

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

July 8, 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

Mary Lynn Scherrer	Customer
Donna Silva	Customer
Paul R. Stanbrough	Customer
Lucy Eidam Crocker	Crocker & Crocker
Bob Matteoli	DPMWD
Tom Gray	FOWD
Dave Underwood	FOWD
Matt Dillon	Granite Bay
Mitch Kessler	Granite Bay Golf Club
Tony Barela	SJWD
Judy Johnson	SJWD
George Machado	SJWD
Jason Mayorga	SJWD
Greg Turner	SJWD
Chris von Collenberg	SJWD

AGENDA ITEMS

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

President Costa called the meeting to order at 7:04 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 Meeting, June 24, 2015

Vice President Tobin moved to approve the Consent Calendar. Director Walters seconded the motion and it carried with 4 Aye votes (Director Rich abstained).

ACTION AND INFORMATIONAL ITEMS

III. COMMITTEE REPORTS

1. Public Information Committee (6/22/15)

Director Miller reported that the committee met on June 22, 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

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

Other Public Information Matters

The committee also met on Monday, July 6, 2015, at 2:00 pm.

2. Finance Committee (7/7/15)

President Costa reported that the committee met on July 7, 2015, and discussed the following:

- Review and Pay Bills (W & R)
- Compensation Study (W & R)

- Unit Price Construction Contract (R)
- 2015 Water Supply Reliability Projects – Flow Control Stations (W)
- Fiscal Year 2015-16 Retail Budget Update (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 \$2,839,263.87 and found them to be in order. The amount of bills and claims was higher for June due to the payment to Union Bank for the bond interest payments and three other payments for construction projects.

President Costa moved to approve Resolution 15-10. Director Walters seconded the motion and it carried unanimously.

For information only; no action requested.

Compensation Study (W & R)

President Costa reported that the committee reviewed the Compensation Study and recommended adoption of the report and review of implementation portion by the Board.

Vice President Tobin moved to accept the Compensation Study report. President Costa seconded the motion and it carried unanimously.

In response to Director Walters' question, Ms. Motonaga explained that there are placeholders in the wholesale budget for the three proposed positions which were not discussed in the Compensation Study but will be discussed in a Board Workshop.

President Costa accepts the data and facts that are in the report but he would like the compensation philosophy in the policy to be amended by the Personnel Committee.

Vice President Tobin moved to leave the implementation of the proposed salary ranges to the discretion of the General Manager to be implemented in phases based on budget constraints. Director Walters seconded the motion and it carried with 4 Aye votes and 1 No vote (Miller).

Ms. Lorange explained that phasing in of salary increases would be completed based on merit and employees would not automatically receive a salary increase. In addition, the Compensation Study proposed salary ranges are separate from any COLA increase.

Director Miller questioned the need for a motion since Policy 3110.03 already gives full operational authority for the General Manager to implement the salary ranges. The Board discussed Director Miller's comments. Mr. Horowitz confirmed that the policy does authorize the General Manager to implement the salary ranges and a motion is not necessarily needed.

Director Miller requested that staff provide him a list of employees that fall below the bottom of the proposed salary range (excluding the ten percent above average) which shows the percentage increase to bring them to the bottom of the range. Ms. Motonaga will provide the requested information.

President Costa commented that the cost of total salary increases is approximately \$226,000 but the District would not see the total impact since salary increases would be phased in.

Unit Price Construction Contract (R)

Mr. Durkin informed the Board that the District solicited bids in May for the annual Unit Price Construction Projects. These types of projects include fire hydrant installations, blow-off valves, service lateral taps and connections, and other small distribution system projects that require labor, equipment, or scheduling beyond the capacity of our staff. He reported that three bids were received, with GM Construction as the apparent low bidder.

Director Walters moved to approve the annual unit price construction contract with GM Construction & Developers, Inc. for \$135,138 with an authorized construction budget of \$150,000 which includes a 10% contingency. Vice President Tobin seconded the motion and it carried unanimously.

2015 Water Supply Reliability Projects – Flow Control Stations (W)

Mr. Durkin informed the Board that two bids were received for the Flow Control Stations Project. This project was budgeted in the 2015 Water Supply Reliability Projects and is needed for the Antelope Pump Back Project. The flow control stations will be used to direct water flow appropriately for use with the Antelope Pump Back Project. He reported that C&D Contractors, Inc., was the apparent low bidder.

President Costa moved to award the construction contract to C&D Contractors, Inc., for \$687,960 with an authorized construction budget of \$756,000 which includes a 10% contingency. Vice President Tobin seconded the motion and it carried unanimously.

Fiscal Year 2015-16 Retail Budget Update (R)

President Costa informed the Board that the committee was given an update on the FY 2015-16 Retail Budget which Ms. Motonaga will present under the Director of Finance's Report.

