

# **SAN JUAN WATER DISTRICT**

## **Board of Director's Meeting Minutes**

July 13, 2016 – 6:00 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	Director of Finance
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

### **OTHER ATTENDEES**

Sandy Harris	Customer
Richard Shatz	GEI
Vanessa Nishikawa	MWH
Ibrahim Khadam	MWH
Mitch Dion	Self
Greg Zlotnick	Self
Michael Stemple	SJWD

### **AGENDA ITEMS**

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

President Tobin called the meeting to order at 6:00 p.m.

#### **I. PUBLIC FORUM**

There were no public comments.

## II. CONSENT CALENDAR

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

**1. Minutes of the Board of Directors Meeting, June 22, 2016**

*Recommendation: Approve draft minutes*

**2. Minutes of the Board of Directors Workshop, June 29, 2016**

*Recommendation: Approve draft minutes*

**3. Payment of Bills and Claims**

*Recommendation: Adopt Resolution No. 16-11*

**4. Authorization to Extend Contract #14-12 with Sierra National Asphalt for Fiscal Year 2016-2017**

*Recommendation: Authorize staff to extend the paving agreement with Sierra National Asphalt in an amount not to exceed \$100,000 for FY 2016-2017*

**5. Authorization to Exercise First Renewal Option in Contract #15-53 with GM Construction for Fiscal Year 2016-2017**

*Recommendation: Authorize staff to exercise the first renewal option of the Time and Materials contract with GM Construction, in an amount not to exceed \$137,800 for Fiscal Year 2016-2017*

**6. Authorization to Replace aged Vehicle #09 – Field Services Truck**

*Recommendation: Authorize staff to purchase a 2016 Ford F450 for Field Services, a replacement for Vehicle #09, in the amount of \$45,991*

**7. Authorization to Replace Vehicle #22 – Engineering Truck**

*Recommendation: Authorize staff to purchase a 2016 Ford F150 in the amount of \$30,411 to replace damaged Vehicle #22 for the Engineering Department*

**8. Authorization to Replace Vehicle #27 – Conservation Truck**

*Recommendation: Authorize staff to purchase a 2016 Chevrolet Colorado in the amount of \$24,613 to replace aged Vehicle #27 for the Conservation Department*

**9. Authorization to Replace Vehicle #30 – Pooled Vehicle**

*Recommendation: Authorize staff to purchase a 2017 Ford Escape SE 4WD in the amount of \$24,527 to replace Vehicle #30 for general District use*

Director Miller requested that Item 9 be removed from the Consent Calendar for discussion.

**Director Costa moved to approve Agenda Items 1-8 on the Consent Calendar. Director Rich seconded the motion and it carried unanimously.**

Director Miller voiced concern that the replacement for Vehicle #30 is proposed as a 4WD vehicle when the vehicle will only be used sparingly for its 4WD ability and the vehicle might cost more because of this option. Mr. Stemple explained that the vehicle is all-wheel drive (AWD) and is approximately \$1,000 more than a 2WD vehicle. Ms. Silva explained that Vehicle #30 is a 4WD Jeep SUV and since the District's policy is to keep the vehicle in service for approximately ten years, it is more cost effective to pay the additional amount than it would be to rent a 4WD vehicle each year.

Mr. Durkin informed the Board that one area that needs to be accessed with a 4WD vehicle is located along the Fair Oaks-40 pipeline where it crosses the American River Canyon. Ms. Lorance commented that her vehicle is an AWD vehicle.

**Director Walters moved to hold over until the next Board meeting. President Tobin seconded the motion and it carried with 4 Aye votes and 1 No vote (Director Rich).**

Director Miller commented that he is not in favor of the proposed vehicle or the fact that it is an AWD. Ms. Lorance will have staff look at the possibility of using her vehicle when needed and look at different options for the vehicle. Ms. Silva commented that this is the only pool vehicle which is available to all departments, and at the time of discussing the vehicle with the departments the General Manager's vehicle was not a 4WD. Mr. Durkin commented that the original budget for the replacement vehicle was \$35,000; however, when staff reviewed the budget and the District's needs, it was determined that a Jeep was not needed.

President Tobin commented that, after hearing the discussion, she agrees that a 4WD is needed and using the General Manager's AWD might not be feasible if the General Manager is out of the area and it would be more cost effective to purchase the AWD. President Tobin changed her vote on the motion to a no; therefore, **the motion carried with 3 Aye votes and 2 No votes (Directors Rich and Tobin).**

### **III. PRESENTATION**

#### **1. Wholesale Water Reliability Study Update – MWH**

Mr. Durkin informed the Board that MWH has completed a draft of the 5<sup>th</sup> technical memorandum (TM5) out of six on the study. He reminded the Board that TM5 was emailed to the Board a week or so ago. He introduced Ibrahim Khadam of MWH who previously provided updates at a few Board meetings and Water Supply & Reliability Committee meetings.

Mr. Khadam conducted a presentation on the Wholesale Water Management and Reliability Study. A copy of the presentation will be attached to the meeting minutes. He provided an overview of study progress to date,

evaluation of retained options, key findings, and next steps. He reviewed the study's objectives, the process and schedule, and the evaluation approach.

Mr. Khadam reviewed the five combined options obtained from the 11 options which were retained from the 28 identified options, which are:

- Option A – Full Utilization of Water Supplies
- Option B – In-lieu Banking Program
- Option C – Aquifer Storage & Recovery Program
- Option D – SJWD and PCWA Coordination
- Option E – Merger with Another Agency

Mr. Khadam explained that MWH studied the five combined options and refocused them to highlight a specific strategy for addressing the District objectives. He explained that the combined options are not discrete or complete alternatives, and the evaluation is not focused on identifying one superior option/strategy for implementation. In addition, he explained that the evaluation will highlight and contrast the advantages and limitations of different strategies used in each option. Mr. Khadam explained that ultimately the findings will reveal a road map that may include elements of multiple options to better achieve the District objectives in the short-, mid-, and long-term.

Mr. Khadam reviewed the *Formulation of Combined Options* which showed the five options and how they correlate to geographic focus, institutional requirements, water to be used, and ownership of water. In addition, he reviewed the potential partners in the region and informed the Board that MWH has met with the wholesale customer agencies and with PCWA.

Mr. Khadam reviewed the *Geographic Focus and Institutional Complexity* which shows how the 5 options compare in relationship geographic scope and increasing complexity of institutional arrangements.

Mr. Khadam explained that each option was looked at to determine the strategy to address the objectives, which included three strategies: Increase Use of District's Water Rights & Contracts Entitlements; Develop Alternative Access to Surface Water; and Diversify Water Supply Portfolio. Therefore, the options were studied to determine its contribution to each objective.

Mr. Khadam reviewed the *Key Findings* which revealed that:

1. Maximizing use of CVP contract would be key to improving dry-year reliability
2. Expanding the District service area (via merger or new wholesale agreements) would provide the most flexibility in exercising all the District's water supplies
3. Groundwater banking (through in-lieu and/or ASR) would provide necessary tools to achieve the District's objectives
4. The 5 combined options are not mutually exclusive:

In response to Director Rich's question, Mr. Khadam explained that the key advantage of ASR over in-lieu banking is that the District is not restricted by the demand pattern and there is more control over the operation of the well. Mr. Khadam explained that in-lieu banking is replacing existing use and the time to use the water is specified.

Mr. Khadam informed the Board that the next steps are to engage with potential partners, develop the Study Report, including the implementation road map, and develop the TM6 "Feasibility Study Scope."

In response to Director Walters' comment, Ms. Lorance informed the Board that MWH has not started the study project with RWA and there will be coordination with them when it begins. In addition, she informed the Board that discussions with potential partners in the region will inform the agencies that the District is conducting this study and MWH will find out at that time if any of the agencies are conducting their own studies. Mr. Khadam commented that going outside of the recommended potential partners would be postponed until there is an available groundwater banking area. In response to President Tobin, Mr. Khadam informed the Board that identifying agencies beyond the wholesale area is beyond the current scope of work.

Mr. Khadam informed the Board that comments on the draft TM5 are due July 15<sup>th</sup> so that TM6 can be developed and delivered in August. He reported that MWH will conduct another presentation to the Board in September and will also attend the Water Supply & Reliability Committee meeting in early September.

In response to Director Rich's comment on mergers, Ms. Lorance suggested that the report contain information on the merger option that recognizes that it ranks high on the list and that the District should continue to be open to opportunities for potential partners. In response to Director Rich's question, Mr. Khadam informed the Board that the top three potential partners are Sacramento Suburban Water District, Rio Linda/Elverta Community Water District and CalAm Water Company.

#### **IV. OLD BUSINESS**

##### **1. CSDA Region Sierra Network Board of Directors Election**

Ms. Lorance reported that CSDA Region Sierra Network Board of Directors elections for Seat B are due. The Board discussed the candidates.

***Director Walters moved to vote for Gil Albiani for Seat B on the CSDA Region Sierra Network Board of Directors elections. Director Miller seconded the motion and it carried unanimously.***

##### **2. Wholesale Water Rate**

Ms. Lorance reported that the Finance Committee discussed the 150-Day Rate Notice. She explained that the current Wholesale Water Supply Agreements require a 150-day rate notice to be mailed to the wholesale customer agencies

150 days prior to consideration of a change to the wholesale water rates. Staff developed a draft letter which was reviewed by Legal Counsel and, with Board's approval, will send it along with the draft wholesale financial plan to the Wholesale Customer Agencies by August 1<sup>st</sup>.

***Director Costa moved to direct the General Manager to send the 150-day Advance Written Notice of Proposed Changes in Water Rates and Charges, with the draft wholesale financial plan when completed. Director Rich seconded the motion and it carried unanimously.***

## **ACTION AND INFORMATIONAL ITEMS**

### **V. COMMITTEE REPORTS**

#### **1. Water Supply & Reliability Committee (6/17/16)**

Director Walters reported that the committee met on June 17, 2016, and discussed the following:

- Water Management and Reliability Study Update (W)
- Folsom Operations (W)
- Other Personnel Matters
- Public Comment

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

#### **Water Management and Reliability Study Update (W)**

This item was discussed under Agenda Item III-1.

#### **Folsom Operations (W)**

This item will be discussed under the Assistant General Manager's Report.

#### **Other Matters**

Director Walters reported that the committee discussed recommending a letter of support for the Sierra Nevada Conservancy Watershed Program. He explained that there would be no monetary support and he would attend any meetings that they might hold. He explained that their primary objective regards fire hazards and overgrowth in the Sierra Tahoe area; however, there is a possibility to generate more runoff from the Sierras into the American River water shed.

***Director Walters moved to authorize staff to provide a letter of support or other non-financial signs of support for the Sierra Nevada Conservancy Watershed Program. Director Rich seconded the motion and it carried unanimously.***

#### **2. Finance Committee (6/12/16)**

Director Costa reported that the committee met on July 12, 2016, and discussed the following:

- Review and Pay Bills (W & R)
- Authorization to Extend Contract #14-12 with Sierra National Asphalt for Fiscal Year 2016-2017
- Authorization to Exercise First Renewal Option in Contract #15-53 with GM Construction for Fiscal Year 2016-2017
- Authorization to Replace aged Vehicle #09 – Field Services Truck
- Authorization to Replace Vehicle #22 – Engineering Truck
- Authorization to Replace Vehicle #27 – Conservation Truck
- Authorization to Replace Vehicle #30 – Pooled Vehicle
- Cell Tower Agreements Discussion
- Wholesale 150-Day Rate Notice
- Other Finance Matters
- Public Comment

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

#### **Review and Pay Bills (W & R)**

Director Costa reported that the committee reviewed bills and claims in the amount of \$2,752,904.04 and found them to be in order. He commented that Resolution 16-11 was adopted via the Board Consent Calendar.

#### **Authorization to Extend Contract #14-12 with Sierra National Asphalt for Fiscal Year 2016-2017**

This item was on the Board Consent Calendar.

#### **Authorization to Exercise First Renewal Option in Contract #15-53 with GM Construction for Fiscal Year 2016-2017**

This item was on the Board Consent Calendar.

#### **Authorization to Replace aged Vehicle #09 – Field Services Truck**

This item was on the Board Consent Calendar.

#### **Authorization to Replace Vehicle #22 – Engineering Truck**

This item was on the Board Consent Calendar.

#### **Authorization to Replace Vehicle #27 – Conservation Truck**

This item was on the Board Consent Calendar.

#### **Authorization to Replace Vehicle #30 – Pooled Vehicle**

This item was on the Board Consent Calendar and was held over to the August meeting.

#### **Cell Tower Agreements Discussion**

Director Costa reported that the Cell Tower Lease Information document was provided in the Board packet. He commented that the leases automatically renew every five years for four to five times and the rental amount increases 5% each year. In response to Director Miller, Ms. Silva informed the Board that

the cell tower lease revenue is reflected in the Operating Fund as non-operating revenue, which is used to augment and offset rates.

Director Miller recalled that when the cell tower agreements were first approved the revenue was supposed to be designated to a specific fund, but he doesn't recall which fund and does not recall ever seeing a change to the special fund. Ms. Lorange believes that the discussion was to put the funds towards costs for the WEL Garden, but she will look into it and report back.

*For information, no action requested.*

### **Wholesale 150-Day Rate Notice**

This item was discussed under Agenda Item IV-2.

## **VI. INFORMATION AND ACTION ITEMS**

### **1. GENERAL MANAGER'S REPORT**

#### **1.1 Strategic Action Plan**

Ms. Lorange referred the Board to the staff report that was included in the Board packet. A copy of the staff report will be attached to the meeting minutes. She explained that the report shows where staff is relative to the various tasks in the strategic action plan.

*For information, no action requested.*

#### **1.2 Report Back Item**

There were no items discussed.

#### **1.3 Miscellaneous District Issues and Correspondence**

Ms. Lorange reported that a letter was received from CHWD thanking the District for the tour at the WTP. She also reported that the California Special District Association annual conference is October 10-13, 2016.

*For information, no action requested.*

### **2. ASSISTANT GENERAL MANAGER'S REPORT**

#### **2.1 Succession Planning**

Mr. Durkin conducted a brief presentation titled *Succession Planning Update* and a copy of the presentation will be attached to the meeting minutes. He explained that the presentation has not changed much since he last presented it at the February workshop.

Mr. Durkin reported that succession planning started in 2012 and it was identified, that within 5 years, more than 15 employees would be eligible to retire from the District. In fact, the District has seen 14 retirements since that

time with one more scheduled for October of this year. Staff's goal was to develop a systematic process to identify, assess and develop staff to make sure they are ready to assume key roles within the District to ensure the District can continue to meet future challenges.

Mr. Durkin reported that the succession plan had 5 major tasks:

1. Analyzed current workforce and future workforce needs
2. Identified gaps and prepared plans to eliminate gaps
3. Developed a performance evaluation system that includes career advancement planning
4. Developed career ladders that depict potential career progression for employees
5. Provided recommendations for classification structure, training, performance management, and knowledge retention and transfer

Mr. Durkin reviewed training, promotions and transitions, performance management, knowledge retention and transfer, and retention and recruitment strategies. President Tobin requested that Mr. Durkin provide a summary of the Leadership Training Program to the Personnel Committee.

Mr. Durkin explained that the main goal of the succession plan implementation is to retain a highly skilled and competent workforce to carry out the mission of the District. He explained that it provides many benefits, including:

- Reducing costs associated with recruiting and training
- Retaining staff who possess critical knowledge regarding the District's culture, services and mission
- Increasing the expertise, morale, and productivity of employees, which ultimately helps reduce costs associated with staff turnover
- Developing a workforce that more efficiently and effectively meets the District's needs

In response to Director Rich's question, Mr. Durkin explained that Bryce Consulting was hired to assist District staff with developing the succession plan, along with conducting staff interviews, performing assessment work and gap analysis, and providing recommendations.

*For information, no action requested.*

## **2.2 Sacramento River Temperature Management Plan**

Mr. Durkin reminded the Board that he previously reported that discussions were taking place regarding requirements that NMFS was imposing on Reclamation to conserve the cold water pool in Shasta. This would significantly reduce flows in the Sacramento River. He explained that operations on the Sacramento River have an impact on Folsom Reservoir.

Mr. Durkin reported that the region supported Reclamation's temperature management plan, which somewhat increased flows on the Sacramento River through the summer, and reduced the impacts on Folsom Reservoir. End of December storage in Folsom is projected to be 218,000 AF which is very low, but this is much better than NMFS original plan. Reclamation's plan was submitted to the State Water Resources Control Board and it is expected to be approved. The plan calls for real-time monitoring along the Sacramento River to ensure temperature management targets are being met. Ms. Lorance commented that Reclamation did a great job in presenting a plan which advocated for the water users.

*For information, no action requested.*

### **2.3 American River Group June 30 Meeting**

Mr. Durkin reported that the American River Group met on June 30<sup>th</sup>. Reclamation provided the 90% Runoff Exceedance Outlook which projects Folsom to drop to 218,000 AF by the end of December.

*For information, no action requested.*

### **2.4 Report Back Items**

Mr. Durkin reported that a meeting was held today with Sacramento Department of Transportation (Sac DOT) to discuss their proposed trench paving requirements, and the District was represented by Rob Watson, SJWD Engineering Services Manager. In addition, SSWD sent a letter to Michael Penrose, Sac DOT Director, on July 6<sup>th</sup> which requested that Sac DOT provide documentation of the information and analysis that was used in developing and supporting the recommended changes. He stated that SSWD indicated that the information would be used by the Utilities Work Group to help develop alternatives to the proposed paving requirements.

Mr. Durkin reported that meetings were set up next week with Supervisor Roberta MacGlashan and Supervisor Susan Peters; however, Supervisor Peters requested the meeting with her be rescheduled. In addition, we are also scheduling a meeting with Supervisor Nottoli and SSWD is setting up a meeting with Supervisor Phil Serna.

At Mr. Durkin's request, Mr. Mitch Dion reported that another meeting is scheduled with Sac DOT on July 26<sup>th</sup>. Mr. Dion stated that a couple concepts were discussed at the last meeting and Sac DOT stated that the visual impacts after trench repairs were a concern to some Supervisors. Mr. Dion stated that initial analysis showed that the proposed changes to the paving requirements will increase the cost for projects for SSWD by 30% and this is consistent throughout the agencies. Mr. Dion reported that the August 9<sup>th</sup> hearing regarding this topic at the Sacramento County Board of Supervisors has been postponed until at least September.

*For information, no action requested.*

## **2.5 Miscellaneous District Issues and Correspondence**

Mr. Durkin reported that he attended the FOWD board meeting on July 11<sup>th</sup> and conducted a presentation on key issues, potential budget impacts, and the strategic planning information. In addition, he provided the FOWD board with the potential rate increases that the financial plan is indicating that might be necessary to cover wholesale operations and the wholesale capital program. Director Walters requested that a copy of the presentation be provided to him and Director Rich before their next 2x2 meeting with FOWD.

*For information, no action requested.*

## **3. DIRECTOR OF FINANCE'S REPORT**

### **3.1. Report Back Items**

There were no items discussed.

### **3.2. Miscellaneous District Issues and Correspondence**

Ms. Silva reported that she saw a press release from PCWA regarding refinancing of \$26 million of debt, which resulted in savings of approximately \$300,000 per year (\$4.4 million over the next 21 years). She explained that she still recommends that the District wait a few years before refinancing.

Ms. Silva informed the Board that she sent them an email earlier this week regarding a personal opportunity. She was approached by the City of Auburn regarding the possibility to run for the Treasurer position. She explained that it is a four year term with a stipend of approximately \$500 per month. In addition, she spoke with Legal Counsel regarding the duties and was informed that there was no legal conflict of interest. The Board discussed the position and agreed that community service such as this is encouraged and there was no concern from the Board members.

*For information, no action requested.*

## **4. LEGAL COUNSEL'S REPORT**

### **4.1 Legal Matters**

Mr. Horowitz informed the Board that his presentation on governance will occur at the August 10<sup>th</sup> meeting. He informed the Board that the Cal WaterFix hearings are beginning with the State and Federal policy statements being presented starting on July 26<sup>th</sup> at the State Water Resources Control Board. He explained that this can take several weeks then they will take a break with presentations from other parties, including the District, starting October 20<sup>th</sup>.

Mr. Horowitz reported that there has been some discussion among the American River agencies, the state, the feds, and the exporters regarding

some type of potential settlement. He explained that there is a technical presentation by Jeff Weaver of HDR on July 15<sup>th</sup> to provide some additional information on behalf of the District and other agencies.

In response to Director Costa's comment regarding water transfer language for legislation, Mr. Horowitz explained that he has talked to Paul Bartkiewicz regarding this topic. Ms. Lorange commented that this topic will be discussed at the Legal Affairs Committee next week.

In response to Director Walters' question regarding the use of the gas tax for repairing roadways, Mr. Horowitz informed the Board that this issue was litigated by the Arcade Water District and another agency. Mr. Horowitz will be sending Mr. Durkin and Mr. York of SSWD an email regarding the litigation.

Mr. Horowitz commented that a joint letter from the agencies' legal counsels to the county counsel might be needed. Director Costa voiced concern that the District and other utility agencies are not being strong enough concerning this issue and that maybe the Howard Jarvis Taxpayers Association should be involved.

## **5. DIRECTORS' REPORTS**

### **5.1 SGA**

President Tobin reported that SGA met last month.

### **5.2 RWA**

President Tobin reported that RWA meets July 14<sup>th</sup> and reminded the Board that the RWA 15<sup>th</sup> Anniversary Luncheon is also on July 14<sup>th</sup>.

### **5.3 ACWA**

#### **5.3.1 Local/Federal Government/Region 4 - Pam Tobin**

President Tobin provided the Board with some handouts, which will be attached to the meeting minutes. She informed the Board that there is an ACWA Regulatory conference on October 3-4, 2016 in Sacramento that will talk about renewable energy and encouraged the Board members to attend. She also mentioned that the handouts include information and a press release on HR 4582 which addresses conflicting federal statutes that exacerbate California drought. She provided a letter regarding the Water Resources and Development Act of 2016.

President Tobin provided the Board with the ACWA Outreach Alert which requests opposition letters be sent on SB 1298 which would create legal uncertainty for water agencies. In addition, she provided a press release stating that the U.S. EPA announced \$525,000 award to protect the Northern California watersheds. She also provided information from ACWA regarding the new solar program

for ACWA members. She announced that the ACWA Fall Conference will be held in Anaheim on November 28<sup>th</sup> through December 2<sup>nd</sup>.

**5.3.2 JPIA - Bob Walters**

No report.

**5.3.3 Energy Committee - Ted Costa**

Director Costa reported that the committee meets August 8, 2016.

**5.4 CVP Water Users Association**

Director Costa reported that CVPWUA meets July 19, 2016.

**5.5 Other Reports and Comments**

President Tobin reported that at the Public Information Committee meeting they will be discussing a letter to the Drought Committee to thank them and inquire if there is interest in serving on a customer finance committee. In response to Director Walters question, Ms. Lorance informed the Board that the committee will also be discussing a customer survey.

Director Miller commented that he received a couple customer inquiries regarding the landscaping along the frontage fence of the District property on Auburn Folsom Road and wondered who was responsible for maintaining that area since it looks un-maintained. In addition, another customer inquired about daily water runoff at the shopping center at the southeast side of Auburn Folsom near Douglas Blvd. Staff will look into both issues.

Director Rich requested that the Board members save the date for a meeting with multiple agencies on September 19, 2016 which will be held at Fair Oaks Water District from 6:00 pm to 8:00 pm.

**VII. UPCOMING EVENTS**

1. RWA 15<sup>th</sup> Anniversary Luncheon  
July 14, 2016  
Sacramento, CA
2. ACWA Continuing Legal Education for Water Professionals  
September 15-16  
San Diego, CA
3. ACWA Regulatory Summit  
October 3-4  
Sacramento, CA

**President Tobin called for Closed Session at 8:45 pm.**

**VIII. 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 negotiator involving the purchase, sale, lease or exchange of the Los Lagos Water Storage Tank and tank site (Placer County APN 035-360-026), Keith Durkin, District negotiator, will negotiate with the Placer County Water Agency. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

**President Tobin returned to Open Session at 8:55 pm.**

**IX. OPEN SESSION**

There was no reported action during closed session.

**X. ADJOURN**

**The meeting was adjourned at 8:56 p.m.**

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PAMELA TOBIN, President  
Board of Directors  
San Juan Water District

ATTEST:

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TERI GRANT, Board Secretary

**San Juan Water District**

**RESOLUTION 16-11  
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$2,752,904.04; 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 \$2,752,904.04 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 \$2,752,904.04 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 12th day of July 2016, by the following vote:

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

ATTEST

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PAMELA TOBIN  
President, Board of Directors  
San Juan Water District

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TERI GRANT  
Secretary, Board of Directors

## July 2016 Payment Register

**Paid in Advance:**

<u>Check Date:</u>	<u>Vendor:</u>		<u>Amount:</u>
06/30/2016	Payroll		674,944.55
07/12/2016	Western Area Power Admin - CVP O&M Program Funding	EFT 404558	6,512.28
07/07/2016	Nathaniel Lee Medlar - Weed Services	CK 50211	6,000.00
06/23/2016	AFLAC - Payroll	CK 50205	1,154.68
06/23/2016	Galic Disbursing Company - Payroll	CK 50207	400.00
07/12/2016	Galic Disbursing Company - Payroll	CK 50212	400.00
06/23/2016	WageWorks, Inc - Payroll	EFT 404556	340.23
07/07/2016	WageWorks, Inc - Payroll	EFT 404557	340.23
06/23/2016	Franchise Tax Board - Payroll	CK 50206	295.00
07/07/2016	Franchise Tax Board - Payroll	CK 50210	295.00
07/07/2016	CalPERS Long Term Care - Payroll	CK 50209	227.66
06/23/2016	ACWA / JPIA - EAP	EFT 404555	103.40
06/23/2016	ACWA / JPIA - EAP	EFT 404554	101.05
<b>Total Paid in Advance</b>			<b>691,114.08</b>

**Checks:**

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

Regular Checks	1,744,701.08
EFT's	273,539.20
<b>Total Check Register</b>	
<b>2,018,240.28</b>	

**Pending Payables:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
1635	Crocker & Crocker - WH May Services	6,631.08	20,992.80
1658	Crocker & Crocker - WH June Services	4,720.62	
1615	Crocker & Crocker - WH April Services	3,452.95	
1636	Crocker & Crocker - RT May Services	3,179.25	
1657	Crocker & Crocker - RT June Services	3,008.90	
Jun Statement	US Bank - CalCards	12,296.85	12,296.85
487943-H	HDR - GB BPS Improvement Project	7,557.14	7,557.14
21	Syblon Reid - GB Booster Pump Station	2,419.01	2,419.01
11250240	CalPERS Long Term Care - Payroll	227.66	227.66
031519820	Safeguard - Deposit Tickets	56.22	56.22
<b>Total Pending Payables</b>			<b>43,549.68</b>

<b>REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE</b>	<b>2,752,904.04</b>
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**Adjustments:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
<b>TOTAL PAID AND PAYABLE</b>			<b>2,752,904.04</b>

Signature \_\_\_\_\_

Signature \_\_\_\_\_



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
01569	5Employee Relations, Inc.	07/13/2016	Regular	0.00	127.25	50213
03401	ABC Supply Inc	07/13/2016	Regular	0.00	78.12	50214
03091	Ace Hardware - Auburn Folsom Act#2	07/13/2016	Regular	0.00	248.67	50215
01041	Afman, Todd R	07/13/2016	Regular	0.00	510.53	50216
01061	All Electric Motors, Inc.	07/13/2016	Regular	0.00	7,043.65	50217
01073	Amarjeet Singh Garcha	07/13/2016	Regular	0.00	3,300.00	50218
01026	American River Ace Hardware, Inc.	07/13/2016	Regular	0.00	162.14	50219
02463	AnswerNet	07/13/2016	Regular	0.00	242.10	50220
01111	Applied Best Practices, LLC	07/13/2016	Regular	0.00	301.50	50221
03391	Artistic Collision Center Inc.	07/13/2016	Regular	0.00	1,887.31	50222
03370	AT Battery Company	07/13/2016	Regular	0.00	1,917.87	50223
01138	AT&T Mobility II LLC	07/13/2016	Regular	0.00	61.66	50224
01182	Bartkiewicz, Kronick & Shanahan	07/13/2016	Regular	0.00	14,391.61	50225
01200	Berco Redwood, Incorporated	07/13/2016	Regular	0.00	1,229.77	50226
03393	Bowler, John OR Ann	07/13/2016	Regular	0.00	2.08	50227
01234	Bryce Consulting, Inc.	07/13/2016	Regular	0.00	5,642.50	50228
01259	California Utility Executive Managemen	07/13/2016	Regular	0.00	400.00	50229
03104	Capital Datacorp	07/13/2016	Regular	0.00	142.79	50230
01372	City of Folsom	07/13/2016	Regular	0.00	30.24	50231
01374	City of Sacramento - Department of U	07/13/2016	Regular	0.00	500.00	50232
01378	Clark Pest Control	07/13/2016	Regular	0.00	150.00	50233
02613	Clark, Tom	07/13/2016	Regular	0.00	105.00	50234
01494	Dewey Services Inc.	07/13/2016	Regular	0.00	82.00	50235
03394	Dittig, Jim OR Barbara	07/13/2016	Regular	0.00	92.03	50236
03147	EDGES ELECTRICAL GROUP LLC	07/13/2016	Regular	0.00	740.72	50237
03400	Eipper, William	07/13/2016	Regular	0.00	87.48	50238
03350	Firecode Safety Equipment, Inc.	07/13/2016	Regular	0.00	899.26	50239
01630	FM Graphics, Inc.	07/13/2016	Regular	0.00	1,013.73	50240
03173	Foley, Jacqueline	07/13/2016	Regular	0.00	258.68	50241
01634	Folsom Lake Ford, Inc.	07/13/2016	Regular	0.00	3,480.37	50242
03089	Fulton, Jonathan	07/13/2016	Regular	0.00	130.00	50243
03389	Georgia Western, Inc.	07/13/2016	Regular	0.00	1,369.83	50244
01068	Glenn C. Walker	07/13/2016	Regular	0.00	993.00	50245
01681	Golden State Flow Measurements, Inc	07/13/2016	Regular	0.00	8,550.06	50246
02567	Grant, Teri	07/13/2016	Regular	0.00	174.00	50247
01706	Graymont Western US Inc.	07/13/2016	Regular	0.00	5,936.00	50248
03145	Grove Toys Inc	07/13/2016	Regular	0.00	310.59	50249
01733	Harris Industrial Gases	07/13/2016	Regular	0.00	180.94	50250
03383	Infererra Construction Management G	07/13/2016	Regular	0.00	16,842.50	50251
01796	Insomniac Productions Inc.	07/13/2016	Regular	0.00	48.38	50252
03395	Julius, Deborah	07/13/2016	Regular	0.00	19.77	50253
03074	Kirby's Pump & Mechanical Inc	07/13/2016	Regular	0.00	2,678.97	50254
03396	Live Oak Landscapes	07/13/2016	Regular	0.00	155.00	50255
01982	Machado, George	07/13/2016	Regular	0.00	169.00	50256
02024	MCI WORLDCOM	07/13/2016	Regular	0.00	126.65	50257
03300	Meyers Fozi, LLP	07/13/2016	Regular	0.00	100.48	50258
02050	Miles Treaster & Associates (MTA)	07/13/2016	Regular	0.00	873.16	50259
03398	Miller Equipment Rental	07/13/2016	Regular	0.00	55.00	50260
03386	Myers & Sons Construction, LP	07/13/2016	Regular	0.00	440,286.90	50261
02131	Office Depot, Inc.	07/13/2016	Regular	0.00	3,048.78	50262
	**Void**	07/13/2016	Regular	0.00	0.00	50263
	**Void**	07/13/2016	Regular	0.00	0.00	50264
	**Void**	07/13/2016	Regular	0.00	0.00	50265
02150	Pace Supply Corp	07/13/2016	Regular	0.00	5,338.06	50266

