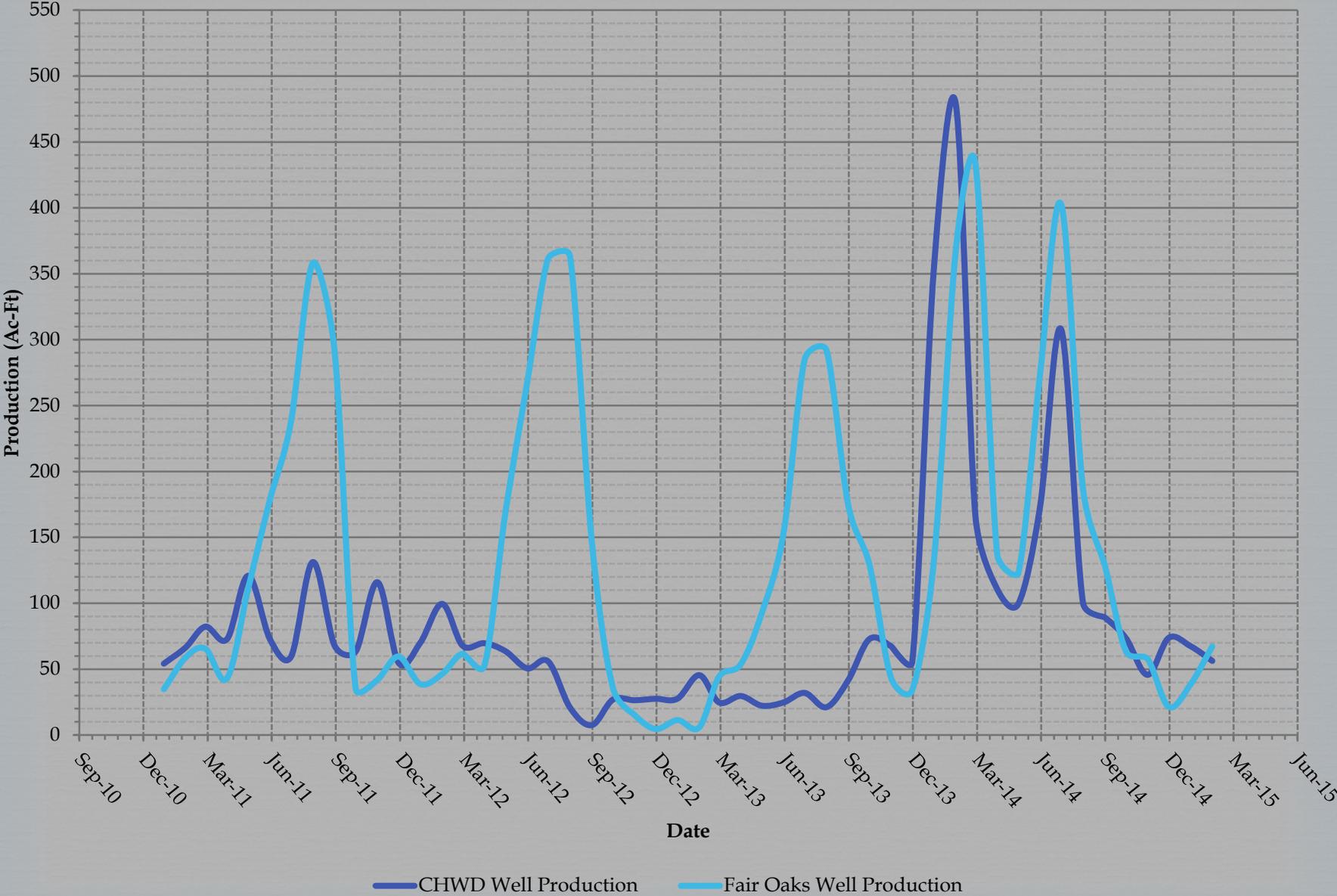
2013 Water Rights & Contract Usage (Ac-Ft)