Other Finance Matters (W/R)

President Costa reported that two employees attended the committee meeting.

For information only; no action requested.

IV. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply Update

Ms. Lorance reported that the Bureau is trying reduce their average releases in July then increase them in August and September. The Bureau projects that Folsom Reservoir will reach 120,000 AF of water by the end of September, which they are stating is a hard base. She voiced concern that if this fall is as dry as 2014 and releases are similar to last year, Folsom Reservoir would be negative within two months.

She reported that Keith Durkin will be attending a meeting with the State Board's Executive Director, Tom Howard, to discuss how important it is to not go below the 120,000 AF of water storage in Folsom.

Ms. Lorance reported that the Bureau will be placing the temporary pump station (barge) in the lake in the September/October timeframe. The barge will only be used as back-up if Folsom drops to the 100,000 AF range and the emergency pump or current pump station fail. The design of the barge will be reviewed at the July 16th meeting with the Bureau.

Ms. Lorance reported that the Public Information Committee discussed holding a town hall meeting in order to update the public regarding the drought and associated activities. The meeting is tentatively scheduled for August 26th at the Eureka School District gymnasium.

For information, no action requested

1.2 Report Back Items

Ms. Lorance informed the Board that she would like to schedule a Budget Workshop for Monday, August 3, 2015 at 5:00pm. The Board discussed and agreed to set the workshop. Director Miller would like the agenda to include clarification on Policy 3110.03 and how it pertains to the budget.

[The Budget Workshop was rescheduled for Thursday, August 6, 2015 at 5:00 pm.]

For information, no action requested

1.3 Miscellaneous District Issues and Correspondence

Ms. Lorance reported that the Placer County Grand Jury reviewed *Examination of Fire Hydrant Inspection and Maintenance* and provided the District with a copy of the findings. No action is required on the District's behalf.

Ms. Lorance reported that the Placer County Grand Jury provided the District with a copy of their findings on *Review of Placer County Government and Special District/Agency Websites*. She explained that it is relevant to what is contained on the District's website and recommends following the Special District Leadership Foundation best practices. Ms. Lorance commented that staff has already compiled the information for the SDLF District Transparency Certificate of Excellence and will update the information. Ms. Lorance will compile with responding to the Grand Jury and assuring that all recommendations are met. She commented that the Grand Jury reviewed many of Placer County government and special district/agency websites, not just San Juan Water District.

Ms. Lorance reported that the Water Research Foundation sent a letter to the Board regarding their appreciation of the District's support since 2004.

Ms. Lorance reported that a book titled, "Death of a Water District," was received from Foothill Public Utilities District and she inquired if anyone wanted to order a copy of the book or borrow the complimentary copy. Vice President Tobin requested to borrow the book.

Ms. Lorance reported that she received an email that the City Manager of the City of Roseville will be retiring at the end of December 2015.

Ms. Lorance reported that a tour is set up for the representatives of elected federal legislators for August 18th through August 20th. The tour will cover Folsom, Sacramento and American rivers, the Delta, and North Bay.

In response to Director Miller's comment, Ms. Lorance informed the Board that recruitment for the Director of Finance position is currently in progress. There were close to twenty applications received and interviews are scheduled through next week. It is anticipated that the selection of the candidate will be completed within two weeks. Director Miller commented that, as he mentioned in the Finance Committee meeting, he wants to be sure that staff does not rush to get the position filled just to fill the position and he suggests that the District consider offering a moving or signing bonus should the best candidate live out of the area in order to accept the position. Ms. Lorance responded that should the need arise then she will bring it to the Board's attention.

Ms. Lorance informed the Board that the SJWD-Retail accomplished a 49% conservation reduction in May as compared to May 2013 and a 45%

reduction in June as compared to June 2013 with SJWD-Wholesale reaching a 43% reduction in June. She commented that the reduction amount is very good since the District needs to conserve more during the higher use summer months as compared to lower use during winter months, which will make up the overall reduction in order to meet the accumulative 36% conservation requirement.

For information, no action requested

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Report Back Items

There were no items discussed.

2.2 Miscellaneous District Issues and Correspondence

There were no items discussed.

3. DIRECTOR OF FINANCE'S REPORT

3.1. Fiscal Year 2015-2016 Retail Budget

Ms. Motonaga reported that the timeline for the FY 2015-16 Retail Budget will be adjusted. The Board will review the details at the Budget Workshop in early August. She explained that consideration for approving the final budget will now occur in November instead of October due to the notice requirements for the public hearing.

Ms. Motonaga informed the Board that the consumption assumptions will be modified to match the actuals and will show a decrease in revenue due to significant conservation efforts over the last several months. In addition, connection fees from a construction project which did not occur will affect the 2014-15 actuals. Ms. Lorance commented that the project may still happen and the associated connection fees may still come in during FY 2015-16.

