

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

June 10, 2015 – 7:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

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

OTHER ATTENDEES

| | |
|-----------------|----------|
| Sandy Harris | Customer |
| Joseph Scherrer | Customer |
| Hilary Straus | CHWD |
| Susan Sohaul | CHWD |
| Tom Gray | FOWD |
| Dave Underwood | FOWD |
| Jason Mayorga | SJWD |
| George Machado | SJWD |
| Greg Turner | SJWD |

AGENDA ITEMS

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

President Costa called the meeting to order at 7:00 p.m.

I. PUBLIC FORUM

There were no public comments.

II. **CONSENT CALENDAR**

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

1. **Minutes of the Board of Directors Meetings**

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

1. Minutes of the Board of Directors Workshop, April 29, 2015
2. Minutes of the Board of Directors Meeting, May 27, 2015

Director Walters suggested that the April 29, 2015 Board workshop minutes be revised on page 2, 6th bullet to include "...is to incentivize conservation and to help offset a portion of lost revenue, not..."

Director Walters moved to approve the Consent Calendar with the amendment to the April 29, 2015, Board of Directors Workshop minutes. President Costa seconded the motion and it carried unanimously.

ACTION AND INFORMATIONAL ITEMS

III. **OLD BUSINESS**

1. **Fiscal Year 2015-2016 Draft Wholesale Budget**

Mr. Durkin conducted a presentation on the FY 2015-16 Draft Wholesale Budget. A copy of the presentation will be attached to the meeting minutes. Mr. Durkin reported that the 2014-15 Wholesale Budget (current fiscal year) is projected to result in a \$650K operating revenue shortfall with a projected net income to reserves of \$0.19 million. He explained that this is \$1.6 million less than the financial plan targeted.

Mr. Durkin reviewed the 2015-16 budget assumptions, which included full use of the Rate Stabilization Reserve and projections based on decreased water demands, increased general expenses, and decreased chemical costs. He reported that negotiations with PCWA were instigated to reduce the amount that PCWA charges the District during periods when there are water restrictions and that will result in a one-time savings of approximately \$250,000. He explained that there is a placeholder in the budget for three additional positions which staff will be discussing with the Board. In addition, he informed the Board that net income to reserves for FY 2015-16 will be approximately \$600K, as compared to the Financial Plan projection/ recommendation of \$2.4 million.

Mr. Durkin reviewed the expense, revenue and reserve projections. He reviewed the Capital Improvements Program which showed several projects that were deferred since 2008. In addition, he explained the necessity of

completing the projects and stressed that deferring the projects is not a realistic option. The Board discussed the Capital Improvements Program and whether or not projects could be spread out over several years in order to smooth out the impact to the reserve balances. Mr. Durkin explained the economy of scale and cost savings benefits of keeping the projects completed as one project in addition to the risk to the District of deferring the projects.

Ms. Motonaga conducted a presentation on the FY 2015-16 Draft Wholesale Budget. A copy of the presentation will be attached to the meeting minutes. She reviewed the estimated water deliveries, which helps anticipate the future revenue in order to complete the budget. In addition, she reviewed the Minimum Balance Needed, Unrestricted Reserve Balance and Board Determined Discretionary Reserve Balance.

Ms. Motonaga explained that under the Financial Plan, utilizing the current revenue projections and utilization of the Rate Stabilization Fund, the District will have no Reserves (cash) by the end of 2018. Therefore, she created three scenarios for the Board to consider with one being the staff recommendation. These scenarios took into account estimated revenues, expenses, and reserves for the next 9 years. The staff recommendation includes understanding the long term issues facing the District and the effects on the financials and Reserves.

The first scenario is staff's recommendation which includes a wholesale rate increase of \$22/AF, reserves (cash) fall to \$4.3 million, and reserves do not recover until 2021 (6 years). The second scenario in order to bring reserves back to the Board Determined Discretionary Reserve Balance levels faster (approx. 2018) would require a wholesale rate increase of \$64/AF this year and an additional \$40/AF rate increase next year. The last scenario is to keep the rate increase at a single digit percentage that equates to a \$14.54/AF wholesale rate increase resulting in negative reserves (cash) by 2017 and reserves do not recover. All three scenarios utilize the Rate Stabilization Fund.

Ms. Motonaga reviewed the history of the wholesale rates and compared the District's wholesale rate with other agencies. The comparison showed that the District is currently \$121 lower per acre foot than the lowest compared agency, and would be \$99/AF lower with the proposed \$22/AF increase. She noted that even if the Board were to adopt the \$64/AF increase, SJWD-W would still be providing treated surface water at a cost below the lowest compared agency. She commended the District for working very hard to maintain very reasonable rates; however, the District is hitting a point where it will start to affect the District's infrastructure.

In summary, Ms. Motonaga informed the Board that based on the discussions and review of long term projections and the anticipated effects on the Reserves, staff recommends that the Board accept the FY 2015-16 Wholesale Budget as presented with a \$22 per AF increase (based on projected volumes).

The variable rate would be \$102.17 and a Flat Rate would be \$1,674,952, with a net Income after Debt Service of \$599,249.

The Board discussed the proposed budget and staff's recommendation. In response to President Costa's question, staff informed the Board that the recommended rate increase of \$22/AF equates to 11% on the overall effective variable rate (total rate revenues) or approx. 15% on the variable portion of revenues (revenues from fixed and variable portions of water rate) only.

In response to questions from the public, Ms. Lorance confirmed that the City of Folsom's reduction in water use was projected in the budget. In addition, she explained that payments from the wholesale customer agencies pay capital contributions to cover costs. Mr. Durkin explained that pre-payment of project costs by the wholesale customer agencies would not change the overall projections significantly since the payback period is only five years. Mr. Durkin explained that at the end of each Fiscal year the District reconciles the budget against projections and actual costs and revenue, including unaccounted for revenue.

Vice President Tobin moved to adopt Resolution No. 15-07 approving FY 2015-2016 Wholesale Budgets, Rates and Fees. Director Rich seconded the motion and it carried with 4 Aye votes and 1 No vote (Costa).

In response to Director Walters' question, Ms. Lorance confirmed that the proposed budget fully utilizes the Rate Stabilization Fund and it will not be re-filled until 2022 assuming the projections are correct. In response to President Costa's comment, Ms. Lorance explained that the CIP is pay-as you-go since the District has not borrowed any more funds. President Costa voiced concern on the rate increase and suggested that maintenance be deferred and the CIP leveled out.

2. Comments on Phase 2A Report

Ms. Lorance commented that the public comments received on the Phase 2A report were emailed out to the Board with the comments from Fair Oaks Water District being distributed today due to technical difficulties. She explained that Director Rich will not be at the Joint Board meeting on June 25th and he requested to review the comments.

Ms. Lorance reported that the executive team met on Monday June 8th and reviewed the timeline of the project. The project started out with Phase 1, then moved to the Phase 2 Study which was initially all in one scope. The Joint Board decided to divide the project into two phases, with Phase 2A a high level overview and Phase 2B a more detail study. The intent was to divide up Phase 2 into two phases to limit expenses until it was determined to proceed with the study in more depth.

Ms. Lorance commented that there has been confusion on what is included in each phase of study. In order to further clarify the Phases, staff will be renaming the phases. Phase 1 was the water management phase. Phase 2 studies other organizational elements, divided into Phase 2A and 2B. Phase 2A was as far as staff could go with \$100,000 and Phase 2B is the completion of Phase 2 with a final report as a deliverable. Phase 3 would be the application to LAFCo. She informed the Board that this was discussed briefly at the Wholesale Customer Agencies general managers' meeting and it was well received, as it shows that the Joint Boards have listened to the agencies, will be providing the details, and will have time to review the public comments prior to taking any action. Director Rich agreed with this process and he is in support of this approach.

In response to Director Walters' comment, Ms. Lorance explained that staff is working on the scope of work for the Phase 2B study and it will be brought to the Joint Board meeting on June 25th. In addition, staff will be asking to set up the following Joint Board meetings so that they are scheduled in advance. Staff will also recommend that the remainder of Phase 2B be directed by the joint boards as the information will be important for all to hear.

The Board discussed the topic and the fact that the individual boards are discussing the merger separately so that they are ready to decide on moving forward at the joint board meeting to complete Phase 2.

For information only; no action needed

3. Compensation Study

President Costa commented that he would like the Compensation Study to be referred to the Finance Committee to analyze the data and verify the information. Director Miller commented that there are lots of questions to be answered. Mr. Horowitz confirmed that there would be no violation of the Brown Act for the Finance Committee to review the report.

Ms. Lorance informed the Board that the District performed a salary survey in 2001 using the 75th percentile. The 2006 study parameters were revised by the Board to 10% over mean (average), which results in lower amounts. In 2013, the Board adopted a policy to maintain the 10% over mean (average) for the 2015 Compensation Study. Ms. Lorance explained that the top of the salary range for each benchmark position is set at 10% over average and the bottom of the range is set at 20% below the top of the range, which is below the average in the survey.

President Costa referred the Compensation Study to the Finance Committee.

IV. COMMITTEE REPORTS

1. Engineering Committee (5/26/15)

Director Rich reported that the committee met on May 26, 2015, and discussed the following:

- Retail Service Area Pressure Reductions and Reservoir Management for Demand Management (R)
- Transmission Mains Control Valve Project (W)
- Security Improvements (W & R)
- Other Legal Affairs Matters
- Public Comment

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

Retail Service Area Pressure Reductions and Reservoir Management for Demand Management (R)

Director Rich reported that the committee discussed pressure reductions in the retail service area to encourage additional water conservation. For more details, please refer to the committee minutes.

For information only; no action needed

Transmission Mains Control Valve Project (W)

Director Rich reported that the committee discussed the Transmission Mains Control Valve Project. For more details, please refer to the committee minutes.

For information only; no action needed

Security Improvements (W & R)

Director Rich reported that there are various security improvements that will cost approximately \$175,000. For more details, please refer to the committee minutes.

Other Engineering Matters

Director Rich informed the Board that the committee has been reviewing the Capital Improvements Program.

2. Public Information Committee (5/28/15)

Director Miller reported that the committee met on May 28, 2015, and discussed the following:

- Update on Drought Activities
- Other Public Information Matters
- Public Comment

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

Update on Drought Activities

Director Miller reported that the committee was informed that the direct mailer regarding the drought restrictions was sent out to retail customers. In addition, they were updated on the Telephone Town Hall which occurred on June 4th. Director Miller reported that the committee discussed that staff will start enforcing the restrictions the first week of June by using patrols to educate customers on conservation.

In addition the committee discussed meters on ponds, weed abatement, increased customer phone calls, and door hangers. The committee discussed that a separate line be established to report water waste so that those calling in can leave a message to avoid holding on the line for a customer service representative. Director Miller mentioned that the Engineering Committee discussed reducing water pressure in the retail service area which may help with conservation.

Director Walters commented that he received the WaterSmart report for his residence and that it is a great way to communicate to customers regarding their water use.

Mr. Joe Scherrer addressed the Board and commented that he attended the Telephone Town Hall meeting and was astonished about the lack of knowledge by customers who were on the call regarding conservation. He suggested that the higher users should be the ones to get penalized for not conserving.

For information, no action requested.

Other Public Information Matters

The next committee meeting is scheduled for Monday, June 22, 2015, at 9:30 am.

3. Finance Committee (6/9/15)

President Costa reported that the committee met on June 9, 2015, and discussed the following:

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

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

Review and Pay Bills (W/R)

President Costa reported that the committee reviewed bills and claims in the amount of \$2,089,178.24 and found them to be in order.

Vice President Tobin moved to approve Resolution 15-08. President Costa seconded the motion and it carried unanimously.

Finance System Update (W & R)

Ms. Lorance informed the Board that she provided the committee with a Finance System Process Update and will provide the information in a table at the next meeting.

For information only; no action requested.

Draft Auditor Management Letter (W & R)

President Costa referred the Board to the draft Auditor Management Letter.

For information only; no action requested.

Water Treatment Plant Operating Chemical Contracts (W)

Mr. Durkin informed the Board that bids were received on May 14th for the four water treatment chemical contracts. He referred the Board to the staff report and mentioned that the cost of chlorine went up 18% while the cost of the alum/polymer blend went down 36%. He reported that the Finance Committee recommends consideration to award the contracts.

Vice President Tobin moved to award the contracts for Alum, Quicklime, Chlorine, and Polymer Chemicals as follows:

1. **Granular Quicklime - Graymont Western US, 190 Tons; Bid Price \$224/Ton with a total budget amount of \$42,560.**
2. **Liquid Chlorine - Sierra Chemical, 96 Tons; Bid Price \$611/Ton with a total budget amount of \$58,656.**
3. **Emulsion Polymer - Solenis LLC, 14,400 Lbs.; Bid Price \$0.95 /Lb. + 7.5% tax \$1.02 /Lb. with a total budget amount of \$14,706.**
4. **Alum/Polymer Blend - Chemtrade Chemicals US LLC, 790 Tons; Bid Price \$169 /Ton with a total budget amount of \$133,510.**

President Costa seconded the motion and it carried unanimously.

Compensation Study Costs (W & R)

President Costa referred to the prior discussion of this topic.

For information only; no action requested.

Other Finance Matters (W/R)

President Costa reported that Mr. Durkin already discussed the negotiations with PCWA.

For information only; no action requested.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply

Ms. Lorance reported that Folsom Reservoir level is at 515,000 AF which is about 53% total storage and 63% of average. She stressed that there is no snowpack to refill the reservoir. In addition, the reservoir has lost 20,000 AF so far in June.

Ms. Lorance reported that the temperature requirements on the Sacramento River are pending and until they are released the impact to Folsom Reservoir is unknown at this time. She explained that PCWA, the cities of Folsom and Roseville, and the District are working together to have the same position once the requirements are released.

In response to Vice President Tobin's comment, Mr. Horowitz explained that the City of Riverside has prepared but not yet filed a lawsuit; however, the assertion is that the city has sufficient storage and a local supply of water so therefore they should not have to abide by the restrictions to their water rights.

Ms. Lorance reported that NRDC filed a lawsuit against the Department of Water Resources for issuing grants to agencies that did not meet all the conservation BMPs.

For information, no action requested

1.2 Report Back Items

As discussed previously, the phone traffic has increased many times over; therefore, a new approach will be attempted in order to help eliminate customers being placed on hold. The telephone system is being changed so that the initial recording directs the caller to conservation, message to report water waste, or customer service, and if all lines are busy, then transferred to voice mail. District staff will call back within the day to any messages containing a call back request.

Ms. Lorance informed the Board that 7,000 retail customers were called as part of the Telephone Town Hall. She explained that 2,000 customers accepted the call to join the meeting, 68 customers dialed into the call, 80 questions were asked in the queue with 74 questions fielded. The call lasted an hour with 1,000 customers remaining on the call until the end. The questions will be summarized and answered then posted to the District's website by the end of the week.

Ms. Lorance reported that SJWD-Retail had a 49% conservation reduction in May, with a 47% reduction in the wholesale service area. She informed the

Board that letters are being sent out to customers regarding their usage, starting with the high water users first. The high water users, including the parks and schools, will have their meter read on a weekly basis (approximately 80 customers per week).

For information, no action requested

1.3 Miscellaneous District Issues and Correspondence

Ms. Lorance reported that PCWA issued a news release that stated Folsom Reservoir was going to go dry. As there had not been any specific data publicly released that showed Folsom Reservoir levels dropping to a level where customers do not have water, this caused some confusion.

Ms. Lorance reported that the Board packet contained information regarding what ACWA is doing for support for different agencies regarding drought conditions. In addition, she reported that the SWRCB scheduled a rate workshop and is requesting comments relative to recognizing the effectiveness of conservation pricing as a tool to prevent wasteful water use. She explained that the SWRCB is required by executive order to promote water conservation pricing mechanisms. She explained that she will be working with the region to determine if submitting comments.

A member of the public commented that the District was flushing a hydrant and inquired if the water could have been directed toward a vineyard that was adjacent to the water being released. Ms. Lorance explained that the District always tries to reuse water when possible, so she requested that if a customer sees this happen and would like the water redirected to their property then they need to contact the District.

For information, no action requested

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Antelope Pump Back O&M Agreement

Mr. Durkin reported that the agreement for Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station was developed by staff, reviewed by legal counsel, and reviewed by SJWD's Legal Affairs Committee and SSWD's Facilities and Operations Committee, and is now ready for the Board's consideration for approval. The staff report will be attached to the meeting minutes.

Vice President Tobin moved to approve the agreement between the District and Sacramento Suburban Water District for Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station. Director Walters seconded the motion and it carried unanimously.

2.2 Report Back Items

2.2.1 Corp of Engineers' Folsom Dam Water Control Manual Update

Mr. Durkin reported that he attended the Corp of Engineers' workshop on the status of the Folsom Dam Water Control Manual Update. He commented that, even though there have been no updates, it was apparent that they have been working on the manual. He explained that it also appears that a forecast based operations approach can result in an additional 70,000 to 100,000 AF of water storage during spring months in years when storm events normally would have triggered more significant releases under a "flood diagram" approach. The staff report will be attached to the meeting minutes.

2.3 Miscellaneous District Issues and Correspondence

There were no items discussed.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Report Back Items

There were no items discussed.

3.2. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz reported that the State Board filed a request with the Supreme Court to de-publish the San Juan Capistrano tiered rate decision. In addition, the League of California Cities, ACWA, and California Association of Counties are expected to file a request for de-publication and they will also be asking the Supreme Court to review the case.

Mr. Horowitz reported that the Irvine Ranch Water District and the Eastern Municipal Water District are developing a proposal for tiered water rates to add additional statutes to the Proposition 218 Omnibus Implementation Act, which provides procedures for implementing Prop. 218.

Mr. Horowitz reported that the 3rd District Court of Appeal issued a decision in a case against the Department of Fish and Game over an attempt to enforce F&G Code 1602 which requires a permit every time a streambed is altered or there is instream activity.

Mr. Horowitz reported that there are some budget trailer bills, one of which is TB 825 which proposes to give the SWRCB authority to require water districts to consolidate if there is a district that is having issues. He

explained that this oversteps LAFCo's authority and jurisdiction, and there are several groups working against this proposal.

Mr. Horowitz reported that the SWRCB issued a notice that proposed special conservation regulations for the Russian River, which prohibits all outdoor watering with surface water.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA meets June 11, 2015.

5.2 RWA

Vice President Tobin reported that RWA met on May 14, 2015 and discussed the 2014 Drought Implementation Grant Management Project, membership approvals, and approved the 2015-16 budget with a 10% increase which equals to a \$5,000 increase to the District. A copy of her report will be attached to the meeting minutes.

5.3 ACWA

5.4.1 Local/Federal Government/Region 4 - Pam Tobin

Vice President Tobin reported that ACWA Region 4 meet on May 7th at the ACWA Spring Conference. The members received updates on the Sustainable Groundwater Management Act, the emergency conservation regulations which were adopted by the SWRCB, the ACWA Dues Task Force activities, and the Outreach Task Force activities. In addition, she attended the Sustainable Groundwater Management Act Workshop on June 3, 2015. A copy of her report will be attached to the meeting minutes.

5.4.2 Energy Committee - Ted Costa

No report.

5.4.3 JPIA - Bob Walters

No report.

5.4 CVP Water Users Association

President Costa reported that the next meeting is July 21, 2015.

5.5 Other Reports and Comments

Mr. Tom Gray informed the Board that KCRA Channel 3 ran a lead story on the City of Riverside case and FOWD gave comment on it. In addition, he commented that the FOWD comment letter on the Phase 2A report includes a request to work directly with SJWD to work through some issues and come to a consensus. In response to President Costa's prior comments regarding FOWD's deferred maintenance, Mr. Gray informed the Board that the \$60 million that President Costa has referenced is FOWD's total Capital Improvements Program.

