

# **SAN JUAN WATER DISTRICT**

## Board of Director's Workshop Minutes

June 2, 2016 – 1:30 p.m.

### **BOARD OF DIRECTORS**

Pam Tobin	President
Ken Miller	Vice President
Ted Costa	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	Finance Director
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

### **OTHER ATTENDEES**

Pamela Hurt-Hobday	Facilitator
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### **AGENDA ITEMS**

- I. **Board Workshop – Strategic Planning**
- II. **Public Comment**
- III. **Adjourn**

President Tobin called the meeting to order at 1:30 p.m.

#### **I. BOARD WORKSHOP – STRATEGIC PLANNING**

Ms. Lorance informed the Board of the deliverables for the workshop – finalize the Short-Term Goals, discuss the Long-Term Goals, discuss Staffing, and discuss Board Governance.

#### **Review Deliverables from April 26th Workshop**

Ms. Hurt-Hobday thanked the Board for the work at the last workshop. She reviewed the ground rules for the workshop. She provided the Board with three different formats of the deliverables obtained from the last workshop which were categorized by Water Rights, Water Transfers, or Water Reliability. The two spreadsheets provided to the Board were sorted either by topic or date and the 3-page Word document was sorted by topic. A copy of each document will be attached to the meeting minutes.

Ms. Hurt-Hobday explained that the spreadsheets contained information such as goal, task, due date and responsible person, while the Word document contained everything but the due date and responsible person. The Board reviewed the documents and the consensus was that they liked the Word document and the spreadsheet sorted by date. Ms. Lorance commented that she will be adding another column designated for updates and will update responsible person as needed, however, most responsibilities will fall

under GM or AGM since the tasks are external tasks. Ms. Hurt-Hobday commented that she would designate the Word document as the overview of the strategic plan and the spreadsheet as the working plan. Ms. Hurt-Hobday commented that the Board is setting the priorities for the District with this strategic plan.

### **Staffing Discussion/Recommendations**

Ms. Hurt-Hobday reviewed some of the interview results which indicated that the Board wants to discuss and change staffing ratios, address internal stabilization (staffing issues), and develop a staffing plan for the next 3-5 years. She commented that, as the Board adds priorities to the executive staff workload, the staffing issues need to be addressed. Therefore, she asked Ms. Lorance and Mr. Durkin to develop a list of positions needed and to prioritize them by date needed.

Ms. Hurt-Hobday provided the Board with a list of positions sorted by date needed, which contained the position, budget, funding source, tasks for the position, and benefit to the District. A copy of the table will be attached to the meeting minutes.

Ms. Lorance explained that the positions were prioritized in a way that she felt would provide the greatest benefit to the District in meeting the strategic goals, and ultimately free her and Mr. Durkin's time up to focus on the external activities that are necessary to assure a reliable water supply to our customers in this rapidly changing environment. She commented that without these positions, they cannot successfully engage in the external processes that are defining water operations in California, or successfully accomplish the goals of the Board. In addition, she explained that the positions will provide the biggest "bang for the buck" by providing necessary resources to staff and allowing the Board to receive the benefit of Mr. Durkin's and her time on activities that require their knowledge and relationships. Ms. Lorance commented that, with these positions, the District can return to being a regional leader. She added that the positions will also allow her and Mr. Durkin the time to provide strategic direction and mentoring to staff.

Ms. Lorance reviewed each position, explained why each position was prioritized as such, the budget needed for each position, some of the tasks that each position will be responsible for, and how the district will benefit by the addition of each position. The Board discussed the positions and would like the following addressed:

- List of other costs associated with adding these positions, such as office space and retirement liability
- List savings reduction in overtime for the WTP operators
- Provide cost information on additional office space (trailer, repurposing boardroom, etc.)
- Provide rate increase information (cost to rate payers) associated with adding these positions, including all costs
- Consider combining Administrative Assistant position with another position
- Further define the PIO/PAO position to arrive at the correct job title
- Provide more background information on the benefits of each position
- Consider downsizing public outreach contract