In response to Director Rich's question, Ms. Motonaga explained that originally the assumption for consumption was at a 36% reduction for three months, 25% reduction and then 20% reduction. However, the new assumption will be adjusted to cover a higher reduction for the first few months, with the assumption that it will rain this year, and for an average 36% reduction for the first half of the fiscal year.

For information, no action requested

3.2. Report Back Items

Ms. Motonaga informed the Board that the auditors were at the District last week to start the FY 2014-15 audit. In addition, the auditors finished their audit of the Tyler System conversion and preliminary findings are favorable – the report will be distributed once it is received.

3.3. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz reported that the SWRCB is not finished with issuing curtailments of pre-1914 water rights and it was expected that curtailments might be made on water rights dating back to 1883; however, with recent storms SWRCB has delayed the curtailments.

Mr. Horowitz reported that there are a couple competing federal water bills in congress. He commented that the Republican bill is very similar to the previous house bills and includes some water rights protection; however, some language that the District had negotiated into the past bills was omitted from the current bill and his firm is working to get that language back into the bill. He will keep the Board updated on these bills.

Mr. Horowitz reported that the Board will go into Closed Session at the end of the meeting.

President Costa requested that the next Legal Affairs Committee agenda include discussion of Policy 3110 implementation of compensation studies and the compensation philosophy.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA met June 11, 2015. A copy of Vice President Tobin's written report will be attached to the meeting minutes. Vice President Tobin reported that they discussed the SGA Groundwater Management Program and Rob Swartz, Manager of Technical Services, gave an informational presentation on current ground water monitoring during drought conditions at the SGA meeting.

Vice President Tobin reported that the SGA Fiscal Year 2015-2016 Budget passed with discussion about early partial payments of the CalPERS unfunded Pension liability. In addition, she reported that SGA sent a letter that highlights accomplishments for the year which included maintaining a strong presence with state agencies, continue monitoring groundwater elevations as required and in response to drought conditions, completed the comprehensive update of SGA's Groundwater Management Plan, continue tracking the SGA water accounting framework, and continue the evaluation of regional groundwater contamination.

5.2 RWA

Vice President Tobin reported that RWA meets July 9, 2015. Director Walters will attend the meeting.

5.3 ACWA

5.3.1 Local/Federal Government/Region 4 - Pam Tobin

Vice President Tobin provided the Board with handouts from Local Government Committee, Federal Affairs Committee and Region 4.

5.3.2 Energy Committee - Ted Costa

No report.

5.3.3 JPIA - Bob Walters

No report.

5.4 CVP Water Users Association

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

5.5 Other Reports and Comments

5.5.1 June 29th Letter from FOWD regarding SJWD-SSWD Reorganization

President Costa reported that a letter was received from Fair Oaks Water District regarding the re-organization with SSWD. He requested that the Water Supply & Reliability Committee review the letter and respond to FOWD.

5.5.2 July 1st Correspondence from Joshua Wood regarding public comment at the joint SSWD-SJWD Board Meeting

Ms. Lorance read the email from Joshua Wood regarding the public comments that were made at the Joint Board meeting on June 25, 2015. A copy of the email will be attached to the meeting minutes. In addition, she informed the Board that she received a phone call from Mr. Wood. President Costa commented that he would like to meet with Mr. Wood along with Vice President Tobin to discuss water issues.

Director Walters suggested that a letter be sent to John O'Farrell, consultant on the SJWD/SSWD reorganization discussions, thanking him for his services at this time. The Board directed Ms. Lorance to draft a letter for President Costa to sign.

Ms. Lorance commented that she received a phone call from Joe Alessandri, past Board Director, voicing his disappointment on the outcome of the SJWD/SSWD reorganization discussions. In addition, he voiced support of the SJWD Board in working towards conjunctive use.

Vice President Tobin suggested that a letter be drafted to SSWD inquiring what timeline they are looking at to make a decision on whether or not to move ahead with the completion of Phase 2 by initiating Phase 2B. She commented that the letter should make it clear that SJWD will be considering other options in order to provide water supply reliability to rate payers. Ms. Lorance will draft a letter for President Costa to sign.

5.5.3 San Juan Water District Water Rights and the Wholesale Customer Agencies

President Costa commented that the District should look into the needs of the communities based on population and where the water supplies are in order to better supply the people. In addition, he commented that the District should look at places along the CTP to install injection wells. He referred this item to the Water Supply & Reliability Committee.