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03374	Pamela Kay Hurt	07/13/2016	Regular	0.00	562.50	50267
03329	Paradyne, Inc.	07/13/2016	Regular	0.00	5,040.72	50268
03399	Peterson, Bob OR Janet	07/13/2016	Regular	0.00	478.04	50269
03026	PFM Asset Management	07/13/2016	Regular	0.00	4,780.49	50270
02146	PG&E	07/13/2016	Regular	0.00	2,111.74	50271
	**Void**	07/13/2016	Regular	0.00	0.00	50272
02210	Placer County Water Agency	07/13/2016	Regular	0.00	35,150.54	50273
03150	Professional Id Cards Inc	07/13/2016	Regular	0.00	30.80	50274
02281	Ray A Morgan Company Inc	07/13/2016	Regular	0.00	1,209.04	50275
02283	Recology Auburn Placer	07/13/2016	Regular	0.00	640.70	50276
02223	Rexel Inc (Platt - Rancho Cordova)	07/13/2016	Regular	0.00	1,098.70	50277
02293	RFI Enterprises, Inc	07/13/2016	Regular	0.00	1,827.40	50278
03092	Rich, Dan	07/13/2016	Regular	0.00	237.60	50279
03390	Robert K. Miller	07/13/2016	Regular	0.00	246.00	50280
02357	Sacramento Municipal Utility District (	07/13/2016	Regular	0.00	17,362.01	50281
02395	SAFETY KLEEN SYSTEMS INC.	07/13/2016	Regular	0.00	1,260.20	50282
02407	Scheetz Welding Service Inc.	07/13/2016	Regular	0.00	360.00	50283
02446	Sierra Chemical Co	07/13/2016	Regular	0.00	10,993.71	50284
03086	Sierra Saw Power Equipment Center	07/13/2016	Regular	0.00	241.66	50285
03337	Simon, Marlene	07/13/2016	Regular	0.00	350.00	50286
02049	Stemple, Mike	07/13/2016	Regular	0.00	10.00	50287
01411	SureWest Telephone	07/13/2016	Regular	0.00	1,601.53	50288
02570	Terry, Patrick J.	07/13/2016	Regular	0.00	1,535.00	50289
02629	Trench & Traffic Supply Inc.	07/13/2016	Regular	0.00	157.15	50290
02648	Union Bank of CA, NA 2009A	07/13/2016	Regular	0.00	824,766.72	50291
02649	Union Bank of CA, NA 2012A&B	07/13/2016	Regular	0.00	263,034.11	50292
02651	United Parcel Service Inc	07/13/2016	Regular	0.00	384.75	50293
03284	Vavrinek, Trine, Day & Co, LLP	07/13/2016	Regular	0.00	1,755.00	50294
02690	Verizon Wireless	07/13/2016	Regular	0.00	504.93	50295
02700	Viking Shred LLC	07/13/2016	Regular	0.00	50.00	50296
01687	W. W. Grainger, Inc.	07/13/2016	Regular	0.00	55.56	50297
02717	Water Research Foundation	07/13/2016	Regular	0.00	34,308.00	50298
	**Void**	07/13/2016	Regular	0.00	0.00	50299
02311	Watson, Rob	07/13/2016	Regular	0.00	40.35	50300
01048	Airgas, Inc	07/13/2016	EFT	0.00	217.42	404559
01081	American Messaging Services, LLC	07/13/2016	EFT	0.00	33.01	404560
03340	Carbon Sales, Inc.	07/13/2016	EFT	0.00	16,373.20	404561
03221	Chemtrade Chemicals Corporation	07/13/2016	EFT	0.00	36,848.93	404562
03065	Consolidated Electrical Distributors, In	07/13/2016	EFT	0.00	467.53	404563
01521	DataProse, LLC	07/13/2016	EFT	0.00	18,404.18	404564
01486	Department of Energy	07/13/2016	EFT	0.00	5,932.94	404565
01909	Durkin, Keith	07/13/2016	EFT	0.00	13.75	404566
01574	Endress + Hauser, Inc.	07/13/2016	EFT	0.00	1,018.93	404567
01589	Eurofins Eaton Analytical, Inc	07/13/2016	EFT	0.00	1,872.00	404568
01604	Fastenal Company	07/13/2016	EFT	0.00	3,326.09	404569
01611	Ferguson Enterprises, Inc	07/13/2016	EFT	0.00	1,782.35	404570
01631	Folsom Chevrolet / Geo Inc	07/13/2016	EFT	0.00	1,160.80	404571
03237	GM Construction & Developers, Inc	07/13/2016	EFT	0.00	11,384.50	404572
03351	Hiuga Diving Co	07/13/2016	EFT	0.00	3,850.00	404573
01790	Industrial Safety Supply Corp of Califor	07/13/2016	EFT	0.00	670.13	404574
01917	Kennedy/Jenks Consultants, Inc.	07/13/2016	EFT	0.00	29,416.75	404575
02432	Lorance, Shauna	07/13/2016	EFT	0.00	308.84	404576
03388	Maxim Crane Works, L.P.	07/13/2016	EFT	0.00	2,000.00	404577
02367	McClatchy Newspapers, Inc.	07/13/2016	EFT	0.00	884.92	404578
02027	Mcmaster-Carr Supply Company	07/13/2016	EFT	0.00	160.38	404579
01472	Mel Dawson, Inc.	07/13/2016	EFT	0.00	4,666.59	404580
03236	Modesto Industrial Electrical Co., Inc.	07/13/2016	EFT	0.00	2,825.00	404581
02069	Motion Industries	07/13/2016	EFT	0.00	515.16	404582
02079	MWH Americas, Inc.	07/13/2016	EFT	0.00	21,087.30	404583
02275	Ramos Oil Recyclers, Inc.	07/13/2016	EFT	0.00	498.74	404584
03377	RDO Construction Equipment Co.	07/13/2016	EFT	0.00	80,174.37	404585

Check Register

Packet: APPKT01004-2016-07-13 July Board Approved AP-MS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02286	Regional Water Authority	07/13/2016	EFT	0.00	900.00	404586
03180	SAC ICE LLC	07/13/2016	EFT	0.00	420.40	404587
03220	Solenis LLP	07/13/2016	EFT	0.00	3,676.50	404588
02531	SunPower Corporation, Systems	07/13/2016	EFT	0.00	18,374.49	404589
02674	Utility Services Associates, LLC	07/13/2016	EFT	0.00	4,176.00	404590
02710	WageWorks, Inc	07/13/2016	EFT	0.00	98.00	404591

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	172	83	0.00	1,744,701.08
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	75	33	0.00	273,539.20
	<b>247</b>	<b>121</b>	<b>0.00</b>	<b>2,018,240.28</b>

### Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	7/2016	2,018,240.28
			<b>2,018,240.28</b>

## STAFF REPORT

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To: Board of Directors  
From: Mike Stemple, Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Extend Contract #14-12 with Sierra National Asphalt for FY2016-2017

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### RECOMMENDED ACTION

Authorize an extension of the paving agreement with Sierra National Asphalt in an amount not to exceed \$100,000 for FY 2106-2107.

### BACKGROUND

On November 13, 2013 the Board approved the contract with Sierra National Asphalt in the amount of \$83,331 (\$9.25 / SQFT) for paving services. The initial agreement was valid through December 31, 2014 but the contract included three one-year options for renewal. On January 14, 2015 the Board approved the 1<sup>st</sup> contract renewal option in the amount of \$139,462 (\$9.99/ SQFT). The contract was extended through June 30, 2016 to align with the fiscal year end.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. Also, per Community Service District Law, construction contracts in the amount of \$25,000 or higher must be publically bid. This original bid included three one-year renewals by which a decision to extend would be evaluated annually. In the event the vendor's performance and price were acceptable the District at its option could choose to re-bid or extend the agreement an additional year. Sierra National Asphalts quality and timeliness of their work is excellent, and the District is recommending a second year renewal. Sierra National Asphalt agreed to hold the price for an additional year @ \$9.99 / SQFT.

Staff is recommending the Board to approve the second extension of this contract in an amount not to exceed \$100,000 (\$9.99/SQFT) to cover FY 2106-2107.

The cost is included in the draft Fiscal Year 2016-2017 budget.

### ATTACHMENT

Construction Change Order

San Juan Water District  
 9935 Auburn Folsom Road  
 Granite Bay, CA 95746



# Change Order No. 3

**Contractor:**

Sierra National Asphalt  
 5433 El Camino Ave. Suite 4  
 Carmichael, CA 95608

**Project Name:**

Annual Paving - Patch Restoration

**Date:** July 16, 2016

**Project Manager:** Shay Orr

Upon mutual acceptance and execution of this document by San Juan Water District, hereinafter referred to as "District," and Sierra National Asphalt Inc. hereinafter referred to as "Contractor," Contractor is hereby directed to make the following described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract. All new work shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this contract change order.

**NOTE: This change order is not executed until approved by the District.**

**DESCRIPTION OF THE CHANGES:**

ITEM #	DESCRIPTION	CREDIT/COST
1	Change order #3 Authorizes the Second renewal option in the amount not to exceed price of \$100,000. The revised period of performance is July 16, 2016 through June 30, 2017. The Agreed to unit price is \$9.99/ SQFT	
<b>NET CHANGE ORDER ADJUSTMENT</b>		<b>\$0.00</b>

**CONTRACT TIME SUMMARY:**

	<u>Days</u>	<u>Completion Date</u>
Original Contract:	365	December 31, 2014
Change #1	546	June 30, 2016
Current Contract Change #2:	15	July 15, 2016
This Change Order (Calendar Days):	350	June 30, 2017
Revised Contract:	1276	

<b>ORIGINAL CONTRACT AMOUNT</b>	<b>\$ 83,331.00</b>
Net change by previous change orders	<b>\$139,462.00</b>
Contract sum prior to this change order	<b>\$ 222,793.00</b>
Contract adjustment by this change order	<b>\$100,000.00</b>
<b>NEW CONTRACT AMOUNT (including all change orders)</b>	<b>\$322,793.00</b>

Acceptance of this Change Order 3 constitutes acceptance of the Change Order as full and complete satisfaction of any direct or indirect additional costs incurred to you in connection with performance of the changed work. The time for performance of the contract will be changed by **350 calendar days** by reason of the performance of the work required by this Change Order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this Change Order or the rescheduling of other project work made necessary by this Change Order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the Contract between the District and Contractor for the project.

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree. If this change order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**San Juan Water District**

Approved By: \_\_\_\_\_  
Shauna Lorance, General Manager/Keith Durkin, Assistant General Manager

Date: \_\_\_\_\_

**Contractor: Sierra National Asphalt**

Approved By: \_\_\_\_\_  
Jeremy Myers / GM

Date: \_\_\_\_\_

## STAFF REPORT

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To: Board of Directors  
From: Mike Stemple, Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Exercises First Renewal Option in Contract #15-53 with GM Construction for FY2016-2017

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### RECOMMENDED ACTION

Authorize staff to exercise the first renewal option of the Time and Materials (T&M) contract with GM Construction, in an amount not to exceed \$137,800 for fiscal year 2016-2017.

### BACKGROUND

On July 8, 2015 the Board approved a T&M contract with GM Construction, in the amount of \$135,138, for labor, material and equipment for a variety of maintenance and repair work in the Retail Service Area. The initial agreement was valid through June 30, 2016 but included three one-year options for renewal.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. Also, per Community Service District law, construction contracts in the amount of \$25,000 or higher must be publicly bid. The original bid included three one-year renewals by which a decision to extend would be evaluated annually. In the event the vendor's performance and price were acceptable, the District, at its option, could choose to re-bid or extend the agreement one additional year. GM Constructions quality and timeliness of their work is excellent, and the District is recommending the first year renewal. GM has requested a 2.5% increase in the standard pricing for the installation services. The requested increase of 2.5% is due to increases in prevailing labor wage rates for the next fiscal year. GM Constructions initial bid came in 12% lower than the next closest bidder and the proposed increase would remain well under this bidder.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000 and services up to \$50,000. Since the bid is in excess of both of these limits, Board authorization is required. Staff is recommending the Board approve the first extension of this contract, in an amount not to exceed \$137,800, valid through June 30, 2017, to cover fiscal year 2106-2107.

This expense is included in the draft Fiscal Year 2016-2017 Retail Operating Budget.

### ATTACHMENT

Construction Contract Change Order

San Juan Water District  
 9935 Auburn Folsom Road  
 Granite Bay, CA 95746



# Change Order No. 2

**Contractor:**

GM Construction  
 6337 32nd Street  
 North Highlands, CA 95660

**Project Name:** Annual T&M Contract #15-53

**Date:** July 16, 2017

**Project Manag** Shay Orr

Upon mutual acceptance and execution of this document by San Juan Water District, hereinafter referred to as "District," and GM Construction Inc. hereinafter referred to as "Contractor," Contractor is hereby directed to make the following described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract. All new work shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this contract change order.

**NOTE: This change order is not executed until approved by the District.**

**DESCRIPTION OF THE CHANGES:**

ITEM #	DESCRIPTION	CREDIT/COST	
1	Change order #2 Authorizes the first renewal option in the amount not to exceed price of \$137,800. The revised period of performance is July 16, 2016 through June 30, 2017. Revised Lump Sum price for services is as follows:		
	<b>GM Construction Service Installation Description</b>	<b>Lump Sum</b>	<b>Pricing FY 2016-2017</b>
	Fire Hydrant Installation (FHI)	L/S	\$ 11,172.50
	Service Lateral Tap & Connect 1" (SLTC)	L/S	\$ 4,879.00
	Additional 1" Service Same Trench	L/S	\$ 543.25
	Service Lateral Tap & Connect 1½"	L/S	\$ 5,316.68
	Additional 1½" Service Same Trench	L/S	\$ 922.50
	Blow-off Valve Replacement	L/S Basic Install	\$ 5,227.50
	<b>NET CHANGE ORDER ADJUSTMENT</b>		<b>\$137,800.00</b>

**CONTRACT TIME SUMMARY:**

	<u>Days</u>	<u>Completion Date</u>
Original Contract:	357	June 30, 2016
Current Contract:	15	July 15, 216
This Change Order (Calendar Days):	350	June 30, 2017
Revised Contract:	722	

<b>ORIGINAL CONTRACT AMOUNT</b>	<b>\$ 135,138.00</b>
Net change by previous change orders	<b>\$0.00</b>
Contract sum prior to this change order	<b>\$ 135,138.00</b>
Contract adjustment by this change order	<b>\$137,800.00</b>
<b>NEW CONTRACT AMOUNT (including all change orders)</b>	<b>\$272,938.00</b>

Acceptance of this Change Order 2 constitutes acceptance of the Change Order as full and complete satisfaction of any direct or indirect additional costs incurred to you in connection with performance of the changed work. The time for performance of the contract will be changed by **350 calendar days** by reason of the performance of the work required by this Change Order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this Change Order or the rescheduling of other project work made necessary by this Change Order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the Contract between the District and Contractor for the project.

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree. If this change order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**San Juan Water District**

Approved By: \_\_\_\_\_  
Keith Durkin, Assistant General Manager

Date: \_\_\_\_\_

**Contractor: GM Construction**

Approved By: \_\_\_\_\_  
Kathryn Medley / OM -GM Construction

Date: \_\_\_\_\_

## STAFF REPORT

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To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Replace Aged Vehicle #09 –Field Services Truck

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### RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2017 Ford F450 for Field Services a replacement for Vehicle #09, in the amount of \$45,991.

### BACKGROUND

Vehicle #09 is a 2003 Ford F450 with approximately 137,000 total miles. The vehicle is 13 years old and has reached the point where reliability and safety are a concern and repairs to the District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District has opted to utilize the State Vehicle Truck Contract #1-16-23-23 A-H, that has been competitively bid by the major dealerships throughout the state of California. There is no additional bidding required and the price listed on the contract, \$34,035 is the lowest bid by vehicle and respective dealership. This contract offers additional value and is turnkey delivery solution for the District. Option pricing is detailed within the agreement for each dealership, and the vehicle is ordered directly from the factory. The District has utilized the state agreement for most major truck purchases in the past.

In an effort to reduce costs, staff researched and determined that the truck can be purchased without the body and the existing truck utility body can be refurbished and attached to the new vehicle. Body refurbishment costs will total \$11,645 but will yield the District overall savings of \$15,898.

Added to the vehicle contract price of \$34,035 and the body refurbishment costs of \$11,645 is a \$311 agency transaction fee payable to the Department of General Services for use of the state contract. The calculation is 1% of the total cost of the vehicle.

If the purchase is approved by the Board, once the new truck is received and placed in service, the old truck (less the body) will be taken to auction and the proceeds will be deposited into the Retail Capital Reserve Fund.

This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$55,000. Due to limited availability and Staff's research on refurbishing the truck body, the vehicle was not able to be purchased in FY 2015-2016. It has been included in the proposed FY 2016-2017 Retail Capital Budget.

Staff is requesting approval in the amount of \$45,991, (\$34,035 vehicle cost, \$311 agency transaction fee, plus the refurbishment cost of \$11,645) for the replacement of vehicle #09.

## STAFF REPORT

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To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Replace Vehicle #22- Engineering Truck

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### RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2016 Ford F150, 4x2 in the amount of \$30,411 to replace vehicle #22 for the Engineering Department.

### BACKGROUND

Vehicle #22 is a 2008 Ford F150 XL (8-years in service, 48,000 miles), used by the Engineering Department. The vehicle was involved in an accident on May 25, 2016 and deemed a total loss by the Districts insurer JPIA. The District received \$10,734.20 for the totaled vehicle and placed those funds in the retail capital reserve fund. The District is one vehicle down and replacement is needed immediately to maintain workflow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess of \$15,000 require bidding. The District has opted to utilize the State Vehicle Truck Contract #1-16-23-23 A-H, that has been competitively bid by the major dealerships throughout the state of California. There is no additional bidding required and the price listed on the contract is the lowest bid by vehicle and respective dealership. This contract offers additional value and is turnkey delivery solution for the District. Option pricing is detailed within the agreement for each dealership and each vehicle is ordered directly from the factory. The District has utilized the state agreement for most major truck purchases in the past.

Added to the vehicle contract price of \$29,650 is a \$275 agency transaction fee, payable to the Department of General Services for use of the state contract. In addition to this fee is the charge for bed-liner application in the amount of \$486. The original tool boxes are to be reinstalled during the bed liner application. The state fee calculation is 1% of the total cost of the vehicle. The total price for the vehicle including the agency fee and truck bed-liner application is \$30,411.

Staff is requesting Board approval to purchase this replacement for vehicle #22 in an amount not to exceed \$30,411 (includes taxes and fees).

# STAFF REPORT

To: Finance Committee  
 From: Mike Stemple – Purchasing Agent  
 Date: July 13, 2016  
 Subject: Authorization to Replace Vehicle #27- Conservation Truck

## RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2016 Chevrolet Colorado, 4x2 from Winner Chevrolet in the amount of \$24,613 to replace Vehicle #27 for the Conservation Department.

## BACKGROUND

Vehicle # 27 is a 1999 GMC Sonoma compact pick-up truck and has approximately 63,000 miles. The vehicle is 17 years old and has reached the point where reliability and safety are concerns and repairs to District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon the review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess of \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The bid was distributed to 8 responsible local Chevrolet dealers, utilizing the staff bid specification.

The District has received 3 responsive bids with Winner Chevrolet submitting the lowest responsive bid of \$24,613 (includes taxes and fees). In addition the District has evaluated purchasing the vehicle from the State procurement contract and the bid from Winner Chevrolet provided the lowest price and best value.

Dealer	Price	%
Winner Chevrolet	\$ 22,807.00	Low Bid
Hanless Chevrolet	\$ 23,430.00	+ 2.7 %
Performance Chevrolet	\$ 24,096.00	+ 5.6 %

Table pricing excludes Tax & Delivery for comparison

Staff performed a lease vs. purchase analysis for the acquisition of this vehicle. Given the District's vehicle retention/replacement policy, purchasing is significantly more cost effective than leasing. This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$31,500. Due the lead-time constraints and lease vs. purchase analysis the truck was not able to be purchased in FY2015-2016. It has been included in the Draft FY 2016-2017 Capital Budget.

Staff is requesting Board authorization to purchase the replacement for vehicle # 27 in an amount not to exceed \$24,613.

**STAFF REPORT**

To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Purchase Vehicle #30 - (Pooled Vehicle)

**RECOMMENDED ACTION**

Staff recommends the purchase of a 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 to replace the pool vehicle #30.

**BACKGROUND**

Vehicle # 30 is a 2000 Jeep Cherokee 4 Door / 4WD and has approximately 130,000 miles. The vehicle is 16 years old and has reached the point where reliability and safety is a concern and repairs to District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon the review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Staff has assessed the use of this vehicle and recommends its replacement with an AWD Ford Escape. There is one location in the District’s service area that can only be accessed with an AWD or a 4 Wheel Drive vehicle. Staff does not need to access the area frequently but it is important that we are able to access the area when needed. Additionally, staff needs an all-purpose vehicle that can hold goods/supplies as well as comfortably transport a group of people.

Staff completed a lease vs. purchase analysis for this replacement of this vehicle. Based on the retention/replacement policy in place, purchasing the vehicle is significantly more cost effective than leasing. Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District bid was distributed to 10 responsible local Ford dealers, utilizing the staff bid specification.

The District has received 6 responsive bids with Ron Duprat Ford submitting to lowest responsive bid of \$24,527 (includes taxes and fees). In addition the District has evaluated purchasing the vehicle from the State procurement contract and the bid from Ron Duprat provided the lowest price and best value.

Dealer	Price	%
Ron Duprat Ford	\$ 22,733.10	Low
Auburn Ford	\$ 23,161.00	+ 1.9 %
Downtown Ford	\$ 23,960.00	+ 5.4%
Elk Grove Ford	\$ 26,088.00	+14.8%
Folsom Lake Ford	\$ 26,182.00	+ 15.2%
Harold Ford	\$ 27,817.00	+ 22.4 %

Table Pricing excludes Tax & Fees for comparison purposes

This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$35,000. Due to the lead-time constraints and vehicle research the truck was not able to be purchased in FY2015-2016. It has been included in the Proposed FY 2016-2017 Capital Budget. Since this vehicle is available to be used by any department, its cost will be split 50-50 between Wholesale and Retail.

If the new vehicle purchase is approved, staff will send Vehicle #30 to auction. The proceeds will be deposited into the Capital Reserve Fund.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess of the \$15,000 Board authorization is required.

Staff is requesting Board approval to purchase the 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 as a replacement for pool vehicle #30.



Board Meeting  
July 13, 2016

# Status Report and Summary Wholesale Water Management and Reliability Study



now  
part of



# Outline

- Overview of Study Progress to Date
- Evaluation of Retained Options
- Key Findings
- Next Steps

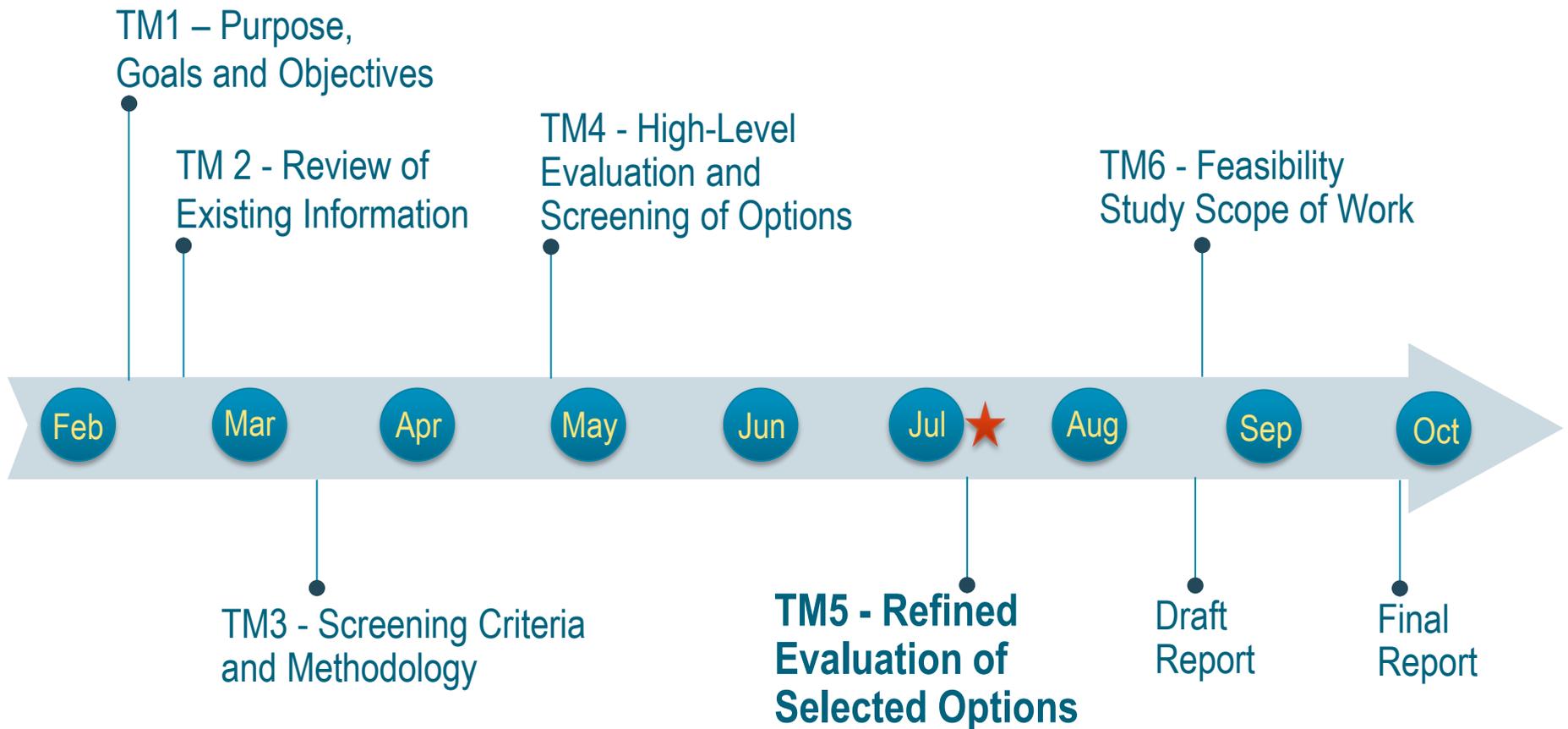
# Study Objectives

Increase **water supply reliability** to the District's retail customers and Wholesale Customer Agencies **during dry years** by integrating surface water and groundwater storage.