- Verify postage costs in contracts for billings and public outreach to assure there is no up-charge

In response to Director Costa and Miller's comments, Mr. Horowitz explained that part of the bond disclosures that the District made for the bonds was providing a list of projects that the funds would be used for. Mr. Horowitz explained that there are time limits with potential tax penalties connected with not spending the funds by the date specified in the bond documents; therefore, the District substituted projects, as allowed in the bond documents, in order to meet the time requirements and this was discussed with the Board. Mr. Durkin explained how the Solar Project was substituted for other projects listed in the bond documents in order to fully utilize the bond funds while the projects that were originally listed in the bond documents were then paid later with reserve funds.

In response to President Tobin's comments, Mr. Durkin informed the Board that staff will work with the Engineering Committee regarding the office space issue for new positions, which will include looking into a temporary trailer, an addition to the existing Administration Building, or re-purposing the boardroom for office space. In addition, he mentioned that the CIP includes a new Administrative Office, in place of the storage building, that will be discussed at the finance workshop.

President Tobin commented that the District is understaffed and the Board needs to do what is best for the District when considering raising rates. She commented that the savings from the WTP chemical improvements and the Solar Project shows that the Board and staff do what is best for the District, and have kept rates down.

In response to Vice President Miller's question, President Tobin explained that her use of "basic economic decision" regarding the PIO position meant that the District currently pays an outside consultant at least twice as much for part-time work as the District could pay for an in-house full-time position. Directors Miller and Walters commented that the expertise and networking contacts of the existing contractor might be difficult to replace. Director Rich commented that retirement liability also needs to be considered with any position to determine whether or not it is cost effective. Ms. Lorance clarified that the District could utilize the historical public information budget to fund a new PIO position and cover consultant costs for special needs. The identified budget for the position includes the cost of all benefits including retirement.

Mr. Durkin commented that once the workload requires more than part-time hours then it becomes more feasible to hire a full-time person. Mr. Durkin commented that staff can focus on just retail and wholesale operations with the current staffing structure; however, if the Board wants to accomplish some of the short term and long term goals then additional staff is recommended.

Ms. Hurt-Hobday commented that at this time the District is understaffed and the Board decision needs to be what they want staff to work on moving forward. She commented that with present staffing the goals that were arrived at during the last workshop will not be something that staff can work on.

In response to Director Costa's question, Ms. Lorance explained that she prioritized the list with the budget and needs of the District in mind as well as what positions would relieve executive staff of tasks that they should not be doing. She explained that the PIO position is at the top since there is no budget impact and the position will greatly help relieve her, the AGM, and the Customer Service Manager of some duties that they currently perform. The Customer Service position was at the top as well since the Board directed her to delegate some of the tasks that the GM should not be doing and it would also relieve the Customer Services Manager of some of those tasks as well. She explained that Human Resources is a great risk to the District, but until that position is filled some HR tasks will be contracted out.

Director Rich suggested that the office space issue be addressed prior to moving forward with any positions, other than the WTP Operator. President Tobin commented that the position information, including all costs, will need to be incorporated into the financial plans that Bob Reed is working on and brought back to the Board for review. Ms. Lorance informed the Board that Mr. Reed will place the information into the financial plans and the Board will review the information at the finance workshop at the end of June.

The Board discussed the positions and their thoughts on prioritizing the list of positions. Their initial prioritization would place the WTP Operator and HR positions listed first.

### **Establishing 2018-2020 Goals/Priorities**

This topic will be discussed at another workshop.

### **Board Governance/Board Involvement Discussion**

Ms. Hurt-Hobday commented that there are very clear expectations as to what roles and responsibilities elected boards should have, along with guidelines and statutes that are set to follow. She suggests that the Board revisit their roles and responsibilities.