FY 2015 - 2016 Wholesale Budget

Keith Durkin
Kate Motonaga
San Juan Water District
June 10, 2015

Presentation Summary

- Budget Overview (Keith)
 - Budget development
 - CIP component
- Rate and reserve scenarios (Kate)
- Proposed FY15-16 Wholesale Budget (Kate)

FY14 - 15 Wholesale Budget Review

- Projected actual operating revenue = \$6.81M vs. \$7.46M budgeted (\$650k shortfall)
- Maintained non-operating revenues (prop. tax, solar rebate, interest...)
- Additional expenses from conservation impacts, temporary help expense, etc.
- Reduced expenses wherever feasible
- No “withdrawal” from rate stabilization reserve fund

FY14 - 15 Wholesale Budget Review

- Projected net income to reserves of \$0.19 million
 - Less than financial plan target of \$1.79 million
- Positive income, but creating a large hole in capital reserves
- Draft FY15-16 budget based on FY14-15 actuals plus impacts of additional conservation requirements

FY15 - 16 Draft Wholesale Budget

Assumptions:

- Water demands and associated revenue will be reduced ~ 36% from 2013
- Water demands and associated revenue will slowly rebound in the future
- “Bare bones/zero based” budgeting: maintain reduced expenses from FY14-15 budget where feasible, implement other one-time savings

FY15 - 16 Draft Wholesale Budget

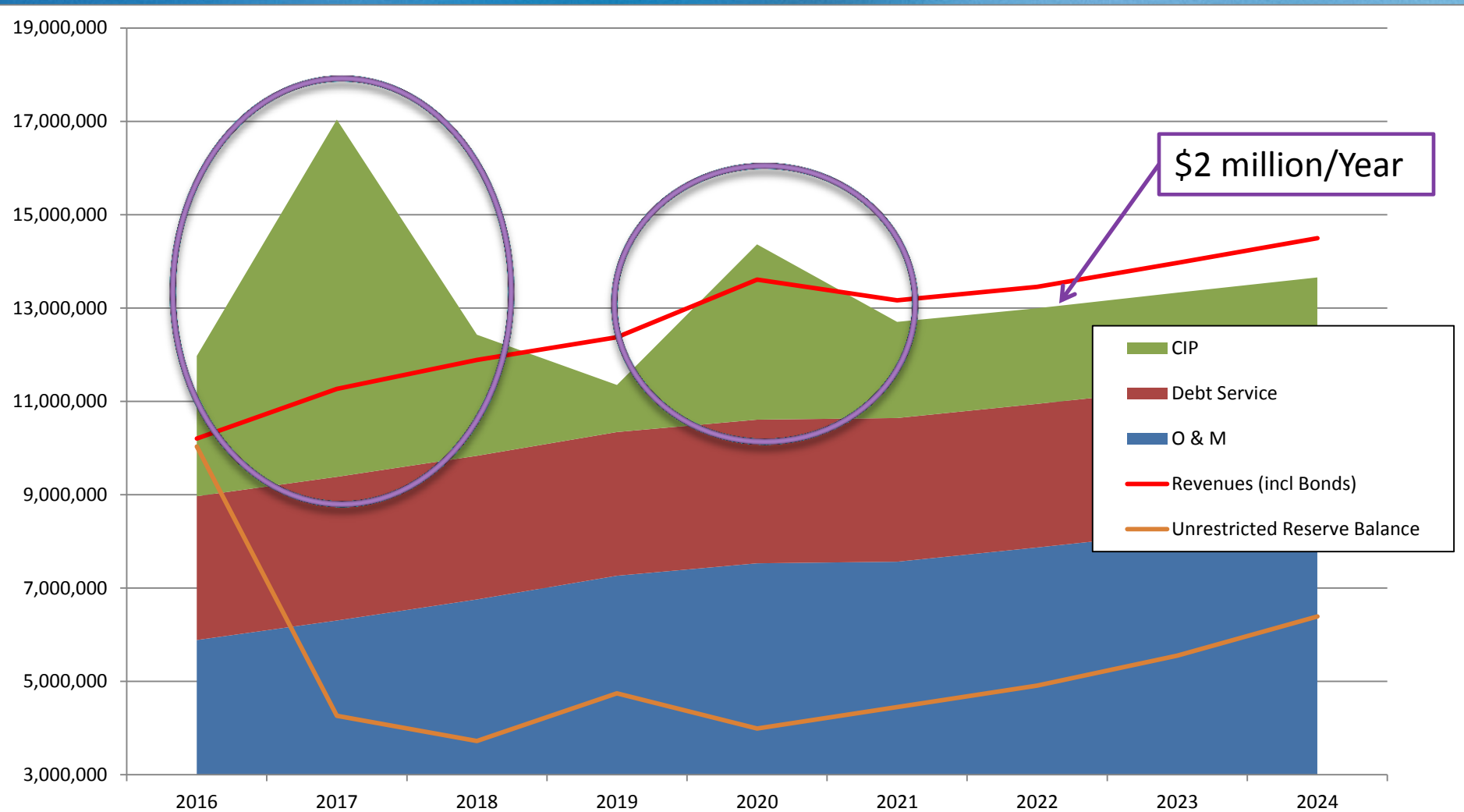
Assumptions:

- General expenses will increase with CPI
- Chemical costs will decrease
- Cost of supply will decrease through negotiated PCWA contract terms (1-time savings)
- Fully utilize Rate Stabilization Reserve (1-time savings) with no plan to replace
- Include placeholders for staffing:
 - HR Manager (auditor and GM recommendation)
 - WTP Operator (staffing level issues)
 - Executive level staff person (Board vision)

FY15 - 16 Draft WS Budget - Summary

- Operating revenues will be less than FY14-15 even with recommended rate increase
- Net income to reserves will be ~ \$600,000
 - Financial Plan projection/recommendation is \$2.4 million
 - FY14-15 contribution to reserves estimated at \$0.19 million, or \$1.6 million less than plan
- Forward looking rate planning required
 - Incremental rate increases necessary
 - Continue to pursue additional revenue sources
 - Deferring CIP not a realistic option

Expense, Revenue, & Reserves Projections



**Exhibit II-3 -- Continued
SAN JUAN WATER DISTRICT**

TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE

| Construction Inflation Factor | | | | 1.00 | 1.03 | 1.06 | 1.09 | 1.13 | 1.16 | 1.19 |
|---|----------------------------|--------------------------|---------|-----------|------------|--------------|------------|------------|--------------|---------|
| Project Name | Cost Estimate ² | Total Cost ^{1a} | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
| <i>Raw Water Supply</i> | | | | | | | | | | |
| Existing USBR Pumping Plant Improvements ² | \$ - | \$ - | | | | | | | \$ - | |
| <i>Hydraulic Improvements</i> | | | | | | | | | | |
| New Settled Water Channel | \$ 3,136,000 | \$ 3,313,000 | | | \$ 485,000 | \$ 2,828,000 | | | | |
| Modify "P" Structure Overflow (Well Improvem | \$ 28,000 | \$ 28,000 | | \$ 28,000 | | | | | | |
| <i>Pre-Treatment</i> | | | | | | | | | | |
| Rapid Mix Process Improvements ³ | \$ 246,400 | \$ 260,000 | | | \$ 25,000 | \$ 235,000 | | | | |
| Replace Flocculators, Modify Basins | \$ 2,826,400 | \$ 2,949,000 | | | \$ 250,000 | \$ 2,699,000 | | | | |
| Replace Sludge Collection System ⁴ | \$ 616,000 | \$ 638,000 | | | \$ 50,000 | \$ 588,000 | | | | |
| Washdown Piping Improvements | \$ 22,000 | \$ 45,000 | | \$ 22,000 | \$ 23,000 | | | | | |
| Settling Tube Cleaning System | \$ 210,000 | \$ 229,000 | | | | | \$ 229,000 | | | |
| Settled Water Joint Repair and Caulk ⁵ | \$ 28,000 | \$ 31,000 | | | | | \$ 31,000 | | | |
| <i>Filters</i> | | | | | | | | | | |
| Filter Floor Repairs and Media/Nozzle Replacem | \$ 3,500,000 | \$ 4,046,000 | | | | | | \$ 394,000 | \$ 3,652,000 | |
| Backwash Hood Pumps | \$ 100,000 | \$ 102,000 | | \$ 50,000 | \$ 52,000 | | | | | |
| Backwash Hood Rehabilitation | \$ 500,000 | \$ 563,000 | | | | | | \$ 563,000 | | |
| Filter Gallery Piping Improvements ^b | \$ - | \$ - | | | | \$ - | | | | |
| <i>Chemical Feed Systems</i> | | | | | | | | | | |
| Spare Control System RTU | \$ 15,000 | \$ 15,000 | | \$ 15,000 | | | | | | |
| CL2 Piping Project - 10yr replacement | \$ 50,000 | \$ 58,000 | | | | | | | \$ 58,000 | |
| Lime System Control & Feeder System Improve | \$ 60,000 | \$ 64,000 | | | | \$ 64,000 | | | | |
| Alum Feed Pump Replacement | \$ - | \$ - | | | | | | | | |
| Polymer System Improvements (in Control Bldg) | \$ 112,000 | \$ 112,000 | | | \$ 112,000 | | | | | |
| <i>Solids Handling Facilities</i> | | | | | | | | | | |
| Clarifier Wall Lining & Leakage Repairs | \$ 450,000 | \$ 477,000 | | | | \$ 477,000 | | | | |
| <i>Vehicle Replacement & Reserves</i> | | | | | | | | | | |
| Vehicles | \$ 120,000 | \$ 129,000 | | | \$ 62,000 | | \$ 33,000 | \$ 34,000 | | |
| <i>Hinkle Reservoir</i> | | | | | | | | | | |
| Hinkle Res. Groundwater Monitoring Wells | \$ 56,000 | \$ 59,000 | | | | \$ 59,000 | | | | |
| Replace Hinkle cover & liner, Bifurcate Res., | \$ - | \$ - | | | | | | | | \$ - |
| Hinkle Reservoir Cleaning | \$ 89,600 | \$ 22,000 | | \$ 22,000 | | | | | | |
| <i>Transmission Pipeines</i> | | | | | | | | | | |



Board Meeting Report San Juan Water District

May 28, 2008

Wholesale Capital Improvement Program
Schedule Revisions

0% FWD
15% SJWD
RSA
3% OVMC

Shop

Scenario 2

Exhibit II-5
San Juan Water District
Ten-Year Wholesale Capital Improvement Program

Revised 01/10/08
Based on mgr mtg

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? | |
|---|------------|--------------|---------------|-----------------------|--------------|--------------|------------|--------------|--------------|------------|------------|---|
| Raw Water Supply | | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 600,000 | \$ 500,000 | | | | | | | | N | |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | | | | N | |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 650,000 | \$ 605,000 | 6,600,000 | | | | | | | Y | |
| Existing USBR Pumping Plant Improv. | \$ | | | | | | | | | | N | |
| Hydraulic Improvements | | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | | | | | | | | Y | |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | | | | | | | | N | |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | \$ 2,255,000 | | | | | | | N | |
| Replace Tube Settlers and Launderers | \$ | \$ 1,155,000 | | | | | | | | | N | |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N | |
| New Settled Water Channel | | | | | | \$ 2,800,000 | 3,000,000 | | | | Y | |
| Treated Water Piping to Hinkle Res. | | | | | | \$ 2,215,000 | | | | | Y | |
| Pre-Treatment | | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N | |
| Rapid Mix Process Improvements | | | | | | \$ 800,000 | | | | | N | |
| Replace Flocculators, Modify Basins | | | | | \$ 2,470,000 | | | | | | N | |
| Replace Sludge Collection System | | | \$ 1,200,000 | | | | | | | | N | |
| Settled Water Channel Joint Rpr. & Chaulk | | | | | | | \$ 25,000 | | | | N | |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N | |
| Filters | | | | | | | | | | | | |
| Backwash System VFDs | \$ 20,000 | | | | | | | | | | N | |
| Rate of Flow Controllers | | | \$ 125,000 | | | | | | | | N | |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N | |
| Filter Basin Leak Repair | | | | \$ 2,500,000 | | | | | | | N | |
| Filter Gallery Piping | | | | | | \$ 1,500,000 | | | | | Y | |
| Chemical Feed Systems | | | | | | | | | | | | |
| Chlorine Containment | \$ 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | | Y | |
| Alum and Lime Tanks Secondary Contain. | | | \$ 75,000 | | | | | | | | N | |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N | |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N | |
| Solids Handling Facilities | | | | | | | | | | | | |
| Polymer Feed System Additions | \$ 75,000 | | | | | | | | | | N | |
| Backup Progressive Cavity Sludge Feed Pump | \$ 10,000 | | 60,000 | | | | | | | | N | |
| Front End Loader and Dump Truck | | \$ 120,000 | | | | | | | | | N | |
| Hinkle Reservoir | | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N | |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N | |
| Transmission Pipelines | | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | | \$ - | 300,000 | 2,700,000 (See alloc) | | | | | | | N | |
| Wholesale Meter Replac./Upgrades | | \$ 400,000 | 4,200,000 | | | | | | | | N | |
| Miscellaneous CIP Items | | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | \$ 100,000 | 300,000 | | | | | | | | N | |
| Portable Flow Meter | \$ 10,000 | \$ 200,000 | | | | | | | | | N | |
| SCADA, Instrumentation | | | \$ 300,000 | | | | | | | | N | |
| Control Building Roof | | | \$ 25,000 | | | | | | | | N | |
| Storage Building Roof and Wall Repairs | | | 400,000 | \$ 25,000 | | | | | | | N | |
| Entrance Drive Improvements | | \$ 50,000 | \$ 600,000 | | | | | | | | N | |
| Unspecified Rehab./Upgrade Projects | | \$ 250,000 | 200,000 | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 5,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 575,000 | \$ 500,000 | \$ 3,700,000 | \$ 500,000 | | |
| Escalation to Future Dollars | \$ 465,000 | \$ 7,739,000 | \$ 10,893,000 | \$ 5,800,000 | \$ 3,002,000 | \$ 9,974,000 | \$ 771,000 | \$ 704,000 | \$ 5,467,000 | \$ 776,000 | | |

0% FWD
15% SJWD
RSA
3% OYMC

Shop

Scenario 2

Exhibit II-5
San Juan Water District
Ten-Year Wholesale Capital Improvement Program

Revised 01/10/08
Based on mgr mtg

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? |
|---|------------|--------------|---------------|-----------------------|--------------|--------------|--------------|--------------|--------------|------------|------|
| Raw Water Supply | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 500,000 | \$ 500,000 | | | | | | | | N |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | | | | N |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 550,000 | \$ 5,000,000 | 6,600,000 | | | | | | | Y |
| Existing USBR Pumping Plant Improv. | \$ | | | | | | | | | | N |
| Hydraulic Improvements | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | | | | | | | | Y |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | | | | | | | | N |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | 2,255,000 | | | | | | | N |
| Replace Tube Settlers and Launderers | \$ | \$ 1,155,000 | | | | | | | | | N |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N |
| New Settled Water Channel | | | | | | | \$ 2,800,000 | 3,000,000 | | | Y |
| Treated Water Piping to Hinkle Res. | | | | | | | \$ 2,215,000 | | | | Y |
| Pre-Treatment | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N |
| Rapid Mix Process Improvements | | | | | | | | | | | N |
| Replace Flocculators, Modify Basins | | | | | | \$ 800,000 | | | | | N |
| Replace Sludge Collection System | | | | \$ 1,200,000 | \$ 2,470,000 | | | | | | N |
| Settled Water Channel Joint Rpr. & Check. | | | | | | | | | | \$ 25,000 | N |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N |
| Filters | | | | | | | | | | | |
| Backwash System VFDs | \$ 20,000 | | | | | | | | | | N |
| Rate of Flow Controllers | | | \$ 125,000 | | | | | | | | N |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N |
| Filter Basin Leak Repair | | | | \$ 2,500,000 | | | | | | | N |
| Filter Gallery Piping | | | | | | | \$ 1,500,000 | | | | Y |
| Chemical Feed Systems | | | | | | | | | | | |
| Chlorine Containment | \$ 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | | Y |
| Alum and Lime Tanks Secondary Contain. | | | \$ 75,000 | | | | | | | | N |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N |
| Solids Handling Facilities | | | | | | | | | | | |
| Polymer Feed System Additions | \$ 75,000 | | | | | | | | | | N |
| Backup Progressive Cavity Sludge Feed Pump | \$ 10,000 | | 60,000 | | | | | | | | N |
| Front End Loader and Dump Truck | | \$ 120,000 | | | | | | | | | N |
| Hinkle Reservoir | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N |
| Transmission Pipelines | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | | | 300,000 | 2,700,000 (See alloc) | | | | | | | N |
| Wholesale Meter Replac./Upgrades | | \$ 400,000 | 4,200,000 | | | | | | | | N |
| Miscellaneous CIP Items | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | \$ 100,000 | 300,000 | | | | | | | | N |
| Portable Flow Meter | \$ 10,000 | \$ 200,000 | | 300,000 | | | | | | | N |
| SCADA, Instrumentation | | | \$ 25,000 | | | | | | | | N |
| Control Building Roof | | | 400,000 | \$ 25,000 | | | | | | | N |
| Storage Building Roof and Wall Repairs | | \$ 50,000 | \$ 600,000 | | | | | | | | N |
| Entrance Drive Improvements | | \$ 250,000 | 200,000 | | | | | | | | N |
| Unspecified Rehab./Upgrade Projects | | | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 5,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 575,000 | \$ 500,000 | \$ 3,700,000 | \$ 500,000 | |
| Escalation to Future Dollars | \$ 465,000 | \$ 7,739,000 | \$ 10,893,000 | \$ 5,800,000 | \$ 3,002,000 | \$ 9,974,000 | \$ 771,000 | \$ 704,000 | \$ 5,467,000 | \$ 776,000 | |



11/8/2001 0



11/8/2001 09:0



0% FOWD
15% SJWD
RSA
3% OYMC

Shop

Scenario 2

Exhibit II-5
San Juan Water District
Ten-Year Wholesale Capital Improvement Program

Revised 01/10/08
Based on mgr mtg

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? |
|---|----------|--------------|--------------|-----------------------|--------------|--------------|--------------|--------------|------------|--------------|------------|
| Raw Water Supply | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 600,000 | \$ 500,000 | | | | | | | | N |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | | | | N |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 650,000 | \$ 6,000,000 | 6,600,000 | | | | | | | Y |
| Existing USBR Pumping Plant Improv. | \$ | | | | | | | | | | N |
| Hydraulic Improvements | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | | | | | | | | Y |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | | | | | | | | N |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | \$ 2,255,000 | | | | | | | N |
| Replace Tube Settlers and Launderers | \$ | \$ 1,155,000 | | | | | | | | | N |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N |
| New Settled Water Channel | | | | | | \$ 2,800,000 | 3,000,000 | | | | Y |
| Treated Water Piping to Hinkle Res. | | | | | | \$ 2,215,000 | | | | | Y |
| Pre-Treatment | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N |
| Rapid Mix Process Improvements | | | | | | \$ 800,000 | | | | | N |
| Replace Flocculators, Modify Basins | | | | | \$ 2,470,000 | | | | | | N |
| Replace Sludge Collection System | | | \$ 1,200,000 | | | | | | | | N |
| Settled Water Channel Joint Rpr. & Chaulk | | | | | | | \$ 25,000 | | | | N |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N |
| Filters | | | | | | | | | | | |
| Backwash System VFDs | \$ | 20,000 | | | | | | | | | N |
| Rate of Flow Controllers | | | \$ 125,000 | | | | | | | | N |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N |
| Filter Basin Leak Repair | | | | \$ 2,500,000 | | | | | | | N |
| Filter Gallery Piping | | | | | | \$ 1,500,000 | | | | | Y |
| Chemical Feed Systems | | | | | | | | | | | |
| Chlorine Containment | \$ | 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | Y |
| Alum and Lime Tanks Secondary Contain. | | | | \$ 75,000 | | | | | | | N |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N |
| Solids Handling Facilities | | | | | | | | | | | |
| Polymer Feed System Additions | \$ | 75,000 | | | | | | | | | N |
| Backup Progressive Cavity Sludge Feed Pump | \$ | 10,000 | | | | | | | | | N |
| Front End Loader and Dump Truck | | | \$ 60,000 | | | | | | | | N |
| | | | \$ 120,000 | | | | | | | | N |
| Hinkle Reservoir | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N |
| Transmission Pipelines | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | | \$ - | 300,000 | 2,700,000 (See alloc) | | | | | | | N |
| Wholesale Meter Replac./Upgrades | | \$ 400,000 | 4,200,000 | | | | | | | | N |
| Miscellaneous CIP Items | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | \$ 100,000 | | 300,000 | | | | | | | N |
| Portable Flow Meter | \$ | 10,000 | | \$ 200,000 | | | | | | | N |
| SCADA, Instrumentation | | | | \$ 25,000 | | | | | | | N |
| Control Building Roof | | | | 400,000 | \$ 25,000 | | | | | | N |
| Storage Building Roof and Wall Repairs | | | \$ 50,000 | \$ 600,000 | | | | | | | N |
| Entrance Drive Improvements | | \$ 250,000 | | 200,000 | | | | | | | N |
| Unspecified Rehab./Upgrade Projects | | | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ | 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 6,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 675,000 | \$ 600,000 | \$ 3,700,000 | \$ 500,000 |
| Escalation to Future Dollars | \$ | 465,000 | \$ 7,739,000 | \$ 10,893,000 | \$ 5,800,000 | \$ 3,002,000 | \$ 9,974,000 | \$ 771,000 | \$ 704,000 | \$ 5,467,000 | \$ 776,000 |

Wholesale Capital Improvement Program

Keith Durkin
Assistant General Manager
May 28, 2014

Wholesale CIP (and the Budget)

- ◆ CIP is significant portion of the annual budget
- ◆ **Capital expenditures have frequently been viewed as “discretionary” or more flexible compared to O&M expenditures**
- ◆ Budget constraints have been challenging the past several years
- ◆ CIP reserves require annual funding for “pay-as-you-go” approach
- ◆ Capital reserves will be significantly drawn-down over the next few years

WTP Settled Water Channel

| SAN JUAN WATER DISTRICT | | | | | | | | | | |
|--|---|-------------------------|---------|------------|--------------|------------|---------|------------|--------------|------|
| TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE | | | | | | | | | | |
| (Draft Rev. 04-25-14 KBD) | | | | | | | | | | |
| Line | Project Name | Total Cost ¹ | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20 |
| 1 | <i>Raw Water Supply</i> | | | | | | | | | |
| 2 | Existing USBR Pumping Plant Improvements ² | \$ - | | | | | | | \$ - | |
| 3 | <i>Hydraulic Improvements</i> | | | | | | | | | |
| 4 | New Settled Water Channel | \$ 3,136,000 | | \$ 313,600 | \$ 2,822,400 | | | | | |
| 5 | Modify "E" Structure Overflow (Weir Improv) | \$ 28,000 | | \$ 28,000 | | | | | | |
| | <i>Pre-Treatment</i> | | | | | | | | | |
| 6 | Rapid Mix Process Improvements ³ | \$ 246,400 | | \$ 22,400 | \$ 224,000 | | | | | |
| 7 | Replace Flocculators, Modify Basins | \$ 2,826,400 | | \$ 276,640 | \$ 2,549,760 | | | | | |
| 8 | Replace Sludge Collection System ⁴ | \$ 616,000 | | \$ 56,000 | \$ 560,000 | | | | | |
| 9 | Washdown Piping Improvements | \$ 22,000 | | \$ 22,000 | | | | | | |
| 10 | Settling Tube Cleaning System | \$ 210,000 | | | | \$ 210,000 | | | | |
| 11 | Settled Water Joint Repair and Caulk ⁵ | \$ 28,000 | | | | \$ 28,000 | | | | |
| | <i>Filters</i> | | | | | | | | | |
| 12 | Filter Floor Repairs and Media/Nozzle Replacem | \$ 3,500,000 | | | | | | \$ 350,000 | \$ 3,150,000 | |
| 13 | Backwash Hood Pumps | | | \$ 50,000 | \$ 50,000 | | | | | |
| 14 | Backwash Hood Rehabilitation | \$ 500,000 | | | | | | \$ 500,000 | | |
| 15 | Filter Gallery Piping Improvements ⁶ | \$ - | | | | \$ - | | | | |
| | <i>Chemical Feed Systems</i> | | | | | | | | | |
| 16 | Spare Control System RTU | \$ 15,000 | | \$ 15,000 | | | | | | |
| 17 | CL2 Piping Project - 10yr replacement | \$ 50,000 | | | | | | | \$ 50,000 | |
| 18 | Lime System Control & Feeder System Improve | \$ 60,000 | | | | \$ 60,000 | | | | |
| 19 | Alum Feed Pump Replacement | \$ - | | | | | | | | |
| 20 | Polymer System Improvements (in Control Bldg | \$ 112,000 | | \$ 112,000 | | | | | | |