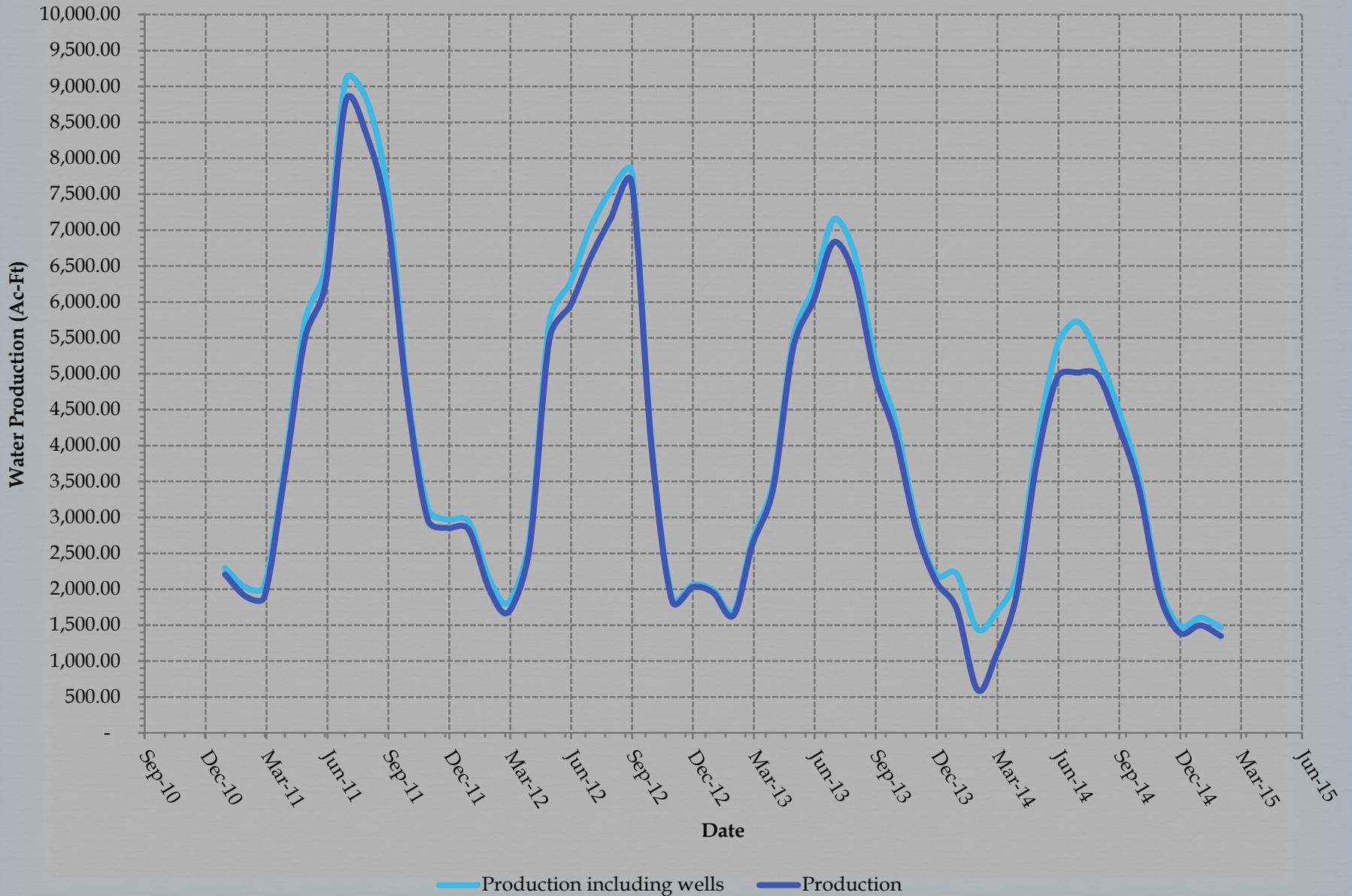
2014 Water Rights & Contract Usage (Ac-Ft)