Mr. Horowitz recommends that he conduct another presentation on Board Governance. Ms. Hurt-Hobday suggests that he include the role of the Board and what they should and should not be discussing, along with discussing the length of the meetings. Mr. Horowitz will include that in his presentation along with items that should be considered under the Consent Calendar. In addition, he commented that the Board's focus is policy and the District should work to establish a good set of Board policies so that there is legal compliance. In response to Director Costa, Mr. Horowitz commented that aside from policy direction, the Board should discuss any issues or concerns they might have with staff; however, some issues should be addressed in more detail directly with staff and not in a public meeting.

Ms. Hurt-Hobday commented that boards are changing and the expectations from constituents are that boards set policy and give staff direction. The Board would like Mr. Horowitz to conduct the presentation on Board Governance.

President Tobin requested that staff meet with Director Costa and provide more information on the Solar Project being funded by the bond.

Mr. Horowitz suggested that the Board consider holding more workshops in order to hold more in depth discussion. In addition, he suggested that the second meeting of the month be the workshop, as he believes that all Board business can be accomplished in one meeting. He commented that the Board should have confidence in the staff to accomplish the Board's goals. It was requested to add discussion of holding one meeting per month and one workshop per month (as need) to the Board agenda.

**II. PUBLIC COMMENT**

There were no public comments.

**III. ADJOURN**

**The meeting was adjourned at 5:15 p.m.**

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PAM TOBIN, President  
Board of Directors  
San Juan Water District

ATTEST:

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TERI GRANT, Board Secretary

STRATEGIC ACTION PLAN  
2017 Tasks sorted by date

May 26, 2016

Topic	Year	Goal	task	Due Date	Responsible Person
Water Transfer	2017	Get technical calculations completed	Obtain DWR /USBR approval for white paper	January	WRS/GM
Water Rights	2017	Plan for combating state and federal demands	Develop list of benefits, risks, costs and likelihood of success for each element of plan	January	BKS
Water Transfer	2017	Complete legal/contractual work for water transfers	GW substitution transfer agreement between SJWD and SCVWD	January	GM
Water Rights	2017	Plan for combating state and federal demands	Review plan in legal affairs committee	February	GM/BKS
Water Rights	2017	Plan for combating state and federal demands	Board consideration	February	GM/BKS
Water Rights	2017	Plan for combating state and federal demands	Identify strongest legal reasons legislature should not change existing water rights laws	February	BKS
Water Transfer	2017	Ownership of CTP	Provide overview of CTP to board	February	GM
Water Transfer	2017	Complete legal/contractual work for water transfers	Conveyance agreement by all 4 parties ready to be signed	February	GM
Water Rights	2017	Plan for combating state and federal demands	Determine if legislation is necessary/desired	March	Legal affairs
Water Transfer	2017	Ownership of CTP	Consider opportunities for use of CTP to benefit District or region	March	GM
Water Transfer	2017	Complete legal/contractual work for water transfers	Go/No Go decision by Board	March	GM/Board
Water Rights	2017	Plan for combating state and federal demands	Legal affairs committee to determine if SJWD needs independent state	April	Legal affairs
Water Rights	2017	Plan for combating state and federal demands	Board consider recommendations from legal affairs committee	April	GM
Water Rights	2017	Plan for combating state and federal demands	Develop plan to educate legislators	April	WRS
Water Reliability	2017	Finish study of water reliability	Complete Feasibility Study	May	AGM
Water Rights	2017	Manage our water rights absent SWRCB	Develop alternative approaches to use of water supplies, including pros and cons to allow more control over future use	June	GM
Water Rights	2017	Manage our water rights absent SWRCB	Identify short list of alternatives for board consideration	June	GM
Water Rights	2017	Manage our water rights absent SWRCB	Present alternatives to board for further discussion	July	GM
Water Rights	2017	Plan for combating state and federal demands	Create a plan for legal action should water rights be reduced in future	December	BKS
Water Reliability	2017	Finish study of water reliability	Initiate design or detailed plan for recommendation	fall	AGM
Water Transfer	2017	Transfer water	If conditions existing, transfer water	June-Oct	GM
Water Reliability	2017	Finish study of water reliability	Evaluate impact of recommendations to water rates	summer	Finance Director
Water Reliability	2017	Watch Aerojet pollution	Schedule update for Board by RWA on pollution movement	summer	AGM