Exhibit II-5
San Juan Water District
Ten-Year Wholesale Capital Improvement Program

Revised 5/11/08
Based on Mar mtg

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? |
|---|------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|------------|------|
| Raw Water Supply | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 600,000 | \$ 600,000 | | | | | | | | N |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | \$ - | | | N |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 660,000 | \$ 5,005,000 | 6,600,000 | | | | | | | Y |
| Existing USBR Pumping Plant Improv. | \$ - | | | | | | | | | | N |
| Hydraulic Improvements | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | \$ 2,255,000 | | | | | | | Y |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | \$ 2,255,000 | | | | | | | N |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | | | | | | | | N |
| Replace Tube Settlers and Launder | \$ - | \$ 1,155,000 | | | | | | | | | N |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N |
| New Settled Water Channel | | | | | | | | | | | Y |
| Treated Water Piping to Hinkle Res. | | | | | | \$ 2,800,000 | 3,000,000 | | | | Y |
| Pre-Treatment | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N |
| Rapid Mix Process Improvements | | | | | | \$ 800,000 | | | | | N |
| Replace Flocculators, Modify Basins | | | | | \$ 2,470,000 | | | | | | N |
| Replace Sludge Collection System | | | \$ 1,200,000 | | | | | | | | N |
| Settled Water Channel Joint Rpr. & Chaulk. | | | | | | | | \$ 25,000 | | | N |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N |
| Filters | | | | | | | | | | | |
| Backwash System VFDs | \$ 20,000 | | | | | | | | | | N |
| Rate of Flow Controllers | | | \$ 125,000 | | | | | | | | N |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N |
| Filter Basin Leak Repair | | | | \$ 2,500,000 | | | | | | | N |
| Filter Gallery Piping | | | | | | \$ 1,500,000 | | | | | Y |
| Chemical Feed Systems | | | | | | | | | | | |
| Chlorine Containment | \$ 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | | Y |
| Alum and Lime Tanks Secondary Contain. | | | \$ 75,000 | | | | | | | | N |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N |
| Solids Handling Facilities | | | | | | | | | | | |
| Polymer Feed System Additions | \$ 75,000 | | | | | | | | | | N |
| Backup Progressive Cavity Sludge Feed Pump | \$ 10,000 | | | | | | | | | | N |
| Front End Loader and Dump Truck | | \$ 120,000 | | | | | | | | | N |
| Hinkle Reservoir | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N |
| Transmission Pipelines | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | | | 300,000 | 2,700,000 | (See alloc) | | | | | | N |
| Wholesale Meter Replac./Upgrades | | \$ 400,000 | 4,200,000 | | | | | | | | N |
| Miscellaneous CIP Items | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | 100,000 | 300,000 | | | | | | | | N |
| Portable Flow Meter | \$ 10,000 | \$ 200,000 | | | | | | | | | N |
| SCADA, Instrumentation | | | 300,000 | 25,000 | | | | | | | N |
| Control Building Roof | | | | 400,000 | \$ 25,000 | | | | | | N |
| Storage Building Roof and Wall Repairs | | 50,000 | 600,000 | | | | | | | | N |
| Entrance Drive Improvements | | \$ 250,000 | 200,000 | | | | | | | | N |
| Unspecified Rehab./Upgrade Projects | | | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 5,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 575,000 | \$ 500,000 | \$ 3,700,000 | \$ 500,000 | N |

0% FOWD
15% SJWD
RSA
5% OYMC

Shop

\$ 330,000
\$ 1,155,000
\$ 165,000
→ 3,400,000

\$ 2,800,000
\$ 2,215,000
→ 3,000,000





03.29.2010 09:27



03.29.2010 09:40





WTP Pretreatment Projects

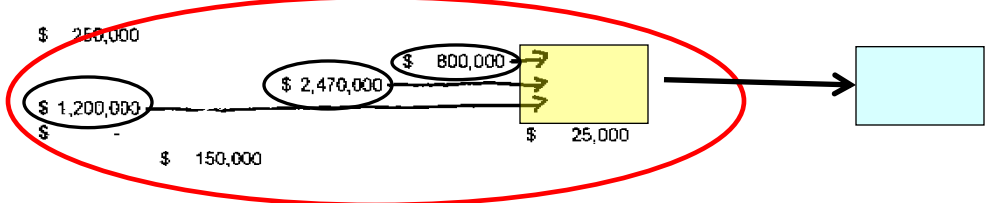
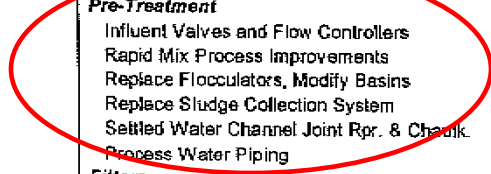
| SAN JUAN WATER DISTRICT | | | | | | | | | | |
|--|---|-------------------------|---------|------------|--------------|------------|---------|------------|--------------|------|
| TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE | | | | | | | | | | |
| (Draft Rev. 04-25-14 KBD) | | | | | | | | | | |
| Line | Project Name | Total Cost ¹ | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20 |
| 1 | <i>Raw Water Supply</i> | | | | | | | | | |
| 2 | Existing USBR Pumping Plant Improvements ² | \$ - | | | | | | | \$ - | |
| 3 | <i>Hydraulic Improvements</i> | | | | | | | | | |
| 4 | New Settled Water Channel | \$ 3,136,000 | | \$ 313,600 | \$ 2,822,400 | | | | | |
| 5 | Modify "F" Structure Overflow (Weir Improvement) | \$ 28,000 | | \$ 28,000 | | | | | | |
| | <i>Pretreatment</i> | | | | | | | | | |
| 6 | Rapid Mix Process Improvements ³ | \$ 246,400 | | \$ 22,400 | \$ 224,000 | | | | | |
| 7 | Replace Flocculators, Modify Basins | \$ 2,826,400 | | \$ 276,640 | \$ 2,549,760 | | | | | |
| 8 | Replace Sludge Collection System ⁴ | \$ 616,000 | | \$ 56,000 | \$ 560,000 | | | | | |
| 9 | Washdown Piping Improvements | \$ 22,000 | | \$ 22,000 | | | | | | |
| 10 | Settling Tube Cleaning System | \$ 210,000 | | | | \$ 210,000 | | | | |
| 11 | Settled Water Joint Repair and Caulk ⁵ | \$ 28,000 | | | | \$ 28,000 | | | | |
| | <i>Filters</i> | | | | | | | | | |
| 12 | Filter Floor Repairs and Media/Nozzle Replacement | \$ 3,500,000 | | | | | | \$ 350,000 | \$ 3,150,000 | |
| 13 | Backwash Hood Pumps | | | \$ 50,000 | \$ 50,000 | | | | | |
| 14 | Backwash Hood Rehabilitation | \$ 500,000 | | | | | | \$ 500,000 | | |
| 15 | Filter Gallery Piping Improvements ⁶ | \$ - | | | | \$ - | | | | |
| | <i>Chemical Feed Systems</i> | | | | | | | | | |
| 16 | Spare Control System RTU | \$ 15,000 | | \$ 15,000 | | | | | | |
| 17 | CL2 Piping Project - 10yr replacement | \$ 50,000 | | | | | | | \$ 50,000 | |
| 18 | Lime System Control & Feeder System Improvement | \$ 60,000 | | | | \$ 60,000 | | | | |
| 19 | Alum Feed Pump Replacement | \$ - | | | | | | | | |
| 20 | Polymer System Improvements (in Control Bldg) | \$ 112,000 | | \$ 112,000 | | | | | | |

Exhibit II-5
San Juan Water District

Revised 01/10/08
Based on mgr mtg

Ten-Year Wholesale Capital Improvement Program

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? | |
|---|------------|--------------|---------------|-----------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|---|
| Raw Water Supply | | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 500,000 | \$ 500,000 | | | | | | | | N | |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | | | | N | |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 550,000 | \$ 5,000,000 | 6,600,000 | | | | | | | Y | |
| Existing USBR Pumping Plant Improv. | \$ | | | | | | | | | | N | |
| Hydraulic Improvements | | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | | | | | | | | Y | |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | | | | | | | | N | |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | \$ 2,255,000 | | | | | | | N | |
| Replace Tube Settlers and Launderers | \$ | \$ 1,155,000 | | | | | | | | | N | |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N | |
| New Settled Water Channel | | | | | | \$ 2,800,000 | 3,000,000 | | | | Y | |
| Treated Water Piping to Hinkle Res. | | | | | | \$ 2,215,000 | | | | | Y | |
| Pre-Treatment | | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N | |
| Rapid Mix Process Improvements | | | | | | | | | | | N | |
| Replace Flocculators, Modify Basins | | | | | | | | | | | N | |
| Replace Sludge Collection System | | | | | | | | | | | N | |
| Settled Water Channel Joint Rpr. & Check. | | | | | | | | | | | N | |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N | |
| Filters | | | | | | | | | | | | |
| Backwash System VFDs | \$ 20,000 | | | | | | | | | | N | |
| Rate of Flow Controllers | | | \$ 125,000 | | | | | | | | N | |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N | |
| Filter Basin Leak Repair | | | | \$ 2,500,000 | | | | | | | N | |
| Filter Gallery Piping | | | | | | | \$ 1,500,000 | | | | Y | |
| Chemical Feed Systems | | | | | | | | | | | | |
| Chlorine Containment | \$ 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | | Y | |
| Alum and Lime Tanks Secondary Contain. | | | \$ 75,000 | | | | | | | | N | |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N | |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N | |
| Solids Handling Facilities | | | | | | | | | | | | |
| Polymer Feed System Additions | \$ 75,000 | | | | | | | | | | N | |
| Backup Progressive Cavity Sludge Feed Pump | \$ 10,000 | | | | | | | | | | N | |
| Front End Loader and Dump Truck | | \$ 120,000 | | | | | | | | | N | |
| Hinkle Reservoir | | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N | |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N | |
| Transmission Pipelines | | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | | | 300,000 | 2,700,000 (See alloc) | | | | | | | N | |
| Wholesale Meter Replac./Upgrades | | \$ 400,000 | 4,200,000 | | | | | | | | N | |
| Miscellaneous CIP Items | | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | \$ 100,000 | 300,000 | | | | | | | | N | |
| Portable Flow Meter | \$ 10,000 | \$ 200,000 | | | | | | | | | N | |
| SCADA, Instrumentation | | | \$ 300,000 | | | | | | | | N | |
| Control Building Roof | | | \$ 25,000 | | | | | | | | N | |
| Storage Building Roof and Wall Repairs | | | 400,000 | \$ 25,000 | | | | | | | N | |
| Entrance Drive Improvements | | \$ 50,000 | \$ 600,000 | | | | | | | | N | |
| Unspecified Rehab./Upgrade Projects | | \$ 250,000 | 200,000 | | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 5,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 575,000 | \$ 500,000 | \$ 3,700,000 | \$ 500,000 | | |
| Escalation to Future Dollars | \$ 465,000 | \$ 7,739,000 | \$ 10,893,000 | \$ 5,800,000 | \$ 3,002,000 | \$ 9,974,000 | \$ 771,000 | \$ 704,000 | \$ 5,467,000 | \$ 776,000 | | |



0% FWD
15% SJWD
RSA
3% OVMC

Shop



11/8/2001 09:02



WTP Filter Basin Projects

| SAN JUAN WATER DISTRICT | | | | | | | | | | |
|--|---|-------------------------|---------|------------|--------------|------------|---------|------------|--------------|------|
| TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE | | | | | | | | | | |
| (Draft Rev. 04-25-14 KBD) | | | | | | | | | | |
| Line | Project Name | Total Cost ¹ | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 | FY18-19 | FY19-20 | FY20 |
| 1 | <i>Raw Water Supply</i> | | | | | | | | | |
| 2 | Existing USBR Pumping Plant Improvements ² | \$ - | | | | | | | \$ - | |
| 3 | <i>Hydraulic Improvements</i> | | | | | | | | | |
| 4 | New Settled Water Channel | \$ 3,136,000 | | \$ 313,600 | \$ 2,822,400 | | | | | |
| 5 | Modify "F" Structure Overflow (Weir Improvement) | \$ 28,000 | | \$ 28,000 | | | | | | |
| | <i>Pre-Treatment</i> | | | | | | | | | |
| 6 | Rapid Mix Process Improvements ³ | \$ 246,400 | | \$ 22,400 | \$ 224,000 | | | | | |
| 7 | Replace Flocculators, Modify Basins | \$ 2,826,400 | | \$ 276,640 | \$ 2,549,760 | | | | | |
| 8 | Replace Sludge Collection System ⁴ | \$ 616,000 | | \$ 56,000 | \$ 560,000 | | | | | |
| 9 | Washdown Piping Improvements | \$ 22,000 | | \$ 22,000 | | | | | | |
| 10 | Settling Tube Cleaning System | \$ 210,000 | | | | \$ 210,000 | | | | |
| 11 | Settled Water Joint Repair and Caulk ⁵ | \$ 28,000 | | | | \$ 28,000 | | | | |
| | <i>Filters</i> | | | | | | | | | |
| 12 | Filter Floor Repairs and Media/Nozzle Replacement | \$ 3,500,000 | | | | | | \$ 350,000 | \$ 3,150,000 | |
| 13 | Backwash Hood Pumps | | | \$ 50,000 | \$ 50,000 | | | | | |
| 14 | Backwash Hood Rehabilitation | \$ 500,000 | | | | | | \$ 500,000 | | |
| 15 | Filter Gallery Piping Improvements ⁶ | \$ - | | | | \$ - | | | | |
| | <i>Chemical Feed Systems</i> | | | | | | | | | |
| 16 | Spare Control System RTU | \$ 15,000 | | \$ 15,000 | | | | | | |
| 17 | CL2 Piping Project - 10yr replacement | \$ 50,000 | | | | | | | \$ 50,000 | |
| 18 | Lime System Control & Feeder System Improvement | \$ 60,000 | | | | \$ 60,000 | | | | |
| 19 | Alum Feed Pump Replacement | \$ - | | | | | | | | |
| 20 | Polymer System Improvements (in Control Bldg) | \$ 112,000 | | \$ 112,000 | | | | | | |

Shop

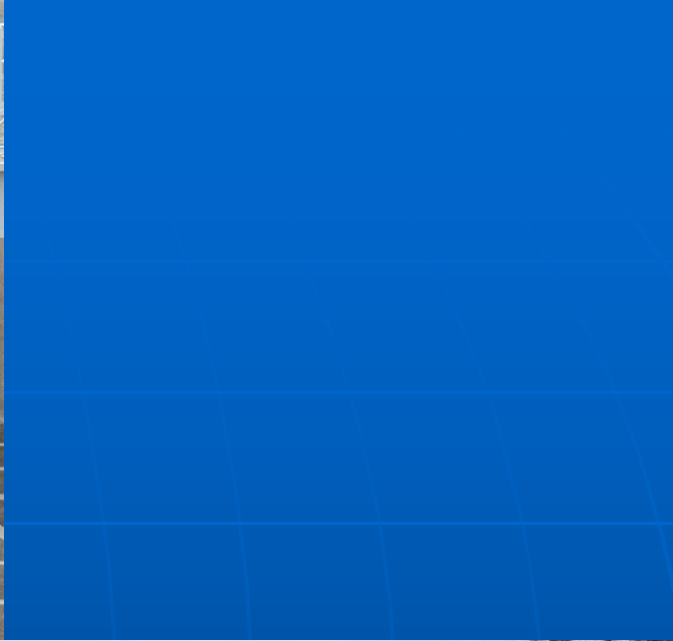
0% FWD
15% SJWD
RSA
3% OYMC

Scenario 2

Exhibit II-5
San Juan Water District
Ten-Year Wholesale Capital Improvement Program

Revised 01/10/08
Based on mgr mtg

| | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | Fin? |
|---|----------|--------------|--------------|-----------------------|--------------|--------------|--------------|--------------|------------|--------------|------------|
| Raw Water Supply | | | | | | | | | | | |
| New Folsom Reservoir "Bypass" Intake | | \$ 600,000 | \$ 500,000 | | | | | | | | N |
| Bypass USBR Pumping Plant | | | 600,000 | | | | | | | | N |
| Parallel USBR Raw Water Pipe (SJWD share) | | \$ 650,000 | \$ 6,000,000 | 6,600,000 | | | | | | | Y |
| Existing USBR Pumping Plant Improv. | \$ | | | | | | | | | | N |
| Hydraulic Improvements | | | | | | | | | | | |
| 54-Inch Raw Water Pipeline | | | 3,000,000 | | | | | | | | Y |
| Raw Water Piping Rehab. | | | \$ 2,200,000 | | | | | | | | N |
| Repair Flocc-Sedimentation Basin Concrete | | \$ 330,000 | | | \$ 2,255,000 | | | | | | N |
| Replace Tube Settlers and Launderers | \$ | \$ 1,155,000 | | | | | | | | | N |
| Sedimentation Basin Drain Line Improv. | | \$ 165,000 | | | | | | | | | N |
| New Settled Water Channel | | | | | | | \$ 2,800,000 | 3,000,000 | | | Y |
| Treated Water Piping to Hinkle Res. | | | | | | | \$ 2,215,000 | | | | Y |
| Pre-Treatment | | | | | | | | | | | |
| Influent Valves and Flow Controllers | | | \$ 250,000 | | | | | | | | N |
| Rapid Mix Process Improvements | | | | | | \$ 800,000 | | | | | N |
| Replace Flocculators, Modify Basins | | | | | \$ 2,470,000 | | | | | | N |
| Replace Sludge Collection System | | | \$ 1,200,000 | | | | | | | | N |
| Settled Water Channel Joint Rpr. & Chaulk | | | | | | | | \$ 25,000 | | | N |
| Process Water Piping | | | | \$ 150,000 | | | | | | | N |
| Filters | | | | | | | | | | | |
| Backwash System VFDs | \$ | 20,000 | | | | | | | | | N |
| Rate of Flow Controllers | | | \$ 120,000 | | | | | | | | N |
| Filter Basin Leak Repair Plan | | \$ 50,000 | | | | | | | | | N |
| Filter Basin Leak Repair | | | | | \$ 2,500,000 | | | | | | N |
| Filter Gallery Piping | | | | | | \$ 1,500,000 | | | | | Y |
| Chemical Feed Systems | | | | | | | | | | | |
| Chlorine Containment | \$ | 350,000 | \$ 2,650,000 | 2,700,000 | | | | | | | Y |
| Alum and Lime Tanks Secondary Contain. | | | \$ 75,000 | | | | | | | | N |
| Polymer System Improvements | | | | \$ 30,000 | | | | | | | N |
| Chemical Feed Vault Improvements | | | | \$ 50,000 | | | \$ 50,000 | | | | N |
| Solids Handling Facilities | | | | | | | | | | | |
| Polymer Feed System Additions | \$ | 75,000 | | | | | | | | | N |
| Backup Progressive Cavity Sludge Feed Pump | \$ | 10,000 | | | | | | | | | N |
| Front End Loader and Dump Truck | | | \$ 60,000 | | | | | | | | N |
| Hinkle Reservoir | | | | | | | | | | | |
| Relocate CTP Connection | | | | | | | | \$ 3,200,000 | | | N |
| Bifurcate Reservoir, Construct 2nd Inlet/Outlet | | | | | | | | | | | N |
| Transmission Pipelines | | | | | | | | | | | |
| Fair Oaks 40" Transmission Pipeline | \$ | | 300,000 | 2,700,000 (See alloc) | | | | | | | N |
| Wholesale Meter Replac./Upgrades | \$ | 400,000 | 4,200,000 | | | | | | | | N |
| Miscellaneous CIP Items | | | | | | | | | | | |
| Hydraulic Model of Wholesale Service Area | | | 100,000 | 300,000 | | | | | | | N |
| Portable Flow Meter | \$ | 10,000 | \$ 200,000 | 300,000 | | | | | | | N |
| SCADA, Instrumentation | | | | \$ 25,000 | | | | | | | N |
| Control Building Roof | | | | 400,000 | \$ 25,000 | | | | | | N |
| Storage Building Roof and Wall Repairs | | | \$ 50,000 | \$ 600,000 | | | | | | | N |
| Entrance Drive Improvements | | | \$ 250,000 | 200,000 | | | | | | | N |
| Unspecified Rehab./Upgrade Projects | | | | | | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | N |
| Capital Improvement Program Totals | \$ | 465,000 | \$ 7,370,000 | \$ 9,880,000 | \$ 6,010,000 | \$ 2,470,000 | \$ 7,815,000 | \$ 675,000 | \$ 600,000 | \$ 3,700,000 | \$ 500,000 |
| Escalation to Future Dollars | \$ | 465,000 | \$ 7,739,000 | \$ 10,893,000 | \$ 5,800,000 | \$ 3,002,000 | \$ 9,974,000 | \$ 771,000 | \$ 704,000 | \$ 5,467,000 | \$ 776,000 |









FY15 - 16 Draft WS Budget - Summary

- Operating revenues will be less than FY14-15 even with recommended rate increase
- Net income to reserves will be ~ \$600,000
 - Financial Plan projection/recommendation is \$2.4 million
 - FY14-15 contribution to reserves estimated at \$0.19 million, or \$1.6 million less than plan
- Forward looking rate planning required
 - Incremental rate increases necessary
 - Continue to pursue additional revenue sources
 - Deferring CIP not a realistic option



AGENDA ITEM III-1

RESOLUTION NO. 15-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE NON-OPERATING, CAPITAL IMPROVEMENT PROGRAM, WHOLESALE BUDGET, RATES AND FEES FOR THE FISCAL YEAR 2015-2016

WHEREAS, District staff has prepared a budget for the fiscal year 2015-2016 that estimates operating and maintenance, capital improvement program, debt service and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2015-2016 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including maintaining prudent reserves; and

WHEREAS, staff has determined that the District's wholesale water rates and capital facilities (connection) fees need to be adjusted for fiscal year 2015-2016 to account for the increased costs of providing such services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Juan Water District as follows:

1. The Board of Directors finds that the Non-Operating, Capital Improvement Program and Wholesale budgets as proposed by staff fairly and accurately represents the estimated expenses and revenues of the District for the fiscal year beginning on July 1, 2015 and ending on June 30, 2016 and that the budget adequately ensures that the District will be able to cover its expenses and maintain prudent reserves, and on that basis the Board hereby adopts the District's fiscal year 2015-2016 budget (with any revisions that the Board may deem prudent as a condition of adopting said budget). A copy of the fiscal year 2015-2016 District budget is attached as "Exhibit A" and made a part of this Resolution.