A member of the public inquired about injection wells and whether or not the District monitors other agencies' wells. President Costa explained that unused surface water is injected into the wells to store in the ground. Ms. Lorance explained that the District does not monitor other agencies' wells and the SWRCB has required all agencies to reduce by a certain amount, 36% for SJWD, regardless of the water supply source. Director Walters commented that recent legislation was passed and requires groundwater management plans. Mr. Horowitz commented that all groundwater management plans need to be implemented by 2020-22 as required by DWR. Vice President Tobin commented that the draft plans need to be submitted by January 2016 and the final plan by January 2017.

V. UPCOMING EVENTS

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

President Costa called for Closed Session at 8:30 pm.

VI. CLOSED SESSION

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving

state and federal administrative proceedings and programs affecting District water rights

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

President Costa returned to Open Session at 9:07 pm.

VII. OPEN SESSION

There was no reported action during closed session.

VIII. ADJOURN

The meeting was adjourned at 9:07 p.m.

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

ATTEST:

TERI HART, Board Secretary

Public Information Committee Meeting Minutes
San Juan Water District
June 22, 2015
9:30 a.m.

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

District Staff & Consultants: Keith Durkin, Assistant General Manager
Judy Johnson, Customer Service Manager
Lisa Brown, Customer Service Manager
Lucy Eidam-Crocker, Crocker and Crocker
Christine Braziel, Crocker and Crocker

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

1. Update on Drought Activities

Ms. Johnson reported that SJWD-Retail saw a 49% decrease in water production for May 2015 as compared to May 2013. Mr. Durkin reported that the treatment plant is producing approximately 40 MGD, as compared to 60 MGD in 2014. This represents the overall wholesale reduction in water demand. Ms. Johnson informed the committee that staff will be reaching out to the higher water users to ensure that potable water is not being used in ponds or lakes. In addition, there have been a lot of requests for rebates, especially toilet rebates and washing machines. The committee discussed developing a list of contacts who have knowledge regarding fish care for customers with ponds.

Mr. Durkin informed the committee that the Bureau projects that Folsom Reservoir will reach 120,000 AF of water by the end of September, which will be the lowest the reservoir has ever been since it was constructed. Folsom Lake is being relied on more this year to allow more water to remain in storage in Shasta. Director Miller requested that the Folsom elevation be provided at the next Board meeting. Mr. Durkin reported that the Bureau will be placing the temporary water pump station (barge) in the lake in the September/October timeframe.

Mr. Durkin reported that a letter to the State Water Resources Control Board is being drafted by the cities of Roseville, Folsom and Sacramento, and SJWD to voice our concerns. There is a SWRCB workshop June 24th regarding the temperature management plan for Shasta. He commented that our group wants to be part of the solution and work with the Bureau and SWRCB. Ms. Eidam-Crocker mentioned that the Sacramento Metro Chamber is working through the North State Water Alliance to conduct a water workshop during the last week of July. The workshop will focus

on bringing businesses and water agencies together to meet with state legislators and the State Board to help support reliable water supplies.

The committee discussed conservation efforts and compliance with the 2 day per week watering restrictions. Ms. Johnson commented that there seems to be compliance since most lawns are turning brown. She added that night patrols will begin next week. Ms. Brown commented that the media coverage regarding the drought and conservation has helped. Director Tobin commented that the District should create press releases that highlight information on the Bureau's plan for a barge and the District's work on the inter-tie and pump back projects which should provide enough water in case the barge does not work. The committee discussed conducting another telephone town hall or possibly a large meeting with guest speakers from the Bureau, the State Board and some legislators. Mr. Durkin commented that our messaging needs to be coordinated with the cities of Roseville and Folsom.

For information, no action requested.

2. Other Public Information Matters

2.1 Next Meeting Date

The next committee meeting is scheduled for Monday, July 6, 2015, at 9:30 am. [Time changed to 2:00 pm.]

3. Public Comment

There was no public comment.

The meeting adjourned at 10:23 am.

Finance Committee Meeting Minutes
San Juan Water District
July 7, 2015
3:00 p.m.

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

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

Members of the Public: Tony Barela, SJWD
Chris von Collenberg, SJWD

Topics: Review and Pay Bills (W & R)
Compensation Study (W & R)
Unit Price Construction Contract (R)
2015 Water Supply Reliability Projects – Flow Control Stations (W)
Fiscal Year 2015-16 Retail Budget Update (R)
Other Finance Matters
Public Comment

Director Costa moved Agenda Item 2, Compensation Study, to the end of the agenda. The meeting minutes will reflect the original agenda order.

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.

Ms. Motonaga informed the committee that the amount of bills and claims was higher for June due to the payment to Union Bank for the bond interest payments and three other payments for construction projects.

Staff update: the total amount of bills and claims provided for approval for June payables is \$2,839,263.87.

The Finance Committee recommends approval of Resolution 15-10.

2. Compensation Study (W & R)

Mr. Durkin presented a staff report that addressed several questions that Director Costa had concerning the Compensation Study. The staff report will be attached to the meeting minutes.