**STRATEGIC ACTION PLAN**  
**2016 Tasks sorted by topic/goal**

May 26 2016

Topic	Year	Goal	task	Due Date	Responsible Person
Water Rights	2016	Relax SWRCB conservation standards	Send proposal to Felicia Marcus	April	GM
			Participate in developing ACWA position/comment letter	May	GM
			Participate in developing RWA position/comment letter	May	GM/PT
			Advocate with regional agencies on position/actions	May	GM
			Become involved in long term mandatory conservation discussions with SWRCB/DWR	July	WRS
		Get Governor to remove drought declaration	Work with ACWA to get governors drought declaration at least modified to allow conservation reduction/removal	May	GM
			Discuss desire to lobby governor to remove drought declaration	June	GM/WSR committee
			Place any desired action from water supply reliability committee on board agenda	July	GM
		Understand our water rights and our options	Develop overview of water rights and contracts, including pros and cons of each	June	GM
			Present information at June 8 Board meeting	8-Jun	GM
	2017	Identify legal/political strategy to employ during next drought or forced reduction			
		Manage our water rights absent SWRCB	Develop alternative approaches to use of water supplies, including pros and cons to allow more control over future use	June	GM
			Identify short list of alternatives for board consideration	June	GM
			Present alternatives to board for further discussion	July	GM
		Plan for combating state and federal demands	Develop legal/court action plan		
			Create a plan for legal action should water rights be reduced in future	December	BKS
			Develop list of benefits, risks, costs and likelihood of success for each element of plan	January	BKS
			Review plan in legal affairs committee	February	GM/BKS
			Board consideration	February	GM/BKS
			Political/legislative approach		
			Identify strongest legal reasons legislature should not change existing water rights laws	February	BKS

			Determine if legislation is necessary/desired	March	Legal affairs
			Develop plan to educate legislators	March/April	WRS
			Legal affairs committee to determine if SJWD needs independent state lobbyist	April	Legal affairs
			Board consider recommendations from legal affairs committee	April	GM
Water Transfer	2016	Determine if a lost cause this year	Identify if any transfer capacity through the delta for summer 2016	April	GM
		Get technical calculations completed	Obtain DWR review of GW wells for GW substitution transfer	September	CHWD and FOWD
			Obtain agreement on GW transfer draft agreement with CH, FO and SJWD for future transfers	August	GM (WRS)
			Develop procedure on how to calculate conserved water for transfers	July	GM (WRS)
			Obtain DWR/USBR support for conserved water calculation	August	WRS
			Develop draft white paper for conserved water transfers	October	WRS
			Obtain DWR /USBR approval for white paper	Jan-17	WRS/GM
		Water transfer legislation clarification	Develop water transfer legislative language	April	BKS
			Determine if language will be included in ACWA proposed legislation	June	BKS
			If not ACWA bill, identify legislator to carry bill	June	Legal affairs committee
			Legislator to request legislative analysis	July	
			Decide whether or not to push legislation	August	Legal affairs/board
	2017	Water transfer legislation	Based on outcome from 2016, proceed in 2017		
		Ownership of CTP	Provide overview of CTP to board	February	GM
			Consider opportunities for use of CTP to benefit District or region	March	GM
		Complete legal/contractual work for water transfers	Finalize transfer agreement between CH, FO and SJ for GW substitution, incl \$	Dec-16	GM
			GW substitution transfer agreement between SJWD and SCVWD	Jan-17	GM
			Conveyance agreement by all 4 parties ready to be signed	February	GM
			Go/No Go decision by Board	February/March	GM/Board
		Transfer water	If conditions existing, transfer water	June-Oct	GM
Water Reliability	2016	Complete Water Reliability Study	Draft TM5	June	MWH/AGM
			Develop scope for Feasibility Study	Sept	MWH/AGM