2. The Board of Directors finds that the proposed Wholesale Water Rates and Wholesale Capital Facilities (Connection) Fees for fiscal year 2015-2016 are fair, equitable and ensure that the persons and entities receiving such services will pay the District's full costs of providing such services, and on that basis the Board hereby adopts the proposed rates and fees for the 2015-2016 fiscal year (with any revisions that the Board may deem prudent as a condition of adopting said rates and fees). The fiscal year 2015-2016 Wholesale Water Rates and Wholesale Capital Facilities (Connection) Fees are shown within "Exhibit A", which is attached to and made a part of this Resolution.

3. The General Manager and staff are directed to take all actions necessary to implement and follow the fiscal year 2015-2016 budget and to impose and collect the rates and fees shown in Exhibit A, as the same are adopted herein.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 10th day of June 2015, by the following vote:

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

EDWARD "TED" COSTA
President, Board of Directors

TERI HART
Secretary, Board of Directors

Budget Narrative Layout

Wholesale

Financial Policies

- *Budget Assumptions*
- *District Reserves*
- *Debt Service*
- *Water Rate Study and Financial Plan*

Operations

- *Activities*
- *Staffing*
- *Capital Program*

District-Wide Budget Information and Summaries

Budget Assumptions

Primary Budget Assumption:

Mandated Conservation requirement of 36%

Additionally, the following budget assumptions are proposed:

WHOLESALE

Revenues

Property Taxes

Assessed values contain an inflation factor for each county combined with growth or decline factors and overall expect a moderate increase. Property tax revenues are utilized to fund the capital improvement programs.

COP Payments for Direct Debt

This will include those payments for direct debt related to the 2009 Certificates of Participation and 2013 Refunding Bonds.

Interest on Investments

The market remains low, but the District will seek investment opportunities in accordance with the *Investment Policy* as they arise.

SMUD California Oregon Transmission Project (COTP) Lease Payment

The amount will be included per the schedule contained within the contract.

Wholesale Customer Agencies Connections and Water Deliveries

The deliveries included in the budget are in line with **the Mandated Conservation of 36%** and have been previously communicated to the Wholesale Customer Agencies and are not disputed. Revenue requirements as established and updated include the water use charges, annual service charge and debt service charge. The District implemented a Wholesale rate increase of 5% effective January 1, 2015. The rate increase included in the base updated Wholesale Financial Plan for FY15-16 will be effective January 1, 2016. It is anticipated that Sacramento Suburban Water District will not receive treated water deliveries; therefore, no revenue is included.

Groundwater and Pump Back

The plan does not assume any requests to our Wholesale agencies for Groundwater Pumping. It also does not include any revenues or operating costs associated with the Pump Back project.

Cooperative Transmission Pipeline Cost Share

Revenue is included as estimated based upon historical activity, absent other factors, in accordance with the agreement.

California Solar Initiative (CSI) Rebate

Anticipated rebate amount will be based upon solar project estimates and updated for current trending. This rebate will be received through Fiscal Year 2016. The Board directed staff to ensure that the CSI Rebate and energy cost savings are used to replace capital reserves and therefore will not be available for operating cost savings.

Expenses

Cost of Water Supply

Based upon the assumption of water deliveries to Wholesale Customer Agencies above, the cost of water supply will be estimated first using water rights water, then a combination of water under the PCWA and USBR contracts, as applicable, with no temporary water supply use necessary. The Budget does not anticipate any costs savings due to limitations of water supply or reduced water purchases.

Operations and Maintenance Costs

Each cost category is examined individually and incorporated into the budget using a zero-based budgeting approach to determine resources needed for the coming budget year. Prior year budget amounts are not simply escalated using inflation factors. Where it is impractical to use this method, inflation factors will be applied as developed in the financial plan and updated to reflect current trends. Inflation factors range from 3% to 5% depending upon category, unless more precise information is known.

Cost of Living Allowance ("COLA")

COLA is included per Board policy and is currently estimated to be 1.0%.

Facilities Costs

Operations and maintenance costs for facilities will be allocated to the wholesale and retail operations based upon benefit received as they currently are.

| Category | Actual FY 12-13 | Draft FY 13-14 | Projected FY 14-15 | Proposed FY 15-16 | Change Higher/(Lower) From FY 13-14 Draft | | Change Higher/(Lower) From FY 14-15 Projected | |
|---------------------------------------|--------------------|-------------------|-----------------------|----------------------|---|-----------|---|-----------|
| | | | | | Amount | Percentag | Amount | Percentag |
| <i>Operating</i> | | | | | | | | |
| <u>Revenues:</u> | | | | | | | | |
| Water Sales | \$ 7,013,144 | \$ 6,614,899 | \$ 6,272,418 | \$ 6,318,814 | \$ (296,085) | -4.48% | \$ 46,396 | 0.74% |
| Other (Incl. Solar Rebate) | 495,267 | 595,893 | 536,000 | 556,001 | (39,892) | -6.69% | 20,001 | 3.73% |
| Operating Revenues | \$ 7,508,411 | \$ 7,210,792 | \$ 6,808,418 | \$ 6,874,815 | \$ (335,977) | -4.66% | \$ 66,397 | 0.98% |
| <u>Expenses:</u> | | | | | | | | |
| Source of Supply | \$ 808,374 | \$ 802,115 | \$ 703,868 | \$ 598,845 | \$ (203,270) | -25.34% | \$ (105,023) | -14.92% |
| Water Treatment / Pumping | 2,088,089 | 1,897,009 | 2,023,179 | 2,165,257 | 268,248 | 14.14% | 142,077 | 7.02% |
| Conservation | 225,865 | 244,219 | 210,336 | 353,775 | 109,556 | 44.86% | 143,439 | 68.19% |
| Engineering | 110,700 | 308,734 | 294,047 | 271,226 | (37,508) | -12.15% | (22,821) | -7.76% |
| OLD Admnsitration and General | 1,246,569 | 1,571,695 | 0 | 0 | (1,571,695) | 3.87% | 0 | 0.28% |
| Board of Directors | 66,333 | 18,345 | 85,266 | 45,500 | 27,155 | | (39,766) | |
| Executive | 1,752 | 171 | 814,527 | 911,773 | 911,602 | | 97,246 | |
| General Administration - NEW | 237,591 | 279,545 | 433,505 | 364,300 | 84,755 | | (69,205) | |
| Operations and Information Technology | 0 | 0 | 202,745 | 265,448 | 265,448 | | 62,703 | |
| Finance and Administrative Services | 0 | 240,303 | 627,833 | 583,907 | 343,604 | | (43,926) | |
| OPEB and Retirement | 272,674 | 292,836 | 325,000 | 325,000 | 32,164 | | 0 | |
| Operating Expenses | 5,057,947 | 5,654,973 | 5,720,308 | 5,885,032 | 230,059 | 4.07% | 164,723 | 2.88% |
| Net Income/(Loss)-Operations | \$ 2,450,464 | \$ 1,555,820 | \$ 1,088,110 | \$ 989,783 | \$ (566,036) | -36.38% | \$ (98,327) | -9.04% |
| | | | | \$0 | | | | |
| <i>Non-Operating</i> | | | | | | | | |
| <u>Revenues:</u> | | | | | | | | |
| COP Payments (direct) | \$ 432,067 | \$ 48,545 | \$ 85,032 | \$ 85,661 | \$ 37,116 | 76.46% | \$ 629 | 0.74% |
| Interest/Investment Income | 52,953 | 271,721 | 50,000 | 50,000 | (221,721) | -81.60% | 0 | 0.00% |
| Wholesale Connections | 0 | 53,233 | 45,180 | 45,180 | (8,053) | -15.13% | 0 | 0.00% |
| Taxes & Assessments | 803,088 | 838,921 | 819,060 | 995,000 | 156,079 | 18.60% | 175,940 | 21.48% |
| Other (See Detail) | 101,060 | 102,014 | 125,874 | 125,874 | 23,860 | 23.39% | 0 | 0.00% |
| <u>Expenses:</u> | | | | | | | | |
| COPs (interest) | 1,343,700 | 1,044,054 | 1,458,019 | 1,458,019 | 413,965 | 39.65% | 0 | 0.00% |
| Other (See Detail) | 10,487 | (34,629) | 10,237 | 46,916 | 81,545 | -235.48% | 36,679 | 358.30% |
| Net Non-Operating | 34,981 | 305,009 | (343,110) | (203,220) | (508,229) | -166.63% | 139,890 | -40.77% |
| Capital Contributions | 2,522,308 | (225,068) | 135,000 | 568,350 | 793,418 | -352.52% | 433,350 | 321.00% |
| Net Income | 5,007,753 | 1,635,761 | 879,999 | 1,354,913 | (280,848) | -17.17% | 474,914 | 53.97% |
| <i>Debt Service Principal</i> | | | | | | | | |
| 2012 Refunding Bonds | 633,985 | 633,985 | 309,152 | 323,873 | (310,112) | -48.91% | 14,721 | 4.76% |
| 2009 COPs | 6,400 | 6,400 | 265,600 | 275,200 | 268,800 | 4200.00% | 9,600 | 3.61% |
| Net Available for Distribution | 4,367,368 | 995,376 | 305,248 | 755,840 | (239,536) | -24.06% | 450,592 | 147.62% |

District Reserves

In accordance with Board Resolutions, Board Motions, and/or District Ordinances, certain reserve funds have been established and are maintained.

WHOLESALE

Operating Reserve Fund

Description

The Wholesale Operating Reserve was established with the development of the 1998 Wholesale Water Rate Study and Financial Plan. The Wholesale Operating Reserve Fund provides working capital for wholesale operations, and provides readily available funds for unexpected needs and to accommodate seasonal variations in revenues and expenses related to water deliveries to wholesale customers. The 1998 financial plan gradually built the operating reserve over the five-year planning period, beginning in 1999.

Recommended Amount of Fund

The fund is recommended to include at least 20 percent of annual operating expenditures, including water supply costs.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The intent of the fund is to use for working capital for day to day paying of bills, etc. The use of the fund is within the authority of the Board of Directors.

Rate Stabilization Reserve Fund

Description

The Wholesale Rate Stabilization Reserve Fund was established with the development of the 1998 Wholesale Water Rate Study and Financial Plan. The rate Stabilization Reserve Fund is to help ensure financial and rate stability for wholesale customers. With the elimination of minimum charges for water usage the District's wholesale rate revenues fluctuate with changes in wholesale deliveries. While the service charge is intended to recover a large portion of the District's fixed costs, some costs included in the commodity rate will not change with changes in wholesale water purchases.

Recommended Amount of Fund

The Rate Stabilization Reserve Fund is recommended to be \$1 million.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The intent of the fund is to use for unexpected costs to reduce financial and rate variability for wholesale customers. The use of the fund is within the authority of the Board of Directors.

Restricted COP Debt Service Reserve Fund

Description

The Restricted COP Reserve Fund was originally established to accumulate funds held in reserve by Union Bank of California for the final principal and interest payment on the 1993, 2003 and 2009 Revenue Certificates of Participation. The 1993 and 2003 COPs have been paid off and the fund is now used for the same purpose for the 2009 COPs.

Required Amount of Fund

The required amount for the Restricted COP Reserve Fund is determined based on the COPS currently outstanding, and is equal to the amount specifically noted in the COP Issuance documents as a required Reserve Fund. The 2012 Bonds do not have a required Reserve Fund.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The use of funds is restricted to the purposes of the fund.

Restricted PERS Rate Stabilization Reserve Fund

Description

The Restricted PERS Stabilization Reserve Fund was established for PERS rate stabilization in order to level out the amount budgeted for PERS payments on an annual basis.

Required Amount of Fund

SJWD budgets for the normal cost of PERS retirement that is estimated by an actuarial evaluation as an average payment over an extended period of time. When the actual PERS costs are lower than the normal costs, the difference is placed in this fund. When the PERS costs are higher than the normal costs, the difference is withdrawn from this fund.

Restrictions on Use of Funds

The fund was created by a vote of the Board of Directors. The use of funds is restricted to the purposes of the fund.

Restricted Compensated Absence Reserve Fund

Description

The Compensated Absence Reserve Fund was established to accumulate funds for accrued employees vacation and sick leave time.

Required Amount of Fund

The amount held in reserve for accrued employees vacation and sick leave time is dependent on the dollar value of the accrued vacation and vested sick leave amounts.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The use of funds is restricted to the purposes of the fund.

Delta/Water Rights Reserve Fund

Description

The Delta/Water Rights Reserve Fund was established to cover legal expenses, public information, and other costs associated with Delta issues that affect the District's water rights with the ability to transfer the reserve fund to the Hinkle Reserve Fund if the funds are not needed for that purpose.

Recommended Amount of Fund

The Delta/Water Rights Reserve Fund recommended amount is determined by the Board of Directors annually.

Restrictions on Use of Funds

The fund was created by a vote of the Board of Directors. The intent of the fund is to use for Delta and water rights issues, but is within the authority of the Board of Directors.

Capital Improvement Program (CIP) Reserve Fund

Description

The Wholesale Capital Improvement Reserve Fund was established with the development of the 1998 Wholesale Water Rate Study and Financial Plan. This reserve fund includes four funds for different purposes; the Capital Improvement Program (CIP) Reserve Fund, the Connection Fee Reserve Fund, the Hinkle Reservoir Lining Replacement Fund, and the Vehicle and Equipment Fund. The CIP Reserve Fund represents funds available for capital replacements, rehabilitation, upgrades, and improvements. The reserve fund is funded through planned contributions as designated by the Board of Directors.

Recommended Amount of Fund

The CIP Reserve Fund recommended amount fluctuates based on capital improvements planned and completed. The recommended amount is listed in the current Wholesale Financial Plan.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The intent of the fund is to use for planned capital replacements, rehabilitation, upgrades and improvements. The use of the fund is within the authority of the Board of Directors.

Connection Fee Reserve Fund

Description

The Wholesale Connection Fee Reserve Fund was established with the development of the 2007 Wholesale Water Rate Study and Financial Plan and is part of the Wholesale Capital Improvement Reserve Fund. The Connection Fee Reserve Fund represents funds available for capital replacements, rehabilitation, upgrades, and improvements. The reserve fund is funded through wholesale connection fees paid by new connections to the Wholesale Customer Agency's water distribution systems. The fee is a "buy-in charge" to new users designed to recognize the current value of providing capacity necessary to serve additional users.

Recommended Amount of Fund

The Connection Fee Reserve Fund recommended amount fluctuates based on capital improvements planned and completed. The recommended amount is listed in the current Wholesale Financial Plan.

Restrictions on Use of Funds

The fund was created with the adoption of 2007 Wholesale Water Rate Study and Financial Plan by the Board of Directors. The use of the fund is for wholesale capital improvement projects. The Board has the authority to make the decision on which projects to fund.

Hinkle Lining Sinking Reserve Fund

Description

The Wholesale Hinkle Lining Sinking Reserve Fund was established in the 1980s and is part of the Wholesale Capital Improvement Reserve Fund. The Hinkle Lining Sinking Reserve Fund accumulates monies for the eventual replacement of the lining and cover for Hinkle Reservoir.

Recommended Amount of Fund

There is not a recommended amount for this fund. \$50,000 plus accrued interest on the existing fund balance is added to this fund at the end of each fiscal year.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The intent of the fund is to use for the future replacement of the lining and cover of the Hinkle Reservoir. The use of the fund is within the authority of the Board of Directors.

Vehicle and Equipment Reserve Fund

Description

The Wholesale Vehicle and Equipment Reserve Fund was established to accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-need basis. It is part of the Wholesale Capital Improvement Reserve Fund.

Recommended Amount of Fund

The recommended amount for the Vehicle and Equipment Reserve fund varies depending on the future planned replacements of vehicles and equipment.

Restrictions on Use of Funds

The fund was created by Ordinance of the Board of Directors. The intent of the fund is to use for the future replacement of vehicles and equipment. The use of the vehicle and equipment reserve fund is within the authority of the Board of Directors.

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Wholesale Budget

Acre Feet Provided by Agencies (Actual and Projected)

| CY | San Juan Water District Retail | Citrus Heights Water District | Fair Oaks Water District | Orange Vale Water Company | City of Folsom (Ashland) |
|------------|--------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------|
| 2010 | 12,651 | 12,165 | 10,606 | 4,324 | 1,331 |
| 2011 | 12,508 | 12,292 | 9,597 | 4,108 | 1,293 |
| 2012 | 13,936 | 13,583 | 9,987 | 4,657 | 1,529 |
| 2013 | 14,945 | 14,416 | 10,939 | 5,139 | 1,462 |
| 2014 | 11,077 | 10,008 | 7,262 | 3,932 | 1,230 |
| 2015 Drght | 10,924 | 10,547 | 7,529 | 3,882 | 1,220 |
| 2016 Drght | 9,714 | 9,370 | 7,110 | 3,340 | 950 |

2010-2014 are the actual acre feet delivered to each agency. 2015-2016 are estimates based upon YTD deliveries and Mandated Conservation requirements.

Effective for Calendar Year 2016, this fee has increased by 2.68% as indexed to the 20 Cities Construction Cost Index ("CCI"):

| Calculation: | |
|---|-----------------|
| CC Index @ February 2015 | |
| CC Index @ March 2014 | 9,701.96 |
| CC Index @ March 2013 | <u>9,483.70</u> |
| Difference | 218.26 |
| % Change | 2.30% |
| <i>Note: these fees are indexed utilizing the 20 Cities Construction Cost Index (CCI) as recommended in the Financial Plan.</i> | |

The following schedule lists the fee by meter size that is collected from each retail agency and in turn submitted to San Juan Water District:

Wholesale Connection Fees

| Meter Size | Capacity Factor | 2014 | 2015 | 2016 |
|--------------|-----------------|----------|----------|----------|
| 3/4" Meter | 0.60 | \$372 | \$381 | \$391 |
| 1" Meter | 1.00 | \$619 | \$633 | \$650 |
| 1 1/2" Meter | 2.00 | \$1,240 | \$1,269 | \$1,303 |
| 2" Meter | 3.20 | \$1,983 | \$2,029 | \$2,083 |
| 3" Meter | 6.40 | \$3,964 | \$4,055 | \$4,164 |
| 4" Meter | 10.00 | \$6,196 | \$6,339 | \$6,509 |
| 6" Meter | 25.00 | \$15,489 | \$15,845 | \$16,270 |
| 8" Meter | 36.00 | \$22,305 | \$22,818 | \$23,430 |
| 10" Meter | 58.00 | \$35,936 | \$36,763 | \$37,748 |
| 12" Meter | 86.00 | \$53,285 | \$54,511 | \$55,972 |

Functional Areas

Administration and General

For Wholesale activities, this includes and is split into: Office of the General Manager, Finance, General Services, Human Resources, Information Technology, Purchasing, and Risk Management. Overall District costs related to auditing, consulting, Directors, general operations, legal and office expenses are recorded in this category.

Office of the General Manager is responsible for the overall administration of the District including: implementing District policies; developing and maintaining responsive District programs and services; providing leadership and motivation to District staff; maintaining and planning for fiscal integrity; promoting excellent customer service; maintaining strong relationships with local and regional regulatory and peer governmental agencies; providing direct support to the Board of Directors. Major initiatives for the next year include: managing the drought response initiatives, public relations, protection of water rights and water supply reliability; District structure and succession planning; and District efficiency measures.

Finance is responsible for all financial operations in the District, including: financial planning and forecasting, budget development, accounting and fiscal administration, debt issuance and management, financial reports and annual audit, and water rates and charges analysis. Major initiatives for the coming year include: continuing final pieces for the new financial system implementation and training, and creating new monthly reporting.

Human Resources provides support in recruitment, selection, development and retention of a talented workforce. This includes payroll and benefits administration. Major initiatives include continuing to promote a culture of excellent customer service and support of staff.

Purchasing facilitates and coordinates: bidding and requests for proposals; acquisition of equipment, materials, services and supplies; contracts; and insurance certifications. Major initiatives for the next year will be completion of a Purchasing Manual to assist staff with purchasing procedures and questions related to the conversion to the new financial system.

Information Technology manages and supports all aspects of the District's information technology systems, including data and voice communications hardware and software, as well as implementation of the District's Information Technology (IT) Master Plan. Major initiatives for the next year will be completion of the new SCADA system, implementation of a new financial information system and the completion of network improvements including wireless networking.

Conservation

The District provides water conservation technical and management support for retail member agencies and their customers. These efforts include workshops with subjects ranging from residential and large turf irrigation to pond management as well as management support for the retail member agency's public information and school education programs. The District hosts an annual "How To Landscape Day" that is

open to the public, with participation by irrigation experts, nurseries, landscape design consultants and more. The District maintains and promotes a Water Efficient Landscape (WEL) Garden that is open weekdays and offers Saturday workshops throughout the year – all open to the public. In addition, the District has an extensive library of water efficiency material, provides speakers for school presentations, and coordinates an annual water-awareness poster contest. The District also serves as a technical resource for retail member agency's compliance with federal and state water regulations. On behalf of its retail member agencies, District staff attends and actively participates in meetings and workshops of the California Urban Water Conservation Council and the Regional Water Authority to affect and address statewide and regional conservation efforts and issues. This Department is fully compliant with Best Management Practices and reporting requirements. This Department is fully compliant with Best Management Practices and reporting requirements.

Engineering Services

In general, this Department is responsible for planning, designing and managing Wholesale capital improvement projects, assisting with operational improvements, and assisting with maintenance activities which contain an engineering component.

Operations

Facilitates and manages all aspects of the Field Services, Customer Service and Water Treatment Plant Operations.