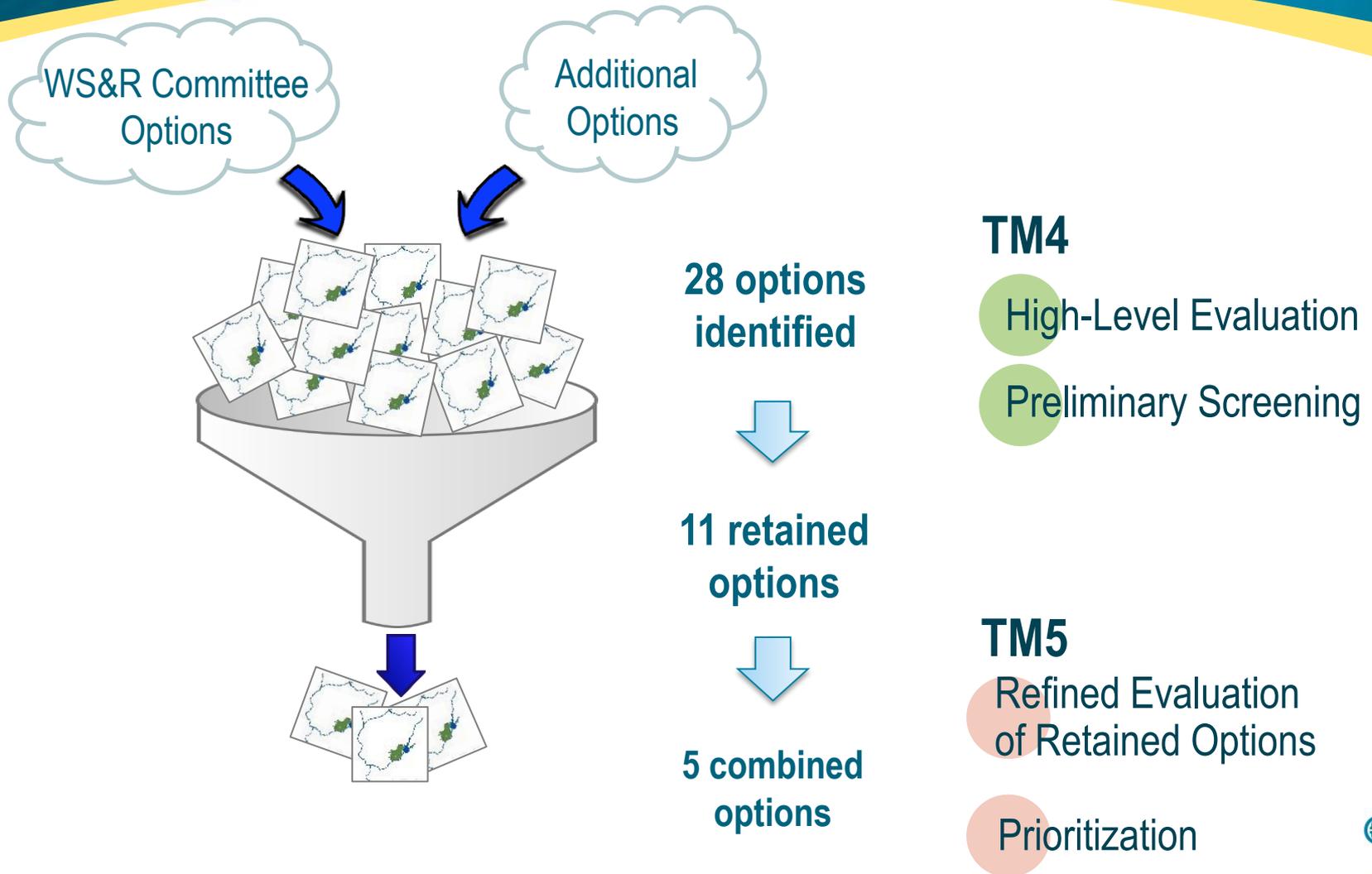
Perfect the **beneficial use** of the District's water rights, contractual entitlements, and facilities.

Provide **long-term financial benefits** to ratepayers, and provide **regional and statewide benefits**.

# Study Process & Schedule



# Evaluation Approach



# 5 Combined Options from 11 Retained Options

## Option B

O9: In-Lieu Banking Program Within SJWD Wholesale Area

O10: In-Lieu Banking Program With An Agency Other than WCAs

## Option C

O12: Build New Groundwater Injection/Extraction Wells in SJWD Wholesale Area

O13: Build New Groundwater Injection/Extraction Wells along Cooperative Transmission Pipeline

O16: Retrofit Existing Wells Within SJWD Wholesale Area for Injection/Extraction Use

O28: Purchase Water Supply Wells in SJWD Wholesale Area

## Option A

O19: Allocate CVP Water to Another Agency

O20: Allocate Middle Fork Project Water to Another Agency Within its Place of Use in Sac County

O21: Allocate Water Rights to Another Agency and Offset Incremental Costs to Ratepayers

## Option D

O23: Coordinate Between SJWD and PCWA Water Treatment Plants to Optimize Operational Flexibility

## Option E

O24: Merger with Another Agency

# The 5 Combined Options

- Option A – Full Utilization of Water Supplies
- Option B – In-lieu Banking Program
- Option C – Aquifer Storage & Recovery Program
- Option D – SJWD and PCWA Coordination
- Option E – Merger with Another Agency

# Evaluation of the Combined Options

- Combined Options are refocused to **highlight a specific strategy** for addressing the District objectives.
  - Example: Option B is outside the whole service area, while Option C is inside
- Combined Options are NOT discrete or complete alternatives.
- The evaluation is NOT focused on identifying one superior option/strategy for implementation.
- The evaluation will **highlight and contrast** the advantages and limitations of **different strategies** used in each option.
- Findings will inform a **road map** that may include elements of multiple options to better achieve the District objectives in the short-, mid-, and long-term.

# Formulation of Combined Options

	<b>Option A</b> Full Utilization of Water Supplies	<b>Option B</b> In-lieu Banking Program	<b>Option C</b> ASR Program	<b>Option D</b> SJWD & PCWA Coordination	<b>Option E</b> Merger with Another Agency
<b>Geographic Focus</b>	Outside WSA	Outside WSA	WSA	PCWA	Outside WSA

WSA = Wholesale Service Area

 Water Right

 Middle Fork Contract

 CVP Contract

# Formulation of Combined Options

	<b>Option A</b> Full Utilization of Water Supplies		<b>Option B</b> In-lieu Banking Program	<b>Option C</b> ASR Program	<b>Option D</b> SJWD & PCWA Coordination	<b>Option E</b> Merger with Another Agency
<b>Geographic Focus</b>	Outside WSA		Outside WSA	WSA	PCWA	Outside WSA
<b>Institutional Requirements</b>	Short- & long-term Water sales	Wholesale Agreement	Water Banking Agreement	ASR Partnership Agreement	Emergency Operation Agreement	Merger Agreement
<b>Water to be Used</b>						
<b>Ownership of Water</b>	No		Yes	Yes	N/A	Yes

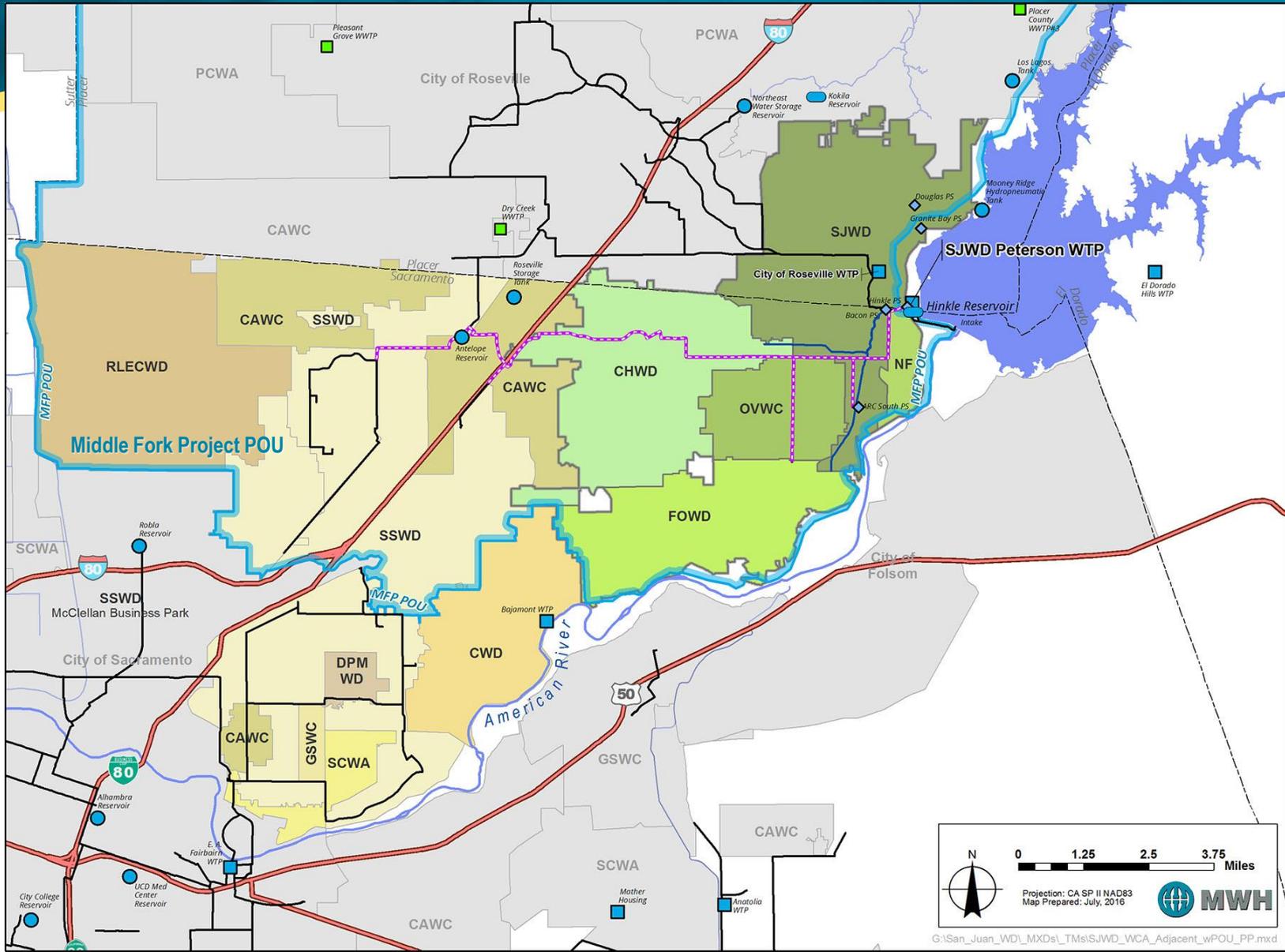
WSA = Wholesale Service Area

 Water Right

 Middle Fork Contract

 CVP Contract

# Potential Partners

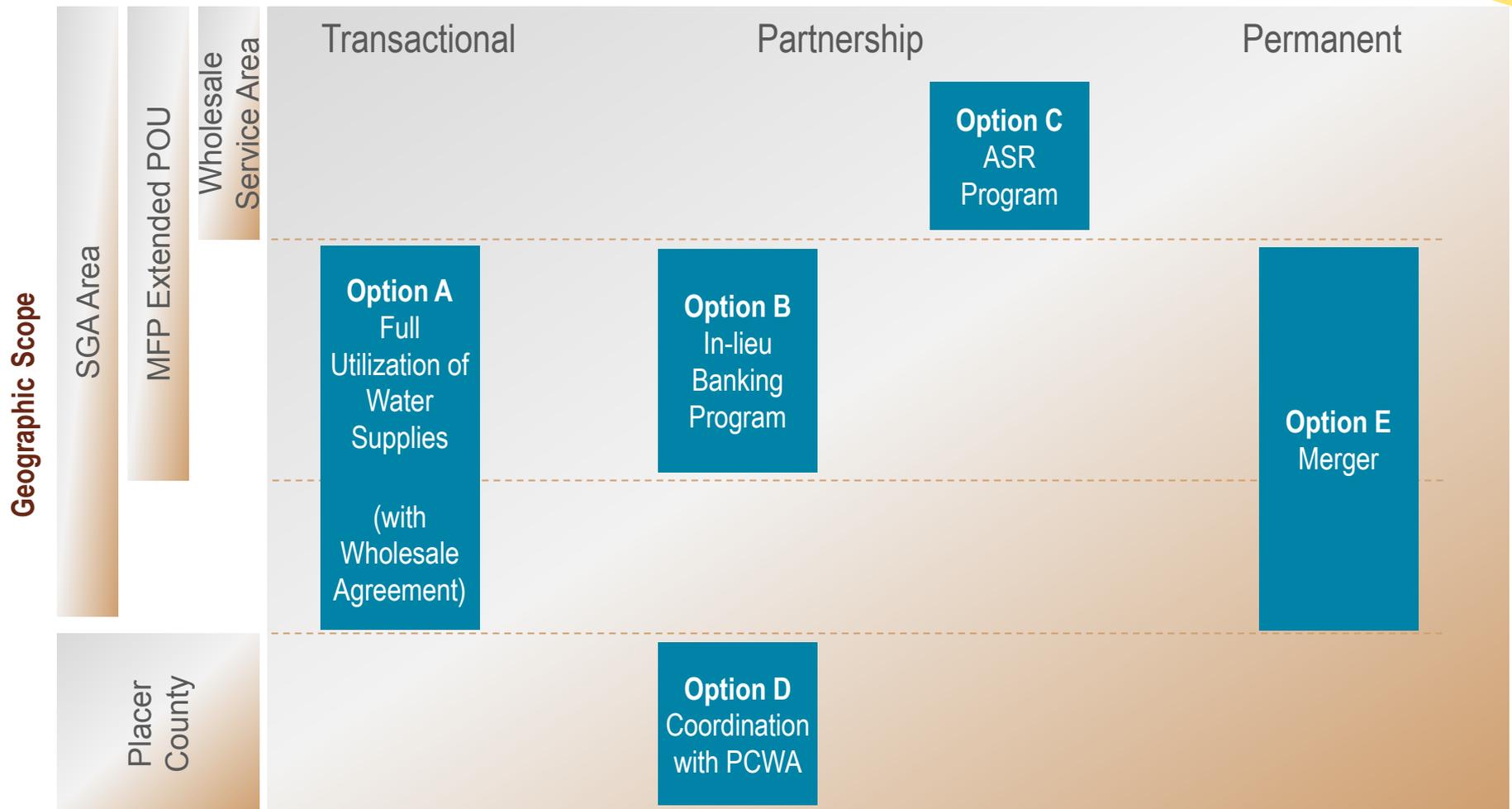


# Engagement with Partners to Date

	<b>Option A</b> Full Utilization of Water Supplies	<b>Option B</b> In-lieu Banking Program	<b>Option C</b> ASR Program	<b>Option D</b> SJWD & PCWA Coordination	<b>Option E</b> Merger with Another Agency
<b>Presentations to Wholesale Customer Agencies</b>	✓	✓	✓	✓	✓
<b>Discussion with Other Agencies</b>	None	None	None	PCWA	None

# Geographic Focus and Institutional Complexity

Increasing Complexity of Institutional Arrangements



# Strategy to Address the Objectives

STRATEGY	Option A Full Utilization of Water Supplies	Option B In-lieu Banking Program	Option C ASR Program	Option D SJWD and PCWA Coordination	Option E Merger with Another Agency
Increase Use of District's Water Rights & Contracts Entitlements	✓	✓	✓		✓
Develop Alternative Access to Surface Water				✓	
Diversify Water Supply Portfolio		✓	✓		✓

# Contribution to Objective (#1)

OBJECTIVE		Option A Full Utilization of Water Supplies	Option B In-lieu Banking Program	Option C ASR Program	Option D SJWD and PCWA Coordination	Option E Merger with Another Agency
1. Increase <b>water supply reliability</b> to the District's retail customers and WCAs during <b>dry years.</b>	Increase CVP Contract Use & its Dry-Year Allocations					
	Expand Conjunctive Use & Groundwater Banking					
	Expand Emergency Interties					

# Contribution to Objective (#2)

OBJECTIVE		Option A Full Utilization of Water Supplies	Option B In-lieu Banking Program	Option C ASR Program	Option D SJWD and PCWA Coordination	Option E Merger with Another Agency
2. Perfect the <b>beneficial use</b> of the District's water rights, contractual entitlements, and facilities.	SGA Area					
	MFP Extended POU	Water Sales				
	Wholesale Service Area	WCA				

■ Water Right

■ Middle Fork Contract

■ CVP Contract

# Contribution to Objective (#3)

OBJECTIVE		Option A Full Utilization of Water Supplies	Option B In-lieu Banking Program	Option C ASR Program	Option D SJWD and PCWA Coordination	Option E Merger with Another Agency
3. Provide <b>long-term financial benefits</b> to ratepayers, and provide <b>regional and statewide benefits</b> .	Support Groundwater Substitution Transfers	water sale				
	Upfront Costs		Varies <sup>(1)</sup> 			Varies <sup>(2)</sup> 

(1) Costs will depend on partner agency and required facilities upgrade to facilities in-lieu operations.

(2) Costs will depend on partner agency, and would include facilities modification for operational integration, as well as other financial, administrative, and staff integration requirements.

# Key Findings

1. Maximizing use of CVP contract would be key to improving dry-year reliability:
  - Help increase CVP allocations during dry years (as specified by Reclamation's shortage policy)
  - Would require additional demands
2. Expanding the District service area (merger or new wholesale agreements) would provide the most flexibility in exercising all the District's water supplies:
  - Justification for changing the District's CVP service area
  - Flexibility to utilize all water supplies without limitations by water source

# Key Findings

3. Groundwater banking (through in-lieu and/or ASR) would provide necessary tools to achieve the District's objectives by:
  - Maximizing use of available water supplies by establishing additional groundwater replenishment demands
  - Preserving ownership of the banked water and accumulating credits for dry year protection and for potential groundwater substitution transfers
  - Providing adequate groundwater extraction capability and interties for dry year protection for wholesale and retail customers
  - Contributing to SGMA compliance and basin-wide conjunctive use

# Key Findings

4. The 5 combined options are not mutually exclusive:
  - Leverage synergies among combined options
    - e.g., Water sales with in-lieu banking agreements
  - Pursue a combination of short- and long-term arrangements
    - e.g., short-term water sales that turns into long-term in-lieu banking partnership
  - Pursue partnerships with multiple agencies
    - e.g., coordination with PCWA, and ASR with WCA

# Next Steps

- Engage with potential partners:
  - Discuss benefits to partners and gauge interest
  - Feedback to inform road map and scope for next phase
- Develop Study Report, including the implementation road map:
  - Prioritize and sequence implementation actions (short/mid/long-term)
  - District Board and staff review and input
- Develop TM6 “Feasibility Study Scope”

# Next Milestones

Comments due on TM5	July 15, 2016
Draft Study Report, including Implementation Road Map	August 2016
TM6 – Scope of Feasibility Study	August 2016
Next WS&R Committee Meeting	September 1, 2016
Next Presentation to the Board	September 14, 2016

**Water Supply & Reliability Committee Meeting Minutes**  
**San Juan Water District**  
**June 17, 2016**  
**2:00 p.m.**

**Committee Members:** Bob Walters, Chair  
Dan Rich, Director

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

**Consultants:** Vanessa Nishikawa, P.E. (MWH)  
Ibrahim Khadam, P.E. (MWH)  
Rebecca Guo (MWH)  
Richard Shatz (GEI)  
Chris Petersen (GEI)

**Members of the Public:** Greg Zlotnick  
Tony Barela, San Juan Water District

**Topics:** Water Management and Reliability Study Update (W)  
Folsom Operations (W)  
Other Matters  
Public Comment

**1. Water Management and Reliability Study Update (W)**

Mr. Durkin introduced the GEI consultant, Chris Petersen. Mr. Ibrahim Khadam conducted a presentation on the *Wholesale Water Management and Reliability Study*. A copy of the presentation will be attached to the meeting minutes.

Mr. Khadam provided a recap of tasks to date. He explained that the list of 28 options were evaluated and ranked A – High Potential; B – Moderate Potential; and C – Low Potential. The list was then reduced to a short list of 11 options that were screened and grouped into five options:

- Option A – Total Water Allocation Program
- Option B – In-lieu Banking Program
- Option C – Aquifer Storage & Recovery Program
- Option D – SJWD and PCWA Coordination
- Option E – Merger with Other Agency

In response to Director Walters' question, Mr. Khadam explained that MWH looked at four criteria for the options - Cost-Effectiveness, Contribution to Objectives, Implementation Complexity, and Uncertainty.

*Option A – Total Water Allocation Program*

Mr. Khadam reviewed the findings for Option A - Total Water Allocation Program. He explained that the ability to use water entitlements and contracts falls under four categories – Transfers (short/long-term), Banking (In-lieu/ASR), Wholesale Customer Agency Agreements, and Merger. In addition, he showed how Pre-1914 Water Right water, Middle-Fork Project (MFP) water, and Central Valley Project (CVP) water can and cannot be used under these four categories. He explained that the spectrum of institutional arrangements and approvals shows the complexity of initiating the four categories.

Mr. Khadam informed the committee that there are short-term and long-term options to consider.

Short-term options include:

- Transfer/banking for groundwater replenishment and drought protection purposes
- Allocate MFP water and backfill the existing MFP water supply within the District using CVP water
- District develop a shortage policy to include the groundwater replenishment demand

Long-term options include:

- Incorporate other agencies as a Wholesale Customer Agency (WCA) and modify the District's CVP contract service area to match
- Water allocation based on the totality of water availability, but not source-specific, reflecting the District's shortage policy

#### Option B – In-lieu Banking Program

Ms. Rebecca Guo reviewed the findings for Option B - In-lieu Banking Program. She explained that many agencies were researched which have access to groundwater. She informed the committee that four areas were considered – Supply, Demand, Treatment, and Conveyance. She explained that Supply and Treatment regarded the District facilities for availability and capacity, while Demand regarded the groundwater agencies historical groundwater use. Conveyance was not researched and would be developed in the Feasibility Study stage.

Ms. Guo informed the committee that there is approximately 21 thousand acre-feet (TAF)/year of available supply during wet/average years with a demand of 29.6 TAF/year, with plenty of capacity at the WTP. Mr. Durkin commented that the District's water supply permit has a seasonal limitation of 120 MGD during the winter months, but otherwise has a capacity to 150 MGD.

In response to Director Walters' question regarding trading surface water for groundwater, Mr. Durkin explained that Option B deals with the District having excess surface water which could be contracted to groundwater users in lieu of the groundwater users pumping groundwater. The groundwater users would bank their groundwater for use in dry years. Mr. Khadam explained that this would help in a

dry year when the District's CVP water allocation is reduced, since wet year use would be higher, the dry year allocation would be higher.

Option D – SJWD and PCWA Coordination

Ms. Guo reviewed the findings for Option D - SJWD and PCWA Coordination. She explained there are two scenarios for the option which are wet/average year operations and dry year operations. She explained that they looked at SJWD delivering available surface water to Cal Am's West Placer Service Area in Placer County during wet/average years. In addition, they looked at PCWA treating and delivering MFP water to SJWD through existing interties during dry years.

Mr. Khadam informed the committee that MWH talked to PCWA and their Foothills WTP is close to capacity; however, the first phase of their Ophir WTP should be operational in the next few years. Ms. Guo commented that PCWA is not interested at this time since there are limitations to their infrastructure with very minimal yield.

Option E – Merger with Other Agency

Ms. Guo reviewed the findings for Option E - Merger with Other Agency. She commented that, since the District already investigated this option with SSWD, MWH only looked at a few other agencies in the area that delivered groundwater and might be open to taking surface water. However, there have been no discussions with any other agencies regarding mergers. She explained that the yield would be similar to the in-lieu potential under Option B.

Ms. Guo commented that, aside from all of the difficulties of the institutional arrangements, the potential cost include liabilities, net position, debt, and capital investments from potential merger agency, infrastructure improvements, and administrative/legal costs. Establishing an additional wholesale customer agreement may be an alternative under this option.

Option C – Aquifer Storage & Recovery Program

Mr. Chris Petersen and Mr. Richard Shatz reviewed the findings for Option C - Aquifer Storage & Recovery (ASR) Program. Mr. Petersen informed the committee that there were four options that comprise Option C, which are:

- Purchase of existing wells in SJWD wholesale area
- Building new wells in SJWD wholesale area
- Retrofitting existing wells in SJWD wholesale area
- Building new wells along the Cooperative Transmission Pipeline

Mr. Petersen explained that ASR is using a well for injecting drinking water during wet periods – taking the extra supply and running the water backwards in the system into a drinking water well for storage in the aquifer. He explained that, during dry periods, the well is turned on and the water is extracted out of the aquifer and delivered as drinking water. In addition, he informed the committee that aquifer storage and recovery has some unique permitting requirements and is more complicated due to the injection of treated water into the groundwater basin.

Mr. Petersen reviewed the ideal ASR well characteristics, retrofitting existing wells, water quality, and operations and maintenance. He reviewed a conceptual approach to how the ASR Program would work during wet and dry years.

Mr. Shatz informed the committee that there are 13 existing wells within the wholesale service area. He explained that, using public information available online, MWH itemized each existing well and site characteristic, which included information such as permitting status, location along transmission pipeline, total well depth, well diameter, and production capacity. Mr. Petersen noted that the well owners were not contacted for the information.

After itemizing the existing wells, MWH ranked the wells according to being suitable for ASR purposes. Mr. Shatz informed the committee that 9 of the 13 existing wells could be used for ASR with up to 15,600 AFY available for injection. He informed the committee that there are three wells that could be replaced which would increase the injection capability to 16,400 AFY.

Mr. Shatz informed the committee that MWH located 14 new well site locations based on the following:

- Identified Public Owned Sites
- Reviewed WCA Water Master Plans and Files for Future Wells
- Selected General Areas for Wells and Future Property Acquisition
- Excluded Areas Within Areas with Known Contamination (PCE)
- Included Areas where Mounding could Restrict Contaminant Migration
- Estimated Well Interference Distance

Mr. Shatz informed the committee that the new wells could have a capacity of 13,000 AFY for injection and 19,000 AFY for extraction. He explained that there is a chance that not all 14 new wells would be viable and some may be dry; however, exploratory drilling would be done to help determine this. Mr. Shatz reported that with the existing and replacement wells, as well as the new wells, the extraction capacity would be approximately 55,700 AFY and the injection capacity would be approximately 29,300 AFY.

Ms. Shatz explained how stored water migrates in the groundwater basin. Mr. Petersen explained that ASR develops a banking and exchange program and is done on a volumetric basis. In response to Director Walters' question, Mr. Petersen informed the committee that this type of program is encouraged by the groundwater management act.

In response to Director Rich's question, Mr. Shatz explained that the Aerojet contaminated groundwater plume is being mitigated by extraction wells south of the American River. In addition, MWH would recommend that the District communicate with Aerojet prior to constructing any of the proposed wells in order to verify that their system could still contain the contamination.

Mr. Petersen explained that, with the 21,400 AFY of surplus water supply, the District would need less than 20 wells to fully utilize all District water rights if the District were allowed each month to inject water into the aquifer. However, if the District were limited to only injecting water into the aquifer from September through March then the District would need over 50 wells in the month of October to inject all of the surplus water supply. He explained that, with some operational adjustments, the 27 proposed wells would probably be enough to use most if not all of the water supply.

Mr. Petersen reviewed the capital and annual costs of running the ASR Program. He informed the committee that the cost to use existing wells, retrofit existing wells, and purchase new wells would be approximately \$51 million or \$42 million without purchasing new wells, with an annual operating cost of \$5 million.

Director Walters requested the per acre foot cost for the wells and how it would affect the water rate for customers. Mr. Durkin informed the committee that additional detailed information will be provided by MWH in the future.

Mr. Petersen explained some environmental and permitting processes that the District would need to follow. He stated that the District could follow the General Order ASR with the RWQCB which is in place and would make the process easier. In addition, the District would need to follow NEPA, CEQA, and NPDES permitting requirements. He stated that the injection well permit would be required through the Central Valley water board.

### Summary

Mr. Khadam reviewed the five options:

- Option A – Total Water Allocation Program
- Option B – In-lieu Banking Program
- Option C – Aquifer Storage & Recovery Program
- Option D – SJWD and PCWA Coordination
- Option E – Merger with Other Agency

He stated that Option A showed how to maximize beneficial use of all the District supplies and entitlements, especially the CVP and MFP water; Option B and Option C explained how the District could use in-lieu banking and ASR to bank all of the District's available supplies; Option D showed some potential in the future; and Option E explained mergers but also touched on the possibility of establishing additional wholesale customer agreements without the complexity of merging.

### Next Steps

Mr. Khadam informed the committee that MWH will be meeting with the WCAs on June 23<sup>rd</sup> to review the study to date. He stated that the draft TM5 - Refined Evaluation of Selected Water Management Options is scheduled to be ready on June 24<sup>th</sup> with comments due by July 8, 2016. Ms. Vanessa Nishikawa commented that the comments will be incorporated into TM5 prior to moving forward to TM6.

## 2. Folsom Operations (W)

Mr. Durkin reported that it has not yet been determined on how the CVP, and more specifically Folsom, will be operated this year. He commented that Reclamation is getting direction from NMFS regarding conserving cold water at Shasta Reservoir for the fall run Chinook salmon. NMFS is instructing Reclamation to hold releases out of Shasta to 8,000 cfs or less in order to maintain the cold water in the reservoir (releases are typically at 14,000 cfs at this time of year). Therefore, the Sacramento River settlement contractors downstream are unable to get water from the river which is causing problems and additional water is being released from Folsom Reservoir to maintain Delta water quality.

Mr. Durkin reported that the federal Fish & Wildlife Service is strongly requesting up to 300,000 AF of additional releases this summer for Delta smelt habitat and water quality. He commented that NMFS and Fish & Wildlife Services are concerned with endangered species (smelt and salmon) which is causing Reclamation issues in operating the system in order to deal with these issues. He explained that the biggest impact is the temperature management plan on the Sacramento River, which could greatly impact Folsom Reservoir operations.

Mr. Durkin informed the committee that he attended a meeting on Tuesday at the Reclamation office in Sacramento and there was statewide attendance by the CVP contractors along with representatives and executives from DWR, SWP Contractors, NMFS, US Fish & Wildlife Service, and California Fish & Wildlife. The central valley CVP contractors were pushing for higher releases, and the Sacramento River settlement contractors are on the brink of disaster because they were told earlier in the year that they would get 100% allocations so they planted crops and are now not getting the water that they need to maintain the acreage that they invested in. The tension was very high in that meeting.