			Complete high level Water Reliability Study	September	MWH/AGM
			Initiate Feasibility Study	November	AGM
	2017	Finish study of water reliability	Complete Feasibility Study	May	AGM
			Evaluate impact of recommendations to water rates	summer	Finance Director
			Initiate design or detailed plan for recommendation	fall	AGM
		Watch Aerojet pollution	Schedule update for Board by RWA on pollution movement	summer	AGM
			Monitor through attendance at SGA/RWA groundwater contamination committee meetings	2016-2017	AGM

## STRATEGIC PLANNING WORKSHOP #1 Action Plan for 2016

### WATER RIGHTS

#### 2016

##### A. SWRCB relaxed conservation requirements (PT)

- Send proposal to Felicia Marcus
- Participate in developing ACWA positions
- Participate in developing RWA positions
- Advocate with other regional agencies for similar comments
- Become involved in long term mandatory conservation discussions with SWRCB and DWR

##### B. Governor Remove Drought Declaration (PT)

- Water Supply and Reliability committee meeting
- Consider that all of state is not out of drought yet
- Place on June board meeting for board consideration of any action out of committee

##### C. Understand our water rights and our options (BW)

- Develop overview of water rights and contracts, including pros and cons of using each supply
- Update at June 8 Board meeting

#### 2017

##### D. Identify legal/political strategy to employ during next drought or forced reduction

###### 1. Manage our water rights absent SWRCB (PT)

- Develop alternative approaches to water supplies used, including pros and cons, that will allow more control over future water conditions and shortages
- Identify short list for consideration by the Board of Directors
- Present alternatives to Board for further discussion and action

###### 2. Plan for Combating State and Federal demands (KM)

- Legal/Court action plan
  - Create a plan for legal action should water rights use be reduced in future
  - Develop list of benefits, risks, costs and likelihood of success for each element of plan
  - Review plan in legal affairs committee
  - Bring to board for consideration
- Political/legislative approach
  - Identify strongest legal reasons legislature should not mess with existing water rights laws or should make revisions to water rights laws
  - Determine if legislation is necessary/desired
  - Determine best way to educate legislators
  - Legal Affairs committee to review above and identify if SJWD needs independent state lobbyist

- Board to consider recommendation from legal affairs
- E. Use of rights statewide and with compensation (KM)
  - Is this addressed through the Water Reliability Study and water transfers?
- F. Engage lobbyists at higher level on water rights both state and federal (PT)
  - Legal committee to review January 2017 unless needed earlier under “combating state and federal demands” goal.
- G. Beneficial Use of water rights (BW) – August 2017
  - Outcome of Water Reliability Study and “managing our water rights absent SWRCB” goal

## **WATER TRANSFER**

### 2016

- H. Determine if it is a lost cause (DR) – July 2016
  - Identified there is not any transfer capacity through the delta for summer 2016
  - Transfers not a lost cause – continue to set up process for future years
- I. Get technical calculations completed (DR) - December 2016
  - Obtain DWR review of GW wells for GW substitution transfer – CH and FO (schedule controlled by DWR, Greg Young monitoring)
  - Obtain agreement on GW transfer draft agreement with CH, FO, SJWD for future transfers
  - Develop procedure on how to calculate conserved water for transfers
  - Obtain DWR/USBR support for procedure
  - Develop white paper (similar to other transfer white papers)
  - Obtain DWR/USBR final approval
- J. Transfer legislation clarification (BW) – September 2016
  - Develop water transfer legislative language
  - Determine if language will be included in ACWA legislation
  - If not in ACWA bill, identify legislator to carry bill
  - Legislator to request legislative analysis
  - Decide whether or not to push legislation

### 2017

- K. Water transfer legislation (TC)
  - Based on outcome in 2016, proceed in 2017
- L. Ownership of CTP (TC)
  - Provide overview of Cooperative Transmission Pipeline to Board
  - Consider other opportunities for use of CTP for benefit of District or region
- M. Complete legal/contractual work for water transfer (DR) – March 2017
  - Finalize transfer agreement between CH, FO and SJ for GW substitution transfer, including minimum price
  - GW substitution transfer agreement between SJ and SCVWD (and possibly CH and FO) ready to sign
  - Conveyance agreement ready to be signed by all four parties