Water Treatment

The District operates and maintains its 120 million gallons per day (November 16th through May 14th) and 150 million gallons per day (May 15th through November 15th) conventional water treatment plant 24/7 and a 62 million gallon clearwell. The source water comes from Folsom Lake (surface water) and is treated using conventional flocculation, filtration and disinfection that is designed to remove many contaminants. The water treatment plant's potable (finished) water quality meets all federal and state drinking standards. Water treatment supplies potable water to approximately 265,000 customers resulting in water district's served by San Juan's Wholesale operation, including: San Juan Water District retail service area, Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, City of Folsom's northern area (Ashland) and Sacramento Suburban Water District.

Field Service Support

This area performs activities related to Wholesale mains and pipelines ranging in size from 6" to 90" in diameter and over 17 miles in length. This also includes the maintenance of the District's many wholesale water meters, air release valves and other appurtenances.

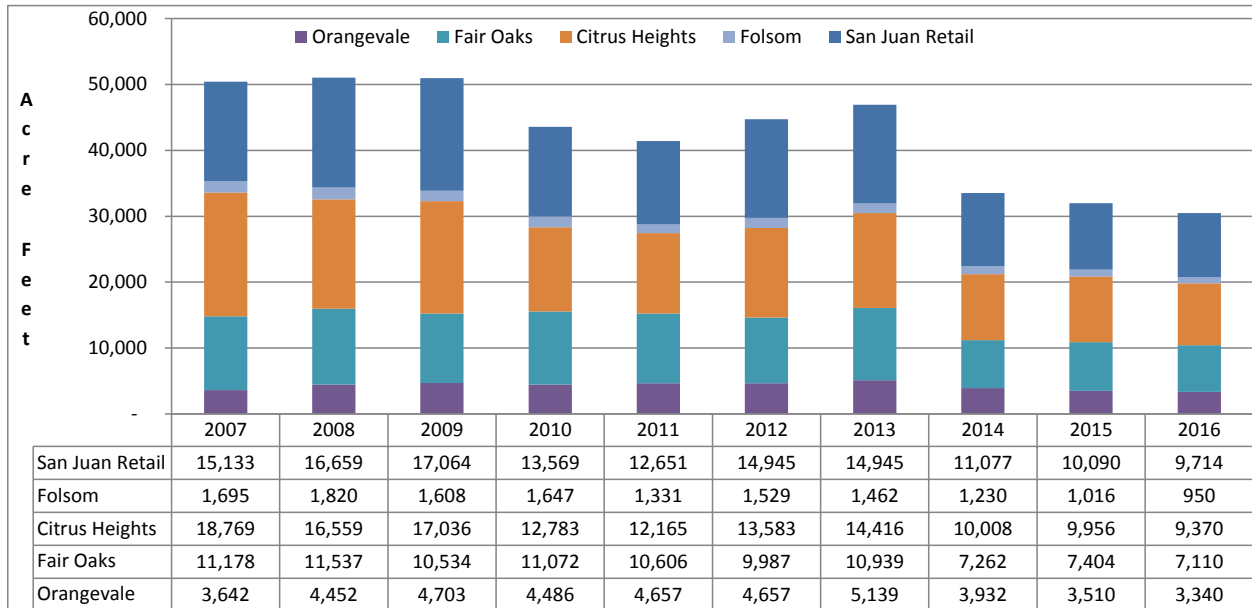
Source of Supply – Wholesale

Source of supply is calculated based upon projected deliveries using a combination of historical and estimated values multiplied by the rate in effect, which may be estimated if not yet known. Projected deliveries used are in accordance with the budget assumptions that are provided by the retail agencies. Numbers do not include any future projections for Pump Back Project, Groundwater Pumping or Reduced Water Supply Costs related to Mandated Conservation.

| Source of Supply Rates 2015 -2016 | | | | |
|---|-----------------|-------------|-------------|---------------------|
| Category | Effective | | Rate | Per |
| | Beginning | Ending | | |
| CVP Project Water | 03/01/2015 | 02/28/2016 | \$18.62 | Acre Foot |
| CVP Project Water (est) | 03/01/2016 | 02/28/2017 | \$19.21 | Acre Foot |
| CVP Restoration | 10/01/2014 | 09/30/2015 | \$20.14 | Acre Foot |
| CVP Restoration (est) | 10/01/2015 | 09/30/2016 | \$20.30 | Acre Foot |
| CVP Trinity Surcharge | 03/01/2015 | 02/28/2016 | \$0.23 | Acre Foot |
| CVP Trinity Surcharge (est) | 03/01/2016 | 02/28/2017 | \$0.23 | Acre Foot |
| Warren Act Contract (PCWA wheeling) | 03/01/2015 | 02/28/2016 | \$16.00 | Acre Foot |
| Warren Act Contract (PCWA wheeling) | 03/01/2016 | 02/28/2017 | \$17.44 | Acre Foot |
| PCWA Water | 01/01/2015 | 12/31/2015 | \$16.97 | Acre Foot |
| PCWA Water (est) | 01/01/2016 | 12/31/2016 | \$18.24 | Acre Foot |
| WAPA/Bureau Pumping | 10/01/2014 | 03/31/2015 | \$2,677.83 | Month |
| WAPA/Bureau Pumping | 04/01/2014 | 09/30/2015 | \$8,033.49 | Month |
| WAPA/Bureau Pumping Restoration | 10/01/2014 | 09/30/2015 | \$2,777.43 | Month |
| WAPA/Bureau Pumping (est) | 10/01/2015 | 03/31/2016 | \$2,784.94 | Month |
| WAPA/Bureau Pumping (est) | 04/01/2015 | 09/30/2016 | \$8,354.82 | Month |
| WAPA/Bureau Pumping Restoration (est) | 10/01/2015 | 09/30/2016 | \$2,888.53 | Month |
| Water Rights Fees | 01/01/2015 | 12/31/2015 | \$17,477.25 | Year |
| Water Rights Fees (est) | 01/01/2016 | 12/31/2016 | \$20,972.70 | Year |
| PGE/CAISO COTP Energy | 01/01/2015 | 12/31/2015 | \$536.00 | Year |
| PGE/CAISO COTP Energy (est) | 01/01/2016 | 12/31/2017 | \$557.44 | Year |
| Fiscal Year 2014-2015 Budget | Quantity | Rate | Rate | Rate |
| CVP Project Water | 0.00 | 18.62 | 19.21 | 0.00 |
| CVP Restoration | 0.00 | 20.14 | 20.30 | 0.00 |
| CVP Trinity | 0.00 | 0.23 | 0.23 | 0.00 |
| Warren Act Contract (PCWA wheeling) | 11,400.00 | 16.00 | 17.44 | 187,817.28 |
| PCWA Water | 10,000.00 | 16.97 | 18.24 | 176,025.00 |
| WAPA/Bureau Pumping | 9 | 8,033.49 | 2,784.94 | 40,810.11 |
| WAPA/Bureau Pumping | 3 | 8,354.82 | | 25,064.47 |
| WAPA/Bureau Pumping Restoration | 12 | 2,777.43 | 2,888.53 | 34,329.03 |
| Water Forum | | | | 40,566.00 |
| Water Forum Successor Effort (WFSE) | | | | 13,635.00 |
| PGE/CAISO COTP Energy | | 536.00 | 557.44 | 546.72 |
| Water Rights Fees | | 17,477.25 | 20,972.70 | 19,224.98 |
| Total Wholesale Source of Supply | | | | \$538,018.59 |

Annual wholesale water deliveries can vary significantly dependent upon weather conditions as well as economic conditions as demonstrated most significantly in the current fiscal year and additionally in the preceding two years. The primary driver for the FY15-16 is the Mandated Conservation related to the drought.

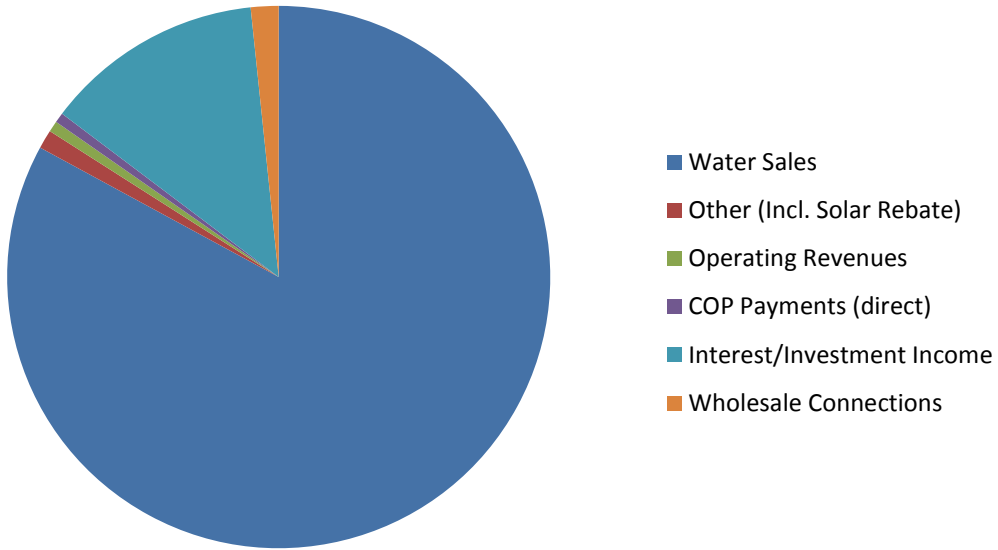
The deliveries to each agency during each fiscal year 2007-2016P are shown next.



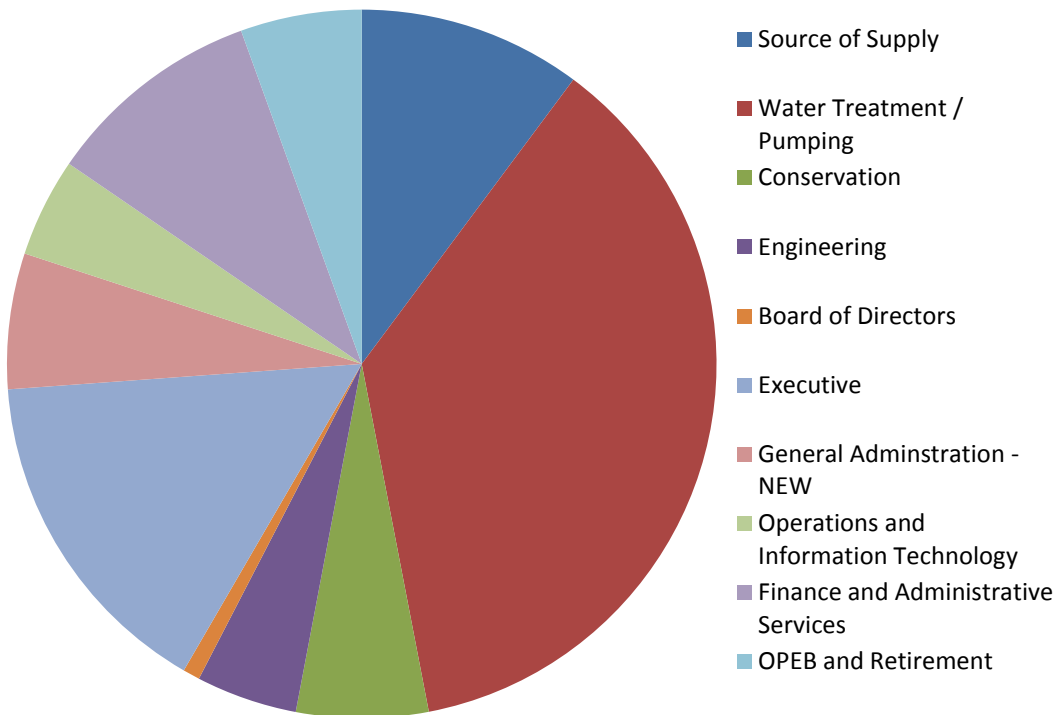
Budget Summary - Wholesale

| Category | Actual FY 12-13 | Draft FY 13-14 | Projected FY 14-15 | Proposed FY 15-16 | Change Higher/(Lower) From FY 13-14 Draft | | Change Higher/(Lower) From FY 14-15 Projected | | |
|---------------------------------------|--------------------|-------------------|-----------------------|----------------------|---|-----------|---|-----------|--|
| | | | | | Amount | Percentag | Amount | Percentag | |
| <i>Operating</i> | | | | | | | | | |
| Revenues: | | | | | | | | | |
| Water Sales | \$ 7,013,144 | \$ 6,614,899 | \$ 6,272,418 | \$ 6,318,814 | \$ (296,085) | -4.48% | \$ 46,396 | 0.74% | |
| Other (Incl. Solar Rebate) | 495,267 | 595,893 | 536,000 | 556,001 | (39,892) | -6.69% | 20,001 | 3.73% | |
| Operating Revenues | \$ 7,508,411 | \$ 7,210,792 | \$ 6,808,418 | \$ 6,874,815 | \$ (335,977) | -4.66% | \$ 66,397 | 0.98% | |
| Expenses: | | | | | | | | | |
| Source of Supply | \$ 808,374 | \$ 802,115 | \$ 703,868 | \$ 598,845 | \$ (203,270) | -25.34% | \$ (105,023) | -14.92% | |
| Water Treatment / Pumping | 2,088,089 | 1,897,009 | 2,023,179 | 2,165,257 | 268,248 | 14.14% | 142,077 | 7.02% | |
| Conservation | 225,865 | 244,219 | 210,336 | 353,775 | 109,556 | 44.86% | 143,439 | 68.19% | |
| Engineering | 110,700 | 308,734 | 294,047 | 271,226 | (37,508) | -12.15% | (22,821) | -7.76% | |
| OLD Administration and General | 1,246,569 | 1,571,695 | 0 | 0 | (1,571,695) | 3.87% | 0 | 0.28% | |
| Board of Directors | 66,333 | 18,345 | 85,266 | 45,500 | 27,155 | | (39,766) | | |
| Executive | 1,752 | 171 | 814,527 | 911,773 | 911,602 | | 97,246 | | |
| General Administration - NEW | 237,591 | 279,545 | 433,505 | 364,300 | 84,755 | | (69,205) | | |
| Operations and Information Technology | 0 | 0 | 202,745 | 265,448 | 265,448 | | 62,703 | | |
| Finance and Administrative Services | 0 | 240,303 | 627,833 | 583,907 | 343,604 | | (43,926) | | |
| OPEB and Retirement | 272,674 | 292,836 | 325,000 | 325,000 | 32,164 | | 0 | | |
| Operating Expenses | 5,057,947 | 5,654,973 | 5,720,308 | 5,885,032 | 230,059 | 4.07% | 164,723 | 2.88% | |
| Net Income/(Loss)-Operations | \$ 2,450,464 | \$ 1,555,820 | \$ 1,088,110 | \$ 989,783 | \$ (566,036) | -36.38% | \$ (98,327) | -9.04% | |
| | | | | \$0 | | | | | |
| <i>Non-Operating</i> | | | | | | | | | |
| Revenues: | | | | | | | | | |
| COP Payments (direct) | \$ 432,067 | \$ 48,545 | \$ 85,032 | \$ 85,661 | \$ 37,116 | 76.46% | \$ 629 | 0.74% | |
| Interest/Investment Income | 52,953 | 271,721 | 50,000 | 50,000 | (221,721) | -81.60% | 0 | 0.00% | |
| Wholesale Connections | 0 | 53,233 | 45,180 | 45,180 | (8,053) | -15.13% | 0 | 0.00% | |
| Taxes & Assessments | 803,088 | 838,921 | 819,060 | 995,000 | 156,079 | 18.60% | 175,940 | 21.48% | |
| Other (See Detail) | 101,060 | 102,014 | 125,874 | 125,874 | 23,860 | 23.39% | 0 | 0.00% | |
| | | | | 0 | | | | | |
| Expenses: | | | | | | | | | |
| COPs (interest) | 1,343,700 | 1,044,054 | 1,458,019 | 1,458,019 | 413,965 | 39.65% | 0 | 0.00% | |
| Other (See Detail) | 10,487 | (34,629) | 10,237 | 46,916 | 81,545 | -235.48% | 36,679 | 358.30% | |
| Net Non-Operating | 34,981 | 305,009 | (343,110) | (203,220) | (508,229) | -166.63% | 139,890 | -40.77% | |
| Capital Contributions | 2,522,308 | (225,068) | 135,000 | 568,350 | 793,418 | -352.52% | 433,350 | 321.00% | |
| Net Income | 5,007,753 | 1,635,761 | 879,999 | 1,354,913 | (280,848) | -17.17% | 474,914 | 53.97% | |
| <i>Debt Service Principal</i> | | | | | | | | | |
| 2012 Refunding Bonds | 633,985 | 633,985 | 309,152 | 323,873 | (310,112) | -48.91% | 14,721 | 4.76% | |
| 2009 COPs | 6,400 | 6,400 | 265,600 | 275,200 | 268,800 | 4200.00% | 9,600 | 3.61% | |
| Net Available for Distribution | 4,367,368 | 995,376 | 305,248 | 755,840 | (239,536) | -24.06% | 450,592 | 147.62% | |

FY 2015 - 2016 Wholesale Budget Funding Sources



FY 2015-2016 Wholesale Budget Expenses



Fiscal Year 2015-2016 Goals

- Manage the Mandated Conservation requirements
- Ensure Water Supply Reliability
- Upgrade and maintain Water Delivery Infrastructure
- Upgrade Hinkle Reservoir's underdrain system (panel, piping and panel)
- Fill one (1) Executive Staff Special Projects, (1) Finance Director position, (1) Human Resources Manager and (1) additional WTP Operator position

Debt Service – Wholesale

Wholesale debt service as detailed in the schedule below is comprised of the 2013 Refunding Bonds and 2009 COPs issued for Wholesale Capital Improvement Projects as well as those direct components that are collected by Wholesale.

| 2015-2016 | | | | | | | |
|-------------------------------------|-------------------------|-------------------------------|--------------------------|---------------------------|---------------------|-----------|---------------------|
| Wholesale Debt Service | San Juan Water District | | | Orange Vale Water Company | | | Total |
| | Retail Service Area | Citrus Heights Water District | Fair Oaks Water District | City of Folsom | | | |
| Sources of Funds | | | | | | | |
| <u>2012 Refunding Bond Payments</u> | | | | | | | |
| <i>New Project Money</i> | | | | | | | |
| Annual Debt Service Charge | \$ 188,181 | \$ 219,670 | \$ 161,424 | \$ 49,538 | \$ 12,242 | \$ 85,661 | \$ 631,055 |
| Direct Obligation | | | | | | | 85,661 |
| Total 2012 Refunding Pymts | \$ 188,181 | \$ 219,670 | \$ 161,424 | \$ 49,538 | \$ 97,904 | | \$ 716,716 |
| <u>2009 COP Payments:</u> | | | | | | | |
| <i>New Project Money</i> | | | | | | | |
| Annual Debt Service Charge | 423,425 | 450,768 | 280,541 | 141,678 | 43,964 | | 1,340,376 |
| Total Sources of Funds | \$ 611,605 | \$ 670,439 | \$ 441,965 | \$ 191,216 | \$ 141,868 | | \$ 2,057,092 |
| Uses of Funds | | | | | | | |
| | | | | Principal | Interest | | Total |
| 2012 Refunding Bonds | | | | \$ 323,873 | \$ 392,843 | | \$ 716,716 |
| 2009 Certificates of Participation | | | | 275,200 | 1,065,176 | | 1,340,376 |
| Total Uses of Funds | | | | \$ 599,073 | \$ 1,458,019 | | \$ 2,057,092 |

Capital Improvement Program - Wholesale

Wholesale facilities include those that allow the District to receive raw water, treat it for delivery to wholesale customers and perform all supporting activities to accomplish this. Specific examples are:

- raw water supply pipelines;
- water treatment plant;
- chlorine containment;
- filter gallery;
- solids handling;
- Hinkle reservoir; and
- District buildings and grounds.

The District's Capital Improvement Program ("CIP") is viewed as two separate programs for Wholesale and Retail facilities. Most projects are not relevant to both Wholesale and Retail, therefore, they are evaluated and planned for completely separately. Some do benefit both Wholesale and Retail facilities and are assigned to each based upon specific benefit with Wholesale and Retail paying their fair share of the cost. To be considered a capital expense, the project, program or equipment must generally cost \$5,000 or more and have a useful life extending three years or more.

CIP Process

In order to develop and maintain the District's long-range CIP, the first step is completion of a Wholesale Master Plan. These are completed approximately every five years by an outside consultant with District staff assistance. All existing and future facilities are evaluated to support the District's CIP goals:

- Ensure that a reliable water supply is maintained and secured for future needs.
- Maintain or implement compliance with existing or new regulations.
- Address public safety or health standards.
- Plan contingently for reasonable emergency supply or outages.
- Ensure that existing infrastructure is maintained, replaced and improved.
- Provide for new capital projects to help meet the highest priority District needs.
- Result in more economical, efficient, or effective delivery of District services.

CIP projects are categorized as follows:

District-Wide: projects that benefit the District's internal operations such as information technology or building improvements.

Pipeline Replacements: projects related to the expansion, maintenance, or improvement of the District's transmission and distribution system.

Chemical Feed Systems: projects related to the maintenance, improvement or expansion of the District's chemical systems within the Water Treatment Plant.

Filter Basins: projects related to the construction, maintenance, improvement or expansion of the District's filter basins.

Water Treatment Plant: projects related to the construction, maintenance, improvement or expansion of the District's Water Treatment Plant facilities.

Water Storage: projects related to the construction, maintenance, improvement or expansion of the District's storage facilities.

Water Reliability: projects related to the construction, maintenance, improvement or expansion of the District's ability to maintain and adequate water supply for its customers.

Upon completion or update of the Wholesale Master Plan, the Wholesale Water Rate Study and Financial Plan are updated to reflect new or updated projects. This may not be necessary if the costs do not represent a major impact to the CIP. Projects are incorporated into the fiscal-year budget for the year they are expected to begin, with individual projects approved in accordance with District policy or prescribed codes (i.e. Public Contract Code).

District staff manage projects with the assistance of consultants where needed. District labor, inventory, materials, supplies and related costs may be required on a project and coded as such to reflect the full cost of the asset for financial reporting purposes. Upon completion of a project, Notice of Acceptance is filed (when applicable) and appropriate insurance coverage is secured by the District's insurer in accordance with the policy.