Mr. Durkin informed the committee that Reclamation will develop the temperature management plan for review by NMFS then it will be submitted to the State Water Resources Control Board (SWRCB). SWRCB will then have ten days to review the plan. He commented that if Reclamation and NMFS are in agreement on the plan, then SWRCB should not have any issues reviewing the plan and approval will be much quicker.

In response to Director Rich's question, Mr. Durkin informed the committee that the operations plan for Folsom had already been released by this time last year; however, it is anticipated that Folsom will have about 200,000 AF of carry-over storage under NMFS temperature management plan requirements. Mr. Durkin commented that staff expects Reclamation to balance the flows and make decisions based on science.

Mr. Durkin informed the committee that he will provide an update at the June 22<sup>nd</sup> Board meeting under a separate agenda item since the minutes for this meeting will not be ready until the following meeting. In response to Director Walters' comment,

Mr. Durkin stated that a letter to the SWRCB at this time might be premature since there is not enough information at this time to determine the impact to Folsom.

*For information only; no action requested.*

### **3. Other Matters**

Director Walters reminded the committee of a letter that was received from Jim Branham, Sierra Nevada Conservancy, back in January. Director Walters would like the committee to recommend a letter of support for the Sierra Nevada Conservancy Watershed Program. He explained that there would be no monetary support and he would attend any meetings that they might hold.

Mr. Durkin commented that he and Ms. Lorance spoke with Mr. Branham regarding the watershed program after his presentation to the committee. In addition, the topic was added as an option to the Wholesale Water Management and Reliability Study. In reviewing the option, it was determined that there were un-quantified benefits from a water supply perspective; however, since there is benefit to the water system as a whole, it was recommended to support the program. Mr. Durkin commented that support could be in the form of a link on the District's website and the District's name and logo on their printed material. Mr. Durkin informed the committee that, after speaking with Director Walters, an agenda item was placed on the June 22<sup>nd</sup> Board agenda under *Director Reports* for Director Walters to report on.

*The Water Supply & Reliability Committee recommends consideration of a motion to authorize staff to provide a letter of support or other non-financial signs of support for the Sierra Nevada Conservancy Watershed Program.*

#### **3.1 Next Meeting Date**

The next committee meeting will be scheduled as needed.

### **4. Public Comment**

There were no public comments.

The meeting adjourned at 4:20 pm.



WSR Meeting  
June 17, 2016

# Status Report and Summary Wholesale Water Management and Reliability Study



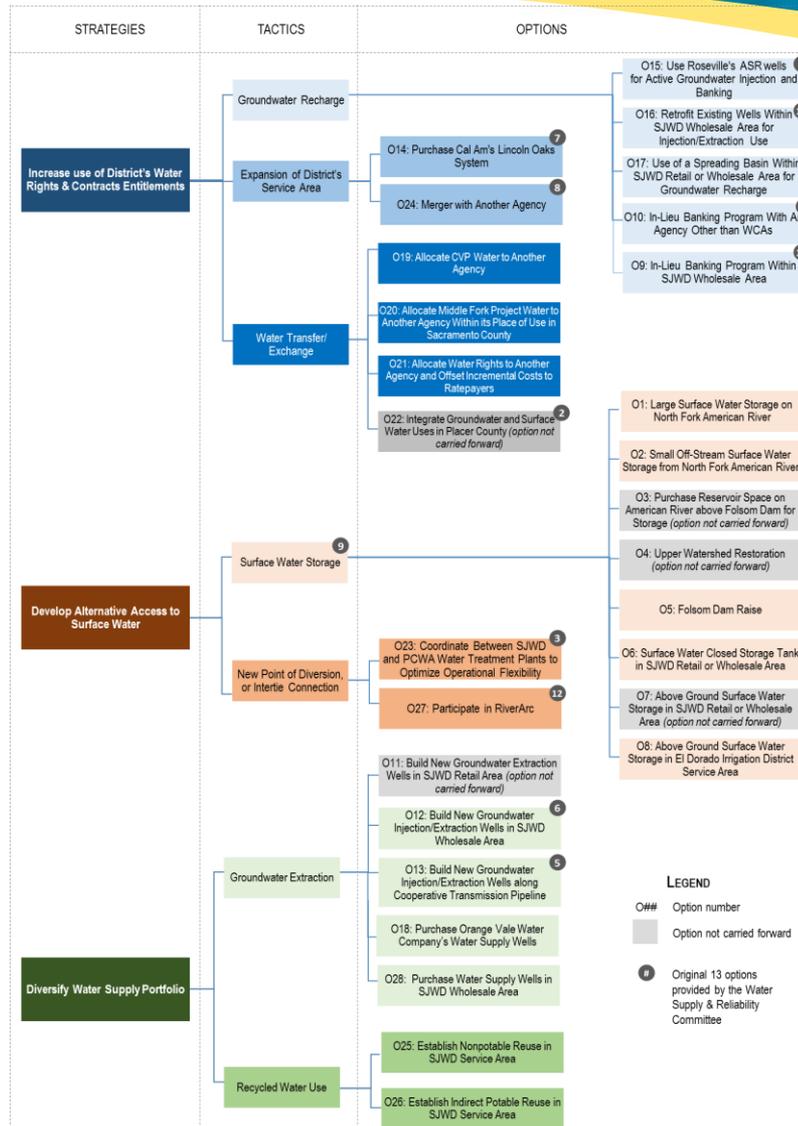
# Agenda

- Recap short list of options Retained for evaluations
- Discuss Evaluation of Retained Options
- Next steps



# Identified Water Management Options

- A total of 28 water management options were identified
  - Including the 13 options identified by the Board WS&R committee



**LEGEND**

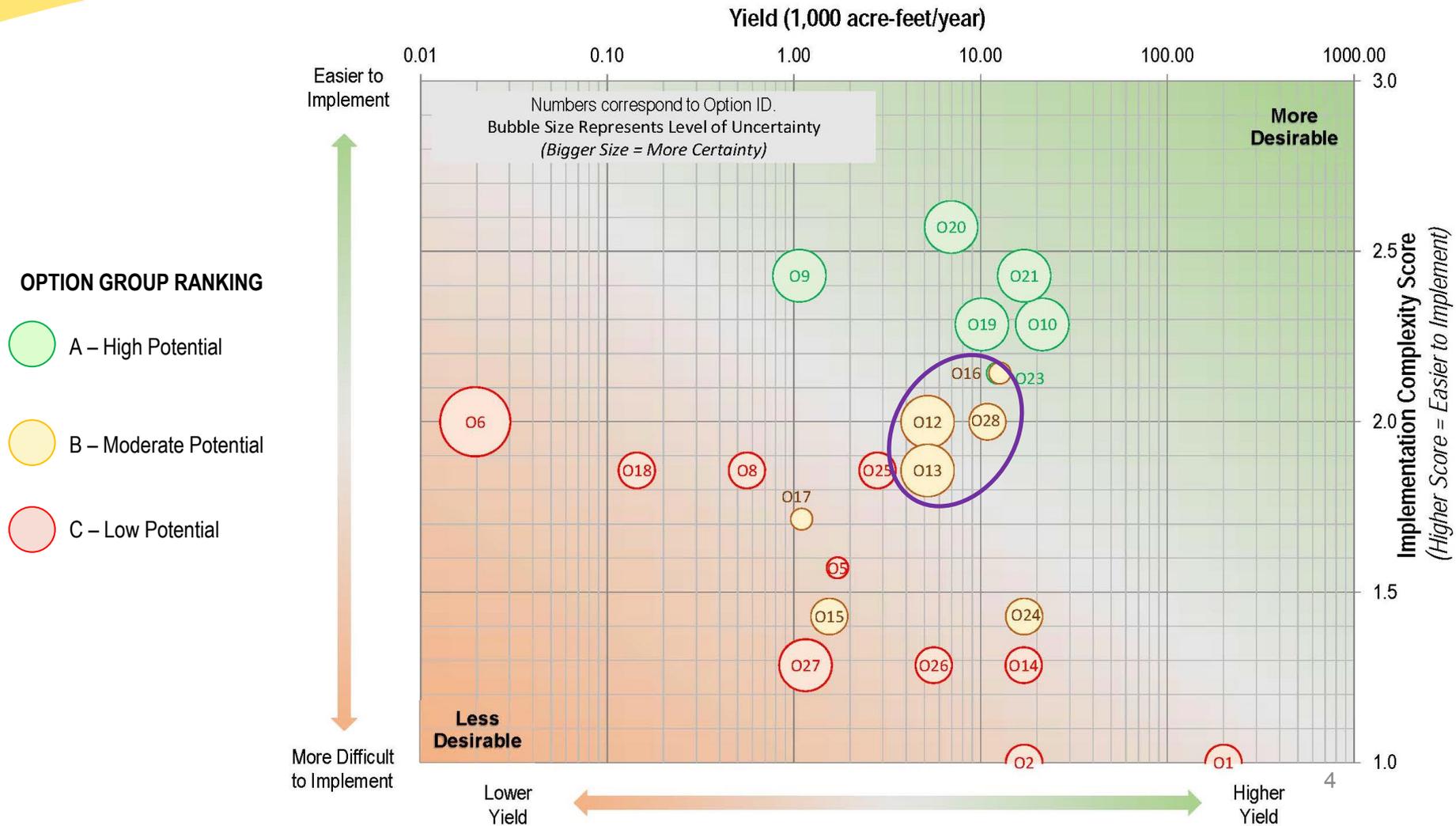
O## Option number

Option not carried forward

Original 13 options provided by the Water Supply & Reliability Committee



# Screening of Initial Options



# Retained Options

## Option B

O9: In-Lieu Banking Program Within SJWD Wholesale Area

O10: In-Lieu Banking Program With An Agency Other than WCAs

## Option C

O12: Build New Groundwater Injection/Extraction Wells in SJWD Wholesale Area

O13: Build New Groundwater Injection/Extraction Wells along Cooperative Transmission Pipeline

O16: Retrofit Existing Wells Within SJWD Wholesale Area for Injection/Extraction Use

O28: Purchase Water Supply Wells in SJWD Wholesale Area

## Option A

O19: Allocate CVP Water to Another Agency

O20: Allocate Middle Fork Project Water to Another Agency Within its Place of Use in Sac County

O21: Allocate Water Rights to Another Agency and Offset Incremental Costs to Ratepayers

## Option D

O23: Coordinate Between SJWD and PCWA Water Treatment Plants to Optimize Operational Flexibility

## Option E

O24: Merger with Another Agency

# Revised Options

- Option A – Total Water Allocation Program
- Option B – In-lieu Banking Program
- Option C – Aquifer Storage & Recovery Program
- Option D – SJWD and PCWA Coordination
- Option E – Merger with Other Agency



# Option A – Total Water Allocation Program

- Focuses on water rights and contract entitlements considerations, including associated conditions
- Many possible levels and combinations of collaboration



# Ability to Use Water Entitlements & Contracts

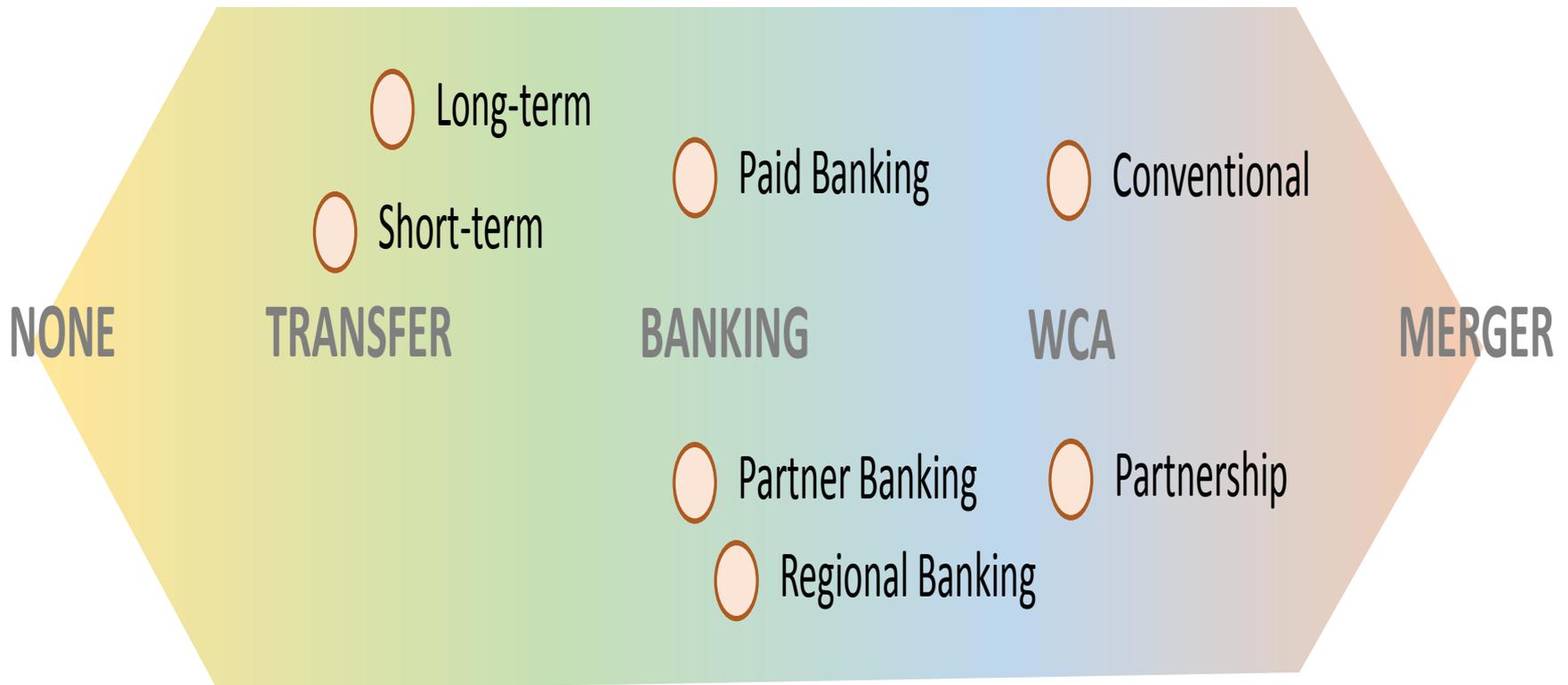
Spectrum of Institutional Arrangements

	Transfers (Short / Long-Term)	Banking (In-lieu/ASR)	Wholesale Customer Agency Agreement	Merger
WCA Area				
Within Middle Fork Place of Use				
Outside Middle Fork Place of Use				

Pre-1914 Water Right  
 Middle Fork Contract  
 CVP Contract



# Spectrum of Arrangements



# Potential Agencies Considered

Potential Agency	Within MFP POU?	Existing Demand?	Long-term Demand?	Sufficient Conveyance/Facilities?
SSWD	Yes	Yes	Yes	Yes
RLECWD	Yes	Yes	No, reduced by RiverArc	No, extend CTP
CalAm (Sacramento County)	Yes	Yes	Yes	No, connecting conveyance
CalAm (Placer County)	Yes	No, planned with PCWA	No, reduced by RiverArc	No, connecting conveyance, extend CTP

# Potential Allocation Method

- **Short/near-term:**

- Transfer/banking for groundwater replenishment and drought protection purposes
- Allocate MFP water and backfill the existing MFP water supply within the District using CVP water
- District develop a shortage policy to include the groundwater replenishment demand

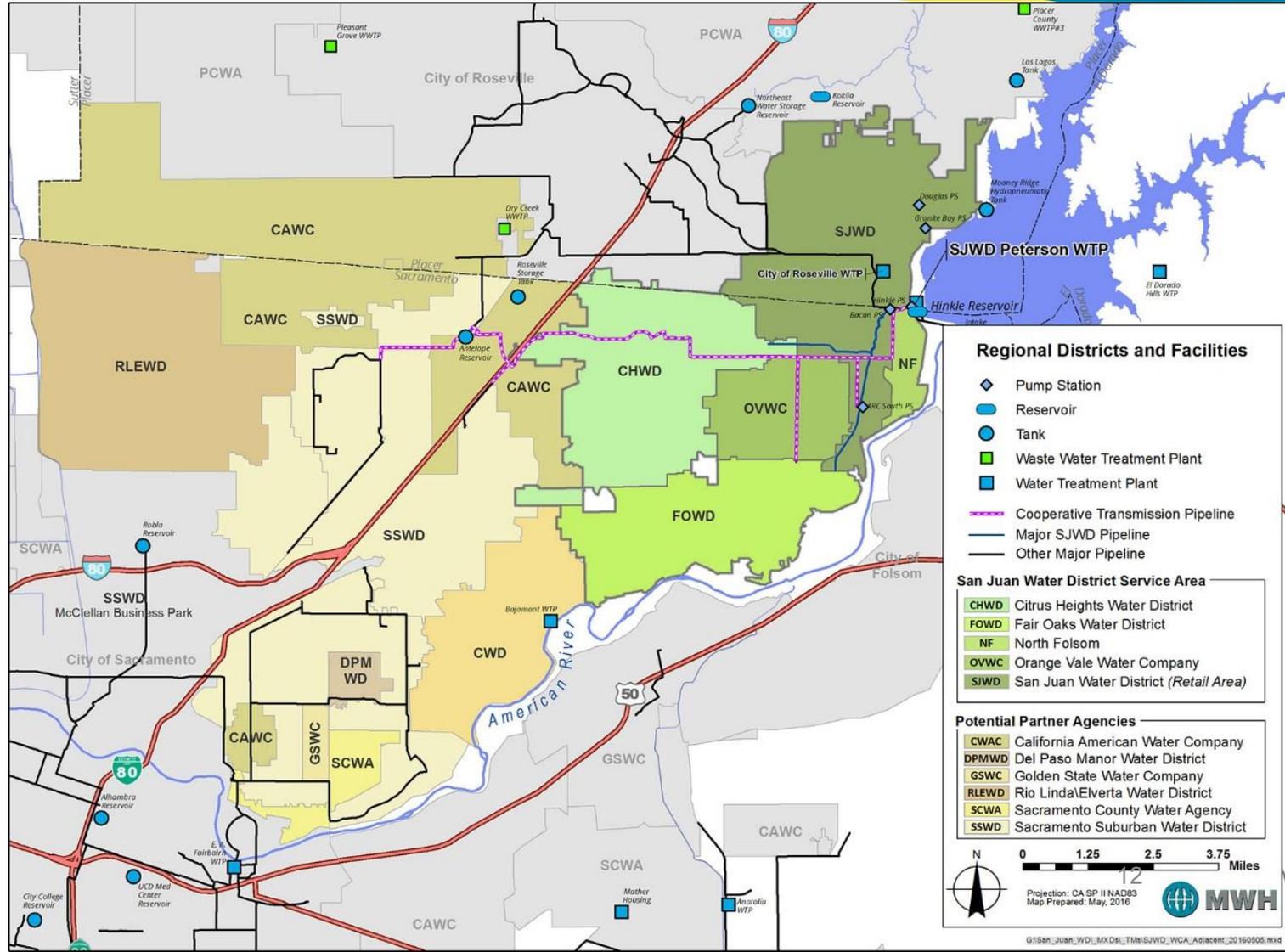
- **Long-term:**

- Incorporate as a WCA and modify the District's CVP contract service area to match.
- Water allocation based on the totality of water availability, but not source-specific, reflecting the District's shortage policy.



# Option B – In-Lieu Banking Program

## Groundwater Users Considered



# Considerations

1. **Supply:** Annual available District surface water supplies
2. **Demand:** Monthly potential demand for each agency based off of historical groundwater use
3. **Treatment:** District's Peterson Water Treatment Plant (WTP) monthly available capacity
4. **Conveyance:** Conveyance capacity to deliver the surface water when demand exists and supplies are available (*to be developed in Feasibility Study stage*)



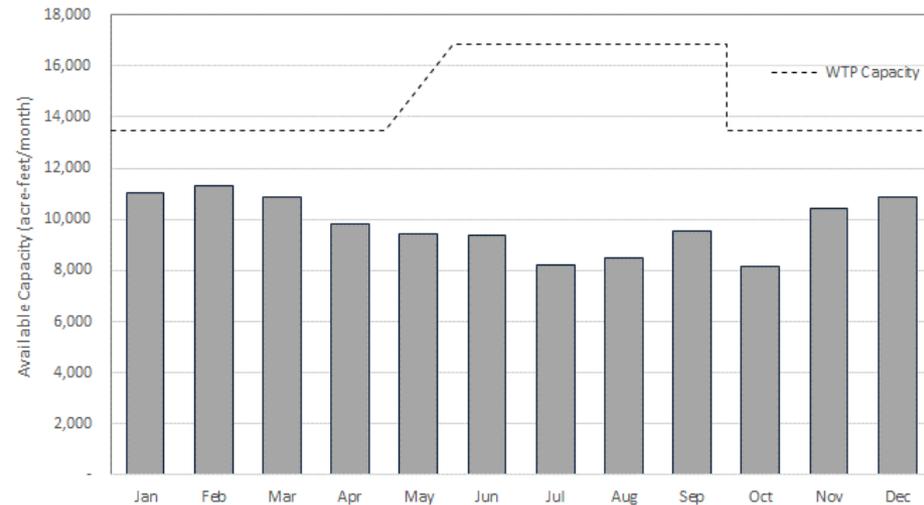
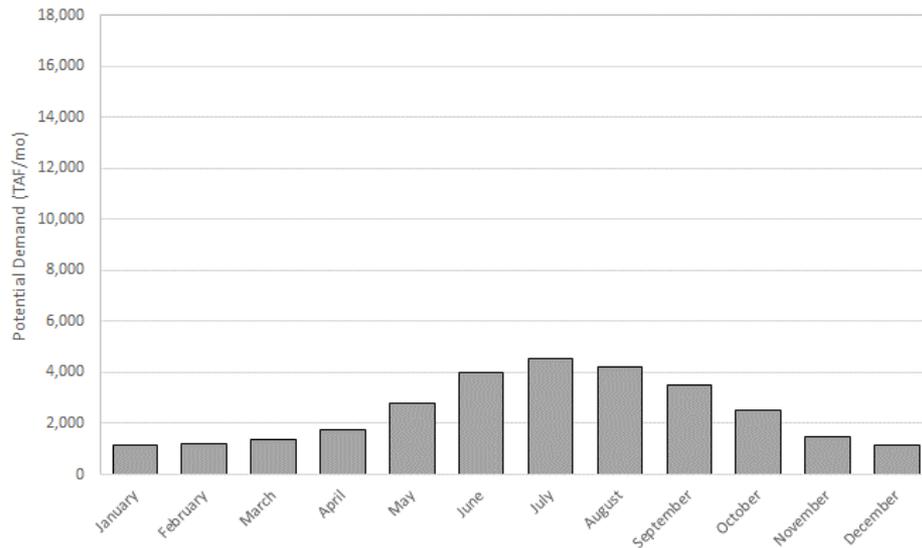
# Summary of Considerations

## During Water Forum Wet/Average Years

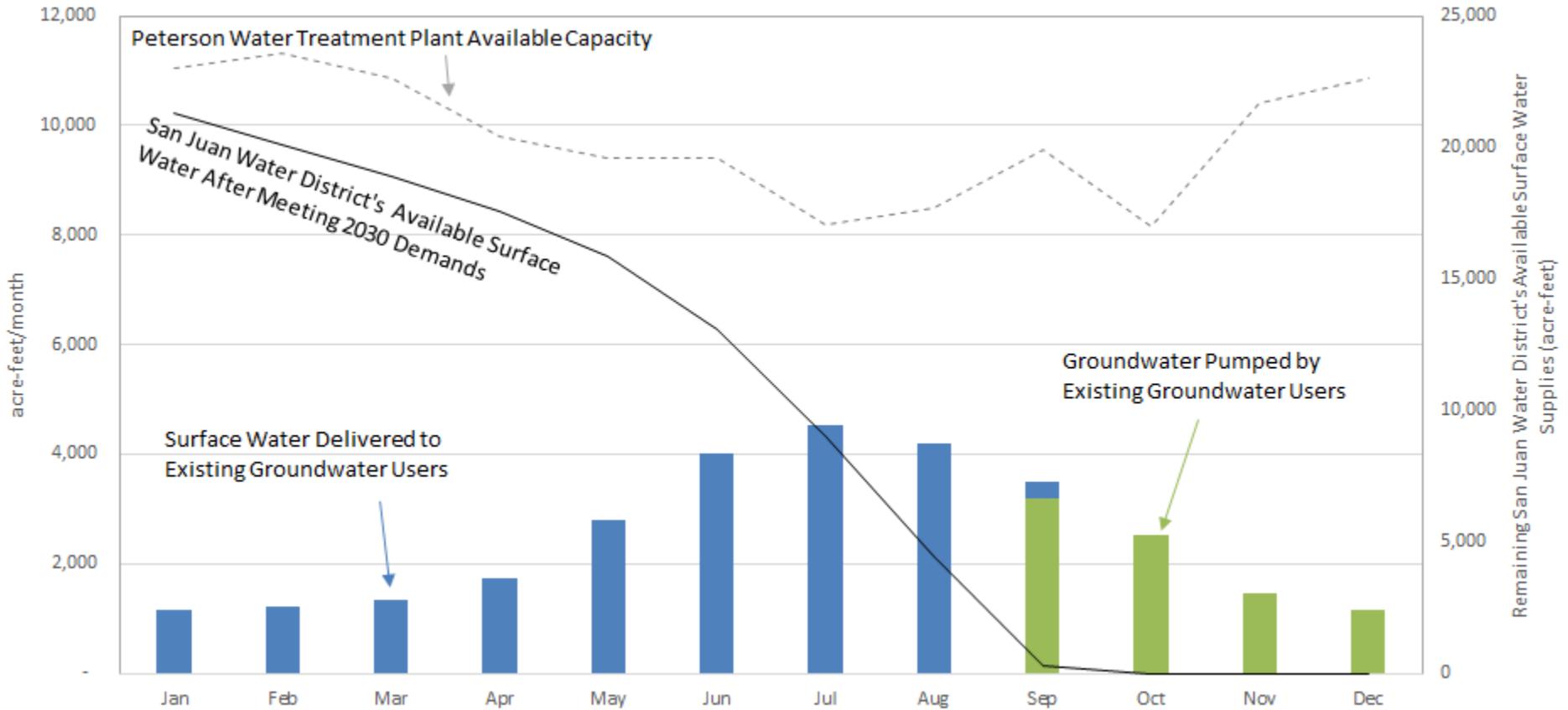
**Available Supply:** 21 TAF/year

**Potential Demand:** 29.6 TAF/year  
(90% of historical groundwater use)

**Available WTP Capacity:** 117.5 TAF/year



# Potential Yield During Water Forum Wet/Average Years



Assuming San Juan Water District's Surface Water Supplies Delivered at Beginning of Calendar Year



# Long-Term Average Yield Summary

Scenario	Long-Term Average Demand (TAF/year) <sup>1</sup>	Long-Term Average Yield (TAF/year) <sup>1</sup>
All Agencies	23.7	17.1
1 – SSWD – North SA	4.4	4.4
2 – CalAm	11.9	11.9
3 – Remaining Agencies	7.5	7.5

Key:

CalAm = California American Water Company

SA = service area

SSWD = Sacramento Suburban Water District – North Service Area

TAF = thousand acre-feet

Note:

1. Long-term average values are assumed equal to Water Forum Wet/Average Year values times the occurrence of Water Forum Wet/Average Year (80%).



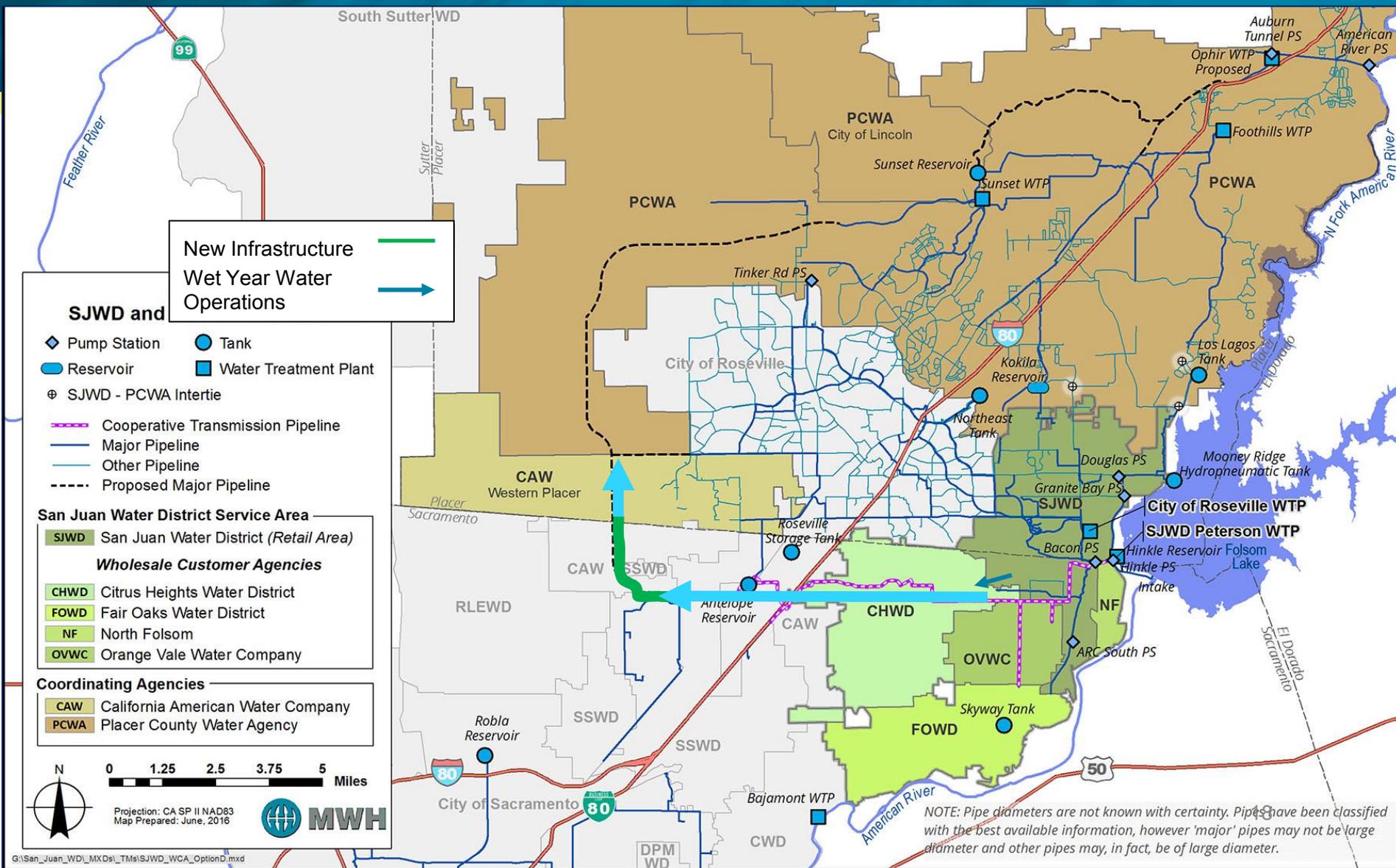
# Option D – SJWD and PCWA Coordination

Optimize the use of the District's Peterson Water Treatment Plant (WTP), PCWA's Foothill WTP, and future Ophir WTP.