Mr. Durkin reviewed Policy 3110 which covers the District's approach to setting compensation, the approximate frequency, process and methodology for conducting compensation studies, and the basis for compensation comparisons. He explained that the policy suggests that the study be completed approximately every five years; however, the timing is at the Board's discretion. In addition, the policy states the purpose of the Compensation Study is to determine fair and equitable compensation for employees in order to recruit and retain talented employees.

Mr. Durkin explained that setting the top of the salary range ten percent above average, the Board signals to employees that the District's expectations are above average, provides flexibility to management and staff to assign duties outside of rigid job descriptions, provides opportunities for employees to take on additional challenges outside their defined job duties, and provides incentive to employees to perform above average to reach the top of pay ranges. He explained that the bottom of each salary range is twenty percent below the top. This means that a given salary can be below average, but can increase to ten percent above average at the top of the range. He explained that new employees coming into the District usually are compensated at or near the bottom of the range, which is ten percent below average.

Director Miller inquired how many employees will go up in salary with the proposed salary ranges. Ms. Lorance explained that employee salaries would not automatically go up and that it is a merit-driven process; however, there are seven positions which are currently paid below the bottom of the proposed salary ranges and those positions would be brought up to the bottom of the new range. She added that this would cost approximately \$25,000. In addition, the consultant recommends that the District Y-rate the seven employees who are at a salary above the proposed salary range until the salary ranges "catch up" with their current salary. In response to a question about what the total financial impact might be to the District, Ms. Lorance informed the committee that the total cost to bring all employees to the top of the proposed salary ranges would be \$226,000 and under this scenario the total financial impact would be approximately \$350,000 including the cost of benefits. However, this hypothetical example would never occur because there would never be a time when all employees would be paid at the top of the salary ranges. Ms. Lorance also commented that it is recommended that salary adjustments related to the new salary ranges would be phased in over a period of time, such as three years.

Director Miller voiced concern that the Compensation Study does not reflect like placements overall. He was also concerned whether or not the study was adjusted to include the cost of living when the comparator was in a higher cost of living area.

Director Costa voiced concern regarding compensation philosophy versus policy. He commented that the policy needs to be reviewed and possibly changed at a later date. In addition, he suggested that future compensation studies reflect yearly salaries and not monthly salaries. Director Costa was also concerned if a position beneath a manager/supervisor receives a salary increase then the

manager's salary is automatically increased. Ms. Lorance explained that salary ranges within a classification are set. She added that if an employee receives a salary increase then it does not mean that the manager/supervisor would also receive a salary increase.

The committee discussed the proposed action and recommendation to the Board. Director Miller supports recommending adoption of the study but not implementation of the salary ranges. Director Costa supports recommending adoption of the study but discussed possibly having the General Manager bring proposed salary increases by groups for Board review. Director Costa also discussed implementing the compensation study and allowing the General Manager to determine any increases to be provided to staff within the board approved budget.

Mr. Tony Barela informed the committee that staff is aware of the timeline on the study and there have been many questions. He stated that it is becoming a morale issue. He commented that the ten percent above average that is in question is a matter of pride for employees. Staff understands the salary ranges provide the opportunity to earn more than average, and staff is committed and accepts the challenge to perform above average. He commented that employees step up and help out when needed in other areas such as when there is a shortage of WTP operators or when conservation or customer service needs help and the difference sets them apart from other agencies. In addition, the ten percent reflects that the District is behind employees and he encouraged the committee to keep the ten percent above average in the salary ranges. Director Miller commented that he does not recommend taking the ten percent above average away; however, there may be other means to compensation employees such as incentive pay or increased benefits.

The Finance Committee recommends consideration of a motion to adopt the Compensation Study report.

The Finance Committee recommends that the Board discuss implementation of the proposed salary ranges.

3. Unit Price Construction Contract (R)

Mr. Durkin informed the committee that the District solicited bids in May for the annual Unit Price Construction Projects. These types of projects include fire hydrant installations, blow-off valves, service lateral taps and connections, and other small distribution system projects that require labor, equipment, or scheduling beyond the capacity of our staff. He reported that three bids were received, with GM Construction as the apparent low bidder. A copy of the staff report will be attached to the meeting minutes.

The Finance Committee recommends consideration of a motion to approve the annual unit price construction contract with GM Construction & Developers, Inc. for \$135,138 with an authorized construction budget of \$150,000 which includes a 10% contingency

4. 2015 Water Supply Reliability Projects – Flow Control Stations (W)

Mr. Durkin informed the committee that two bids were received for the Flow Control Stations Project. This project was budgeted for in the 2015 Water Supply Reliability Projects and is needed for the Antelope Pump Back Project. The flow control stations will be used to direct water flow appropriately for use with the Antelope Pump Back Project.