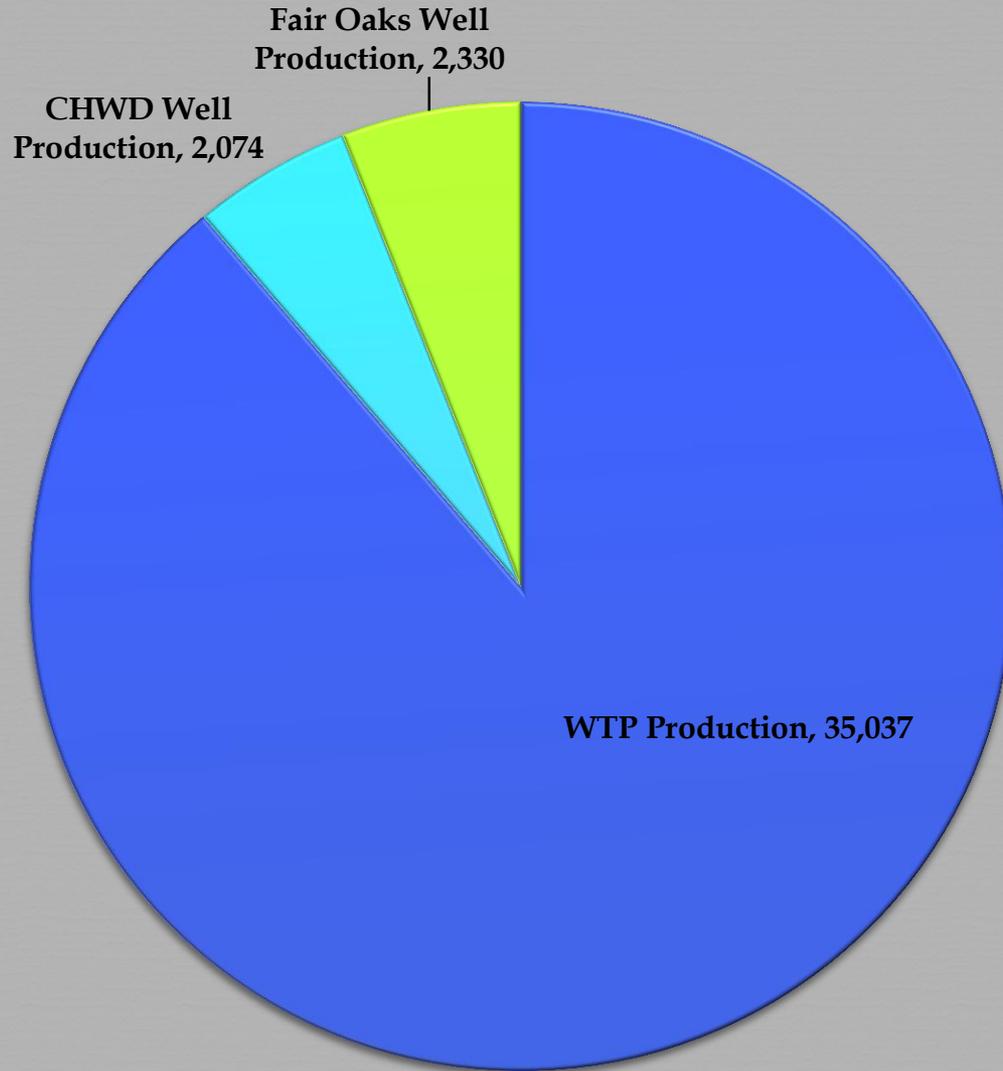
CHWD & FOWD Well Production



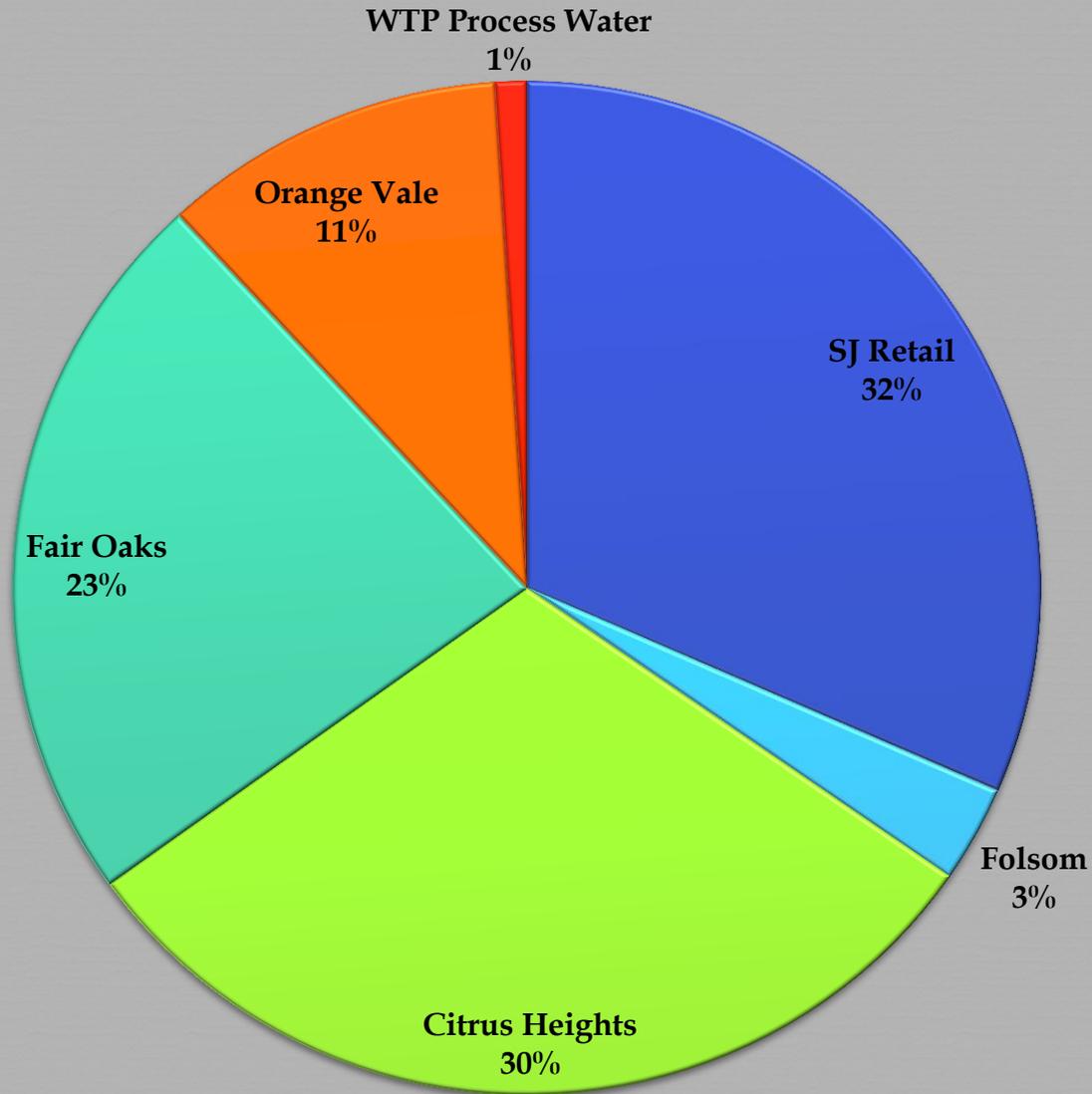