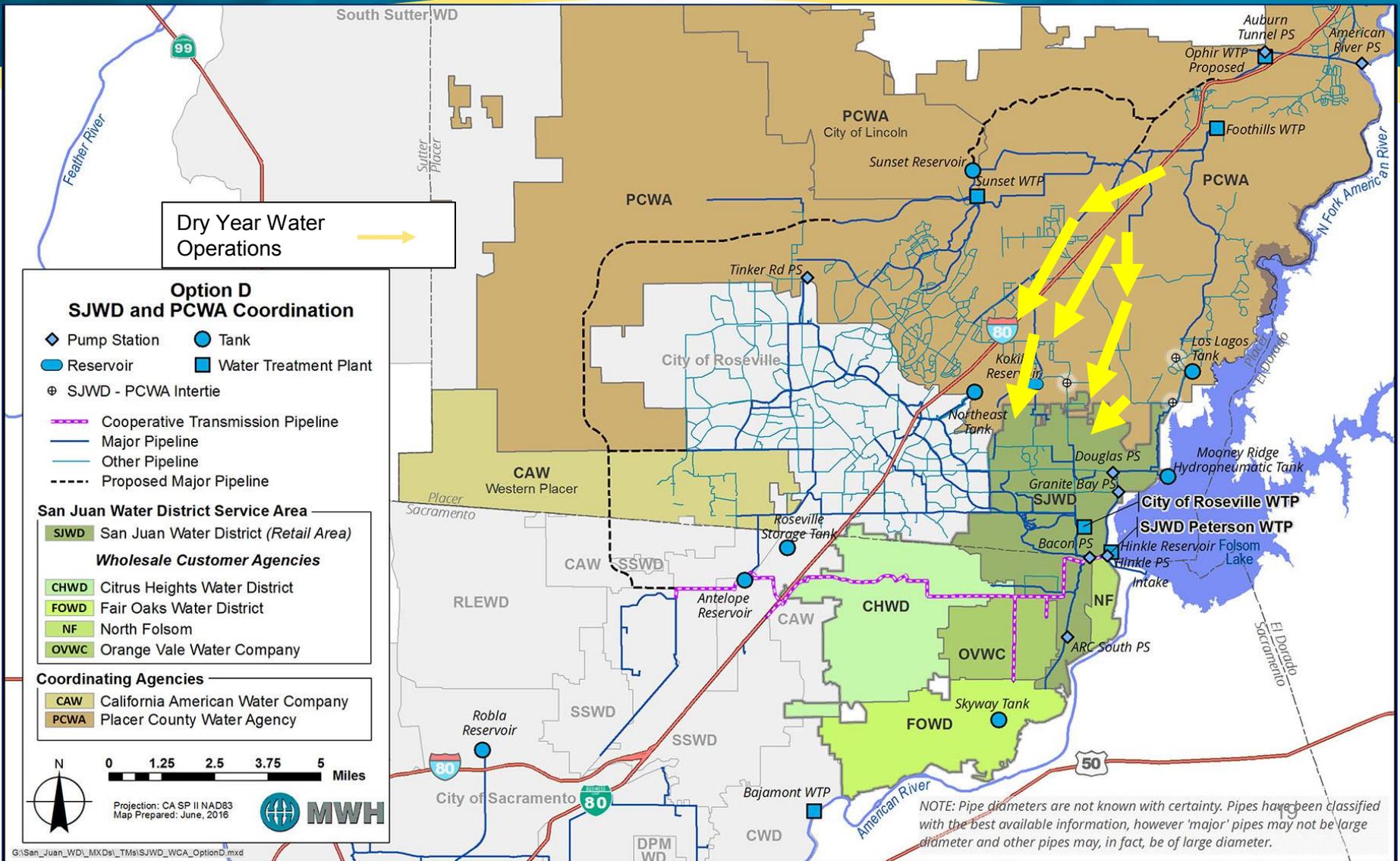
- **Wet/Average Year Operations:** SJWD deliver available surface water to Cal Am's West Placer Service Area
- **Dry Year Operations:** PCWA treat and deliver MFP water to SJWD through existing interties



# Wet/Average Year Operation



# Dry Year Operation



# Long-Term Average Yield Summary

Scenario	Long-Term Average Yield (TAF/year)
<b>Wet/Average Years<sup>1</sup></b>	2.7
<b>Extreme Dry Years<sup>2</sup></b>	0.03

Key:

TAF = thousand acre-feet

Note:

1. Long-term average values are assumed equal to Water Forum Wet/Average Year values times the occurrence of Water Forum Wet/Average Year (80%).
2. Long-term average values are assumed to total capacity of the interties times the occurrence of extreme dry years when water would not be available from Folsom Lake (1%)



# Option E – Merger with Another Agency

- Agencies considered:
  - Sacramento Suburban Water District (SSWD)
  - California American Water Company (Cal Am)
  - Rio Linda Elverta Community Water District (RLECWD)
  - Carmichael Water District (CWD)
  - Golden State Water Company (GSWC)
  - Sacramento County Water Agency (SCWA) – Arden Park Vista zone
- Yield will be similar to the in-lieu potential (Option B)



# Potential Costs

- Liabilities, net position, debt, and capital investments from potential merger agency
- Infrastructure improvements
- Administrative/legal costs



# Option C – Aquifer Storage & Recovery Program

1. Introduction
  - General discussion on ASR Well Program
  
2. ASR Conceptual Program
  - Existing Wells
  - Replacement Wells
  - New ASR Wells
  
3. Economic Considerations
  
4. Environmental and Permitting

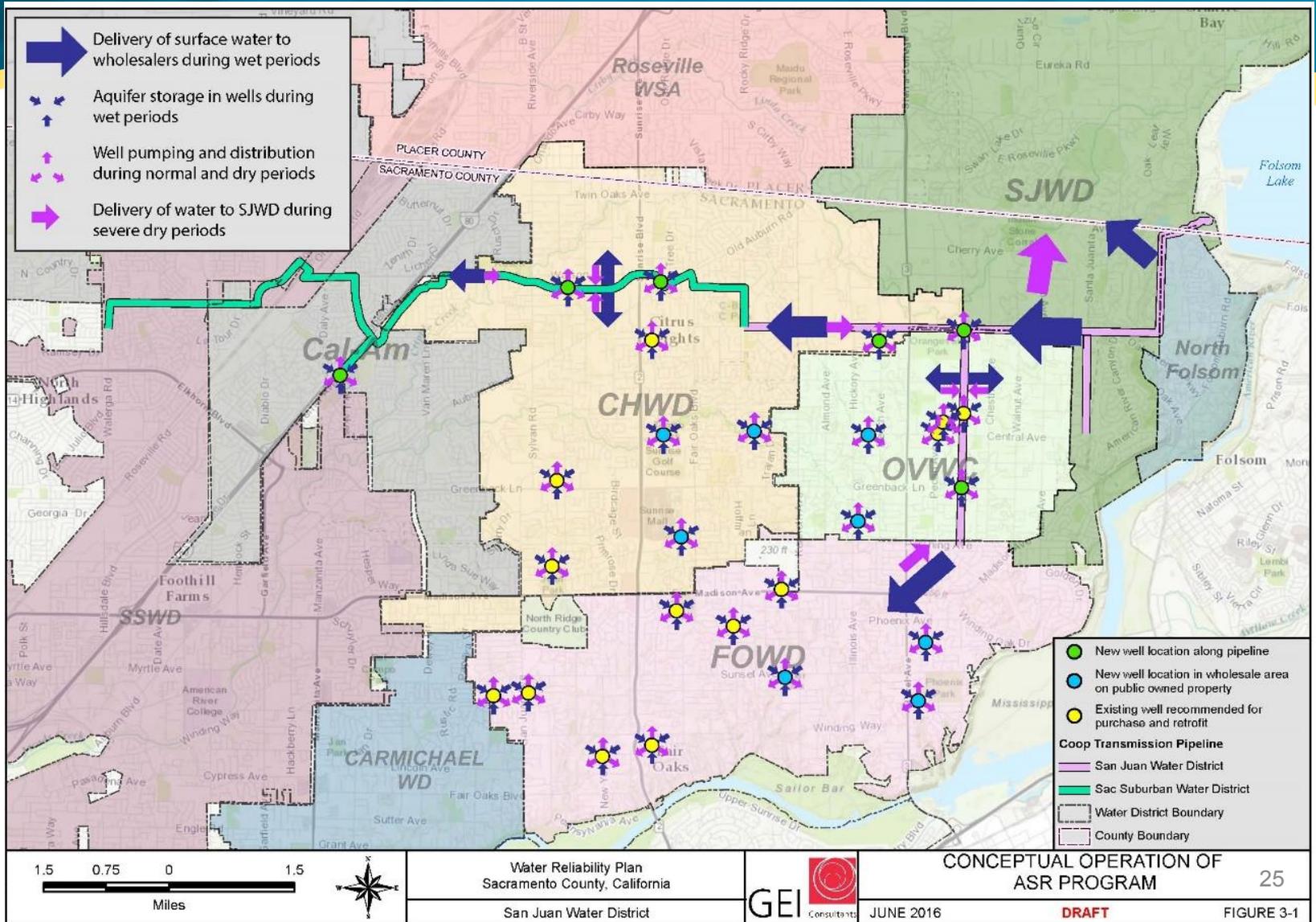


# Introduction - General ASR Discussion

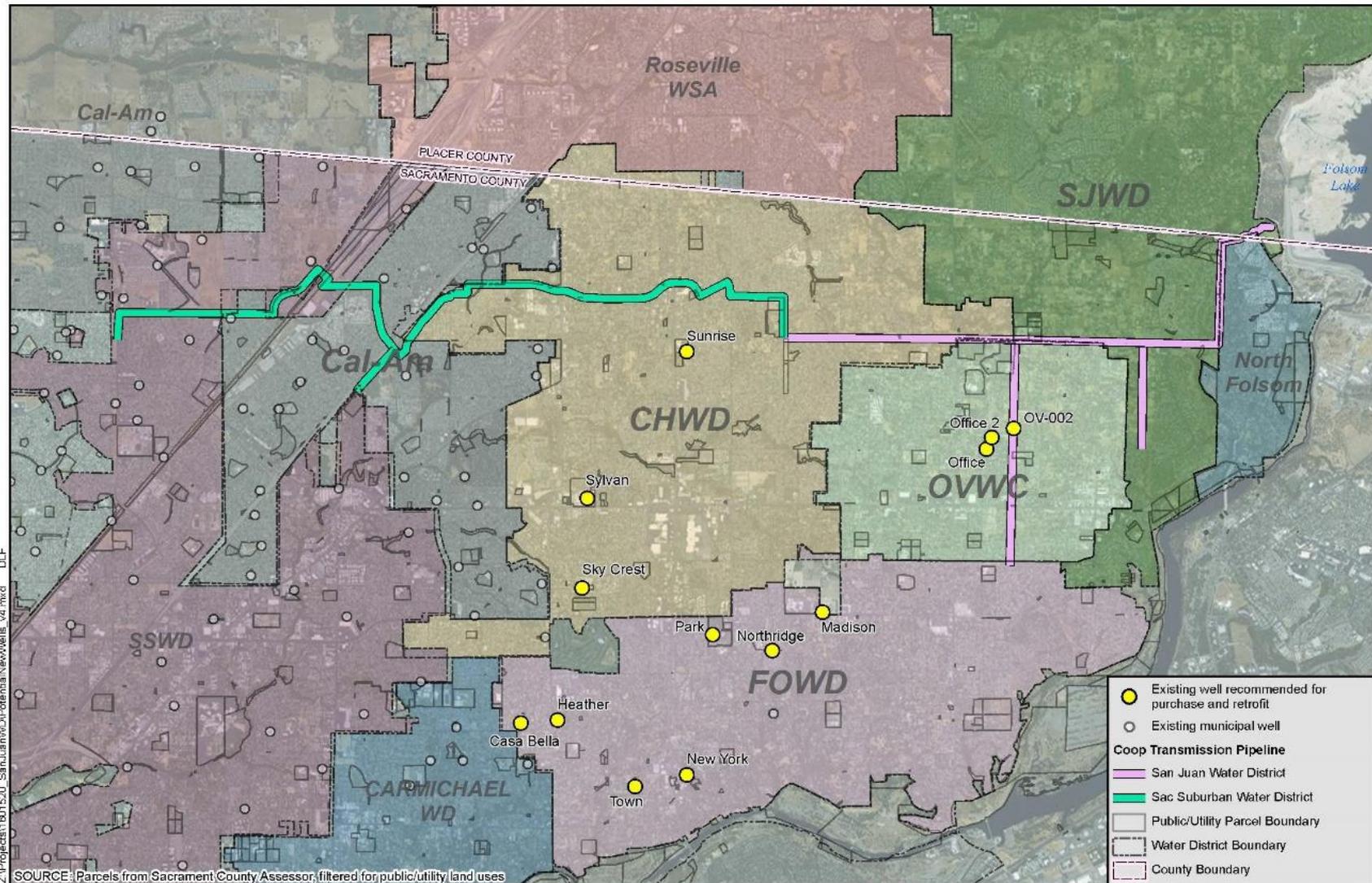
- General Permitting
- Ideal ASR well characteristics
- General ASR well infrastructure
- Water quality
- Operations and maintenance



# 1.0 ASR Conceptual Approach



# Existing Well Locations



10-Jun-2016 Z:\Projects\801520\_SanJuanWD\PotentialNewWells\_v4.mxd DLF

Water Reliability Plan  
Sacramento County, California

San Juan Water District



LOCATIONS OF POTENTIAL EXISTING WELLS  
FOR PURCHASE AND RETROFIT

JUNE 2016

DRAFT

FIGURE 2-2

# Conceptual ASR Program – Existing Wells

## Itemized Existing Well and Site Characteristics

- Permitting status
- Location along transmission pipeline
- Total well depth
- Well diameter
- Production capacity
- Screen intervals
- Year constructed
- Sanitary seal depth
- Casing and screen materials

## Ranked Suitability for ASR Purposes

- Existing Well and Site Characteristics
- Pump type
- Structural defects
- Proximity to contamination
- Water quality



# Conceptual ASR Program – Existing Wells

## Results:

- 13 existing wells
- 9 wells can be used for ASR:
  - 6,600 AFY injection
  - 13,000 AFY extraction
- 1 of 9 will need replacement (currently lined) prior to long term use
- 1 well has perchlorate above MCL, conditionally included, extraction only
- 2 wells identified for replacement, no pumping equipment
- 1 well cannot be replace, only included as extraction under current condition

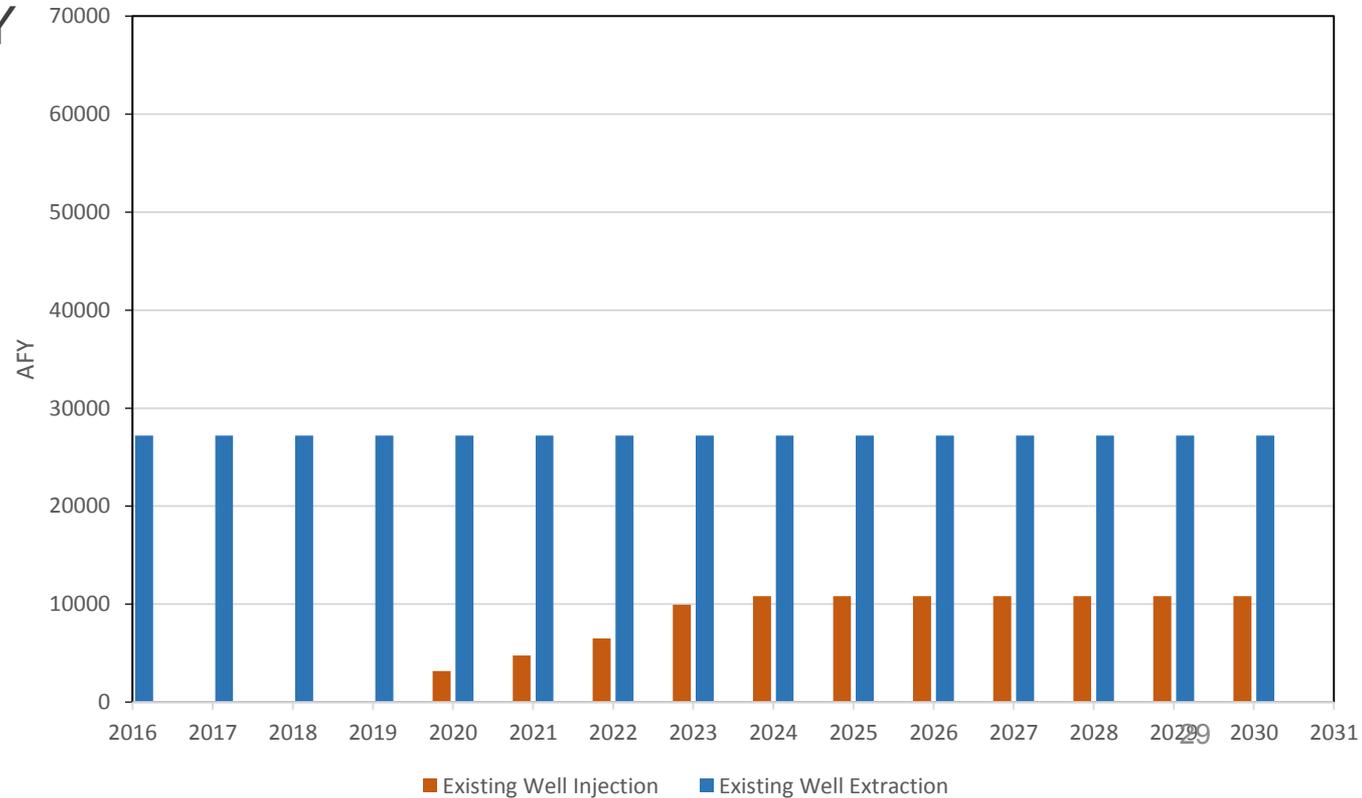
DMS Well ID	Well Name	Screening Criteria Total Score
CHWD-011	Sky Crest	<b>30</b>
FAI-010	Town	<b>28</b>
FAI-011	Heather	<b>28</b>
CHWD-008	Sylvan	<b>26</b>
FAI-012	Madison	<b>26</b>
CHWD-010	Sunrise	<b>25</b>
OV-001	Office	<b>25</b>
OV-003	Office -2	<b>25</b>
FAI-008	Park	<b>24</b>
FAI-009	Northridge	<b>22</b>
FAI-006	New York	<b>19</b>
FAI-007	Casa Bella/Johnson	<b>19</b>
OV-002	Chestnut	<sup>28</sup> <b>17</b>

# Existing Well Implementation Schedule

## Total Wholesale Area:

- Extraction 31,200 AFY
- Injection 15,600 AFY

Existing Well Implementation Schedule



# Conceptual ASR Program – Replacement Wells

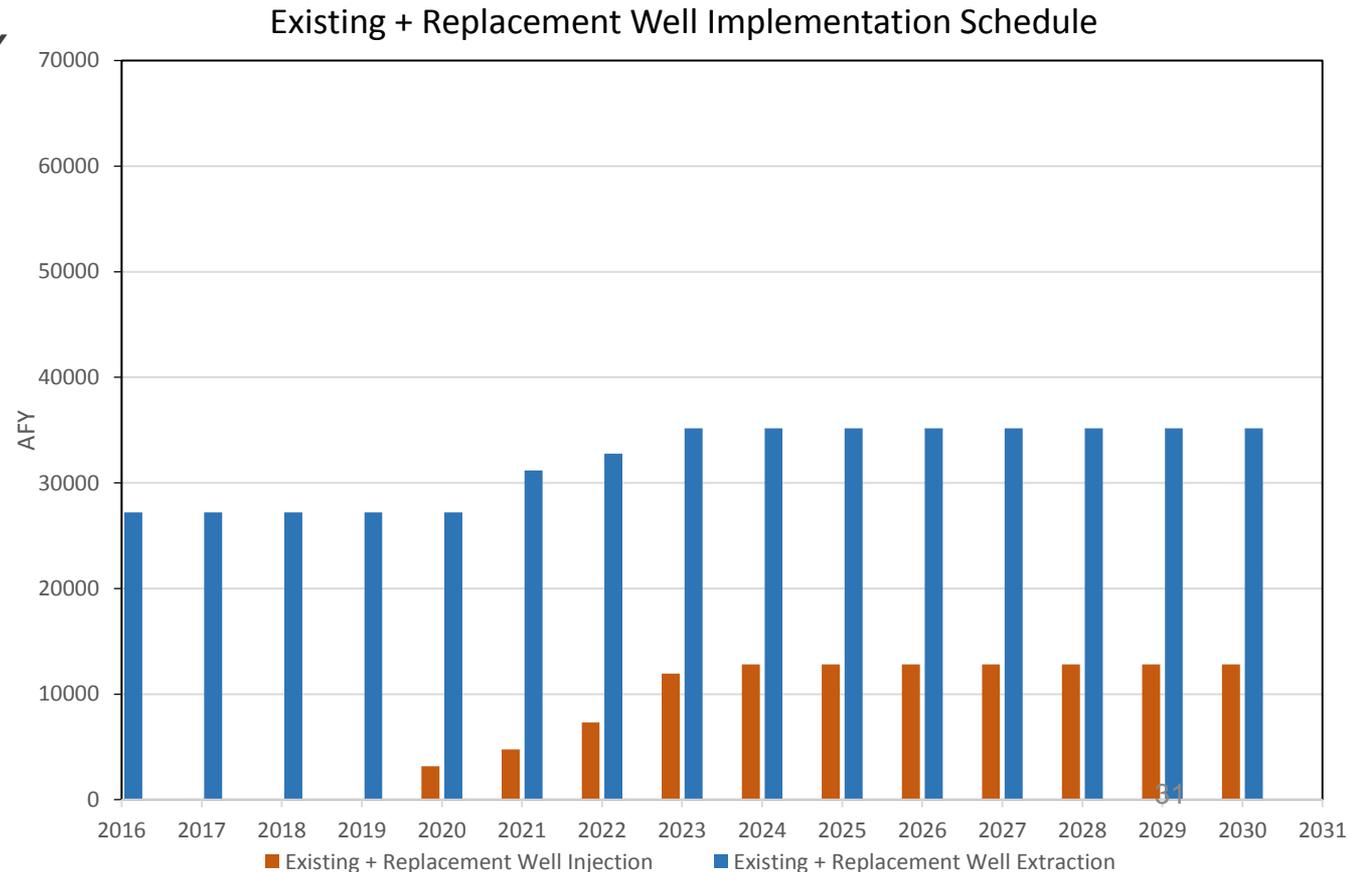
- Wells with Structural Problems: New York, Casa Bella/Johnson, Chestnut
- Two Options:
  - Use as Injection Only
  - Replace to Allow Both Injection and Extraction
- Results:
  - 1,800 AF Injection Capacity
  - 3,500 AF Extraction Capacity



# Existing + Replacement Well Implementation Schedule

## Total Wholesale Area:

- Extraction 35,200 AFY
- Injection 16,400 AFY

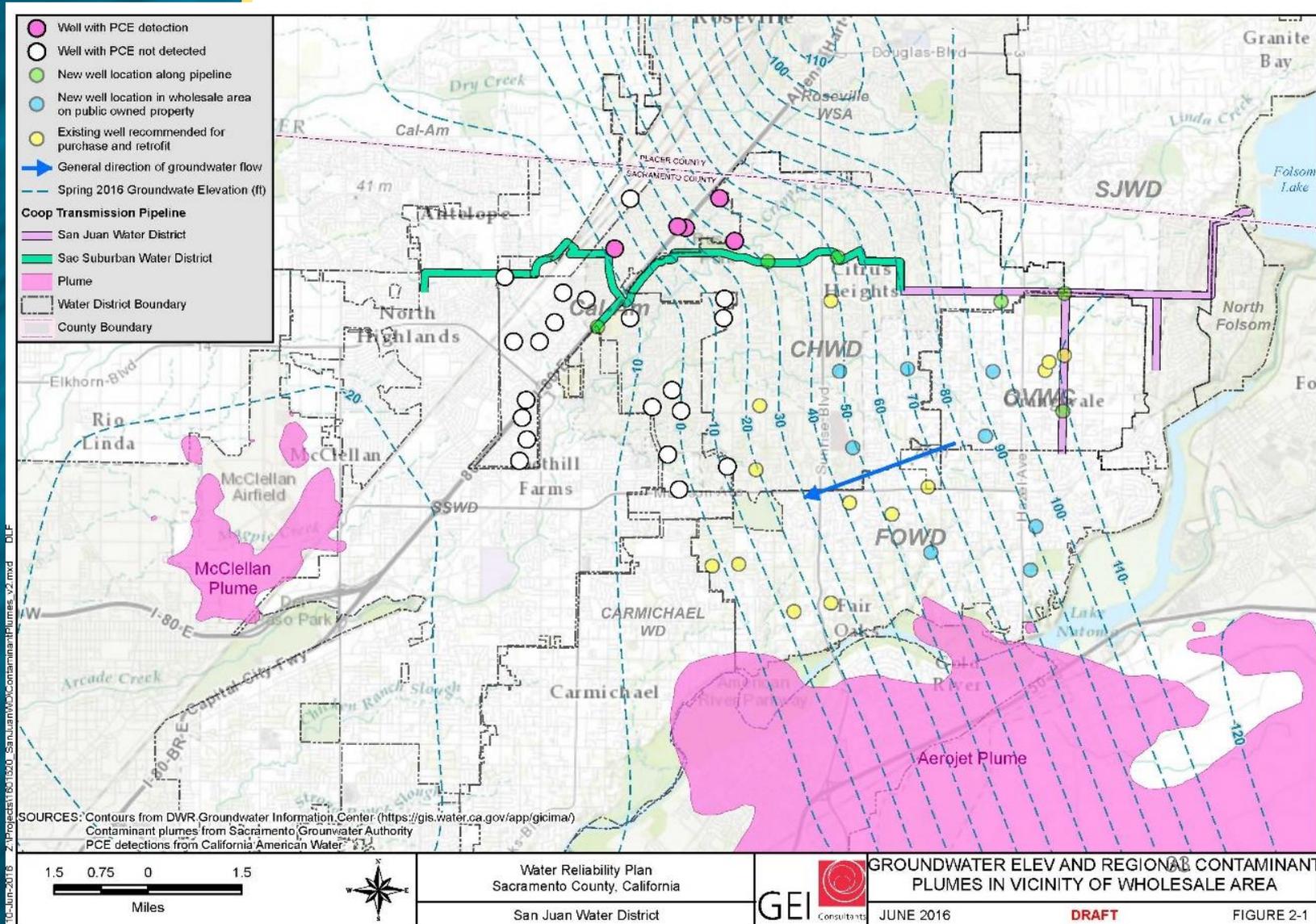


# 2.0 Conceptual ASR Program – New Wells

- Identified Public Owned Sites
- Reviewed WCA Water Master Plans and Files for Future Wells
- Selected General Areas for Wells and Future Property Acquisition
- Excluded Areas Within Areas with Know Contamination (PCE)
- Included Areas where Mounding could Restrict Contaminant Migration
- Estimated Well Interference Distance