- Go/No Go decision by Board
- N. Transfer Water (DR) – July 2017
- If conditions exist, transfer water to agency south of Delta (or other entity?) – transfer window, currently june-oct 2017

## **WATER RELIABILITY**

2016

O. Complete Water Reliability Study

1. Finish study of water reliability identifying existing and new water sources (PT)
2. Negotiate to move/store our water to protect our water rights (PT)
3. Preserve pre-1914 water rights (PT)
  - Draft TM 5
  - Develop scope for Feasibility Study
  - Complete high level Water Reliability Study
  - Initiate Feasibility Study of selected alternatives

2017

P. Finish study of water reliability (TC)

- Complete Feasibility Study
- Evaluate effects of recommendations on water rates
- Initiate design or detailed plan for recommendation from Feasibility Study

Q. Watch Aerojet pollution as it travels to the cone of depression (TC)

- Schedule update to Board by RWA on pollution movement
- Monitor through attendance at SGA/RWA groundwater contamination committee meeting

**Positions needed by February 2017** (start recruitment no later than December)

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Public Information Officer	\$150,000	Pi consultant budget (\$175,000 this year, \$330,000 last year), no new costs	Watergram, web site, social media, press interviews, community group meetings, responses to customer comments, strategic messaging, legislative involvement, organize/lead community advisory committees (drought, rate setting, etc.).	<ul style="list-style-type: none"> <li>• Better leveraging and efficient use of funds</li> <li>• more public outreach</li> <li>• remove tasks from GM, AGM and Customer Service Manager</li> <li>• increased output of work product – same money spent, significantly more work hours to benefit the district.</li> <li>• Increased efficiency</li> </ul>
Customer Service	\$90,000	Retail rates	Answer phones, utility billing assistance, account adjustments, rebates, customer move in/out, payment plans	<ul style="list-style-type: none"> <li>• Existing employees are not cross trained; for example only one person knows how to billing process.</li> <li>• Allow department to remain current on workload</li> <li>• Provide time to review work</li> <li>• Download work from Customer Service Manager</li> <li>• Customer service manager can complete her work</li> <li>• Return to previous level of customer service</li> <li>• Reduced opportunity for employee burn-out.</li> </ul>

**Positions needed by July 2017** (start recruitment no later than May)

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Human Resources	\$125,000	50/50 wholesale/retail rates	Return to work, recruitment, training, staff questions, regulations, keeping district current on requirements, training tracking and scheduling, risk protection, remaining current on requirements from CALPers and health, implementing requirements from new laws, FMLA, etc.	<ul style="list-style-type: none"> <li>• Take these tasks out of the GM and Finance director's work load</li> <li>• Reduce risk to District from new laws and regulations, as well as complying with existing laws and regulations</li> <li>• Increased focus of safety and risk management</li> <li>• Ability to effectively research and propose better/different benefit packages and at same or lower costs.</li> <li>• Reduce Managers time related to researching and addressing Staff policy and benefit questions</li> </ul>
WTP Operator	\$130,000	Wholesale rates	General Operations	<ul style="list-style-type: none"> <li>• Continue to adequately operate the WTP</li> <li>• Decrease operations vulnerability to staff due to sickness and extended illness</li> <li>• Participate, execute and comply with current and future standards safety standards</li> </ul>

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
				<ul style="list-style-type: none"> <li>• Assist maintenance staff in maintenance and repair of plant equipment</li> <li>• Maintain current and meet standards with additional equipment brought on line in the last 10 years</li> <li>• Assist and assure safety programs compliance (e.g. CI2, ERP, CERS, confined space, LOTO etc.).</li> </ul>

**Position needed by November 2017** (start recruitment in September)

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Administrative Assistant	\$80,000	50/50 wholesale/retail rates	Provide administrative tasks being completed by managers, assist Board Secretary in day to day duties	More efficient use of management staff time, freeing them up to do more complex tasks.  Increased quality of public documents.