The Finance Committee recommends consideration of a motion to award the construction contract to C&D Contractors, Inc., for \$687,960 with an authorized construction budget of \$756,000 which includes a 10% contingency

5. Fiscal Year 2015-16 Retail Budget Update (R)

Ms. Lorance informed the committee that staff is working to re-adjust the retail revenue projections to reflect the 45% reduction in water delivery within the retail service area. She explained that the budget timeline will be delayed and the committee will review the budget once it is completed.

The committee discussed the current rate structure and how it has affected the revenue since a larger portion of the fixed costs are included in the volumetric rate. Ms. Lorance commented that lots of agencies are moving more fixed costs into the fixed rate. In addition, the committee discussed the Stage 4 requirements and whether it would be possible to remove any requirements which might help reduce conservation and increase revenue. Ms. Lorance pointed out that the District needs to conserve 36% between June 2015 and February 2016 so removing any requirements might affect total conservation amounts.

For information only; no action requested.

6. Other Finance Matters (W/R)

Ms. Motonaga informed the committee that the auditors were at the District last week to start the FY 2014-15 audit. In addition, the auditors finished their audit of the Tyler System conversion and preliminary findings are favorable – the report will be distributed once it is received. Furthermore, the auditors will return in October to perform the FY 2014-15 audit, assuming the bank reconciliations for the fiscal year are complete.

For information only; no action requested.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:34 p.m.

San Juan Water District

**RESOLUTION 15-10
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$2,839,263.87; 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 \$2,839,263.87 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 \$2,839,263.87 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 8th day of July 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

July 2015 Payment Register

Total Check Register	848,359.39
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Approved Paid in Advance:

Check Date:	Vendor:	Amount:
6/16/2015	Naatz, April	177.97
6/16/2015	Fieldman, Rolapp & Associates, Inc.	2,012.50
6/16/2015	Western Area Power Admin	7,141.13
7/6/2015	Davis, Kevin	156.00
6/30/2015	Payroll	475,852.81

Total Approved Paid in Advance	848,340.41
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Approved Pending Payables:

Invoice No.:	Vendor - Description:	Amount:
15083	LSL Certified Public Accountants - Auditors	7,076.00
FOCS726148	Folsom Lake Ford - Vehicle Service	347.99
FOCS725990	Folsom Lake Ford - Vehicle Service	1,344.76
1090724	Ferguson Enterprises, Inc. - Test Strips and Tap Measure	29.03
016517	Ace Hardware-Auburn Folsom - Vacuum Pump	5.79
016524	Ace Hardware-Auburn Folsom - Hose bib by Lime Tower	3.86
016523	Ace Hardware-Auburn Folsom - Shop Towels	12.56
151326	Ramos - Split: Aerosol Flammable Disposal / Waste Oil Disposal	485.74
L0222066	eurofins - Weekly Monitoring	195.00
L0217520	eurofins - Sampling	36.00
L0216981	eurofins - Sampling	36.00
L0221456	eurofins - Plant Bi-Monthly Source	29.00
90335025	County of Sacramento - Construction Management / Inspection	2,455.44
13	Domenichelli and Associates, Inc. - Barton Rd Pipeline & Flow Control Station	9,062.50
00003E2E70265	UPS - Weekly Service Charges for Shipping	90.40
CA09-498650	Motion Industries - Parts	400.84
9040615533	Airgas - Carbon Dioxide for Chlorination Feed System	109.31
9503952	Pape Machinery - Oil Pressure Switch	33.67
193049-00	Windustrial Company - Pipe Supplies	427.11
193049-01	Windustrial Company - Backorder Pipe Supplies	25.66
193103-00	Windustrial Company - Pipe Supplies	268.15
SANJUANWD09A	Union Bank - Bond Interest Due	835,793.19
SJWD2012A	Union Bank - Bond Interest Due	317,193.75
000024205-000172418	City of Folsom Service Bill - Water Bill	33.15
339375	Sacramento Bee - Public Notice	660.54
June Invoice	Consolidated - Phone Service	1,603.25
IN0515-5036	County of Placer Engineering & Surveying - Inspection	175.50
55385	YOUNGDAHL Consulting Group - Soil Testing	3,066.00
55384	YOUNGDAHL Consulting Group - Soil Testing	2,083.00
55531	YOUNGDAHL Consulting Group - Soil Testing	443.00
55530	YOUNGDAHL Consulting Group - Soil Testing	2,779.00
08664602897	MCI - Long Distance Phone Services	88.72
Estimate	Syblon-Reid - Estimate	319,170.16

Total Approved Pending Payables	1,505,564.07
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REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE

2,839,279.78

Adjustments:

Payroll Tax Correction	(15.91)
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TOTAL PAID AND PAYABLE	2,839,263.87
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Regular Checks	643,318.27
EFT's	205,041.12
TOTAL PAID	848,359.39