# Groundwater Contamination Areas



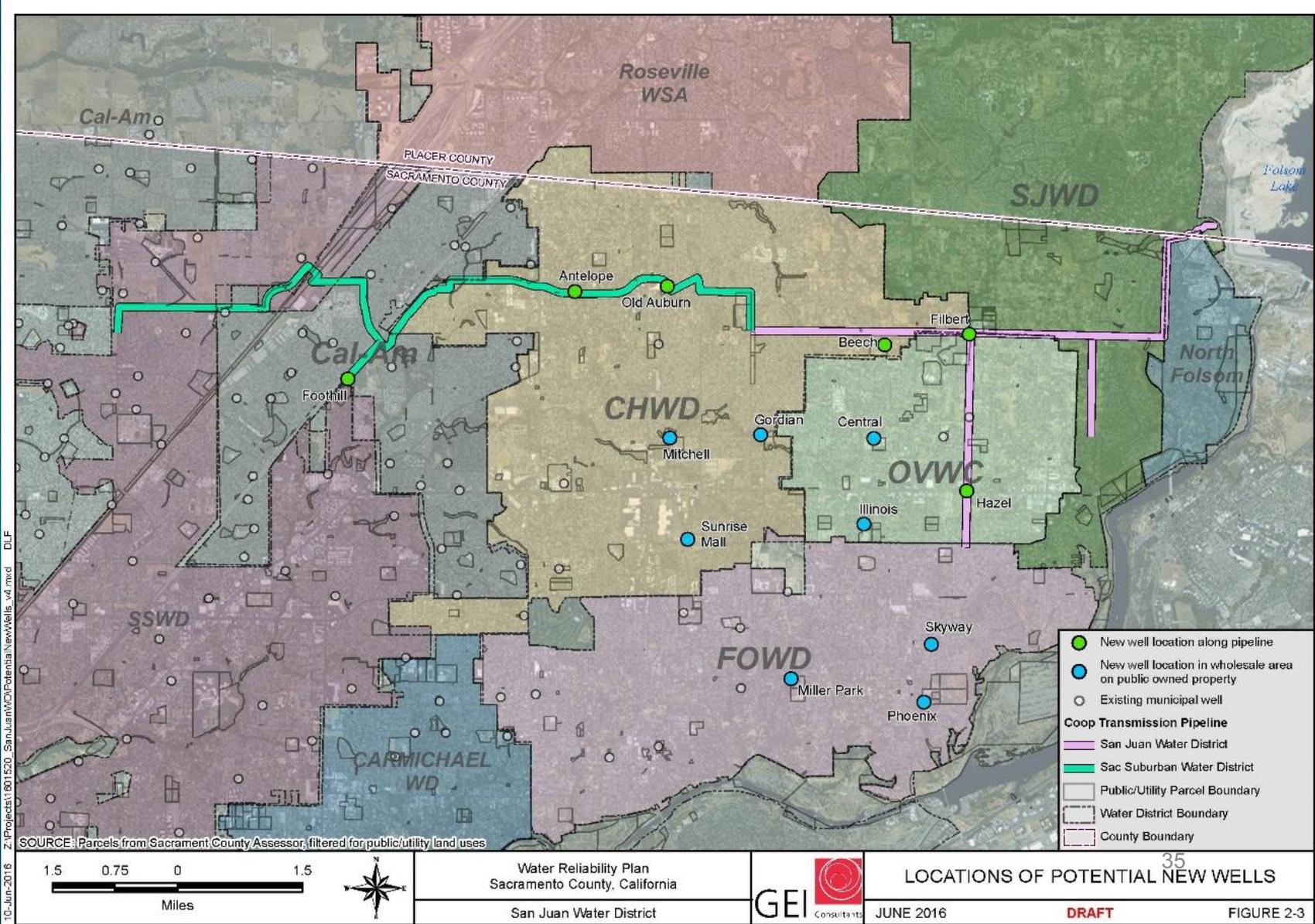
# 2.0 Conceptual ASR Program – New Wells

## Results:

- 14 new well sites identified
- Capacity for all sites within WCAs
  - 13,000 AFY Injection
  - 19,000 AFY Extraction
- Capacity just those sites along cooperative transmission pipeline
  - 5,300 AFY Injection
  - 7,800 AFY Extraction
- 1 potential well site excluded due to “DRY” conditions in test hole
- 1 potential well site outside of WCA
- 1,100 AFY Injection, 16,000 AFY Extraction



# 14 New Well Locations

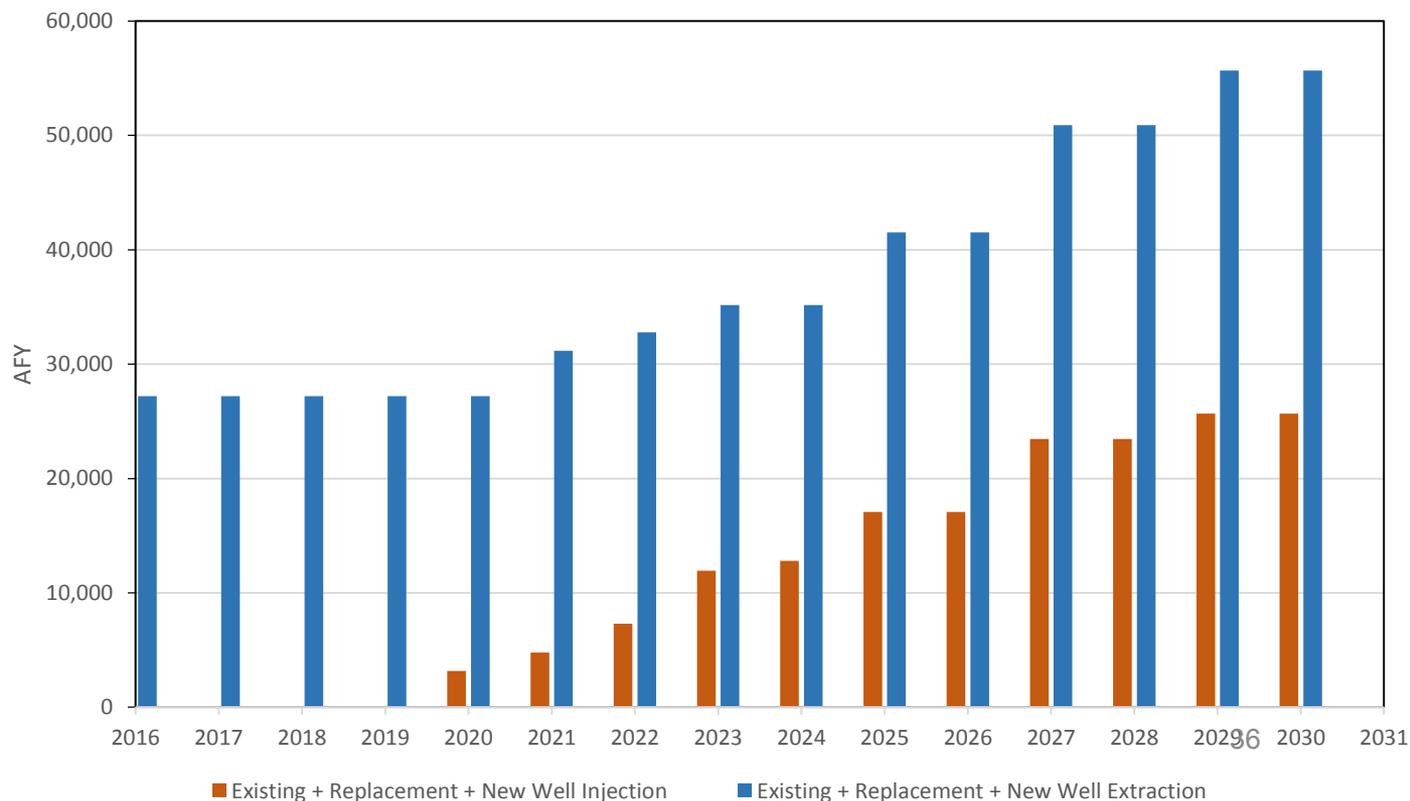


# Existing + Replacement + New Wells Implementation Schedule

## Total Wholesale Area:

- Extraction 55,700 AFY
- Injection 29,300 AFY

ASR Program - Full Implementation Schedule



# Groundwater Storage

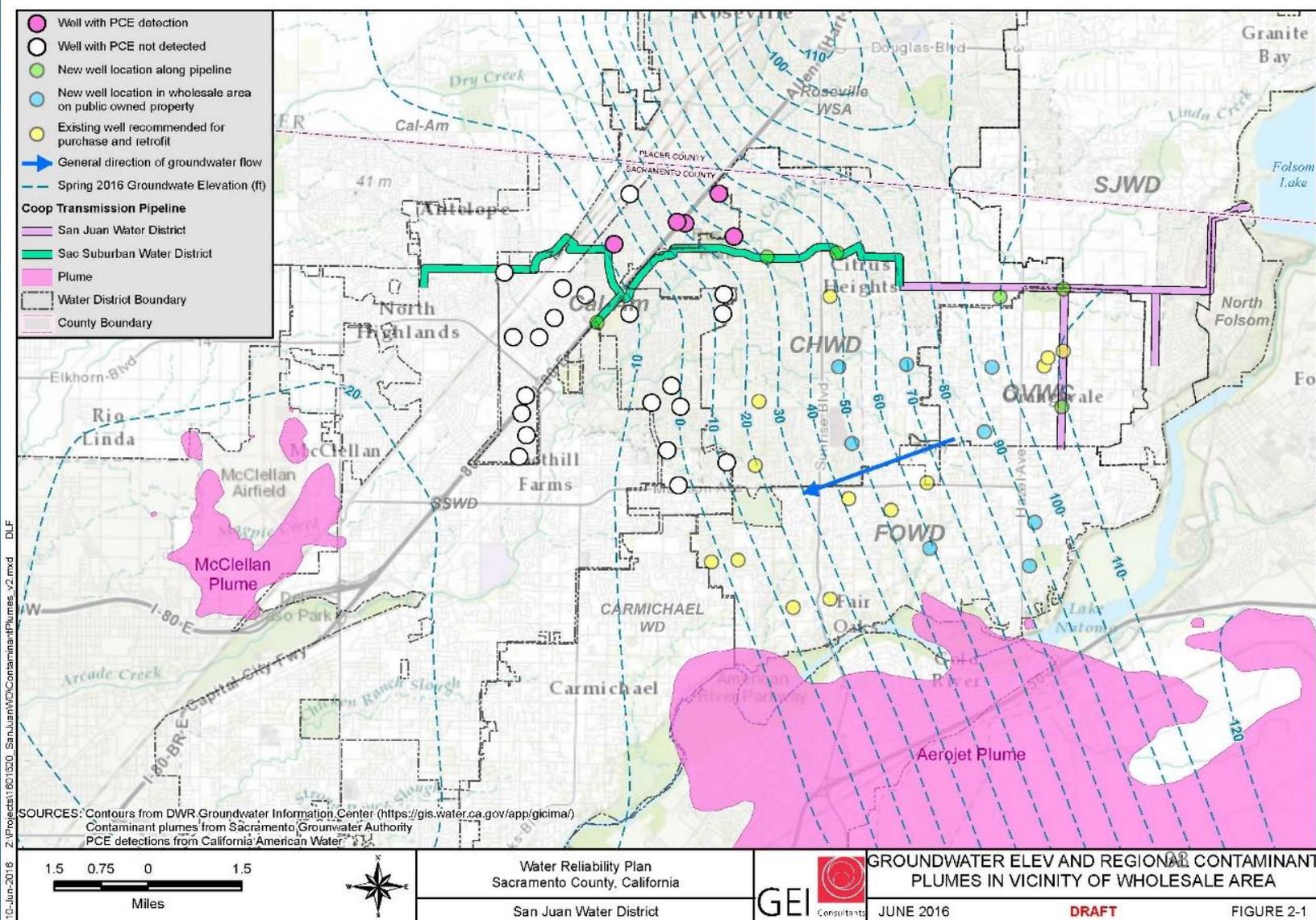
- General discussion how stored water would migrate
- Relation of new and existing wells to pumping depression
- Average Groundwater Travel Time

## Results:

- WCAs are not over-pumping depression
- Molecule of groundwater migrates at a rate of 1 mile in 10 to 30 years
- Put and take cycles changes result, modeling required



# Groundwater Contours Areas

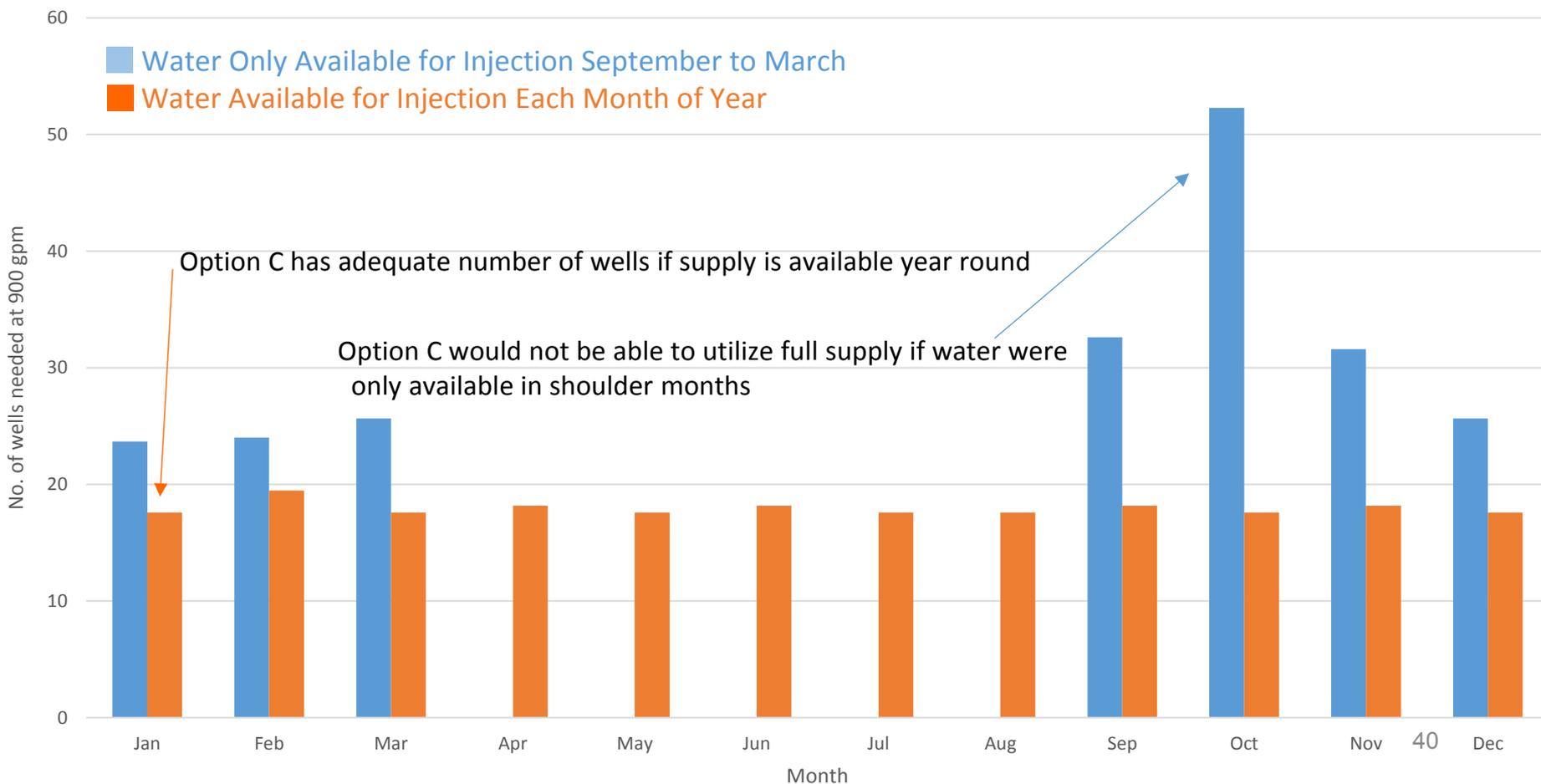


# 2.0 Groundwater Storage

- Groundwater banking:
  - Not necessary to pump back each molecule of water
  - Analyses uses this approach
- Alternative plan not developed
  - Pump out molecules
  - Inject in easterly wells
  - Extract westerly wells



# Number of Well Required to Use Surplus Supply – 21,400 AFY



# Summary ASR Program Capacity

## 27 Total Wells:

- 26 Injection/Extraction
- 1 Extraction Only
- Office-2 Included but will have to be negotiated

Well Type	Capacity Extraction	Injection
Existing	27,206	12,410
Replacement	3,978	1,989
Office -2	3,978	1,989
New Wells	20,524	12,881
<b>Total</b>	<b>55,686</b>	<b>29,268</b>



# 3.0 Economics

## Opinion of Costs:

- Capitol Improvement Projects:
  - \$51 million including purchase of wells
  - \$42 million less well purchase
  
- Annual Operating Costs:
  - \$5 million

Cost Component		Unit Cost	Total
Item	Description		
<b>Capitol and Start-Up Costs</b>			
Well Costs (capitol assets)			
1	Retrofit Existing Well for Injection <sup>1</sup>	\$150,000	\$1,950,000
2	Purchase of Existing Wells <sup>2</sup>	\$750,000	\$9,750,000
3	New Wells <sup>3</sup>	\$3,000,000	\$39,000,000
4	Long Term Operational ASR Permit	\$30,000	\$780,000
5	Administrative and Legal <sup>4</sup>	\$100,000	\$300,000
			<b>\$51,780,000</b>
<b>Annual Cost to Inject and Extract 21,400 AF/year</b>			
6	Treat and Deliver Water for Injection in Wet and Average Years (\$/AF) <sup>5</sup>	\$75	\$1,603,275
5	Well Operation and Maintenance to produce and inject water (\$/AF) <sup>6</sup>	\$150	\$3,206,550
7	ASR Permit Compliance Monitoring and Reporting (\$/Well) <sup>7</sup>	\$2,500	<sup>42</sup> \$67,500
			<b>\$4,877,325</b>

# 4.0 Environmental and Permitting

- RWQCB - General Order ASR
- Water Board – Class V Injection Well Permit General Order ASR
- NEPA – Programmatic EIS
- CEQA – Programmatic EIR
- NPDES – General Order Drinking Water Systems



# Summary

Option A – Total Water Allocation

Option B – In-Lieu Banking

Option C – ASR

Option D – Coordination  
with PCWA

*Wholesale Customer  
Agreement*

Option E – Merger



# Next Steps

Status Meeting with Wholesale Customer Agencies	June 23, 2016
Draft TM5 – Refined Evaluation of Selected Water Management Options	June 24, 2016
Comments due on TM5	July 8, 2016



**Finance Committee Meeting Minutes  
San Juan Water District  
July 12, 2016  
4:00 p.m.**

**Committee Members:** Ted Costa, Director (Chair)  
Pam Tobin

**District Staff:** Shauna Lorange, General Manager  
Keith Durkin, Assistant General Manager  
Donna Silva, Director of Finance  
Michael Stemple, Purchasing Agent  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Review and Pay Bills (W & R)  
Authorization to Extend Contract #14-12 with Sierra National Asphalt for Fiscal Year 2016-2017  
Authorization to Exercise First Renewal Option in Contract #15-53 with GM Construction for Fiscal Year 2016-2017  
Authorization to Replace aged Vehicle #09 – Field Services Truck  
Authorization to Replace Vehicle #22 – Engineering Truck  
Authorization to Replace Vehicle #27 – Conservation Truck  
Authorization to Replace Vehicle #30 – Pooled Vehicle  
Cell Tower Agreements Discussion  
Wholesale 150-Day Rate Notice  
Other Finance Matters  
Public Comment

**1. Review and Pay Bills (W & R)**

The committee reviewed the presented bills and claims. In addition, the committee reviewed the expense reimbursements to the General Manager. The reviewed bills and claims were found to be in order.

*Staff update: the total amount of bills and claims provided for approval for June payables is \$2,752,904.04.*

*The Finance Committee recommends adoption of Resolution 16-11 via the Board Consent Calendar*

**2. Authorization to Extend Contract #14-12 with Sierra National Asphalt for Fiscal Year 2016-2017**

Mr. Stemple informed the committee that the contract with Sierra National Asphalt includes three one-year renewal options. Staff recommends that the second extension of this contract in an amount not to exceed \$100,000 (\$9.99/SQFT) for the FY 2016-2017 be approved. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends authorizing staff to extend the paving agreement with Sierra National Asphalt in an amount not to exceed \$100,000 for FY 2016-2017 via the Board Consent Calendar

**3. Authorization to Exercise First Renewal Option in Contract #15-53 with GM Construction for Fiscal Year 2016-2017**

Mr. Stemple informed the committee that the Time and Materials contract with GM Construction includes three one-year renewal options. He explained that GM Construction requested a 2.5% increase in the standard pricing for the installation services, due to increases in prevailing labor wage rates for the next fiscal year. He stated that that, even with the 2.5% increase, GM Construction's initial bid would still fall below the second lowest bid received previously. Staff recommends that the first extension of this contract, in an amount not to exceed \$137,800, to cover FY 2016-2017 be approved. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends authorizing staff to exercise the first renewal option of the Time and Materials contract with GM Construction, in an amount not to exceed \$137,800 for Fiscal Year 2016-2017 via the Board Consent Calendar

**4. Authorization to Replace aged Vehicle #09 – Field Services Truck**

Ms. Lorance informed the committee that Agenda Items 4, 6 and 7 were included in the FY2015-16 budget; however, due to lead-time constraints and lease vs. purchase analysis the vehicles were not able to be purchased in FY2015-16. Ms. Silva explained that due to the District's practice of replacing vehicles when the vehicle reaches 10 years of service life or has over 100,000 miles; a five year lease would result in the district effectively paying for two cars over the 10 year life. Therefore, staff determined that purchasing is significantly more cost effective than leasing the vehicles. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends authorizing staff to purchase a 2016 Ford F450 for Field Services, a replacement for Vehicle #09, in the amount of \$45,991 via the Board Consent Calendar

**5. Authorization to Replace Vehicle #22 – Engineering Truck**

Ms. Lorance informed the committee that Vehicle #22 was involved in an accident and the insurance carrier (JPIA) deemed it a total loss. Ms. Silva reported that the District received \$10,734.20 for the totaled vehicle and placed those funds in the retail capital reserve fund. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends authorizing staff to purchase a 2016 Ford F150 in the amount of \$30,411 to replace damaged Vehicle #22 for the Engineering Department via the Board Consent Calendar

**6. Authorization to Replace Vehicle #27 – Conservation Truck**

This item was covered under Agenda Item 4. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends authorizing staff to purchase a 2016 Chevrolet Colorado in the amount of \$24,613 to replace aged Vehicle #27 for the Conservation Department via the Board Consent Calendar

**7. Authorization to Replace Vehicle #30 – Pooled Vehicle**

This item was covered under Agenda Item 4. A copy of the staff report will be attached to the meeting minutes.

*The Finance Committee recommends authorizing staff to purchase a 2017 Ford Escape SE 4WD in the amount of \$24,527 to replace Vehicle #30 for general District use via the Board Consent Calendar*

**8. Cell Tower Agreements Discussion**

Ms. Silva informed the committee that the Cell Tower Lease Information document that was provided in the Board packet was revised and the new document was handed out. A copy of the revised document will be attached to the meeting minutes.

The committee reviewed the table which reflects the terms of the four cell tower lease agreements. It was explained that each contract has renewable options for five years – two have four 5-year options and two have five 5-year options. Each contract ends after the last renewable option year. In addition, the rental amounts have increased by 5% annually since the first year per each contract.

The committee discussed the information and was pleased to find out that there is an end date to the lease agreements and that annual rental increases have been collected by the District.

**9. Wholesale 150-Day Rate Notice**

Ms. Lorance informed the committee that the current Wholesale Water Supply Agreements require a 150-day rate notice to be mailed to the wholesale customer agencies 150 days prior to consideration of a change to the wholesale water rates. Staff is requesting authorization to send out the attached letter, along with the draft wholesale financial plan when it is completed, to the Wholesale Customer Agencies. It is anticipated the draft plan will be completed by August 1<sup>st</sup>. The letter provided in the Board packet has been revised by Legal Counsel and the new version was provided to the committee. A copy of the staff report and the revised draft letter will be attached to the meeting minutes.

Ms. Lorance explained that Proposition 218 does not apply to wholesale water rates, so it is appropriate to send out the financial plan recommendations within the notification. The Board can still ultimately adopt higher or lower rate increases after the 150 day period. Mr. Durkin commented that he attended the Fair Oaks Water District Board meeting on July 11<sup>th</sup> and informed them of the recommended rate increases that were presented to the Board at the workshop.

**10. Other Finance Matters (W & R)**

There were no other matters discussed.

**11. Public Comment**

There were no public comments.

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

**San Juan Water District**

**RESOLUTION 16-11  
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$2,752,904.04; 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 \$2,752,904.04 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 \$2,752,904.04 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 12th day of July 2016, by the following vote:

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

ATTEST

\_\_\_\_\_  
PAMELA TOBIN  
President, Board of Directors  
San Juan Water District

\_\_\_\_\_  
TERI GRANT  
Secretary, Board of Directors

## July 2016 Payment Register

**Paid in Advance:**

<u>Check Date:</u>	<u>Vendor:</u>		<u>Amount:</u>
06/30/2016	Payroll		674,944.55
07/12/2016	Western Area Power Admin - CVP O&M Program Funding	EFT 404558	6,512.28
07/07/2016	Nathaniel Lee Medlar - Weed Services	CK 50211	6,000.00
06/23/2016	AFLAC - Payroll	CK 50205	1,154.68
06/23/2016	Galic Disbursing Company - Payroll	CK 50207	400.00
07/12/2016	Galic Disbursing Company - Payroll	CK 50212	400.00
06/23/2016	WageWorks, Inc - Payroll	EFT 404556	340.23
07/07/2016	WageWorks, Inc - Payroll	EFT 404557	340.23
06/23/2016	Franchise Tax Board - Payroll	CK 50206	295.00
07/07/2016	Franchise Tax Board - Payroll	CK 50210	295.00
07/07/2016	CalPERS Long Term Care - Payroll	CK 50209	227.66
06/23/2016	ACWA / JPIA - EAP	EFT 404555	103.40
06/23/2016	ACWA / JPIA - EAP	EFT 404554	101.05
<b>Total Paid in Advance</b>			<b>691,114.08</b>

**Checks:**

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

Regular Checks	1,744,701.08
EFT's	273,539.20
<b>Total Check Register</b>	
<b>2,018,240.28</b>	

**Pending Payables:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
1635	Crocker & Crocker - WH May Services	6,631.08	20,992.80
1658	Crocker & Crocker - WH June Services	4,720.62	
1615	Crocker & Crocker - WH April Services	3,452.95	
1636	Crocker & Crocker - RT May Services	3,179.25	
1657	Crocker & Crocker - RT June Services	3,008.90	
Jun Statement	US Bank - CalCards	12,296.85	12,296.85
487943-H	HDR - GB BPS Improvement Project	7,557.14	7,557.14
21	Syblon Reid - GB Booster Pump Station	2,419.01	2,419.01
11250240	CalPERS Long Term Care - Payroll	227.66	227.66
031519820	Safeguard - Deposit Tickets	56.22	56.22
<b>Total Pending Payables</b>			<b>43,549.68</b>

<b>REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE</b>	<b>2,752,904.04</b>
--	---------------------

**Adjustments:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
<b>TOTAL PAID AND PAYABLE</b>			<b>2,752,904.04</b>

Signature \_\_\_\_\_

Signature \_\_\_\_\_



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
01569	5Employee Relations, Inc.	07/13/2016	Regular	0.00	127.25	50213
03401	ABC Supply Inc	07/13/2016	Regular	0.00	78.12	50214
03091	Ace Hardware - Auburn Folsom Act#2	07/13/2016	Regular	0.00	248.67	50215
01041	Afman, Todd R	07/13/2016	Regular	0.00	510.53	50216
01061	All Electric Motors, Inc.	07/13/2016	Regular	0.00	7,043.65	50217
01073	Amarjeet Singh Garcha	07/13/2016	Regular	0.00	3,300.00	50218
01026	American River Ace Hardware, Inc.	07/13/2016	Regular	0.00	162.14	50219
02463	AnswerNet	07/13/2016	Regular	0.00	242.10	50220
01111	Applied Best Practices, LLC	07/13/2016	Regular	0.00	301.50	50221
03391	Artistic Collision Center Inc.	07/13/2016	Regular	0.00	1,887.31	50222
03370	AT Battery Company	07/13/2016	Regular	0.00	1,917.87	50223
01138	AT&T Mobility II LLC	07/13/2016	Regular	0.00	61.66	50224
01182	Bartkiewicz, Kronick & Shanahan	07/13/2016	Regular	0.00	14,391.61	50225
01200	Berco Redwood, Incorporated	07/13/2016	Regular	0.00	1,229.77	50226
03393	Bowler, John OR Ann	07/13/2016	Regular	0.00	2.08	50227
01234	Bryce Consulting, Inc.	07/13/2016	Regular	0.00	5,642.50	50228
01259	California Utility Executive Managemen	07/13/2016	Regular	0.00	400.00	50229
03104	Capital Datacorp	07/13/2016	Regular	0.00	142.79	50230
01372	City of Folsom	07/13/2016	Regular	0.00	30.24	50231
01374	City of Sacramento - Department of U	07/13/2016	Regular	0.00	500.00	50232
01378	Clark Pest Control	07/13/2016	Regular	0.00	150.00	50233
02613	Clark, Tom	07/13/2016	Regular	0.00	105.00	50234
01494	Dewey Services Inc.	07/13/2016	Regular	0.00	82.00	50235
03394	Dittig, Jim OR Barbara	07/13/2016	Regular	0.00	92.03	50236
03147	EDGES ELECTRICAL GROUP LLC	07/13/2016	Regular	0.00	740.72	50237
03400	Eipper, William	07/13/2016	Regular	0.00	87.48	50238
03350	Firecode Safety Equipment, Inc.	07/13/2016	Regular	0.00	899.26	50239
01630	FM Graphics, Inc.	07/13/2016	Regular	0.00	1,013.73	50240
03173	Foley, Jacqueline	07/13/2016	Regular	0.00	258.68	50241
01634	Folsom Lake Ford, Inc.	07/13/2016	Regular	0.00	3,480.37	50242
03089	Fulton, Jonathan	07/13/2016	Regular	0.00	130.00	50243
03389	Georgia Western, Inc.	07/13/2016	Regular	0.00	1,369.83	50244
01068	Glenn C. Walker	07/13/2016	Regular	0.00	993.00	50245
01681	Golden State Flow Measurements, Inc	07/13/2016	Regular	0.00	8,550.06	50246
02567	Grant, Teri	07/13/2016	Regular	0.00	174.00	50247
01706	Graymont Western US Inc.	07/13/2016	Regular	0.00	5,936.00	50248
03145	Grove Toys Inc	07/13/2016	Regular	0.00	310.59	50249
01733	Harris Industrial Gases	07/13/2016	Regular	0.00	180.94	50250
03383	Inferrera Construction Management G	07/13/2016	Regular	0.00	16,842.50	50251
01796	Insomniac Productions Inc.	07/13/2016	Regular	0.00	48.38	50252
03395	Julius, Deborah	07/13/2016	Regular	0.00	19.77	50253
03074	Kirby's Pump & Mechanical Inc	07/13/2016	Regular	0.00	2,678.97	50254
03396	Live Oak Landscapes	07/13/2016	Regular	0.00	155.00	50255
01982	Machado, George	07/13/2016	Regular	0.00	169.00	50256
02024	MCI WORLDCOM	07/13/2016	Regular	0.00	126.65	50257
03300	Meyers Fozi, LLP	07/13/2016	Regular	0.00	100.48	50258
02050	Miles Treaster & Associates (MTA)	07/13/2016	Regular	0.00	873.16	50259
03398	Miller Equipment Rental	07/13/2016	Regular	0.00	55.00	50260
03386	Myers & Sons Construction, LP	07/13/2016	Regular	0.00	440,286.90	50261
02131	Office Depot, Inc.	07/13/2016	Regular	0.00	3,048.78	50262
	**Void**	07/13/2016	Regular	0.00	0.00	50263
	**Void**	07/13/2016	Regular	0.00	0.00	50264
	**Void**	07/13/2016	Regular	0.00	0.00	50265
02150	Pace Supply Corp	07/13/2016	Regular	0.00	5,338.06	50266