Capital Improvement Program - Wholesale

| Wholesale Capital Improvement Program | | | | | | |
|---|-----------|-------------|--------|-----------|-------------|--------|
| | 2015-2016 | | | 2016-2017 | | |
| | CIP | Connections | Hinkle | CIP | Connections | Hinkle |
| Water Treatment Plant | | | | | | |
| Building-Storage Roof/Walls | | | | 475,000 | | |
| Chemical Feed Systems-Polymer | 112,000 | | | | | |
| New Settled Water Channel | 500,000 | | | 2,430,000 | | |
| Settling Tube Cleaning System | | | | | | |
| Rapid Mix Process Improvements | 25,000 | | | 235,000 | | |
| Replace Flocculators, Modif Basins | 250,000 | | | 2,700,000 | | |
| Replace Sludge Collection System | 50,000 | | | 588,000 | | |
| Hinkle Reservoir Cover Testing/Repairs | 224,000 | | | | | |
| Hinkle Overflow Channel Lining | | | | | | |
| Hinkle Resvoir Groundwater Monitoring Wells | | | | 59,000 | | |
| Backwash Hood and Pumps Rehabilitation | 52,000 | | | | | |
| Washdown Piping Improvements | 22,000 | | | | | |
| Lime System Control & Feeder System | | | | 64,000 | | |
| Vehicals | 60,000 | | | | | |
| Clarifier Wall Lining & Leakage Repairs | | | | 477,000 | | |
| Water Supply Reliability Projects | | | | | | |
| SSWD-SJWD Pump Back Projects | 700,000 | | | | | |
| Control Valve Stations | 600,000 | | | | | |
| Miscellaneous Projects | | | | | | |
| ARC flash Assessment and Improvements | 100,000 | | | | | |
| FO40 Transmission Pipeline Re-Lining | | | | | | |
| Solar Site Access Culvert replacement | | | | 212,000 | | |
| Whsl Meter Comm Antenna Improvements | 12,000 | | | 6,000 | | |
| Plant Piping and Recoating Program | | | | 11,000 | | |
| Hinkle Reservoir Overflow Apron Drains | 15,000 | | | | | |
| Security Improvements (at WTP and Bacon) | 100,000 | | | | | |
| In-Plant Pump Station Improvements | 56,000 | | | | | |
| Articulating Boom Lift | 30,000 | | | | | |
| | 2,908,000 | - | - | 7,257,000 | - | - |
| Total Projects | 2,908,000 | - | - | 7,257,000 | - | - |

STAFF REPORT

To: Board of Directors
From: Shauna Lorange, General Manager
Date: June 2, 2015
Subject: Phase 2A Report Comments

The comments on the Phase 2A report are due by June 5, so are not all available at the time this packet was created. Information on the comments will be provided at the Board meeting.

**Engineering Committee Meeting Minutes
San Juan Water District
May 26, 2015
3:00 p.m.**

Committee Members: Dan Rich, Chair
Ken Miller, Director

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

Topics: Retail Service Area Pressure Reductions and Reservoir Management for Demand Management (R)
Transmission Mains Control Valve Project (W)
Security Improvements (W & R)
Other Engineering Matters (W & R)
Public Comment (W & R)

1. Retail Service Area Pressure Reductions and Reservoir Management for Demand Management (R)

Mr. Durkin informed the committee that there are physical changes that can be made at the District to help with conservation. One item is to reduce water pressure within specific pressure zones in our service area; therefore, staff has already made some minor adjustments.

Mr. Barela informed the committee that the operational goal is to save water by reducing pressures, maintain adequate water service to customers, and maintain system water quality standards. He reviewed information with the committee that showed areas in the retail service area that could be reduced by at least 5 psi. Pressures have already been reduced in these areas. He also reviewed the areas where staff believes greater reductions could be made. He explained that, by reducing water pressure, water is conserved due to less flow through faucets, irrigation systems, and system leaks. He projects that a 10 psi reduction will result in 10% savings.

The committee discussed the pressure reductions and possible impacts on customers. Mr. Durkin explained that staff will work with the large turf customers, such as parks and schools, to arrive at the correct pressure for their systems. He commented that there have been no customer complaints regarding the reductions that have been made thus far. In addition, he explained that all additional reductions will be made incrementally in order to respond to customer inquiries and correct pressure as needed. The committee agreed with staff's plan to reduce system pressures.

For information only; no action needed

2. Transmission Mains Control Valve Project (W)

Mr. Durkin informed the committee that this project consists of installing two control valves in the wholesale transmission system to allow the District to make water deliveries under various scenarios of surface and groundwater supplies, including receiving water from the Antelope Pump-Back Project. He explained that the control valves will help manage the flow of water in the wholesale transmission system to ensure that all wholesale customers receive adequate supply and pressure. The construction cost estimate is \$650,000. In response to a question from Director Rich, Mr. Durkin reported that the cost of just the control valves is approximately \$30,000 to \$40,000 each.

Mr. Barela informed the committee that he is working with the property owner at one of the sites on an easement and, once the easement agreement is finalized, the project will go out for bid.

For information only; no action needed

3. Security Improvements (W & R)

Mr. Watson reviewed various security improvements that have been completed at District facilities over the last decade in response to several vulnerability assessments and reviews. He informed the committee that design for an additional project is complete that will add security improvements at two locations in the District. Mr. Watson explained that the project is estimated to cost \$175,000 plus an allowance of 10% for construction contingency, which will be shared between SJWD-Wholesale (\$100,000) and SJWD-Retail (\$75,000). These costs are included in the FY2015-16 Budgets.

Mr. Watson informed the committee that the project design is complete and the project is ready to bid. He expects the project to be completed in approximately six months. The committee discussed the project and agreed with staff's recommendation to proceed with the project. In addition, the committee recommends that staff work with Legal Counsel to determine the best way to bid the project due to security reasons.

4. Other Engineering Matters

Director Rich voiced concern that there was mention of the CIP projects being deferred due to budget constraints at the last Board meeting. Mr. Durkin explained that most of the CIP projects were moved prior to this budget. He explained that Ms. Motonaga is preparing the FY 2015-16 Wholesale budget with the current CIP schedule as last presented to the Engineering Committee intact and will provide the Board with the necessary rate increase amount which includes the scheduled CIP.

4.1 Next Meeting Date

The next committee meeting will be scheduled when needed.

5. Public Comment

There were no public comments.

The meeting was adjourned at 4:46 p.m.

Public Information Committee Meeting Minutes
San Juan Water District
May 28, 2015
9:30 a.m.

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

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

Topics: Update on Drought Activities
Other Public Information Matters
Public Comment

1. Update on Drought Activities

Ms. Braziel informed the committee that the direct mailer regarding the drought restrictions was sent out and retail customers should receive the mailer in the next day or so. She commented that the Telephone Town Hall is scheduled for June 4th at 7:00pm and was advertised in the mailer. In addition, FAQs from the Telephone Town Hall will be posted to the District website.

Ms. Lorance informed the committee that staff will start enforcing the restrictions the first week of June by using patrols to educate customers on conservation. In addition, staff will be reviewing retail customer water usage and will start sending letters out, starting with the top water users and working down the list. She explained that staff will work with customers to help them find ways to conserve.

The committee discussed meters on ponds, weed abatement, increased customer phone calls, and door hangers. Director Miller suggested that a separate line be established to report water waste so that those calling in can leave a message to avoid holding on the line for a customer service representative. Ms. Johnson commented that talking directly with the person reporting the water waste sometimes gives staff more information on which to identify the location than might be left on a message.

Director Miller mentioned that the Engineering Committee discussed reducing water pressure in the retail service area which may help with conservation since it should reduce water leaks in the system and customer usage. Ms. Braziel commented that it was reported at a RWA meeting that many agencies are reducing water pressure but are not actively marketing the reduction to its customers.

The committee discussed adding additional signs regarding watering days and the drought at the District entrance. Ms. Braziel will check into the sign ordinances to

put two temporary signs up. The committee also discussed the use of magnetic signs on District vehicles.

For information, no action requested.

2. Other Public Information Matters

There were no other items discussed.

2.1 Next Meeting Date

The next committee meeting is scheduled for Monday, June 22, 2015, at 9:30 am.

3. Public Comment

There was no public comment.

The meeting adjourned at 10:23 am.

Finance Committee Meeting Minutes
San Juan Water District
June 9, 2015
4:00 p.m.

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

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

Topics: Review and Pay Bills (W & R)
Finance System Update (W & R)
Draft Auditor Management Letter (W & R)
Water Treatment Plant Operating Chemical Contracts (W)
Compensation Study Costs (W & R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

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

Staff update: the total amount of bills and claims provided for approval for May payables is \$2,089,178.24.

The Finance Committee recommends approval of Resolution 15-08.

2. Finance System Update (W & R)

Ms. Lorange provided the committee with a Finance System Process Update. A copy of her updated staff report will be attached to the meeting minutes. She explained that she took the May 4th staff report and kept the updates in a redline version.

The committee reviewed the list of updates. It was noted that there was concern with staff providing information on the Reserve Funds via Excel and the timeliness of providing the requested information in the past. Ms. Motonaga explained the complexity of the situation at this point and the need to link the information into Excel in order to generate the correct report format.

The committee also discussed the hiring process for the Director of Finance. The committee discussed staff's comment that the Personnel Committee could

interview the final candidates. The committee discussed the Personnel Committee being briefed on the overall qualifications of the applicant group as an informational item. The concern was to not set precedence by having the Personnel Committee interview candidates that should be under the direction of the General Manager. Ms. Lorance will report back on general applicant information to the Personnel Committee.

For information only; no action requested.

3. Draft Auditor Management Letter (W & R)

The committee requested that the Auditor Management Letter be provided to the Board for review and discussion.

For information only; no action requested.

4. Water Treatment Plant Operating Chemical Contracts (W)

Mr. Durkin informed the committee that bids were received for the four water treatment chemical contracts. He provided the committee with a staff report, and a copy will be attached to the meeting minutes.

The Finance Committee recommends consideration of a motion to award the contract renewals for Alum, Quicklime, Chlorine, and Polymer Chemicals as follows:

1. Granular Quicklime - Graymont Western US, 190 Tons; Bid Price \$224/Ton with a total budget amount of \$42,560.
2. Liquid Chlorine - Sierra Chemical, 96 Tons; Bid Price \$611/Ton with a total budget amount of \$58,656.
3. Emulsion Polymer - Solenis LLC, 14,400 Lbs.; Bid Price \$0.95 /Lb. + 7.5% tax \$1.02 /Lb. with a total budget amount of \$14,706.
4. Alum/Polymer Blend - Chemtrade Chemicals US LLC, 790 Tons; Bid Price \$169 /Ton with a total budget amount of \$133,510.

5. Compensation Study Costs (W & R)

Director Costa commented that he was under the assumption that the committee would be reviewing the entire Compensation Study and not just the costs associated with implementing the proposed salary ranges. Ms. Lorance explained that she was under the impression that Director Walters requested that the Finance Committee review the costs of implementation. She voiced concern that reviewing the entire study may present a Brown Act violation in that it might be construed as a serial meeting since the Personnel Committee already reviewed the overall elements of the same study. Mr. Durkin explained that the Personnel Committee reviewed the study and made a recommendation to accept the report. The report was then handed out to the Board to review and the Personnel

Committee proposed action was tabled until all Directors could review the report. Director Walters requested that the Finance Committee look at the impacts on the budget regarding implementing the salary ranges during the timeframe that Directors were reviewing the report. Director Costa requested that the Board Secretary review the audio tape for clarification.

Ms. Lorance provided the committee with a reprint of the last page of the Compensation Study which was enlarged for easier reading.

Ms. Lorance informed the committee that the total cost, if all positions were brought immediately up to the top of range, would be \$226,000 in salary costs, (approximately \$350,000 in total costs); however, she explained that this would not happen all at one time and would be phased in. She explained that initially it would cost \$25,000 to bring some employees to the bottom of the range who fall below the bottom of the proposed salary range. In addition, if phased over 3 years, it would cost approximately \$75,000 in salary costs (\$115,000 in total costs) per year.

Ms. Lorance informed the committee that the District performed a salary survey in 2001 using the 75th percentile. The 2006 study parameters were revised by the Board to 10% over mean (average). In 2013, the Board adopted a policy to maintain the 10% over mean (average) for the 2015 Compensation Study. Ms. Lorance explained that the top of the salary range for each benchmark position is set at 10% over average and the bottom of the range is set at 10% below average. New employees coming into the District are usually compensated at the bottom of the range.

For information only; no action requested.

6. Other Finance Matters (W/R)

Ms. Lorance reported that Mr. Durkin instigated negotiations with PCWA to reduce the amount that PCWA charges the District during periods when there are water restrictions and PCWA cannot deliver the full 25,000 AF which the District pays for regardless of use. An amendment to the PCWA contract is being drafted which will reduce the District's cost to only paying for 10,000 AF instead of the full 25,000 AF. This will result in savings this year of approximately \$250,000.

For information only; no action requested.

7. Public Comment

There were no public comments.

The meeting was adjourned at 5:21 p.m.

San Juan Water District

**RESOLUTION 15-08
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$2,089,178.24; 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 \$2,089,178.24 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 \$2,089,178.24 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 10th day of June 2015, by the following vote:

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

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

TERI HART
Secretary, Board of Directors

Check Register - June



| Vendor Number | Vendor Name | Payment Date | Payment Type | Payment Amount |
|-------------------------------|--|--------------|--------------|----------------|
| Bank Code: APBNK-APBNK | | | | |
| 01024 | ACCONTEMPS | 06/10/2015 | Regular | 20,220.21 |
| 03091 | Ace Hardware - Auburn Folsom Act#2051 | 06/10/2015 | Regular | 104.30 |
| 01034 | Advanced Utility Systems | 06/10/2015 | Regular | 49,583.33 |
| 03201 | Alan Ebenstein PHD | 06/10/2015 | Regular | 1,700.57 |
| 01068 | ALPHA DES - Glenn Walker | 06/10/2015 | Regular | 968.00 |
| 01073 | AMARJEET SINGH GARCHA | 06/10/2015 | Regular | 1,800.00 |
| 02463 | AnswerNet | 06/10/2015 | Regular | 315.10 |
| 01027 | Association of California Water Agencies | 06/10/2015 | Regular | 560.00 |
| 01138 | AT&T | 06/10/2015 | Regular | 61.51 |
| 01142 | Auburn Constructors, Inc. | 06/10/2015 | Regular | 599.47 |
| 01154 | AUTOWEST JEEP EAGLE | 06/10/2015 | Regular | 2,225.81 |
| 01182 | BARTKIEWICZ, KRONICK & SHANAHAN | 06/10/2015 | Regular | 15,546.21 |
| 01210 | BLACKBURN MANUFACTURING CO. | 06/10/2015 | Regular | 273.48 |
| 01215 | Bob Walters | 06/10/2015 | Regular | 57.33 |
| 01219 | Borges & Mahoney Company | 06/10/2015 | Regular | 267.19 |
| 01232 | Brower Mechanical, Inc. | 06/10/2015 | Regular | 3,711.55 |
| 01234 | Bryce Consulting Inc | 06/10/2015 | Regular | 1,725.00 |
| 01250 | C & D Contractors, Inc. | 06/10/2015 | Regular | 183,187.55 |
| 01257 | CA State University Sacramento | 06/10/2015 | Regular | 5,106.37 |
| 03202 | CD-Data Inc | 06/10/2015 | Regular | 960.00 |
| 01372 | CITY OF FOLSOM | 06/10/2015 | Regular | 31.36 |
| 01373 | CITY OF ROSEVILLE | 06/10/2015 | Regular | 3,181.10 |
| 01411 | Consolidated Communications | 06/10/2015 | Regular | 1,576.39 |
| 01420 | CORT FURNITURE RENTAL | 06/10/2015 | Regular | 124.32 |
| 02556 | COSTA, Ted | 06/10/2015 | Regular | 180.18 |
| 02214 | County of Placer Engineering & Surveying | 06/10/2015 | Regular | 12,872.75 |
| 01428 | Cow Camp Grill & Seasoning co | 06/10/2015 | Regular | 976.92 |
| 01472 | DAWSON OIL CO | 06/10/2015 | Regular | 5,761.35 |
| 01494 | Dewey Services Inc | 06/10/2015 | Regular | 82.00 |
| 03203 | Diana Rubino | 06/10/2015 | Regular | 50.48 |
| 01509 | DOMENICHELLI & ASSOCIATES INC | 06/10/2015 | Regular | 7,940.00 |
| 01569 | Employee Relations | 06/10/2015 | Regular | 230.85 |
| 01634 | FOLSOM LAKE FORD | 06/10/2015 | Regular | 191.49 |
| 01657 | GALIC DISBURSING COMPANY | 06/10/2015 | Regular | 400.00 |
| 01659 | GARY WEBB TRUCKING | 06/10/2015 | Regular | 1,491.75 |
| 01681 | GOLDEN STATE FLOW MEASUREMENTS | 06/10/2015 | Regular | 271.23 |
| 01687 | Grainger, Inc. | 06/10/2015 | Regular | 1,978.16 |
| 01733 | Harris Welding Inc | 06/10/2015 | Regular | 24.05 |
| 01736 | Hasler/MailFinance/Neopost | 06/10/2015 | Regular | 486.00 |
| 01768 | HOPKINS TECHNICAL PRODUCTS | 06/10/2015 | Regular | 160.37 |
| 03072 | HUNT & SONS INC. | 06/10/2015 | Regular | 25.91 |
| 03205 | Kathleen Seymour | 06/10/2015 | Regular | 82.14 |
| 02021 | MCCLURE, GEORGE TOM | 06/10/2015 | Regular | 141.00 |
| 02024 | MCI WORLDCOM | 06/10/2015 | Regular | 171.86 |
| 02027 | MCMMASTER-CARR SUPPLY COMPANY | 06/10/2015 | Regular | 70.56 |
| 01916 | Miller, Ken | 06/10/2015 | Regular | 167.25 |
| 03160 | MMS Strategies | 06/10/2015 | Regular | 1,442.00 |

| Vendor Number | Vendor Name | Payment Date | Payment Type | Payment Amount |
|-------------------------------|--------------------------------------|--------------|--------------|----------------|
| Bank Code: APBNK-APBNK | | | | |
| 02093 | NDS SOLUTIONS INC | 06/10/2015 | Regular | 2,428.76 |
| 02129 | OCCU-MED, LTD | 06/10/2015 | Regular | 256.00 |
| 02131 | Office Depot Business Serv Div | 06/10/2015 | Regular | 1,138.17 |
| 02146 | P G & E | 06/10/2015 | Regular | 5,802.79 |
| 02150 | Pace Supply Corp | 06/10/2015 | Regular | 1,527.58 |
| 03026 | PFM Asset Management | 06/10/2015 | Regular | 867.39 |
| 02208 | PLACER CO ENVIRONMENTAL HEALTH | 06/10/2015 | Regular | 12,221.00 |
| 02223 | Platt - Rancho cordova | 06/10/2015 | Regular | 170.99 |
| 02225 | Polydyne Inc | 06/10/2015 | Regular | 3,699.72 |
| 02283 | Recology Auburn Placer--DB | 06/10/2015 | Regular | 632.71 |
| 02292 | REXEL INC | 06/10/2015 | Regular | 881.21 |
| 03183 | River City Printers LLC | 06/10/2015 | Regular | 5,896.59 |
| 02328 | ROCKLIN WINDUSTRIAL CO | 06/10/2015 | Regular | 2,193.29 |
| 02357 | S M U D | 06/10/2015 | Regular | 12,220.79 |
| 02367 | SACRAMENTO BEE | 06/10/2015 | Regular | 329.88 |
| 02384 | Sacramento Suburban Water District | 06/10/2015 | Regular | 242,696.08 |
| 03204 | Sandra Baker | 06/10/2015 | Regular | 250.00 |
| 02407 | SCHEETZ WELDING SERVICE INC | 06/10/2015 | Regular | 245.00 |
| 02446 | Sierra Chemical Co | 06/10/2015 | Regular | 3,116.91 |
| 02455 | SIERRA OFFICE SYSTMS&PROD INC | 06/10/2015 | Regular | 4,409.34 |
| 03086 | SIERRA SAW POWER EQUIPMENT | 06/10/2015 | Regular | 24.50 |
| 02544 | SYBLON REID | 06/10/2015 | Regular | 465,740.45 |
| 02580 | The Eidam Corporation | 06/10/2015 | Regular | 42,599.89 |
| 02581 | THE FERGUSON GROUP LLC | 06/10/2015 | Regular | 1,929.00 |
| 03206 | The Grove at Granite Bay LLC | 06/10/2015 | Regular | 11.32 |
| 02629 | TRENCH & TRAFFIC SUPPLY INC. | 06/10/2015 | Regular | 268.50 |
| 02638 | Tyler Technologies Inc | 06/10/2015 | Regular | 156.25 |
| 02640 | U.S. DEPARTMENT OF COMMERCE | 06/10/2015 | Regular | 30,090.76 |
| 02651 | UNITED PARCEL SERVICE | 06/10/2015 | Regular | 238.55 |
| 02674 | Utility Services Associates | 06/10/2015 | Regular | 2,939.00 |
| 02700 | Viking Shred, LLC | 06/10/2015 | Regular | 75.00 |
| 02717 | WATER RESEARCH FOUNDATION | 06/10/2015 | Regular | 33,471.00 |
| 02740 | West Valley Construction Company Inc | 06/10/2015 | Regular | 298,504.25 |
| 02766 | Youngdahl Consulting Group Inc | 06/10/2015 | Regular | 9,301.00 |
| 03137 | 3T EQUIPMENT CO INC. | 06/10/2015 | EFT | 15,046.25 |
| 01048 | Airgas Inc | 06/10/2015 | EFT | 346.57 |
| 01081 | AMERICAN MESSAGING | 06/10/2015 | EFT | 40.07 |
| 01242 | Bureau of Reclamation-MPR | 06/10/2015 | EFT | 30,455.19 |
| 01486 | DEPARTMENT OF ENERGY | 06/10/2015 | EFT | 5,163.66 |
| 01521 | DP2 BILLING SOLUTIONS LLC | 06/10/2015 | EFT | 6,684.94 |
| 01589 | Eurofins Eaton Analytical, Inc | 06/10/2015 | EFT | 2,656.00 |
| 01611 | FERGUSON ENTERPRISES, INC. | 06/10/2015 | EFT | 3,274.79 |
| 01790 | Industrial Safety Supply Corp | 06/10/2015 | EFT | 346.00 |
| 01819 | J. Richard Eichman, CPA | 06/10/2015 | EFT | 240.40 |
| 01934 | Koff & Associates | 06/10/2015 | EFT | 5,540.00 |
| 02432 | Lorance, Shauna | 06/10/2015 | EFT | 104.72 |
| 02006 | MARTINEZ, MICHAEL | 06/10/2015 | EFT | 119.00 |
| 02013 | Matthew Warren Inc dba Century | 06/10/2015 | EFT | 1,666.86 |
| 02020 | MCC Control Systems | 06/10/2015 | EFT | 1,481.25 |
| 02179 | PAYROLL | 06/10/2015 | EFT | 432,353.86 |
| 02187 | PERFORMANCE PIPING, INC | 06/10/2015 | EFT | 10,436.38 |
| 03180 | SAC ICE LLC | 06/10/2015 | EFT | 209.75 |
| 02504 | STARR CONSULTING | 06/10/2015 | EFT | 2,800.00 |

| Vendor Number | Vendor Name | Payment Date | Payment Type | Payment Amount |
|-------------------------------|------------------------|--------------|--------------|----------------|
| Bank Code: APBNK-APBNK | | | | |
| 02572 | Thatcher Company of CA | 06/10/2015 | EFT | 25,198.26 |
| 02162 | Tobin, Pamela | 06/10/2015 | EFT | 117.90 |

Total Paid 2,059,699.97

Special Check Run:

Total Special Check Run: -

TOTAL PAID 2,059,699.97

Invoices on Finance Committee List - To be Paid on separate check run:

| | |
|---------------------------------------|-----------|
| California Utilities Emergency Assoc. | 500.00 |
| Central Valley Project Water Assoc. | 498.58 |
| Folsom Lake Ford | 66.86 |
| Office Depot | 316.24 |
| Pace Supply | 644.53 |
| US Bank Calcard | 13,931.32 |
| Verizon | 343.36 |

Total To Be paid 16,300.89

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE 2,089,178.24

Adjustments: -

TOTAL PAID AND PAYABLE 2,089,178.24

| | |
|-------------------|---------------------|
| Regular Checks | 1,515,418.12 |
| EFT's | 544,281.85 |
| TOTAL PAID | 2,059,699.97 |

Signature _____

Signature _____

STAFF REPORT

To: Board of Directors

From: Shauna Lorance, General Manager

Date: June 9, 2015

Subject: Financial System Process Update

RECOMMENDED ACTION

This is an informational item, and as such does not require any action.