Signature _____

Signature _____



San Juan Water District, CA

Check Report

By Check Number

Date Range: 07/08/2015 - 07/08/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
02514	STATE WATER RESOURCES CONTROL	07/08/2015	Regular	0.00	140.00	48765
02514	STATE WATER RESOURCES CONTROL	07/08/2015	Regular	0.00	105.00	48766
01020	ABP Engineering, Inc	07/08/2015	Regular	0.00	621.25	48767
01024	ACCOMTEMP	07/08/2015	Regular	0.00	21,322.55	48768
03091	Ace Hardware - Auburn Folsom Act#2051	07/08/2015	Regular	0.00	446.16	48770
01026	ACE HARDWARE- Greenback	07/08/2015	Regular	0.00	10.03	48771
01028	ADAM LARSEN	07/08/2015	Regular	0.00	171.97	48772
01041	Afman Supply - Todd	07/08/2015	Regular	0.00	178.79	48773
01055	ALAN DIVERS, PLS	07/08/2015	Regular	0.00	1,150.00	48774
01068	ALPHA DES - Glenn Walker	07/08/2015	Regular	0.00	968.00	48775
01073	AMARJEET SINGH GARCHA	07/08/2015	Regular	0.00	1,500.00	48776
03214	Amwest Property Holdings LLC	07/08/2015	Regular	0.00	10.17	48777
02463	AnswerNet	07/08/2015	Regular	0.00	262.35	48778
01138	AT&T	07/08/2015	Regular	0.00	61.51	48779
01182	BARTKIEWICZ,KRONICK & SHANAHAN	07/08/2015	Regular	0.00	13,933.71	48780
03190	BEAR STATE PUMP & EQUIPMENT CORP	07/08/2015	Regular	0.00	4,020.18	48781
03215	Bobby Jackson	07/08/2015	Regular	0.00	62.20	48782
01234	Bryce Consulting Inc	07/08/2015	Regular	0.00	4,601.00	48783
01250	C & D Contractors, Inc.	07/08/2015	Regular	0.00	129,724.40	48784
01298	CalPERS Long Term Care	07/08/2015	Regular	0.00	167.39	48785
01420	CORT FURNITURE RENTAL	07/08/2015	Regular	0.00	124.32	48786
02214	County of Placer Engineering & Surveying	07/08/2015	Regular	0.00	1,023.75	48787
01423	COUNTY OF SACRAMENTO	07/08/2015	Regular	0.00	798.02	48788
01	DAWSON OIL CO	07/08/2015	Regular	0.00	4,154.27	48789
01	Dewey Services Inc	07/08/2015	Regular	0.00	82.00	48790
03147	EDGES ELECTRICAL GROUP LLC	07/08/2015	Regular	0.00	1,956.17	48791
03216	Edward Valentine	07/08/2015	Regular	0.00	53.80	48792
01606	Faulk Enterprise	07/08/2015	Regular	0.00	4,750.00	48793
03173	FOLEY, JACQUELINE	07/08/2015	Regular	0.00	200.00	48794
01631	FOLSOM CHEVEROLET INC.	07/08/2015	Regular	0.00	95.98	48795
01634	FOLSOM LAKE FORD	07/08/2015	Regular	0.00	1,472.65	48796
01635	FOLSOM LOCK & KEY	07/08/2015	Regular	0.00	1,029.93	48797
01657	GALIC DISBURSING COMPANY	07/08/2015	Regular	0.00	400.00	48798
03231	Gary Chazen	07/08/2015	Regular	0.00	77.33	48799
03222	Gerald Rakowski	07/08/2015	Regular	0.00	100.00	48800
01681	GOLDEN STATE FLOW MEASUREMENTS	07/08/2015	Regular	0.00	16,713.63	48801
01687	Grainger, Inc.	07/08/2015	Regular	0.00	2,136.07	48802
01706	Graymont Western US, Inc	07/08/2015	Regular	0.00	5,616.82	48803
01710	GREENBACK EQUIPMENT RENTALS	07/08/2015	Regular	0.00	517.36	48804
01733	Harris Welding Inc	07/08/2015	Regular	0.00	24.71	48805
01736	Hasler/MailFinance/Neopost	07/08/2015	Regular	0.00	203.66	48806
03072	HUNT & SONS INC.	07/08/2015	Regular	0.00	668.32	48807
01778	IDEXX DISTRIBUTION INC	07/08/2015	Regular	0.00	15.54	48808
01835	Jason Hoffman	07/08/2015	Regular	0.00	592.21	48809
01854	JERRY SPENCER	07/08/2015	Regular	0.00	200.00	48810
03211	John or Donna Ridell	07/08/2015	Regular	0.00	89.44	48811
01898	JPIA / ACWA	07/08/2015	Regular	0.00	113.85	48812
03229	Kim or Linda Whitney	07/08/2015	Regular	0.00	112.24	48813
01959	LES SCHWAB TIRE CENTERS	07/08/2015	Regular	0.00	670.99	48814
03230	Luis or Georginia Garcia	07/08/2015	Regular	0.00	38.94	48815
02022	McCurry Business Forms	07/08/2015	Regular	0.00	106.26	48816
02007	MCMMASTER-CARR SUPPLY COMPANY	07/08/2015	Regular	0.00	178.28	48817
01	Michael or Jayashree Doyle	07/08/2015	Regular	0.00	100.00	48818
01916	Miller, Ken	07/08/2015	Regular	0.00	35.65	48819