Check Register

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03374	Pamela Kay Hurt	07/13/2016	Regular	0.00	562.50	50267
03329	Paradyne, Inc.	07/13/2016	Regular	0.00	5,040.72	50268
03399	Peterson, Bob OR Janet	07/13/2016	Regular	0.00	478.04	50269
03026	PFM Asset Management	07/13/2016	Regular	0.00	4,780.49	50270
02146	PG&E	07/13/2016	Regular	0.00	2,111.74	50271
	**Void**	07/13/2016	Regular	0.00	0.00	50272
02210	Placer County Water Agency	07/13/2016	Regular	0.00	35,150.54	50273
03150	Professional Id Cards Inc	07/13/2016	Regular	0.00	30.80	50274
02281	Ray A Morgan Company Inc	07/13/2016	Regular	0.00	1,209.04	50275
02283	Recology Auburn Placer	07/13/2016	Regular	0.00	640.70	50276
02223	Rexel Inc (Platt - Rancho Cordova)	07/13/2016	Regular	0.00	1,098.70	50277
02293	RFI Enterprises, Inc	07/13/2016	Regular	0.00	1,827.40	50278
03092	Rich, Dan	07/13/2016	Regular	0.00	237.60	50279
03390	Robert K. Miller	07/13/2016	Regular	0.00	246.00	50280
02357	Sacramento Municipal Utility District (	07/13/2016	Regular	0.00	17,362.01	50281
02395	SAFETY KLEEN SYSTEMS INC.	07/13/2016	Regular	0.00	1,260.20	50282
02407	Scheetz Welding Service Inc.	07/13/2016	Regular	0.00	360.00	50283
02446	Sierra Chemical Co	07/13/2016	Regular	0.00	10,993.71	50284
03086	Sierra Saw Power Equipment Center	07/13/2016	Regular	0.00	241.66	50285
03337	Simon, Marlene	07/13/2016	Regular	0.00	350.00	50286
02049	Stemple, Mike	07/13/2016	Regular	0.00	10.00	50287
01411	SureWest Telephone	07/13/2016	Regular	0.00	1,601.53	50288
02570	Terry, Patrick J.	07/13/2016	Regular	0.00	1,535.00	50289
02629	Trench & Traffic Supply Inc.	07/13/2016	Regular	0.00	157.15	50290
02648	Union Bank of CA, NA 2009A	07/13/2016	Regular	0.00	824,766.72	50291
02649	Union Bank of CA, NA 2012A&B	07/13/2016	Regular	0.00	263,034.11	50292
02651	United Parcel Service Inc	07/13/2016	Regular	0.00	384.75	50293
03284	Vavrinek, Trine, Day & Co, LLP	07/13/2016	Regular	0.00	1,755.00	50294
02690	Verizon Wireless	07/13/2016	Regular	0.00	504.93	50295
02700	Viking Shred LLC	07/13/2016	Regular	0.00	50.00	50296
01687	W. W. Grainger, Inc.	07/13/2016	Regular	0.00	55.56	50297
02717	Water Research Foundation	07/13/2016	Regular	0.00	34,308.00	50298
	**Void**	07/13/2016	Regular	0.00	0.00	50299
02311	Watson, Rob	07/13/2016	Regular	0.00	40.35	50300
01048	Airgas, Inc	07/13/2016	EFT	0.00	217.42	404559
01081	American Messaging Services, LLC	07/13/2016	EFT	0.00	33.01	404560
03340	Carbon Sales, Inc.	07/13/2016	EFT	0.00	16,373.20	404561
03221	Chemtrade Chemicals Corporation	07/13/2016	EFT	0.00	36,848.93	404562
03065	Consolidated Electrical Distributors, In	07/13/2016	EFT	0.00	467.53	404563
01521	DataProse, LLC	07/13/2016	EFT	0.00	18,404.18	404564
01486	Department of Energy	07/13/2016	EFT	0.00	5,932.94	404565
01909	Durkin, Keith	07/13/2016	EFT	0.00	13.75	404566
01574	Endress + Hauser, Inc.	07/13/2016	EFT	0.00	1,018.93	404567
01589	Eurofins Eaton Analytical, Inc	07/13/2016	EFT	0.00	1,872.00	404568
01604	Fastenal Company	07/13/2016	EFT	0.00	3,326.09	404569
01611	Ferguson Enterprises, Inc	07/13/2016	EFT	0.00	1,782.35	404570
01631	Folsom Chevrolet / Geo Inc	07/13/2016	EFT	0.00	1,160.80	404571
03237	GM Construction & Developers, Inc	07/13/2016	EFT	0.00	11,384.50	404572
03351	Hiuga Diving Co	07/13/2016	EFT	0.00	3,850.00	404573
01790	Industrial Safety Supply Corp of Califor	07/13/2016	EFT	0.00	670.13	404574
01917	Kennedy/Jenks Consultants, Inc.	07/13/2016	EFT	0.00	29,416.75	404575
02432	Lorance, Shauna	07/13/2016	EFT	0.00	308.84	404576
03388	Maxim Crane Works, L.P.	07/13/2016	EFT	0.00	2,000.00	404577
02367	McClatchy Newspapers, Inc.	07/13/2016	EFT	0.00	884.92	404578
02027	Mcmaster-Carr Supply Company	07/13/2016	EFT	0.00	160.38	404579
01472	Mel Dawson, Inc.	07/13/2016	EFT	0.00	4,666.59	404580
03236	Modesto Industrial Electrical Co., Inc.	07/13/2016	EFT	0.00	2,825.00	404581
02069	Motion Industries	07/13/2016	EFT	0.00	515.16	404582
02079	MWH Americas, Inc.	07/13/2016	EFT	0.00	21,087.30	404583
02275	Ramos Oil Recyclers, Inc.	07/13/2016	EFT	0.00	498.74	404584
03377	RDO Construction Equipment Co.	07/13/2016	EFT	0.00	80,174.37	404585

Check Register

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02286	Regional Water Authority	07/13/2016	EFT	0.00	900.00	404586
03180	SAC ICE LLC	07/13/2016	EFT	0.00	420.40	404587
03220	Solenis LLP	07/13/2016	EFT	0.00	3,676.50	404588
02531	SunPower Corporation, Systems	07/13/2016	EFT	0.00	18,374.49	404589
02674	Utility Services Associates, LLC	07/13/2016	EFT	0.00	4,176.00	404590
02710	WageWorks, Inc	07/13/2016	EFT	0.00	98.00	404591

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	172	83	0.00	1,744,701.08
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	75	33	0.00	273,539.20
	<b>247</b>	<b>121</b>	<b>0.00</b>	<b>2,018,240.28</b>

### Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	7/2016	2,018,240.28
			<b>2,018,240.28</b>

# STAFF REPORT

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To: Board of Directors  
From: Mike Stemple, Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Extend Contract #14-12 with Sierra National Asphalt for FY2016-2017

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## RECOMMENDED ACTION

Authorize an extension of the paving agreement with Sierra National Asphalt in an amount not to exceed \$100,000 for FY 2016-2017.

## BACKGROUND

On November 13, 2013 the Board approved the contract with Sierra National Asphalt in the amount of \$83,331 (\$9.25 / SQFT) for paving services. The initial agreement was valid through December 31, 2014 but the contract included three one-year options for renewal. On January 14, 2015 the Board approved the 1<sup>st</sup> contract renewal option in the amount of \$139,462 (\$9.99/ SQFT). The contract was extended through June 30, 2016 to align with the fiscal year end.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. Also, per Community Service District Law, construction contracts in the amount of \$25,000 or higher must be publically bid. This original bid included three one-year renewals by which a decision to extend would be evaluated annually. In the event the vendor's performance and price were acceptable the District at its option could choose to re-bid or extend the agreement an additional year. Sierra National Asphalts quality and timeliness of their work is excellent, and the District is recommending a second year renewal. Sierra National Asphalt agreed to hold the price for an additional year @ \$9.99 / SQFT.

Staff is recommending the Board to approve the second extension of this contract in an amount not to exceed \$100,000 (\$9.99/SQFT) to cover FY 2016-2017.

The cost is included in the draft Fiscal Year 2016-2017 budget.

## ATTACHMENT

Construction Change Order

# STAFF REPORT

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To: Board of Directors  
From: Mike Stemple, Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Exercises First Renewal Option in Contract #15-53 with GM Construction for FY2016-2017

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## RECOMMENDED ACTION

Authorize staff to exercise the first renewal option of the Time and Materials (T&M) contract with GM Construction, in an amount not to exceed \$137,800 for fiscal year 2016-2017.

## BACKGROUND

On July 8, 2015 the Board approved a T&M contract with GM Construction, in the amount of \$135,138, for labor, material and equipment for a variety of maintenance and repair work in the Retail Service Area. The initial agreement was valid through June 30, 2016 but included three one-year options for renewal.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. Also, per Community Service District law, construction contracts in the amount of \$25,000 or higher must be publicly bid. The original bid included three one-year renewals by which a decision to extend would be evaluated annually. In the event the vendor's performance and price were acceptable, the District, at its option, could choose to re-bid or extend the agreement one additional year. GM Constructions quality and timeliness of their work is excellent, and the District is recommending the first year renewal. GM has requested a 2.5% increase in the standard pricing for the installation services. The requested increase of 2.5% is due to increases in prevailing labor wage rates for the next fiscal year. GM Constructions initial bid came in 12% lower than the next closest bidder and the proposed increase would remain well under this bidder.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000 and services up to \$50,000. Since the bid is in excess of both of these limits, Board authorization is required. Staff is recommending the Board approve the first extension of this contract, in an amount not to exceed \$137,800, valid through June 30, 2017, to cover fiscal year 2016-2017.

This expense is included in the draft Fiscal Year 2016-2017 Retail Operating Budget.

## ATTACHMENT

Construction Contract Change Order

## STAFF REPORT

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To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Replace Aged Vehicle #09 –Field Services Truck

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### RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2017 Ford F450 for Field Services a replacement for Vehicle #09, in the amount of \$45,991.

### BACKGROUND

Vehicle #09 is a 2003 Ford F450 with approximately 137,000 total miles. The vehicle is 13 years old and has reached the point where reliability and safety are a concern and repairs to the District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District has opted to utilize the State Vehicle Truck Contract #1-16-23-23 A-H, that has been competitively bid by the major dealerships throughout the state of California. There is no additional bidding required and the price listed on the contract, \$34,035 is the lowest bid by vehicle and respective dealership. This contract offers additional value and is turnkey delivery solution for the District. Option pricing is detailed within the agreement for each dealership, and the vehicle is ordered directly from the factory. The District has utilized the state agreement for most major truck purchases in the past.

In an effort to reduce costs, staff researched and determined that the truck can be purchased without the body and the existing truck utility body can be refurbished and attached to the new vehicle. Body refurbishment costs will total \$11,645 but will yield the District overall savings of \$15,898.

Added to the vehicle contract price of \$34,035 and the body refurbishment costs of \$11,645 is a \$311 agency transaction fee payable to the Department of General Services for use of the state contract. The calculation is 1% of the total cost of the vehicle.

If the purchase is approved by the Board, once the new truck is received and placed in service, the old truck (less the body) will be taken to auction and the proceeds will be deposited into the Retail Capital Reserve Fund.

This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$55,000. Due to limited availability and Staff's research on refurbishing the truck body, the vehicle was not able to be purchased in FY 2015-2016. It has been included in the proposed FY 2016-2017 Retail Capital Budget.

Staff is requesting approval in the amount of \$45,991, (\$34,035 vehicle cost, \$311 agency transaction fee, plus the refurbishment cost of \$11,645) for the replacement of vehicle #09.

## STAFF REPORT

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To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Replace Vehicle #22- Engineering Truck

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### RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2016 Ford F150, 4x2 in the amount of \$30,411 to replace vehicle #22 for the Engineering Department.

### BACKGROUND

Vehicle #22 is a 2008 Ford F150 XL (8-years in service, 48,000 miles), used by the Engineering Department. The vehicle was involved in an accident on May 25, 2016 and deemed a total loss by the Districts insurer JPIA. The District received \$10,734.20 for the totaled vehicle and placed those funds in the retail capital reserve fund. The District is one vehicle down and replacement is needed immediately to maintain workflow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess of \$15,000 require bidding. The District has opted to utilize the State Vehicle Truck Contract #1-16-23-23 A-H, that has been competitively bid by the major dealerships throughout the state of California. There is no additional bidding required and the price listed on the contract is the lowest bid by vehicle and respective dealership. This contract offers additional value and is turnkey delivery solution for the District. Option pricing is detailed within the agreement for each dealership and each vehicle is ordered directly from the factory. The District has utilized the state agreement for most major truck purchases in the past.

Added to the vehicle contract price of \$29,650 is a \$275 agency transaction fee, payable to the Department of General Services for use of the state contract. In addition to this fee is the charge for bed-liner application in the amount of \$486. The original tool boxes are to be reinstalled during the bed liner application. The state fee calculation is 1% of the total cost of the vehicle. The total price for the vehicle including the agency fee and truck bed-liner application is \$30,411.

Staff is requesting Board approval to purchase this replacement for vehicle #22 in an amount not to exceed \$30,411 (includes taxes and fees).

**STAFF REPORT**

To: Finance Committee  
 From: Mike Stemple – Purchasing Agent  
 Date: July 13, 2016  
 Subject: Authorization to Replace Vehicle #27- Conservation Truck

**RECOMMENDED ACTION**

Staff recommends authorizing the purchase of a 2016 Chevrolet Colorado, 4x2 from Winner Chevrolet in the amount of \$24,613 to replace Vehicle #27 for the Conservation Department.

**BACKGROUND**

Vehicle # 27 is a 1999 GMC Sonoma compact pick-up truck and has approximately 63,000 miles. The vehicle is 17 years old and has reached the point where reliability and safety are concerns and repairs to District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon the review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess of \$15,000 Board authorization is required.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The bid was distributed to 8 responsible local Chevrolet dealers, utilizing the staff bid specification.

The District has received 3 responsive bids with Winner Chevrolet submitting the lowest responsive bid of \$24,613 (includes taxes and fees). In addition the District has evaluated purchasing the vehicle from the State procurement contract and the bid from Winner Chevrolet provided the lowest price and best value.

Dealer	Price	%
Winner Chevrolet	\$ 22,807.00	Low Bid
Hanless Chevrolet	\$ 23,430.00	+ 2.7 %
Performance Chevrolet	\$ 24,096.00	+ 5.6 %

Table pricing excludes Tax & Delivery for comparison

Staff performed a lease vs. purchase analysis for the acquisition of this vehicle. Given the District's vehicle retention/replacement policy, purchasing is significantly more cost effective than leasing. This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$31,500. Due the lead-time constraints and lease vs. purchase analysis the truck was not able to be purchased in FY2015-2016. It has been included in the Draft FY 2016-2017 Capital Budget.

Staff is requesting Board authorization to purchase the replacement for vehicle # 27 in an amount not to exceed \$24,613.

**STAFF REPORT**

To: Finance Committee  
From: Mike Stemple – Purchasing Agent  
Date: July 13, 2016  
Subject: Authorization to Purchase Vehicle #30 - (Pooled Vehicle)

**RECOMMENDED ACTION**

Staff recommends the purchase of a 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 to replace the pool vehicle #30.

**BACKGROUND**

Vehicle # 30 is a 2000 Jeep Cherokee 4 Door / 4WD and has approximately 130,000 miles. The vehicle is 16 years old and has reached the point where reliability and safety is a concern and repairs to District are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon the review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Staff has assessed the use of this vehicle and recommends its replacement with an AWD Ford Escape. There is one location in the District’s service area that can only be accessed with an AWD or a 4 Wheel Drive vehicle. Staff does not need to access the area frequently but it is important that we are able to access the area when needed. Additionally, staff needs an all-purpose vehicle that can hold goods/supplies as well as comfortably transport a group of people.

Staff completed a lease vs. purchase analysis for this replacement of this vehicle. Based on the retention/replacement policy in place, purchasing the vehicle is significantly more cost effective than leasing. Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District bid was distributed to 10 responsible local Ford dealers, utilizing the staff bid specification.

The District has received 6 responsive bids with Ron Duprat Ford submitting to lowest responsive bid of \$24,527 (includes taxes and fees). In addition the District has evaluated purchasing the vehicle from the State procurement contract and the bid from Ron Duprat provided the lowest price and best value.

Dealer	Price	%
Ron Duprat Ford	\$ 22,733.10	Low
Auburn Ford	\$ 23,161.00	+ 1.9 %
Downtown Ford	\$ 23,960.00	+ 5.4%
Elk Grove Ford	\$ 26,088.00	+14.8%
Folsom Lake Ford	\$ 26,182.00	+ 15.2%
Harold Ford	\$ 27,817.00	+ 22.4 %

Table Pricing excludes Tax & Fees for comparison purposes

This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$35,000. Due to the lead-time constraints and vehicle research the truck was not able to be purchased in FY2015-2016. It has been included in the Proposed FY 2016-2017 Capital Budget. Since this vehicle is available to be used by any department, its cost will be split 50-50 between Wholesale and Retail.

If the new vehicle purchase is approved, staff will send Vehicle #30 to auction. The proceeds will be deposited into the Capital Reserve Fund.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess of the \$15,000 Board authorization is required.

Staff is requesting Board approval to purchase the 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 as a replacement for pool vehicle #30.

## Cell Tower Lease Information

<b>Lessee</b>	<b>AT&amp;T Wireless (Cingular)</b>	<b>T-Mobile (Crown Castle)</b>	<b>Sprint</b>	<b>Verizon (Surewest)</b>
<b>Lease Start Date</b>	1/1/2001	6/19/1996	2/27/1997	1/1/1999
<b>Initial Term</b>	5 years	5 years	5 years	5 years
<b>Options</b>	Five - 5 year renewals	Five - 5 year renewals	Four - 5 year renewals	Five - 5 year renewals
<b>Lease End Date</b>	12/31/2031	6/18/2021	2/26/2022	12/31/2029
<b>Base Rent</b>	\$7,560	\$7,200	\$7,200	\$7,200
<b>Rate Increases</b>	5% annually	5% annually	5% annually	5% annually
<b>Current Rent - 2016</b>	\$15,716.70	\$19,103.74	\$17,327.66	\$16,502.53

# STAFF REPORT

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To: Board of Directors

From: Shauna Lorance, General Manager

Date: July 1, 2016

Subject: Discussion of Wholesale 150 day rate notice

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## **RECOMMENDED ACTION**

Staff recommends the Board of Directors consider a motion to direct the General Manager to send the 150-day Advance Written Notice of Proposed Changes in Water Rates and Charges, and the draft wholesale financial plan when completed.

## **BACKGROUND**

The District has an agreement with the wholesale customer agencies (WCA) that includes the requirement to provide a 150 day notice of any proposed changes in water rates and charges. The wording from FOWD agreement is included for reference:

SJWD will provide FOWD with 150-day advance written notice of proposed changes in water rates and charges under this Agreement, provide FOWD an opportunity to comment on such proposed changes prior to adoption of changes by SJWD, and account for FOWD's comments in making its determination.

## **CURRENT STATUS**

The Board of Directors had a workshop on the five year wholesale financial plan on June 29. The draft financial plan is anticipated to be completed by the end of July. Staff recommends formally transmitting the draft plan to each of the WCAs along with their written notice that the Board is considering changes to their water rates and charges. This will allow the WCAs adequate notice of the discussions the Board will be having in the coming months related to the water rates and charges.

A draft letter is attached to this staff report and is concurrently under review by Legal Counsel. The letter will be updated once the actual dates are known and legal has completed review.



\_\_\_\_\_, 2016

Tom Gray, General Manager  
Fair Oaks Water District  
10326 Fair Oaks Blvd.  
Fair Oaks, CA 95628

Robert Churchill  
Citrus Heights Water District

Sharon Wilcox  
Orange Vale Water Company

Marcus Yasutake  
City of Folsom

Subject: 150-Day Advance Written Notice of Proposed Changes In Water Rates  
And Charges

General Managers:

San Juan Water District has been developing a five-year wholesale financial plan over the past few months. The plan includes a projection of water rates for a five year period. The SJWD Board of Directors is evaluating the decision to adopt the proposed rates for a period of up to the next five years.

The proposed rates are included in the attached draft financial plan developed by The Reed Group. Please note the proposed rates included in the attached plan include a change in rate structure. The Board of Directors is considering a revision to the existing split between fixed and variable revenue. The recent drought has demonstrated the financial variability that arises with the current rate structure. The existing rate structure includes fixed costs in the volumetric portions of the rates. With less water usage, the ability to cover fixed costs, such as treatment plant personnel, is at risk. The Board of Directors is considering increasing the amount of revenue obtained from the service charge (fixed portion of water rates) and decreasing the revenue from volumetric water usage. This will work towards stabilizing the revenue to cover fixed costs in the future with the anticipated continued requirement to reduce water usage on the retail level.

Directors  
Edward J. "Ted" Costa  
Kenneth H. Miller  
Dave Peterson  
Pamela Tobin  
Bob Walters  
General Manager  
Shauna Lorange

The SJWD Board of Directors voted to send the 150-day advance written notice of proposed changes in water rates and charges. This letter is being sent to comply with the provision (included below) in the Wholesale Water Supply Agreement between SJWD and Fair Oaks Water District (FOWD).

**Water Rates and Charges.**

**A. Wholesale Water Rates and Charges.** SJWD will set wholesale water rates and charges from time to time for making treated water supplies available to FOWD, and other agencies that contract for wholesale water supplies from SJWD, to recover SJWD's costs of making treated water supplies available, including without limitation, the cost of untreated water under SJWD's Water Rights and Water Entitlements, and the cost of operation, maintenance, repair, replacement of, and capital improvements to, SJWD's Water Treatment and Conveyance Facilities. SJWD's wholesale water rates and charges will include the melded cost of water from SJWD's Water Rights and Water Entitlements. SJWD's wholesale water rates and charges will include interest and penalties for delinquent payments, as appropriate. SJWD will determine its wholesale water rates and charges based on cost-of-service principles and other applicable provisions of law. SJWD will ensure that revenues collected by SJWD from FOWD and other Member Agencies for wholesale water service are equitably used for the benefit of such wholesale water customers. SJWD will provide FOWD with 150-day advance written notice of proposed changes in water rates and charges under this Agreement, provide FOWD an opportunity to comment on such proposed changes prior to adoption of changes by SJWD, and account for FOWD's comments in making its determination. Changes in water rates and charges will typically be effective as of January 1 of the calendar year following adoption by SJWD.

**B. Schedule for Payment.** SJWD will bill FOWD quarterly in advance for one-quarter of the annual water service charge and one-quarter of any required debt service payments. SJWD will bill FOWD in arrears for actual water deliveries provided to FOWD during the prior calendar quarter under this Agreement. SJWD will bill FOWD during the month following the end of each calendar quarter.

In the event that the measurements for water deliveries to FOWD based upon SJWD's water measurement facility or facilities are determined to be incomplete or inaccurate, SJWD and FOWD shall collaborate and agree on how to determine a reasonable estimate of water delivered to FOWD. Said estimate methods may include, but are not limited to, utilization of FOWD in-series water measurement facilities, summation of FOWD water deliveries to its retail customers, comparison to a prior time period, or other method mutually acceptable to the parties and approved by the FOWD and SJWD Boards of

Directors.

The 150-day comment period will end on December 29, 2016. The SJWD Board of Directors will consider adoption of the updated wholesale water rates at the January 11, 2017 Board Meeting. To provide adequate time to respond to any questions or comments, it would be helpful to receive any comments prior to December 1, 2016 to allow the Board of Directors time to consider comments prior to the January 11, 2017 meeting.

Sincerely,

Shauna Lorance  
General Manager

Attachment

DRAFT

# STAFF REPORT

---

To: Board of Director

From: Shauna Lorange, General Manager

Date: June 27, 2016

Subject: Strategic Action Plan Update

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## **RECOMMENDED ACTION**

There is not any requested action. This item is for information only.

## **BACKGROUND**

The Board of Directors held a workshop on April 26, 2016 to begin discussions on strategic planning. At this workshop, the main priorities for 2016/2017 were identified. Staff developed an action plan for each of the priorities. The Board of Directors concurred with the action plan at the June 2, 2016 Board Workshop.

## **CURRENT STATUS**

The action plan has been sorted into chronological order based on task due date and a column added for a summarized status of each task and attached to this staff report.