Total Production



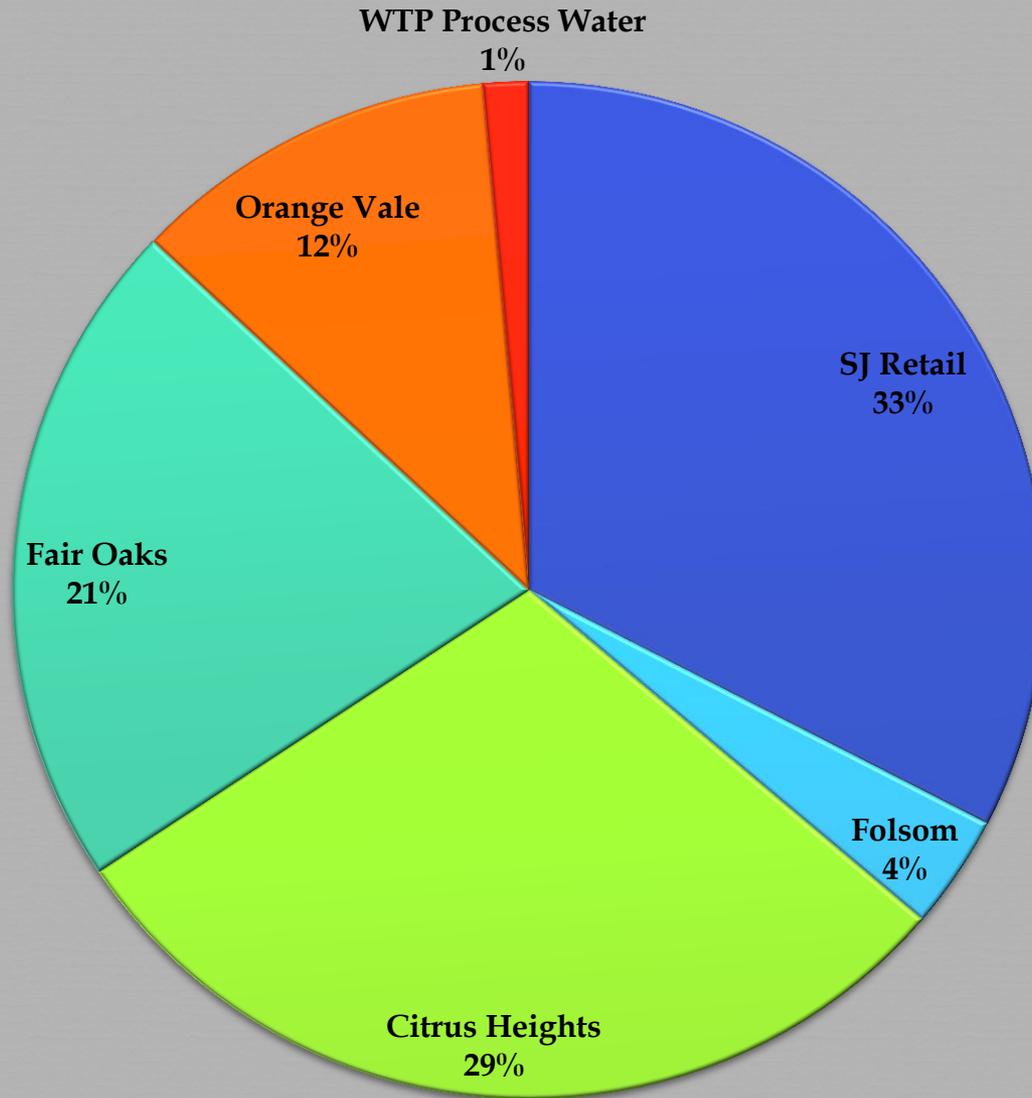
2014 Well and WTP Production (Ac-Ft)