BACKGROUND

At the March 11, 2015 Board of Directors meeting, a financial system process update was provided. The Board of Directors requested staff to provide estimated dates of completion, with routine updates on the status of meeting the estimated schedule, which was provided at the May 13 Board meeting.

CURRENT STATUS

There were multiple actions included in the financial system process update. I have included a summary of what is complete, what is currently ongoing, and estimated completion dates.

Complete

The overall transition, updating and reconciliation of the financial data in Solomon were estimated to take two years. The process began in March of 2014, and is now in the second year. The entire process is anticipated to be completed by March 2016.

The Tyler finance module is the accounting system being used for all finance activities, including accounts payables. As part of the process to confirm accurate information in Tyler, data from Solomon ~~is still being~~was reviewed and reconciled.

- Solomon was used up through the end of the 2014 fiscal year. It ~~was used~~ ~~still needs to be maintained~~ to complete the 2014 audit process and needs to be maintained for a period for historical reference. It is expected that items will come up from time to time that require adjustments in Solomon.
- ~~As the District requested of the auditors, t~~The audit is identifying identified recommendations to processes that were used additional fixes in Solomon ~~during~~from the 2014 fiscal year, and they are being reconciled.

- ~~The audit is identifying improved controls that are necessary and, the vast majority, are already included in the Tyler processes.~~ It is anticipated that ~~the presentation of the 2014 fiscal year audit at the May a presentation of any 27 Board meeting will identify any~~ additional controls that need to be implemented in the Tyler processes will be provided at a future meeting.
- As modifications are made to Solomon data, the information in Tyler must be revised and reconciled. This will be ongoing.
- All finance and budget information is being implemented in Tyler, no 2015 data is being input into Solomon.

The payroll system has been transitioned from ADP to Tyler. ~~Dual payroll systems were run for 2 payroll cycles in December.~~ The 2015 calendar year payroll ~~will be~~ being completed solely in Tyler.

The Comprehensive Annual Financial Report (CAFR) and audited information has been completed, ~~with the final audited information to be included in mid-May.~~

Entirely new financial processes have been developed to comply with best practice internal controls and in line with the new financial system. ~~The audit is anticipated to provide direction on any additional revisions to the processes that may be necessary.~~

Purchasing controls have been implemented into the purchasing processes and work flow.

The allocation of projects to expenses versus capital has been completed. The allocation of costs to billable projects has been completed.

Preparing and documenting bills and payments from Wholesale Customer Agencies, shared projects with other agencies, etc. are the responsibility of the finance department. The accounts receivable module is estimated to be fully implemented by July 31, 2015. This project is dependent on the schedule of Tyler staff. We are still waiting on confirmation from Tyler for the exact implementation date. AR module was implemented last week. Training is set for June.

The bond financing requires annual reporting, as well as an updated project report. This is done concurrently with the FY 2014-2015 CAFR. The final CAFR information was provided as an update.

The 2015/2016 approved fiscal year budget will be input into Tyler to allow tracking of status by managers and the Board.

Ongoing with estimated completion dates

Process manuals are being developed for all accounting, finance and purchasing processes. The estimated completion date is March 2016. **No change**

Finance staff is developing specialized reporting for reserve balances. The estimated completion date is July 31, 2015. **Tyler is unable to create this – too complex – we will create in excel and Tyler has the ability to “link” to a documents so it will then be able to update. I will start this right after Retail Budget. The idea was to do this during the Prop 218 notice at the same time as creating the Financial package reporting for the Board.**

The District must submit a Comptrollers report annually. The new financial system has a reporting module that is estimated to be implemented by August 30. This is somewhat delayed from our expectations due to the delay in the AR module and staff support from Tyler. **No change – one item on my plate is to provide a cross reference document for the two separate GL’s that are needed. Since this isn’t needed until the end of July, I have not made it a priority.**

The District must submit an annual CAFR. Tyler has a module to assist in this process. The module is estimated to be implemented by Sept 30. This is also dependent on confirmation of the implementation date by Tyler. **No change**

One of the benefits of the Tyler system is managers’ access to financial information on their computers that is automatically updated. Kate is targeting completion of this task and training before she leaves on Sept 30. **No change**

Reconciliations

- The updated reconciliation information in Solomon will be input into Tyler by May 31, 2015. **Due to the late changes by the auditor on the prior FY, this will be delayed about 2 weeks. However it is almost complete.**
- Once all the updated reconciliation information in Solomon has been updated in Tyler, the fiscal year 2014-15 reconciliations need to be completed for all accounts for all months. The estimated completion date is July 31, 2015. **Not sure – it will be very tight as the Budgets move out and take time that was expected to be avail for recons based on approving budgets by the end of June. The drought may move this out.**

There are many other tasks that are being worked on concurrently

- The wholesale and retail budget for fiscal year 2015-2016 is being developed; the recent announcement of a required 36% reduction in water usage will have significant impacts and is requiring a complete overhaul of the draft budget. The completion date will depend on action by the Board of Directors and the Proposition 218 notice requirements. **No change –**

however the issues related to the budget and the drought have extended the time working on the documents and thus necessarily delaying other work. The impact of the approval on this could affect several other target dates.

- Other post-employment benefits (OPEB), California employers retirement benefit trust (CERBT) and GASB 43/45 Annual Retirement Contribution actuarial calculation and reporting requirements are completed by July 31 every year. **On track**
- Fiscal Year 2015 Audit will begin in June 2015 and is anticipated to be completed in October 2015. This is one month out from our preliminary expectations due to changes in Auditors calendars and due to vacation in the Finance department. **Not yet started – but dates are still set with Auditors**
- General ledger reconciliations from the 2013/2014 audit will be completed after the audit is complete. It is estimated this could impact many processes and overall should be completed by March 2016. **Recons are done for 13-14. Recons for 14-15 are behind schedule.**
- Fixed asset allocations are being reviewed to confirm all assets are included and allocations between retail and wholesale are correct. This will be completed by March 2016. **No change – will start after I leave**

Hiring of Finance Director (previously titled Finance and Administrative Services Manager)

As this position has undergone many changes over the past couple of years, keeping the board apprised of the actions to fill this position is critical this year.

The recruitment process has begun. ~~The draft recruitment brochure has been completed. A~~The personnel committee ~~is being scheduled to review~~reviewed the brochure and recruitment schedule. The ~~draft~~ recruitment schedule is:

- Begin advertising in May
- Applications due in June
- Discuss candidates chosen to interview with Personnel Committee
- Interview June/July
- First day of employment August/September

STAFF REPORT

To: Board of Directors
From: Keith Durkin, Assistant General Manager
Date: June 2, 2015
Subject: Wholesale Water Treatment Chemical Contracts FY2015-2016

RECOMMENDED ACTION

Staff recommends a motion to award water treatment chemical contracts to the following vendors:

1. Granular Quicklime - Graymont Western US, 190 Tons; Bid Price \$224/Ton with a total budget amount of \$42,560.
2. Liquid Chlorine - Sierra Chemical , 96 Tons; Bid Price \$611/Ton with a total budget amount of \$58,656.
3. Emulsion Polymer - Solenis LLC, 14,400 Lbs.; Bid Price \$0.95 /Lb. + 7.5% tax \$1.02 /Lb. with a total budget amount of \$14,706.
4. Alum/Polymer Blend - Chemtrade Chemicals US LLC, 790 Tons; Bid Price \$169 /Ton with a total budget amount of \$133,510.

BACKGROUND

The District issued an invitation to bid on April 17th for FY2015 - 2016 water treatment chemicals, with the option for three (3), one (1) year renewals. The request for bids was sent to seventeen (17) potential suppliers and manufacturers of chemicals. Bids were received for each of the chemicals on May 14th. The lowest bidder for each chemical is shown in the following table. The current cost of chemicals is also provided in the table with the increase or decrease compared to the recent bid.

Bid Results

| Item | FY 15-16 Low Bidder | Unit Price | Unit | FY 14-15 Unit Price | Increase/Decrease |
|-----------------------|-------------------------------|------------|------|---------------------|-------------------|
| Granular Quicklime | Graymont | \$ 224.00 | ton | \$ 211.00 | 6% |
| Liquid Chlorine | Sierra Chemical | \$ 611.00 | ton | \$ 519.00 | 18% |
| Polymer | Solenis (New) | \$ 1.02 | lb | \$ 1.03 | -1% |
| Liquid Alum w/Polymer | Chemtrade Chemicals LLC (New) | \$ 169.00 | ton | \$ 263.08 | -36% |

FINANCIAL CONSIDERATIONS

Chemical usage has been down for the past two years compared to previous years largely due to drought conditions and lower water production at the water treatment plant. Operating chemical quantities and associated expense has been adjusted accordingly in the wholesale operating budget, and the budgeted amount for FY15-16 will be adequate to cover operating chemical costs as bid. The reduction in quantity and overall reduction in the average unit price for chemicals has resulted in a 20-percent decrease in projected budget expense for FY15-16 compared to FY14-15.

| Item | Budgeted | Unit | \$ Unit | Total | Historical Amount Budgeted |
|-----------------------|-----------------|-------------|----------------|----------------------|-----------------------------------|
| Granular Quicklime | 190 | tons | \$ 224.00 | \$ 42,560.00 | 250 tons |
| Liquid Chlorine | 96 | tons | \$ 611.00 | \$ 58,656.00 | 120 tons |
| Polymer | 14,400 | lbs. | \$ 1.02 | \$ 14,706.00 | 14,400 Lbs. |
| Liquid Alum w/Polymer | 790 | tons | \$ 169.00 | \$ 133,510.00 | 870 tons |
| | Total | | | \$ 249,432.00 | |

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Board

AGENDA ITEM V-1.3

NEWS RELEASE

Contact:

Einar Maisch, PCWA General Manager
(530) 823-4860
or: Adam Carter
(775) 722-2878

FOR IMMEDIATE RELEASE

PCWA BOARD APPROVES AND RELEASE TRANSFER OF 12,000 ACRE-FEET OF WATER

AUBURN, Calif. (May. 22, 2015) – At the May 21 meeting of the Placer County Water Agency (PCWA) Board of Directors, the Board approved a resolution authorizing the release of 12,000 acre-feet of water from the Middle Fork American River Project to meet the Agency’s stewardship commitments to the lower American River.

The release is in accordance with the Water Forum Agreement signed by many of the Sacramento region’s water purveyors and environmental organizations in 2000. The Water Forum Agreement protects the environmental resources of the lower American River while ensuring an adequate water supply for the region’s future economic development. After enhancing the fish habitat of the lower American River, the water will be transferred to the East Bay Municipal Utility District, whose reservoirs on the Mokelumne River are very low going into the fourth year of drought.

“First and foremost, our customers should know that we have adequate supplies to meet their demands,” PCWA General Manager, Einar Maisch said. “Under the Water Forum Agreement we are required to meet certain environmental obligations. Additionally, we have an opportunity to transfer this water to other agencies that are in need of extra water during this drought. This transfer allows for both the funding of Agency infrastructure projects and financial relief to our customers.”

In meeting its Water Forum commitment, PCWA will lower its end-of-year combined Middle Fork American River Project reservoir storage level from approximately 94,000 acre-feet to approximately 82,000 acre-feet. An analysis of current hydrology and reservoir storage conditions confirmed adequate water supplies for Placer County customers in 2015 and 2016 if the drought persists another year.

In other news, PCWA directors:

- Heard from Joe Parker, PCWA Director of Financial Services, and Tony Firenzi, Deputy Director of Technical Services, in regard to the Agency’s capital plan to meet the water needs of future developments in western Placer County. Staff reported that a financial analysis indicates that the current Water Connection Charge would adequately meet the financial needs for infrastructure improvements.
- Heard an update from Linda Yager, PCWA Deputy Director of Customer Services, and Tony Firenzi regarding continuing efforts being taken by PCWA to meet the state-mandated conservation standard of 32% as compared to the base year of 2013.

-more-

About PCWA

PCWA is the primary water resource agency for Placer County, California, with a broad range of responsibilities including water resource planning and management, retail and wholesale supply of drinking water and irrigation water, and production of hydroelectric energy.



Association of California Water Agencies

Since 1910

May 21, 2015

Subject: Responding to Unprecedented Drought Challenges

Dear ACWA Member Agency General Managers and Board Presidents:

From water right curtailments to the first-ever mandatory cuts in urban water use, local water agencies face extraordinary challenges in 2015. As our member agencies gear up for a difficult summer, we wanted to update you on ACWA's response efforts and some of the tools and assistance available to local water agencies.

ACWA has made it a top priority to represent member interests and provide ongoing information and resources since Governor Brown's initial drought emergency declaration in January 2014. Those efforts expanded significantly in 2015 as rapid-fire events unfolded, including the governor's April 1 executive order and the State Water Resources Control Board's process to adopt emergency regulations implementing the first-ever mandatory statewide reduction in urban water use.

In many respects, those events put the water community in uncharted territory. ACWA's core response has been to support the goals of the April 1 executive order while actively engaging with the State Water Board and the Brown Administration to determine the best ways to accomplish the objectives. We have thanked and supported the Administration for its leadership on the drought, but have advocated strongly for flexibility, fairness and protection of local agency investments at every opportunity. That advocacy continues.

ACWA's Response: A Brief Chronology

Following the April 7 release of the State Water Board's draft regulatory framework for the emergency regulations and its subsequent proposal on April 18, ACWA moved quickly to confer with members and identify concerns with the board's approach. In conference calls and meetings with the State Water Board staff, we voiced concern that assigning conservation targets for agencies using a residential gallons per-capita per-day (R-GPCD) metric did not fairly reflect local conditions or unique water use factors, and also did not properly account for previous conservation efforts or local water supply reliability investments.

We continued to raise those concerns in extensive comment letters submitted on April 13 and April 22 and suggested several revisions to more fairly reflect local conditions and climate. Though the State Water Board's third and final staff proposal released on April 28 incorporated a few of the changes advocated by ACWA and water agencies, most of the significant recommended changes, including the climate adjustment, were rebuffed.

ACWA submitted a final comment letter on May 4 that restated the rationale for climate adjustment and other needed changes. The State Water Board ultimately rejected proposals for adjustments for climate and other conditions in the final emergency regulations adopted May 5. It did, however, commit to a “work group” process to consider these and other issues. Since the results of this work group process could influence future versions of the emergency regulation if it is extended in 2016, this conversation will continue.

Moving Forward: Resources and Assistance

Now that the emergency regulations have taken effect, ACWA is focused on providing maximum support and resources to its members as they work to meet their state-mandated water-use reduction targets. For many urban agencies, the next three months will be critical. Here are some resources available to ACWA members:

- **Immediate support:** ACWA is working with Brown Administration and the State Water Board, in collaboration with the League of California Cities and the California State Association of Counties, to host a series of webinars in the coming days. The webinars are designed to help water agencies understand the requirements of the emergency regulations and learn about tools and resources available for implementation assistance. The webinars are set for May 21 and May 26. Details can be found at <http://www.acwa.com/2015-Drought-Regs-Webinars>.
- **Technical tools:** ACWA members can access tools such as model water shortage contingency plans, water waste ordinances and sample curricula for “water school” and other enforcement programs through the California Urban Water Conservation Council’s website at www.cuwcc.org.
- **Save Our Water resources:** We also continue to provide tools and assistance for reaching consumers through the Save Our Water program, which is managed by ACWA in partnership with the Department of Water Resources and serves as the state’s official water conservation outreach program. Save Our Water is set to utilize \$7 million in funding through the state budget and emergency drought appropriations to assist agencies in reaching the state’s water users with focused information to reduce water use this summer. Details are at www.saveourwater.com.
- **Regional education and outreach:** ACWA will be reaching out to member with information and resources through regional meetings and member visits in the coming weeks and months.
- **Communications assistance:** ACWA has launched a new interactive feature at <http://droughtresponse.acwa.com> to showcase the array of programs local agencies are implementing to reduce water use and respond to drought. Additional tools are being developed to assist with communications needs on the topics of drought, enforcement, water rate increases, and more.

Longer term, ACWA anticipates serving as a leading contributor to the State Water Board’s work group process, which will provide an opportunity to develop and potentially advance alternative ways to consider local conditions (including climate and density) as well as credit for previous conservation and

investments. This process will likely begin in the coming weeks and will proceed in parallel with the implementation of the emergency regulations into 2016.

We also continue to identify other actions and opportunities to assist members and advance their interests. If you have specific suggestions or ideas, please do not hesitate to contact us directly or ACWA Special Projects Manager Dave Bolland at daveb@acwa.com. For more information about Save Our Water, contact ACWA Deputy Executive Director for External Affairs and Operations Jennifer Persike at jenniferp@acwa.com.

Though this drought has created unprecedented conditions, ACWA and its members have weathered many droughts over the decades. We remain confident that ACWA member agencies will rise to this occasion and provide the leadership and careful management of water supplies that their customers expect and deserve.

Sincerely,



John A. Coleman
President



Timothy Quinn
Executive Director

STAFF REPORT

To: Board of Directors

From: Keith Durkin
Assistant General Manager

Date: June 3, 2015

Subject: Agreement for Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station

Recommendation

Staff recommends approval of the agreement between the District and Sacramento Suburban Water District for Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station.

Background

San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) are completing construction of the joint Antelope Pump-Back Booster Pump Station Project. The agencies approved a Memorandum of Understanding for allocating costs for the joint planning, design, and construction of the project to allow construction of the pump station while an agreement for the ownership, operation, and maintenance of the facility was developed by the agencies.

Current Status

The attached agreement for Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station was developed by staff, reviewed by legal counsel, and reviewed by SJWD's Legal Affairs Committee and SSWD's Facilities and Operations Committee. This final version of the agreement incorporates comments and changes requested by both agencies.

The agreement states that SSWD will own, operate, maintain, and control the Station in its entirety for the benefit of SJWD and SSWD, and SJWD owns 10,000 gpm of pumping capacity in the station with the allowance to expand SJWD's capacity to 15,000 gpm in the future if desired. The agreement also allows SJWD to develop its own water supplies to effectively utilize the station if SSWD's ability to supply water is reduced for any reason. The responsibilities for sharing costs between the agencies are detailed in the agreement.

Budget Impact

SJWD-W's share of the operation and maintenance costs resulting from use of the pump station will be passed through to the beneficiaries of the project; SJWD-R, OVWC, and the City of Folsom. These costs will be nominal in normal and wet years when

Staff Report
Agreement for Ownership, Operation, and Maintenance of the
Antelope Pump-Back Booster Pump Station
June 3, 2015

adequate surface water supplies are available and the pump station is not operated to supply ground water to SJWD. In drier years, costs will increase related to how much water is provided by the pump station to each agency, but this cost will be offset to some degree by reduced expenses for surface water deliveries.

**AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND
SAN JUAN WATER DISTRICT FOR THE OWNERSHIP, OPERATION, AND
MAINTENANCE OF THE ANTELOPE PUMP-BACK BOOSTER PUMP STATION**

This Agreement is made effective as of the ___th day of _____, 2015, by and between San Juan Water District (“SJWD”) and Sacramento Suburban Water District (“SSWD”) for the ownership, operation, and maintenance of the Antelope Pump-Back Booster Pump Station (“Station”). SJWD and SSWD are both California public agencies with the authority to carry out the project described herein. SJWD and SSWD are collectively referred to herein as the “Agencies” and individually as an “Agency.”