Topic	Year	Goal	task	Due Date	Responsible Person	Status
Water Transfer	2016	Determine if a lost cause this year	Identify if any transfer capacity through the delta for summer 2016	April	GM	Transfers through delta canceled.
Water Transfer	2016	Water transfer legislation clarification	Develop water transfer legislative language	April	BKS	Done
Water Rights	2016	Relax SWRCB conservation standards	Send proposal to Felicia Marcus	April	GM	Done
Water Rights	2016	Relax SWRCB conservation standards	Participate in developing ACWA position/comment letter	May	GM	Done
Water Rights	2016	Relax SWRCB conservation standards	Participate in developing RWA position/comment letter	May	GM/PT	Done
Water Rights	2016	Relax SWRCB conservation standards	Advocate with regional agencies on position/actions	May	GM	Done
Water Rights	2016	Get Governor to remove drought declaration	Work with ACWA to get governors drought declaration at least modified to allow conservation reduction/removal	May	GM	Done
Water Rights	2016	Get Governor to remove drought declaration	Discuss desire to lobby governor to remove drought declaration	June	GM/WSR committee	Governor's declaration revised; still declared drought
Water Rights	2016	Understand our water rights and our options	Develop overview of water rights and contracts, including pros and cons of each	June	GM	Done
Water Rights	2016	Understand our water rights and our options	Present information at June 8 Board meeting	June	GM	Moved to June 22 to accommodate schedules
Water Transfer	2016	Water transfer legislation clarification	Determine if language will be included in ACWA proposed legislation	June	BKS	Will check with Josh when he returns from vacation
Water Transfer	2016	Water transfer legislation clarification	If not ACWA bill, identify legislator to carry bill	June	Legal affairs committee	
Water Reliability	2016	Complete Water Reliability Study	Draft TM5	June	MWH/AGM	To be completed early July
Water Rights	2016	Relax SWRCB conservation standards	Become involved in long term mandatory conservation discussions with SWRCB/DWR	July	WRS	Interviews for Water Resource Specialist mid July; position will be involved
Water Rights	2016	Get Governor to remove drought declaration	Place any desired action from water supply reliability committee on board agenda	July	GM	Governor revised drought declaration, so done
Water Transfer	2016	Get technical calculations completed	Develop procedure on how to calculate conserved water for transfers	July	GM (WRS)	In process, DWR and USBR discussing
Water Transfer	2016	Water transfer legislation clarification	Legislator to request legislative analysis	July		waiting for Josh to return from vacation
Water Transfer	2016	Get technical calculations completed	Obtain agreement on GW transfer draft agreement with CH, FO and SJWD for future transfers	August	GM (WRS)	
Water Transfer	2016	Get technical calculations completed	Obtain DWR/USBR support for conserved water calculation	August	WRS	
Water Transfer	2016	Water transfer legislation clarification	Decide whether or not to push legislation	August	Legal affairs/board	
Water Transfer	2016	Get technical calculations completed	Obtain DWR review of GW wells for GW substitution transfer	September	CHWD and FOWD	
Water Reliability	2016	Complete Water Reliability Study	Develop scope for Feasibility Study	September	MWH/AGM	
Water Reliability	2016	Complete Water Reliability Study	Complete high level Water Reliability Study	September	MWH/AGM	
Water Transfer	2016	Get technical calculations completed	Develop draft white paper for conserved water transfers	October	WRS	
Water Reliability	2016	Complete Water Reliability Study	Initiate Feasibility Study	November	AGM	
Water Transfer	2017	Complete legal/contractual work for water transfers	Finalize transfer agreement between CH, FO and SJ for GW substitution, incl \$	December	GM	

# SUCCESSION PLANNING UPDATE

February 17, 2016

# Background

- ⦿ Succession planning began in earnest mid-year 2012
- ⦿ Issues prompting planning included:
  - Retiring baby-boomers; potential for more than 15 employees to retire within 5-years
  - Changing workforce requirements - policy direction, increasing regulations, more technology, infrastructure requirements
  - Flat organization structure/no overlap
  - Competition for employees

# Background

## Challenges affecting succession planning

- Providing on-the-job employee development opportunities difficult due to lean organizational structure of the District
- Adapting management styles and workplace environment to attract/retain “Gen Y” employees
- Budget constraints for continuing education or training to improve skill sets

# Succession Plan



# Succession Plan

- ⦿ Analyzed current workforce and future workforce needs
- ⦿ Identified gaps and prepared plans to eliminate gaps
- ⦿ Developed a performance evaluation system that includes career advancement planning
- ⦿ Developed career ladders that depict potential career progression for employees
- ⦿ Provided recommendations for classification structure, training, performance management, and knowledge retention and transfer

# Succession Plan

- Identified 13 positions eligible to retire “now” (2012)
- Identified 4 positions eligible to retire in 2 years
- Identified 2 additional positions eligible to retire in 5 years (based on retiring at 55)

General Manager

Administrative Assistant/Board Secretary

Assistant General Manager

Engineering Services Manager

Operations Manager

Information Technology Administrator

Finance/Administrative Services Manager

Senior Engineer

Water Resources Analyst

Field Services Manager

Water Treatment Plant Superintendent

Customer Services Manager

Finance and Administrative Analyst

Engineering Technician

Distribution Leadworker

Distribution Leadworker

Distribution Leadworker

Chief Operator

Maintenance Chief

Accounting Technician III

Accountant

Construction Inspector II

Distribution Operator IV

Distribution Operator IV

Distribution Operator IV

WTPO IV

Instrumentation Technician

Meter Technician

Accounting Technician II

Distribution Operator IV

Distribution Operator III

Distribution Operator III

WTPO IV

Facilities Maintenance Worker I

Customer Service Technician I

Purchasing Agent

Distribution Operator II

Distribution Operator II

Utilities Coordinator

WTPO III

Facilities Maintenance Worker I/Custodian

Conservation Technician II

Field Services Technician

WTPO III

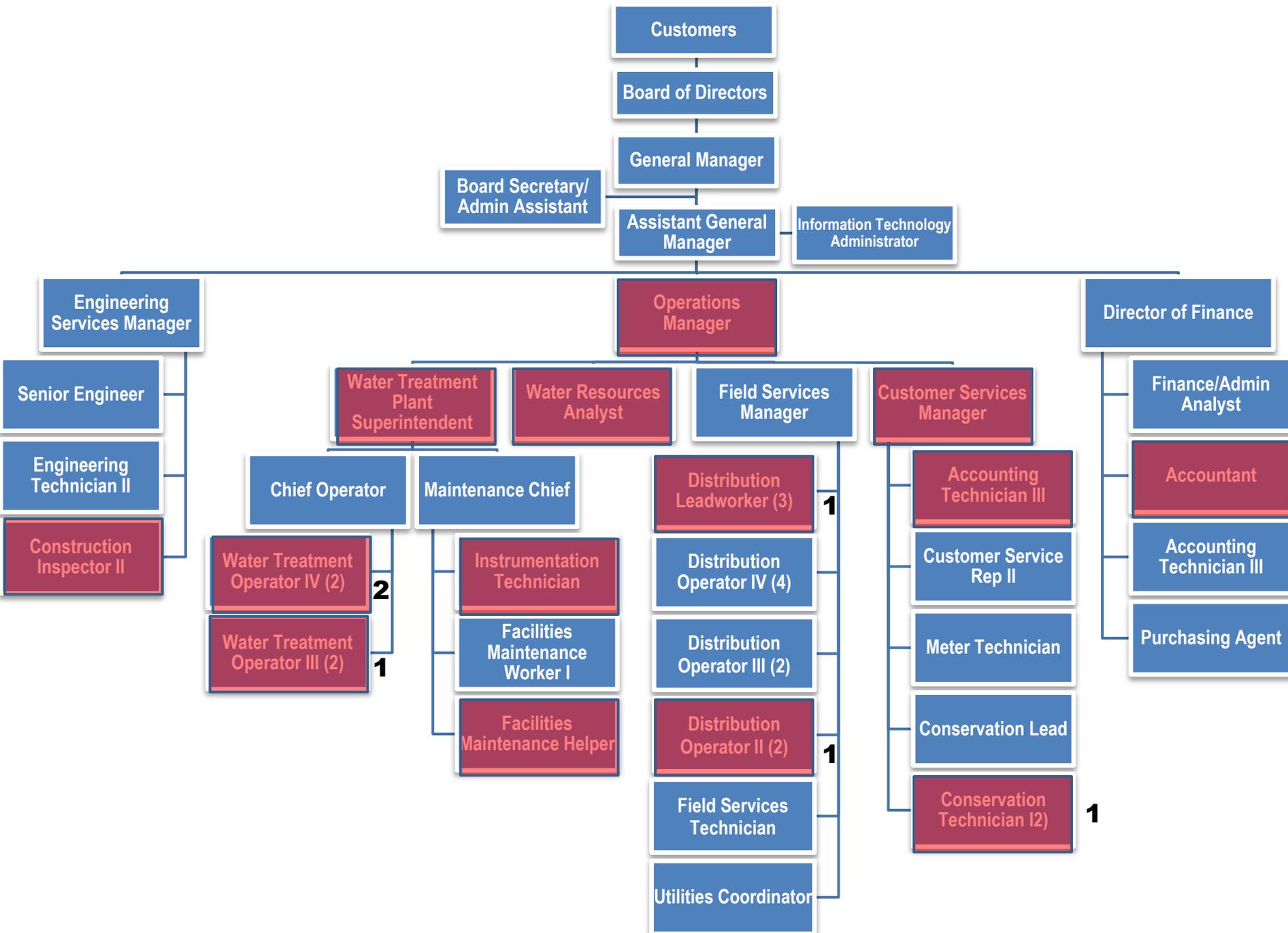
Conservation Technician II

Conservation Technician I

Now

Next 2 years

Next 5 years (age 55)



# Succession Plan Implementation

## Training

- ⦿ Leadership and management training
  - Leadership “academy”
  - Small group continuation program
- ⦿ HALO Corporate University
- ⦿ ACWA/JPIA supervisor training, AWWA, targeted seminars, etc.
- ⦿ Tuition reimbursement

# Succession Plan Implementation

## Promotions/transitions

- 4 out of 6 management and supervisory positions filled from within
- 1 position filled from within on trial basis
- Provide opportunity and assignments to potentially qualified staff for field lead position.

# Succession Plan Implementation

## Performance management

- ⦿ Revamped employee evaluation and career planning process
- ⦿ Consistent, objective system to:
  - Provide feedback
  - Identify training needs
  - Assist with succession planning (goal setting)
  - Support personnel decisions

# Succession Plan Implementation

## Knowledge retention and transfer

- ⦿ Process documentation
  - Department/desk manuals
  - Standard operating procedures
  - Process flowcharts or calendars
- ⦿ Job shadowing
- ⦿ Mentoring

# Succession Plan Implementation

## Retention and recruitment strategies

- Compensation package
- Workplace environment and District culture
- Providing career opportunities
- Industry reputation and respect

Questions?



# 2016 ACWA REGULATORY SUMMIT AGENDA

OCTOBER 3–4, 2016 | HILTON SACRAMENTO ARDEN WEST, SACRAMENTO

## WATER AND ENERGY: BEYOND THE NEXUS

### MONDAY, OCTOBER 3, 2016

**9:00 a.m. – 4:00 p.m. Tour of Placer County Water Agency - Middle Fork Project Hydroelectric Facilities**  
*(shuttle service & box lunch provided)*

**5:00 – 6:00 p.m. Networking Reception (at Hilton Sacramento)**

### TUESDAY, OCTOBER 4, 2016

**8:00 – 9:00 a.m. Registration & Continental Breakfast**

**9:00 – 9:15 a.m. Opening Remarks**

**9:15 – 10:30 a.m. General Session Panel #1**

#### The Greening of the Grid

Increased amounts of renewable energy in California's energy mix, coupled with the potential loss of traditional generation sources such as natural gas and nuclear, are creating new conditions and challenges for the state's electric grid. These challenges range from potential electric over-supply conditions to power outages, and are driving regulatory changes in the electricity sector. Learn about the changes that are happening, new pilot programs and market designs that are being developed in response to these changes, and the potential impact on your agency.

**10:30 – 10:45 a.m. Break**

**10:45 a.m. – Noon General Session Panel #2**

#### Tools We can Use: Providing Grid Services

When it comes to long-term energy procurement planning, challenges can also mean new opportunities for innovation. Hear from a panel of experts on technologies that can be incorporated into your water system's operations to provide services that are beneficial to both your agency and the electric grid.

**Noon – 1:30 p.m. Networking Luncheon**

**Premier Sponsor**



*Aspen Environmental Group is an expert interdisciplinary environmental services firm focused on providing services for water and energy infrastructure projects.*

**1:30 – 2:45 p.m. TRACKS: Choose T1 or T2**

#### T1. Navigating the Permitting Process

Is your agency considering developing a renewable energy project? How do you actually get your project connected to the grid? Come to this session to learn about recent changes to the Electric Rule 21 tariff, the process for interconnecting to the transmission grid, and how the Regulatory and Permitting Information Desktop (RAPID) Toolkit can help your agency navigate federal and state renewable energy and bulk transmission regulatory processes.

#### T2. Quantifying the Impact of Greenhouse Gas Emissions Reductions

In response to California's extended drought and frequent dry conditions, water use is decreasing and so, in turn, is the amount of energy and greenhouse gas emissions associated with water production, treatment and distribution. But is the impact of these greenhouse gas emissions reductions being accurately measured? Come learn about how various state agencies and non-profit organizations presently calculate greenhouse gas emissions reductions and how this accounting system may change in the future to better reflect conservation practices among water agencies and create additional funding opportunities.

**2:45 – 3:00 p.m. Break**

**3:00 – 4:00 p.m. Closing Program**

#### Opportunities for Water and Energy Utility Partnerships

Prolonged drought conditions over the past several years have underscored the deep connection between water and energy in California. Changing hydrologic conditions have impacted electricity generation statewide, while water conservation has presented new opportunities for water and energy efficiency programs. Learn about some of the existing water and energy utility partnerships in the state, as well as pilot programs that are demonstrating how utility collaboration can contribute to resource adequacy in the face of lost traditional generation sources, such as the San Onofre Nuclear Generating Station.

**4:00 – 4:15 p.m. Closing Remarks**

**This program is presented in cooperation with:**



**California Special Districts Association**  
*Districts Stronger Together*

## Teri Grant

---

**From:** ACWA Events <events@acwa.com>  
**Sent:** Tuesday, July 12, 2016 9:38 AM  
**To:** Teri Grant  
**Subject:** ACWA 2016 Regulatory Summit (Oct. 3-4): Agenda Available | Registration Open

### ACWA's 2016 **REGULATORY**

*Summit*

**October 3-4, 2016**  
Hilton Sacramento Arden West  
Sacramento, CA

#### **WATER AND ENERGY: BEYOND THE NEXUS**

**ACWA 2016 Regulatory Summit**  
October 3-4, 2016  
Hilton Sacramento Arden West  
Sacramento, CA

Driven by statewide greenhouse gas emissions reduction goals, aggressive renewable energy targets, and increased customer generation, California's energy grid is undergoing a major transformation. But what does this mean for water agencies? Are these changes a threat or an opportunity? Learn about the regulatory changes that are being made to address the challenges posed by increased amounts of renewable energy in the state's energy mix, the impact these changes could have on your agency, and some of the innovative ways that water agencies around the state are taking advantage of new opportunities to provide energy grid services.

#### **OPTIONAL TOUR - OCTOBER 3, 2016**

Participate in a tour of Placer County Water Agency - Middle Fork Project Hydroelectric Facilities (*space is limited*)

Join us for a Networking Reception immediately following the tour at the Hilton Sacramento Arden West.

**AGENDA IS NOW AVAILABLE >> [DOWNLOAD](#)**

**Registration and event information available at**

#### **REGISTRATION:**

Online registration available at [www.acwa.com](http://www.acwa.com)

Regular registration and cancellation deadline is **September 26, 2016**, 4:30 p.m. (PST).

#### **Advantage Pricing:**

Regular: \$250  
Onsite: \$270

#### **Standard Pricing:**

Regular: \$375  
Onsite: \$395

*Program materials, continental breakfast and lunch are included.*

#### **HOTEL:**

Hilton Sacramento Arden West  
2200 Harvard Street  
Sacramento, CA 95815  
Phone: 909-418-4871

[www.acwa.com](http://www.acwa.com)

>> [REGISTER TODAY!](#)

**Group Rate: \$139/night**

*(subject to applicable state & local taxes/assessments)*

The cut-off date to receive this special rate is **September 12, 2016.**

Make your reservation by calling hotel directly at: 800-445-8667 (Be sure to identify yourself as being part of ACWA.)

**EXHIBITORS:**

There will be a tabletop exhibit area during the summit. For more information, please contact Melanie Medina at [MelanieM@acwa.com](mailto:MelanieM@acwa.com) or call 916-441-4545.

[Regulatory Summit](#) | [ACWA Events](#) | [ACWA](#)

**ACWA**, 910 K Street, Ste. 100, Sacramento, CA 95814  
t: 916.441.4545 | e: [events@acwa.com](mailto:events@acwa.com)  
<http://www.acwa.com/>



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**Pam Tobin**

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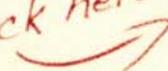
**From:** Josh Abel <jabel@sso.org>  
**Sent:** Wednesday, July 06, 2016 8:35 AM  
**Subject:** House passes H.R. 4582 (Rep. Jeff Denham, R-CA), the "Save Our Salmon Act," by voice vote

FYI

Josh Abel  
Federal Relations Coordinator  
Association of California Water Agencies  
400 North Capitol St. NW, Suite 357  
Washington, DC 20001  
Tel. 202-434-4760

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## House Passes Bill to Address Conflicting Federal Statutes that Exacerbate California Drought

**WASHINGTON, D.C., July 5, 2016 -**

Today, the House passed H.R. 4582 (Rep. Jeff Denham, R-CA), the "Save Our Salmon Act," by voice vote. The legislation will exclude striped bass from the fish doubling requirement and other provisions of the Central Valley Project Improvement Act, eliminating the ongoing federal conflict between protecting striped bass and endangered salmon in California.

Contradicting federal statutes undermine the recovery of endangered species by protecting predators of endangered fish. This burdens endangered species recovery efforts and negatively affects water allocation for many Californians.

*"In California, contradictory statutes have caused millions of dollars and billions of gallons of water to go to waste. This is unacceptable, especially as Californians face historic drought conditions. This bill is an effort to prevent even more critical water resources from being needlessly wasted. I look forward to working with Rep. Denham to advance a companion bill in the Senate,"* **Chairman Rob Bishop (R-UT) said.**

*"Predation of California's native salmon and steelhead populations by non-native striped bass continues to squeeze our precious fresh water resources, further exacerbating the drought situation. The Save Our Salmon Act offers a practical, bipartisan solution that will update a decades old policy that threatens endangered salmon and steelhead populations and costs California's taxpayers money and precious water,"* **Rep. Jeff Denham (R-CA) said.**

Click [here](#) to learn more about H.R. 4582.

Contact: Committee Press Office 202-226-9019

Read Press Release [HERE](#).



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## PRESS RELEASE



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[Click here to learn more about H.R. 4582.](#)

Contact: Committee Press Office 202-226-9019

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## United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RYAN JACKSON, MAJORITY STAFF DIRECTOR  
BETTINA FOIBER, DEMOCRATIC STAFF DIRECTOR

June 29, 2016

The Honorable Mitch McConnell  
Majority Leader  
S-230, U.S. Capitol  
Washington, D.C. 20510

The Honorable John Cornyn  
Majority Whip  
S-208, U.S. Capitol  
Washington, D.C. 20510

Dear Leader McConnell and Majority Whip Cornyn:

We're writing to ask that you bring the Water Resources and Development Act of 2016 (WRDA 2016) to the floor for consideration and final passage before the summer recess. This bill is a clear representation of the legislative accomplishments we, as a conference, have achieved in the 114<sup>th</sup> Congress – strong bipartisan support, substantive reforms that benefit our nation as a whole, and a return to regular order expected of us by the American people.

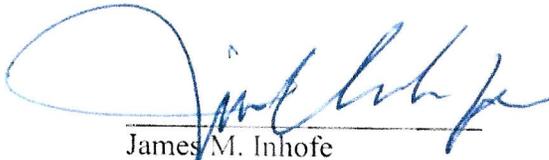
WRDA 2016 passed the Committee on Environment and Public Works on April 28<sup>th</sup> by a 19-1 vote. It contains substantive reforms and authorizations that prepare our nation to compete in the global marketplace, strengthen protections for coastal and inland communities from disastrous floodwaters, modernize Corps policy to ensure efficient and effective project delivery, and create mechanisms to provide affordable clean water and safe drinking water infrastructure. Lastly, this bill fulfills a commitment 91 Senators made two years ago when they voted for the Water Resources Reform and Development Act of 2014 conference report:

*"It is the sense of Congress that, because the missions of the Corps of Engineers are so unique and benefit all individuals in the United States and because water resources development projects are critical to maintaining economic prosperity, national security, and environmental protection, Congress should consider a water resources bill not less than once every Congress."*

As noted in the aforementioned Sense of Congress, it is our responsibility to pass this bipartisan legislation as soon as possible. This legislation transcends the political fights in Washington and gives us the opportunity to make good on our promise, and prove to our constituents we can still get things done.

According to the Congressional Budget Office (CBO), WRDA 2016 is not only paid for but will save taxpayers \$6 million over the next 10 years. With the economic and safety benefits associated with WRDA 2016, passing this legislation will be a victory for all Americans. We thank you for your consideration and, as always, look forward to working with you.

Sincerely,



James M. Inhofe  
Chairman  
Environment and Public Works



David Vitter  
United States Senator



Bill Cassidy  
United States Senator



Mark Kirk  
United States Senator



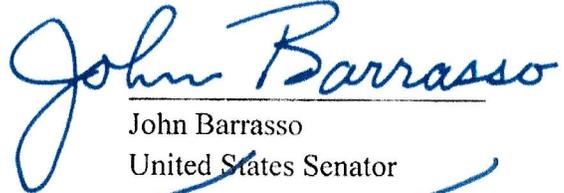
Lindsey Graham  
United States Senator



Shelley Moore Capito  
United States Senator



John Boozman  
United States Senator



John Barrasso  
United States Senator



Roger Wicker  
United States Senator



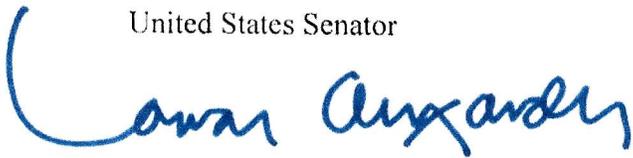
Thom Tillis  
United States Senator



Dan Sullivan  
United States Senator



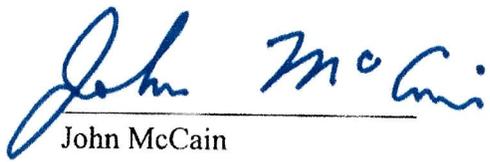
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Lamar Alexander  
United States Senator



Mike Rounds  
United States Senator



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United States Senator



Dean Heller  
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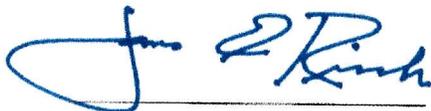
Marco Rubio  
United States Senator



Rob Portman  
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Lisa Murkowski  
United States Senator



Jim Risch  
United States Senator



Richard Burr  
United States Senator



Steve Daines  
United States Senator



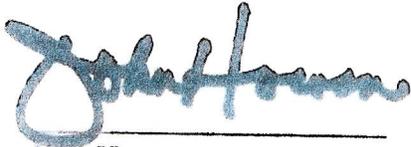
Jerry Moran  
United States Senator



Tim Scott  
United States Senator



Cory Gardner  
United States Senator



John Hoeven  
United States Senator



Susan Collins  
United States Senator



Kelly Ayotte  
United States Senator

**From:** ACWA <Acwabox@acwa.com>  
**Sent:** Monday, June 20, 2016 4:55 PM  
**To:** Teri Grant  
**Subject:** Opposition Letters Requested on ACWA-Opposed SB 1298

JUNE 20, 2016

[www.acwa.com](http://www.acwa.com) | [Trouble viewing - View online](#)



## Opposition Letters Requested on ACWA-Opposed SB 1298

### *Bill Would Create Legal Uncertainty for Water Agencies*

ACWA's State Legislative Committee moved June 10 to take an oppose position on gut-and-amend legislation dealing with implementation statutes for Proposition 218. The language, sponsored by the Water Foundation and amended into SB 1298 (Hertzberg) on June 13, attempts to provide more authority for local agencies to finance water projects and set water rates under Proposition 218.

Though ACWA agrees more flexibility is needed and has worked with a coalition of local governments to explore options, the association is concerned that SB 1298 is structured in a way that would create uncertainty and legal risk for water agencies because it does not actually change the legal standards in the California Constitution.

SB 1298 is set for hearing in the Assembly Local Government Committee on June 29. ACWA members are strongly encouraged to send opposition letters by June 24 if possible.

### **Basis for Opposition**

SB 1298 is not an ACWA-initiated or ACWA-sponsored bill. Last year, ACWA, the League of California Cities and the California State Association of Counties worked together to develop a proposal to amend Article X of the California Constitution. The coalition's Article X proposal would have provided a new, optional funding method to finance stormwater, flood control and other water and sewer-related projects and pursue voluntary conservation-based water rates or voluntary lifeline rates for low-income households.



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While SB 1298 seeks to accomplish the same goals as ACWA's Article X proposal, it is a majority-vote bill that proposes to amend an implementing statute rather than the California Constitution. Accordingly, SB 1298 has fundamental legal and policy flaws that keep it from achieving the desired goals. As a result, SB 1298 would create additional litigation risk and uncertainty in the rate setting process for local agencies.

Another concern is that with the June 13 gut-and-amend, the process for this bill has been truncated, with only one planned policy hearing and no planned fiscal hearings on the new water-related provisions.

## Take Action Now

ACWA is requesting that members immediately fax letters opposing SB 1298 to Sen. Robert Hertzberg (D-Van Nuys), Assembly Member Susan Talamantes Eggman (D-Stockton), chair of the Assembly Local Government Committee, and members of the Assembly Local Government Committee. For your convenience, a [sample letter](#) is available and fax numbers for committee members have been provided below.

Please send a copy of your final letter to ACWA by fax at (916) 325-4927 or email to [mariem@acwa.com](mailto:mariem@acwa.com).

**Sen. Robert Hertzberg (D- Van Nuys), Author**  
Fax: (916) 651-4918

**Assembly Local Government Committee, Senior  
Committee Consultant Misa Lennox**  
Committee Fax: (916) 319-3958

**Assembly Member Susan Talamantes Eggman (D-  
Stockton), Chair**  
Fax: (916) 319-2175

**Assembly Member Marie Waldron (R-Escondido), Vice  
Chair**  
Fax: (916) 319-2175

**Assembly Member Luis Alejo (D-Salinas)**  
Fax: (916) 319-2130

**Assembly Member Susan Bonilla (D-Concord)**  
Fax: (916) 319-2114

**Assembly Member David Chiu (D-San Francisco)**  
Fax: (916) 319-2117

**Assembly Member Ken Cooley (D-Rancho-Cordova)**  
Fax: (916) 319-2108

**Assembly Member Beth Gaines (R-EI Dorado Hills)**  
Fax: (916) 319-2106

**Assembly Member Richard Gordon (D-Menlo Park)**

REGULATORY ISSUES

ACWA POLICY PRINCIPLES

Fax: (916) 319-2124

**Assembly Member Eric Linder (R-Corona)** Fax: (916) 319-2160

## Questions

Questions on SB 1298 may be directed to ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#) at (916) 441-4545.

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**Pam Tobin**

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**From:** Josh Abel <jabel@sso.org>  
**Sent:** Tuesday, June 14, 2016 12:10 PM  
**Subject:** [SPAM]U.S. EPA Announces \$525,000 Award to Protect Northern California Watersheds

FYI

Josh Abel  
Federal Relations Coordinator  
Association of California Water Agencies  
400 North Capitol St. NW, Suite 357  
Washington, DC 20001  
Tel. 202-434-4760

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*click here* 



**For Immediate Release:** June 14, 2016  
**Media Contact:** Michele Huitric, [huitric.michele@epa.gov](mailto:huitric.michele@epa.gov)

**U.S. EPA Announces \$525,000 Award to Protect Northern California Watersheds**

*First grants awarded under EPA's Healthy Watersheds Consortium Grant Program*

**SAN FRANCISCO** – Today, the U.S. Environmental Protection Agency announced that three projects will receive a combined \$525,000 to improve land management of thousands of acres of healthy watersheds in Northern California. Awarded in partnership with the non-profit U.S. Endowment for Forestry and Communities, these funds are part of \$1.4 million in grants for nine projects across seven states.

"This unique public-private partnership brings together businesses, tribes, local governments, universities, and not-for-profit organizations to collaborate on watershed protection," said Alexis Strauss, EPA's Acting Regional Administrator for the Pacific Southwest. "These projects will help protect and enhance California's waterways, which is especially crucial as the state's drought continues."

"These grants will accelerate protection and improved management of watersheds across the United States," said Carlton Owen, the Endowment's President and CEO.

The three California projects are:

**Healthy Watersheds California** - \$225,000 is awarded to the [Pacific Forest Trust](#), based in San Francisco, for the restoration and conservation of an estimated 7 million acres of watersheds by leveraging private and public capital. Located in Shasta, Siskiyou, Butte, Plumas, Sierra, Lassen, Modoc, and Trinity counties, these watersheds supply 80 percent of California's reservoir capacity.

**Protecting Forests to Protect Watersheds** - \$200,000 is awarded to the [Trust for Public Land](#) and the [Save the Redwoods League](#), both based in San Francisco. These organizations are working collaboratively to conserve thousands of acres of redwood forestland in Northern California.

**Protecting Blue Creek and the Klamath River for Salmon, Wildlife and People** - \$100,000 is awarded to the [Western Rivers Conservancy](#), based in Portland, Oregon, to implement long-term watershed protection plans, sell carbon offsets, and create new jobs within a rural economy. The group's work will protect 47,000 acres within four watersheds in Northern California's temperate rainforest.

EPA launched the Healthy Watersheds Consortium Grant Program in 2015 to accelerate and expand the protection of healthy, freshwater ecosystems and their watersheds. EPA co-funds the program with the Endowment, which manages the partnership.

Grants were awarded to leverage financing for targeted watershed protection; to provide funds that help build the capacity of local organizations for sustainable, long-term watershed protection; or to support new techniques or approaches that advance the state of practice for watershed protection and that can be replicated across the country.

More information on the Healthy Watersheds Consortium Grant Program and grantees: <https://www.epa.gov/hwp> and <http://www.usendowment.org/healthywatersheds.html>

Information about watersheds: <https://www.epa.gov/hwp/healthy-watersheds-overview>

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If you would rather not receive future communications from Environmental Protection Agency, let us know by clicking [here](#).  
Environmental Protection Agency, 75 Hawthorne Street, San Francisco, CA 94105 United States

**Pam Tobin**

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**From:** ACWA Events <events@acwa.com>  
**Sent:** Monday, June 20, 2016 11:21 AM  
**To:** petpyrs@surewest.net  
**Subject:** New Solar Program for ACWA Members - Webinar THIS Thursday



Hello Pam,

**New Solar Program for ACWA Members!**

SolarCity, ACWA’s Preferred Provider for solar, is offering a new program called “Power In Numbers” which was presented at the Spring ACWA conference in Monterey back in May. The Power in Numbers program is designed so that ACWA members can aggregate solar projects into larger groups to provide two main benefits - (1) Better project economics (2) More flexibility in solar power project size.

For those of you interested in having a **complimentary solar + battery storage evaluation performed by SolarCity**, please sign up for the webinar or email SolarCity directly at [ACWAsolar@solarcity.com](mailto:ACWAsolar@solarcity.com). To get in the current “Power In Numbers” program, you’ll need to join the webinar or email SolarCity with your interest by June 30<sup>th</sup>.

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**WEBINAR:**

**Who:** Regions 3,4

**Topic:** ACWA Solar - Power In Numbers Program/SolarCity

**Time:** Jun 23, 2016 12:00 PM (GMT-7:00) Pacific Time (US and Canada)

**Webinar Link:** <https://solarcity.zoom.us/j/745223193>

For audio, please use your computers audio via the link above, or call directly:

Dial: +1 408 638 0968 (US Toll)

Meeting ID: 745 223 193

**Agenda:**

1. About the Power In Numbers (PIN) program
2. Power Purchase Agreements (PPA)
3. Sample project economics/cashflow example
4. PIN – Next Steps for interested parties
5. Q&A Session

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*Did you know...*

SolarCity is ACWA's Preferred Provider for solar power projects, which means:

- a) An RFP may not be needed to go solar with SolarCity since the company went through a competitive solicitation to earn the Preferred Provider designation from ACWA
- b) SolarCity will continue to offer services to ACWA members at the best possible value, as noted in the preferred provider agreement with ACWA:

***“SolarCity will meet or beat comparable offers from qualified competitors for an equal/ identical solar PV installation or solar energy PPA”***

*Please Note: Webinar is sponsored by ACWA's Preferred Provider, SolarCity, and is not an ACWA sanctioned region event.*

[SolarCity](#) | [ACWA Preferred Providers](#) | [ACWA](#)

ACWA, 910 K Street, Ste. 100, Sacramento, CA 95814

t: 916.441.4545 | e: [events@acwa.com](mailto:events@acwa.com)

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