2013 Surface Water Deliveries



2014 Surface Water Deliveries



2014 compared to 2013



2013 water usage

∞ Total water usage = 50,050 AF

∞ SW=48,270

∞ GW=1,780

2014 water usage

∞ Total water usage = 39,440 AF (21% reduction)

∞ SW=35,040

∞ GW=4,400

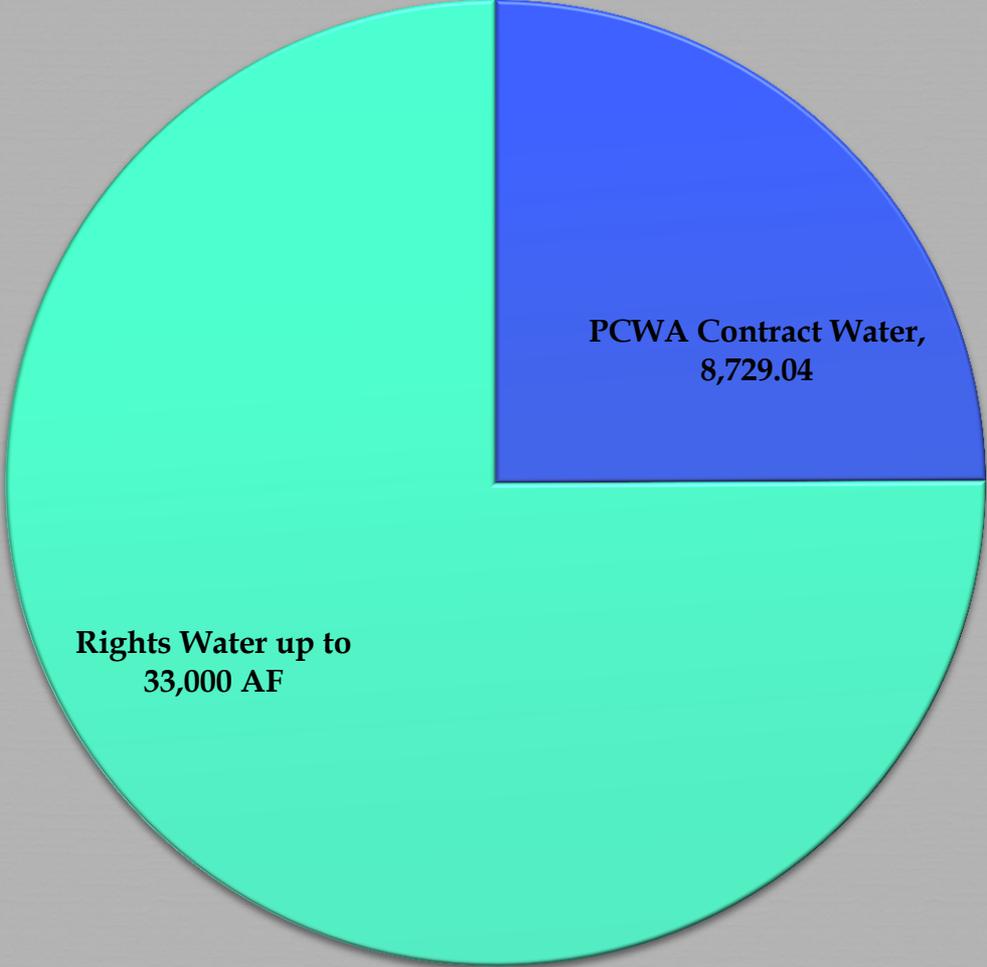
∞ Increased GW usage by 2,620 AF

2014 supply allocations



- ∞ Total 2014 SW = 35,040 AF
 - ∞ 8,730 PCWA water
 - ∞ 26,310 water rights water
 - ∞ 6,700 AF water rights water not used
- ∞ Total 2014 GW = 4,404 AF
- ∞ GW approximately 11% of total usage
- ∞ Could have pulled through w/o groundwater
 - ∞ Peak use limited
 - ∞ Close.....too close???

2015 Projected Surface Water Usage (Ac-Ft)



2015 Operations (1/2)



☞ Situation

- ☞ Very dry year

- ☞ Could meet demand with SW

 - ☞ Conservation

 - ☞ Peak reductions

- ☞ Conservation maintained same as 2014

 - ☞ 21% wholesale

 - ☞ 29% retail

2015 Operations (2/2)



- ❧ Could reduce SW further with GW pumping
- ❧ Wholesale GW costs
 - ❧ approx \$200-300 per AF (\$200 for 2014)
 - ❧ Subtract \$93 per AF surface water
 - ❧ Additional \$100 AF – twice the cost of SW
- ❧ After August – SSWD pump back?

- ❧ Policy Direction regarding GW usage?

SWRCB Requirements

(1/3)

Prohibited Water Use:

- ❧ washing down sidewalks and driveways;
- ❧ watering outdoor landscapes in a manner that causes excess runoff;
- ❧ washing a motor vehicle with a hose, unless the hose is fitted with a shut-off nozzle;
- ❧ operating a fountain or decorative water feature, unless the water is part of a recirculating system; and
- ❧ irrigating turf or ornamental landscapes during and 48 hours following measurable precipitation (new).

SWRCB Requirements

(2/3)

Commercial Businesses

- ☞ restaurants and other food service establishments can only serve water to customers on request; and