RECITALS

A. The Station is intended to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation (“USBR”) or SJWD’s Water Treatment Plant facilities, or emergencies when SJWD’s surface water supplies are reduced. SJWD relies on surface water diverted from Folsom Reservoir as its main supply source, but that source is inadequate for supplying the desired minimum levels of service to SJWD if deliveries from Folsom Reservoir are compromised by USBR operations, drought or system failure. This Station supplements SJWD’s water supplies during times of limited surface water availability from Folsom Reservoir. SSWD will also benefit from the Station by being able to pump water from the northern-most portion of SSWD’s North Service Area (NSA), where the Station is located, to the southern portion of the NSA to improve the water supply reliability within that zone.

B. The Station is located at the site of SSWD’s Antelope Pressure Reducing Station on Antelope North Road. The Station has two pumps to provide pumping capacity of 10,000 gallons per minute (“gpm”) to SJWD, with space reserved within the Station footprint to install an additional 5,000 gpm pump and controls. The Station also includes a low-head 2,000 gpm pump to pump water from the northern-most portion of the SSWD NSA to the southern portion of the NSA to improve the water supply reliability within the southern zone.

C. Groundwater supplies pumped from the Station will be delivered through existing, and potentially new, transmission and distribution system facilities. Any agreements necessary for the utilization, operation, maintenance, capital replacements and/or repairs of those transmission and distribution facilities will be separate from, and are not covered by this Agreement and any future Agreements for the Station.

D. The Agencies agreed that there is a need to construct the Station and a desire to avoid delay in its planning, design, engineering, and construction. The Agencies approved a Memorandum of Understanding (“MOU”) dated June 16, 2014, to document the understanding

of the allocation of responsibilities and costs for the joint planning, design, engineering, construction, and construction administration of the Station while the Agencies developed this Agreement for the ownership, operation, and maintenance of the Station.

In consideration of the promises, terms, conditions and covenants contained herein, SJWD and SSWD hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Agencies agree that the foregoing recitals are true and that they are incorporated herein by reference.
2. Lead Agency. SSWD acted as lead Agency for the planning, design and engineering phases of the Station and also acted as lead Agency during the bidding and construction phase of the Station, providing primary direction for construction management and inspection. SJWD participated during the construction phase to ensure the constructed facilities meet the requirements for both Agencies. SSWD will also act as lead Agency for the operation and maintenance of the Station.
3. Ownership. SSWD will own, operate, maintain, and control the Station in its entirety for the benefit of SJWD and SSWD.
4. Capacity Entitlement. SJWD will own 10,000 gpm of pumping capacity in the Station with the understanding that this capacity may be increased to 15,000 gpm in accordance with the provisions contained herein, if a third 5,000 gpm pump is installed at the Station in the future. Ownership in the Station capacity by SJWD does not imply or provide ownership in the existing SSWD groundwater supply or other facilities necessary to utilize the Station.
5. Project Water Supply.
 - a. The water supply for the Station will be provided from groundwater wells within SSWD's North Service Area. Initial engineering studies for the Station determined that SSWD currently has sufficient groundwater supplies to deliver approximately 10,000 gallons per minute, or 14.4 million gallons per day ("MGD") to SJWD through the Station. Although it is the intent to maintain or increase available groundwater supplies, both Agencies understand that this is a non-firm supply and that the available groundwater supply may change in the future based on increased or decreased SSWD customer demands, changes in groundwater quality or regulations, decommissioning of existing wells, addition of new wells, success of conservation programs, or other foreseen or unforeseen circumstances. SSWD agrees that available groundwater supplies surplus

to SSWD's needs will first be made available to SJWD through the Station before they are made available or utilized for other purposes.

b. In the event SSWD's ability to provide water supply to the Station is reduced for any reason, or additional supplies are necessary to enable SJWD to effectively utilize its capacity in the Station, SJWD may develop its own water supply for such purposes. SSWD will coordinate with SJWD to allow the use of such additional water supplies through SJWD's capacity in the Station, subject to the terms of this Agreement. SSWD and SJWD will jointly develop and execute any agreements necessary for the utilization of SSWD's other facilities that are not covered by this Agreement that may be necessary for SJWD to utilize its capacity in the Station with its own water supply.

6. Operation, Control and Monitoring. Operation and control of the Station will be performed exclusively by SSWD in close collaboration with SJWD. SSWD staff will monitor and operate the Station to meet both Agencies' requirements, including supplying up to 10,000 gpm to SJWD during dry years, outages, or emergencies when SJWD's surface water supplies are reduced and when sufficient SSWD groundwater supplies are available. Upon request by SJWD, SSWD personnel will promptly respond to operate the facility to provide supply to SJWD as needed consistent with this Agreement. Separate radio telemetry equipment will be included in the Station to allow SJWD to remotely monitor key information from the facility (pump on/off status, flow, pressure, etc.).

7. Operating Costs. Operating costs include the direct cost of personnel hours and power to operate and monitor the facilities, including routine inspections and incidental costs related to the actual use of the Station. Operating costs will be allocated to the Agencies as follows:

a. All personnel and incidental costs shall be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency incurred during the previous period covered by an invoice in accordance with Section 11 of this Agreement (the "Invoice Period").

b. All cost for electrical power provided to the Station will be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency during the Invoice Period.

c. Any cost for an electrical power standby charge or surcharge from SMUD related to capacity to serve the largest electrical load at the site shall be paid on a pro rata basis based on the ratio of total pumping horsepower available to each agency during the Invoice Period.

d. SSWD pays a fee (on an acre-foot basis) to the Sacramento Groundwater Authority (SGA) for the annual amount of groundwater pumped based on a 5-year rolling average. If providing emergency groundwater supplies to SJWD results in a net cost increase over a 5-year period, the amount of the fee increase will be reimbursed by SJWD.

8. Maintenance, Repair and Replacement Costs. SSWD will be responsible for maintaining all Station facilities in an operable and ready-to-serve condition in accordance with industry standards. Maintenance and repair costs shall be allocated to the Agencies as follows:

a. All costs associated with maintaining, repairing and/or replacing SSWD's 2,000 gpm pump, controls, dedicated telemetry, PLCs, piping, valves, and related appurtenances necessary to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with maintaining, repairing and/or replacing the two 5,000 gpm pumps, controls, dedicated telemetry, PLCs, piping, valves, and related appurtenances necessary to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with maintaining, repairing and/or replacing building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD, 2,000 gpm to SSWD) SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

9. Capital Replacements and Improvements. SSWD and SJWD shall jointly determine the need for capital replacements and improvements required to ensure the continued efficient and reliable operation of the Station, or to improve the Station (e.g. adding an additional 5,000 gpm pump to serve SJWD). Costs for capital replacements and improvements shall include, but not be limited to, construction, administrative and professional services related thereto. Capital replacements and improvement costs shall be allocated to the Agencies as follows:

a. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with capital replacements and improvements related to building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD/2,000 gpm to SSWD), SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

10. Water Supply Cost. The quantity of groundwater delivered to SJWD through the Station shall be monitored and recorded by each agency through their Supervisory Control and Data Acquisition (“SCADA”) systems. In lieu of SJWD paying SSWD for groundwater delivered from the Station during dry years, outages or emergencies, SJWD will transfer an equal amount of its treated surface water supplies to SSWD on an agreed upon delivery schedule when the dry year outage or emergency conditions are no longer in effect and SJWD surface water supplies are available after SJWD meets its in-District wholesale and retail demands. At any time at either SJWD’s or SSWD’s discretion, SJWD will pay a wholesale rate to SSWD for the amount of groundwater delivered to SJWD through the Station that has not been offset with a surface water transfer. The wholesale rate for groundwater shall be based on the actual cost to pump and deliver groundwater to the Station.

11. Insurance. SSWD shall procure and maintain for the duration of this Agreement the following types and limits of insurance or equivalent self-insurance:

| <u>Type</u> | <u>Limits</u> | <u>Scope</u> |
|--------------------------------|--|--|
| Commercial general liability | \$2,000,000 per occurrence, and \$5,000,000 aggregate | at least as broad as ISO CG 0001 |
| Automobile liability | \$2,000,000 per accident | at least as broad as ISO CA 0001, code 1 (any auto) |
| Workers' compensation | statutory limits | |
| Employers' practices liability | \$1,000,000 per incident | |

a. The general and automobile liability policy(ies) shall be endorsed to name SSWD and SJWD, and their respective directors, officers, employees, volunteers and agents, as additional insured’s regarding liability arising out of SSWD’s performance of work under this Agreement. Insurance shall be placed with the ACWA-Joint Powers Insurance Authority or insurers with a current A.M. Best's rating of A:VII or better.

b. SSWD shall require that all independent contractors and subcontractors retained by it to perform maintenance, repair, or other work associated with the Project furnish insurance that meets the requirements set forth above. The contractor's and subcontractor's general and automobile liability policy(ies) shall be endorsed to name

SSWD and SJWD, and their respective directors, officers, employees, volunteers and agents, as additional insureds regarding liability arising out of the contractor's or subcontractor's work. The contractors' and subcontractors' coverage shall be primary to SSWD's coverage.

c. Upon request by SJWD, SSWD shall provide the following proof of insurance: (1) certificate(s) of insurance evidencing the required insurance; and (2) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverages.

d. The cost of commercial general liability and automobile insurance procured by SSWD under this section shall be allocated on a pro rata basis based upon the ownership of the facilities; SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

12. General Indemnity.

a. SSWD and SJWD shall each indemnify, defend, protect, and hold harmless the other agency, and/or their respective directors, officers, employees, volunteers and agents, from and against any and all liability, losses, claims, damages, expenses, demands, settlements and costs (including, but not limited to, interest, penalties, attorney, expert witness and consultant fees, and litigation costs) of every nature ("Losses") arising out of each agency's performance of work under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by each agency or its employees, agents, contractors and subcontractors.

b. It is the intention of the Agreement that, where comparative fault is determined to have been contributory, principles of comparative fault by an Agency, its officers, directors, employees, volunteers, agents, its respective governing Board and each party's contractors and subcontractors will be used to determine liability of the Agency.

c. SSWD and SJWD acknowledge that the indemnification obligations of this section shall apply in lieu of the statutory right of contribution in Government Code section 895.6, and that section 895.6 shall have no application to this Agreement.

13. Disputes. If any dispute, controversy or claim arises out of, or relates to, the execution of this Agreement, including, but not limited to, alleged breach of this Agreement, the dispute Agency shall first attempt to resolve the dispute by negotiation, followed by mediation and finally shall be settled by arbitration in accordance with the Rules of the American Arbitration Association. Any court of competent jurisdiction may enter the judgment rendered by the arbitrators as final judgment that is binding on the parties.

14. Notices. Unless indicated otherwise herein, all notices, invoices, payments, statements or other writing authorized or required by this Agreement may be delivered personally, or sent in the United States mail, postage prepaid, or sent by electronic mail if the recipient confirms receipt, and addressed to the respective parties as follows:

SJWD:

General Manager
San Juan Water District
9935 Auburn Folsom Road
P.O. Box 2157
Granite Bay, CA 95746
E-mail: slorance@sjwd.org

SSWD:

General Manager
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
E-mail: rroscoe@sswd.org

15. Emergency Contacts. A list of emergency contacts for each agency is provided under Exhibits A and B attached to this Agreement.

16. Invoicing. SSWD shall submit itemized invoices with supporting documentation to SJWD for costs listed above, other than groundwater supply costs, on a quarterly basis. Invoices may be submitted on a less frequent basis, but at least annually, during periods when the Station is not being utilized to deliver groundwater to SJWD. SJWD will pay all invoices received from SSWD for costs as outlined above within 45 days of receipt.

17. SJWD Wholesale Customer Agencies. SJWD will be solely responsible for allocating its share of costs to its Wholesale Customer Agencies (San Juan Water District-Retail, Orange Vale Water Company, City of Folsom, Fair Oaks Water District, and Citrus Heights Water District).

18. Participation by Others. Both Agencies acknowledge that SSWD has agreed to design the Station to include a connection that may be used in the future by others, potentially including the City of Roseville. SSWD will pay all costs of planning, designing, constructing, operating and maintaining this connection and will negotiate separately with the City of Roseville or others for any cost-sharing or reimbursement for this connection.

19. Term of Agreement. This Agreement will be effective as the date stated above and will remain in full force and effect for as long as the Station continues to be operated, unless this Agreement is terminated early upon mutual agreement of the Agencies.

20. Relationship of Parties. Nothing in this Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regards to either SSWD or SJWD.

21. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Agencies, their respective successors and permitted transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefits from this Agreement or any of its terms.

22. Amendment. The terms of this Agreement may be modified or amended only by written amendment approved and executed by both Agencies.

23. Cooperation. SJWD and SSWD will reasonably cooperate with each other, including the execution of all necessary documents and the provision of information and data required to carry out the purpose and intent of this Agreement.

24. Inspection of Records. SSWD shall keep appropriate accounting and other records of all costs relating to the Station. Records shall be available for inspection by SJWD at reasonable times upon written request.

25. Counterparts. This Agreement may be executed in two or more counterparts. Each of the Agreements will be deemed as an original, all of which together will constitute as one and the same instrument.

26. Grant Funding. If either Agency obtains grant funding for any capital improvements or for any operations and maintenance costs, the Agencies agree that such funding will defray the gross costs funded by the grant and the Agencies shall allocate the remaining Station costs paid for with their funds in accordance with the terms of this Agreement. In addition, each Agency shall cooperate with the other Agency and comply with all terms and conditions of the grant funding Agreement applicable to each Agency.

SAN JUAN WATER DISTRICT:

SACRAMENTO SUBURBAN WATER DISTRICT:

By: _____

Shauna Lorance
General Manager

By: _____

Robert S. Roscoe
General Manager

EXHIBIT A

SSWD Contact List

The following listing of SSWD contacts and phone numbers is provided in order of contact priority.

- Operations Manager – Jim Arenz (916) 869-7359
- Engineering Manager – John Valdes (916) 869-7348
- Assistant General Manager – Dan York (916) 869-7349
- General Manager – Rob Roscoe (916) 240-2025

DRAFT

EXHIBIT B

SJWD Contact List

The following listing of SJWD contacts and phone numbers is provided in order of contact priority.

- Operations Manager – Tony Barela (916) 622-3167
- WTP Superintendent – Greg Turner (530) 305-8279
- Assistant General Manager – Keith Durkin (916) 802-0559
- General Manager – Shauna Lorance (916) 791-6936

DRAFT

STAFF REPORT

To: Board of Directors

From: Keith Durkin
Assistant General Manager

Date: June 3, 2015

Subject: Folsom Dam Water Control Manual Update

Recommendation

For information only, no action requested.

Background

The Corps of Engineers and U.S. Bureau of Reclamation are completing the Joint Federal Project (JFP); the new spillway at Folsom Dam to provide additional flood protection for the lower American River. Construction of the JFP is scheduled to be complete in the fall of 2016. Prior to completing the JFP, the Corps of Engineers is responsible for providing an update to the Folsom Dam Water Control Manual. The manual provides the operating instructions for flood control for Folsom Reservoir, including flood protection empty space and maximum release rates.

The Corps' work on the Water Control Manual has been ongoing since 2011. After significant lobbying efforts at the local and Congressional level, SJWD and our regional partners successfully advocated for establishment of a stakeholder process to allow water purveyors and other key stakeholders an opportunity to engage in the policy and technical work of the Manual Update. Through the stakeholder process, and continuing lobbying efforts, we have been successful at getting the Corps to recognize and consider the other uses and benefits of Folsom Reservoir (i.e. water supply, fisheries and habitat, etc.) and not simply focus on maximizing flood protection. We have also advocated for a modern, forecast based operations approach for the Manual as opposed to the current strict flood control diagrams.

Current Status

The Corps held a workshop on May 28th to report on the status of the Manual Update. The three hour workshop provided an overview of their technical work to date to evaluate fall drawdown and spring refill operations, and the development and assessment of a forecast based operations alternative. It appears very feasible, and the Corps Sacramento District seems supportive of an approach that utilizes forecast based operations. It also appears that this approach can result in an additional 70,000 to 100,000 AF of water storage during spring months in years when storm events normally would have triggered more significant releases under a "flood diagram" approach.

Director Tobin's report

RWA Board Meeting

May 14, 2015

Key action items

1. 2014 DROUGHT IMPLEMENTATION GRANT MANAGEMENT PROJECT

In November 2014, DWR announced an award of \$9.765 million to RWA from Proposition 84 (Prop 84) Integrated Regional Water Management Drought Grant. The entire award will be used to implement a suite of projects by RWA members to ensure reliable water supplies during ongoing drought conditions. SJWD is receiving \$719,000 for the Barton Road intertie and SSWD is receiving \$718,000 for the Antelope Pump Station (pump back).

RWA will manage the grant through funds from the grant participants with an estimated budget of \$111,545, with a not-to exceed budget of \$150,000. SJWD's contribution towards the management is \$9,300.

2. RWA approved affiliate membership for Electro Scan, Inc. and Forsgren Associates, Inc.
3. RWA unanimously approved the 2015/16 budget with a 10% increase in fees. The dollar increase for SJWD is \$5,000. This includes the staffing necessary to implement the regional state lobbying program.

ACWA REGION 4 MEMBERSHIP MEETING

May 7, 2015 at the ACWA Spring Conference – Sacramento, CA

Presentations for ACWA Spring Conference 2015

http://www.acwa.com/content/presentations-acwa-2015-spring-conference-exhibition?cm_mid=4673271&cm_crmid=ac491702-5c4a-e411-93f7-00155dd02250&cm_medium=email

Chair Mike Hardesty called the meeting to order. He introduced John Mensinger of Modesto 10 as a new Region 4 Board member and also welcomed the City of Vallejo as the newest member of Region 4.

The following committee reports were given: Communications, Energy, Federal Affairs, Finance, Groundwater, Local Government, Membership, Water Management, and Water Quality. Committee meeting notes are posted online at www.acwa.com.

ACWA Special Projects Manager Dave Bolland provided an update on the Sustainable Groundwater Management Act and several regulatory processes underway to implement the legislation. The Department of Water Resources is developing guidelines and deadlines for requesting adjustments to basin boundaries. ACWA has been providing input into the process and will continue to keep members updated.

Bolland also briefed the membership on emergency conservation regulations adopted by the State Water Resources Control Board on May 5. He noted that urban agencies need to move quickly to adjust their outdoor water use restrictions and other measures to achieve their state-mandated

conservation targets. He reported that the State Board is instituting a "work group" process to continue discussing several outstanding issues and alternative ways of addressing them if the emergency regulations are extended next year. Issues to be discussed could include climate adjustment and credit for past investments in water conservation and water supply reliability. ACWA intends to be an active participant in the work group process.

Vice Chair Rob Roscoe reported on the activities of the ACWA Dues Task Force, which is looking at the association's current dues structure and identifying potential adjustments that could improve it. One recommendation being discussed is to transition away from the Delta Sustainability Assessment currently added to the dues statement for ACWA members that receive water - directly or indirectly- from the Delta watershed and use that water outside of the watershed. Roscoe said the task force is developing some alternatives that could be phased in over time. The task force hopes to take something to the ACWA Board of Directors at its July meeting. Chair Mike Hardesty mentioned that Region 4 has a vacancy on the Finance Committee and asked for volunteers who may wish to serve.

ACWA Director of Communications Lisa Lien-Mager provided an update on Outreach Task Force activities, including updates on ACWA-sponsored legislation (SB 385 - Hueso on chromium 6 compliance, and AB 291- Medina on CEQA notification.) She also provided an ACWA update, with information about the 2015 ACWA region elections, the upcoming committee appointment process for the 2016-'17 term, and the release of ACWA's Headwaters Framework and the Water Storage Task Force's policy paper, "21st Century Water Storage: Recommendations for California's Future," which is intended to guide the California Water Commission as it develops its process to allocate \$2.7 billion from Proposition 1 for water storage projects. Chair Hardesty asked members for suggestions for future events and tours for Region 4. Upon no further discussion, the meeting adjourned.

Sustainable Groundwater Management Act Workshop For North American, South American and Consumnes Subbasins June 3, 2015

In attendance was the Sacramento Groundwater Authority, Sacramento Central Groundwater Authority, West Placer Groundwater Management, South Sutter and South Area of Sacramento County. Discussion acknowledged that we in this region are better off than the rest of the State.

Where do we go from here?

- 1) Groundwater Sustainability Plan #1 is one plan for the entire region
- 2) Many GSA's- and one plan for the region
- 3) OR Many GSA's and Many plans

These are options being explored and each region is doing outreach to evaluate which plan may be best suited. However, whichever plan chosen the results must be about sustainability. With some areas 95% Agriculture vs. 95% Residential, coordinating governments will be key

DWR want to stay with existing boundaries for groundwater basins. Bulletin B118 is their choice unless compelling reasons are given supported by Technical information and

a broad agreement for providing for alternative boundaries to increase likelihood of sustainability.

Group talked about the proposed plan staying with country boundaries each with a GSP Plan with an overlying plan/agreement to describe how they would communicate and work together (sort of an umbrella plan).

There is a year and a half left to get this work done so quarterly there will be meetings to achieve the plan. DWR still needs to define regulations and that will be soon.

The next Corps workshop is scheduled for September 2015. The Corps will finalize their “Tentative Recommended Alternative” in January or February 2016. Staff will continue to monitor and participate in the stakeholder process to support the forecast based operations alternative. Staff will also continue to lobby at the Congressional and Corps of Engineers Headquarters level to maintain support for this approach.

VI. UPCOMING EVENTS

1. 2015 AWWA Annual Conference & Exposition
June 7-10, 2015
Anaheim, CA

President Costa announced that there would be no Closed Session.

VII. CLOSED SESSION

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving state and federal administrative proceedings and programs affecting District water rights
2. Conference with real property negotiators involving the transfer of up to 12,000 acre-feet of water conserved under the District's pre-1914 water right and by groundwater substitution to CVP contractors. The Board will provide direction to District negotiators, General Manager Shauna Lorange and Assistant General Manager Keith Durkin, on the price, terms of payment or both for the transferred water. The specific buyers and their representatives with whom the District will negotiate have not yet been identified, but those buyers and representatives will be publicly identified at the Board meeting or as soon thereafter as possible. (See Government Code sections 54954.5(b) and 54956.8.)

VIII. OPEN SESSION

There was no closed session.

IX. ADJOURN

The meeting was adjourned at 9:47 p.m.

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

ATTEST:

TERI HART, Board Secretary