- ☞ operators of hotels and motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option.

SWRCB Requirements

(3/3)

Water Agencies

- ∞ Limit days per week for irrigation in drought contingency plans or limit irrigation to 2 days per week
- ∞ Notify customers of leaks
- ∞ Implement within 45 days

Retail



Revisions to Conservation Stages

☞ Requirement to limit watering days – 2 days or ?

☞ Roseville as an example

Residential

☞ October 1st - April 30th: 1 day per week irrigation on Monday of each week, if needed.

☞ May 1st - September 30th: 2 days per week irrigation on Monday and Friday of each week, if needed.

Commercial

☞ October 1st - April 30th: 1 day per week irrigation on Thursday of each week, if needed.

☞ May 1st - September 30th: 2 days per week irrigation on Tuesday and Saturday of each week, if needed.

☞ Water Supply and Reliability Committee

Retail



Drought rates

- ❧ Adopted by Board
- ❧ Triggers for increasing and decreasing stages done
- ❧ This year drier than last year
- ❧ Revenues significantly reduced
- ❧ Fixed costs still expense
- ❧ Additional staff and PI costs to implement requirements
- ❧ Lost revenue with fixed costs in variable rate
- ❧ Rate increases still needed, as drought rates set to meet conservation requirements, not increase revenue

Retail



Drought Rates

	Water Usage (CCF)	Increase	Unit Charge
Stage 1			
Tier 1	all		\$0.80
Tier 2	NA		
Stage 2			
Tier 1	all		\$0.80
Tier 2	NA		
Stage 3			
Tier 1	all	10%	\$0.88
Tier 2			

Next Steps



1. Long term water use strategy – one benefit of drought is additional time
2. Water strategy for 2015
 1. Call on groundwater or extra conservation?
 2. Meet with WCAs
3. Water Supply and Reliability Committee to review conservation stages and watering requirement
4. Overlaying SWRCB requirements don't require ordinance change
5. Hire limited term (temporary) patrol staff until situation improves