Check Report

Date Range: 07/08/2015 - 07/08/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03160	MMS Strategies	07/08/2015	Regular	0.00	1,635.13	48820
02121	Office Depot Business Serv Div	07/08/2015	Regular	0.00	1,992.17	48821
02	P G & E	07/08/2015	Regular	0.00	6,740.08	48823
02150	Pace Supply Corp	07/08/2015	Regular	0.00	2,438.76	48824
03026	PFM Asset Management	07/08/2015	Regular	0.00	897.33	48825
03234	Pierson, Andrew	07/08/2015	Regular	0.00	76.60	48826
02210	Placer County Water Agency	07/08/2015	Regular	0.00	2,692.64	48827
03150	PROFESSIONAL ID CARDS INC	07/08/2015	Regular	0.00	185.70	48828
02281	RAY MORGAN COMPANY	07/08/2015	Regular	0.00	1,161.90	48829
03212	Ray Ponce	07/08/2015	Regular	0.00	105.68	48830
02283	Recology Auburn Placer--DB	07/08/2015	Regular	0.00	632.71	48831
02292	REXEL INC	07/08/2015	Regular	0.00	1,197.62	48832
02293	RFI ENTERPRISES, INC.	07/08/2015	Regular	0.00	8,664.11	48833
03217	Robert Kuhl	07/08/2015	Regular	0.00	67.76	48835
02328	ROCKLIN WINDUSTRIAL CO	07/08/2015	Regular	0.00	1,261.56	48836
02357	S M U D	07/08/2015	Regular	0.00	13,663.10	48837
02367	SACRAMENTO BEE	07/08/2015	Regular	0.00	659.04	48838
02384	Sacramento Suburban Water District	07/08/2015	Regular	0.00	3,806.25	48839
02395	SAFETY KLEEN SYSTEMS INC.	07/08/2015	Regular	0.00	693.06	48840
02413	Scott Larsen	07/08/2015	Regular	0.00	161.82	48841
03223	Scott or Danielle Donaldson	07/08/2015	Regular	0.00	100.00	48842
03228	Shelia Lauck	07/08/2015	Regular	0.00	77.88	48843
02446	Sierra Chemical Co	07/08/2015	Regular	0.00	3,116.91	48844
02452	Sierra National Asphalt	07/08/2015	Regular	0.00	14,810.17	48845
03086	SIERRA SAW POWER EQUIPMENT	07/08/2015	Regular	0.00	157.71	48846
02514	STATE WATER RESOURCES CONTROL	07/08/2015	Regular	0.00	5,629.44	48847
02516	STEPHEN EHNAT	07/08/2015	Regular	0.00	247.89	48848
02534	SUPERIOR CARPET CLEANING	07/08/2015	Regular	0.00	598.88	48849
02554	Team One Networking	07/08/2015	Regular	0.00	1,956.81	48850
02556	Ted Costa	07/08/2015	Regular	0.00	63.25	48851
02	TERI HART	07/08/2015	Regular	0.00	52.33	48852
02557	The Eidam Corporation	07/08/2015	Regular	0.00	5,658.30	48853
02629	TRENCH & TRAFFIC SUPPLY INC.	07/08/2015	Regular	0.00	419.87	48854
02638	Tyler Technologies Inc	07/08/2015	Regular	0.00	218.75	48855
02645	Union Bank Fees	07/08/2015	Regular	0.00	1,530.85	48856
02667	US Bank Corporate Payments Sys (CalCard)	07/08/2015	Regular	0.00	7,713.51	48857
02690	VERIZON WIRELESS	07/08/2015	Regular	0.00	321.33	48862
02700	Viking Shred, LLC	07/08/2015	Regular	0.00	75.00	48863
03219	Wanda Watson	07/08/2015	Regular	0.00	70.68	48864
02740	West Valley Construction Company Inc	07/08/2015	Regular	0.00	316,497.25	48865
03145	GROVE TOYS INC	07/08/2015	Regular	0.00	11,359.59	48866
01048	Airgas Inc	07/08/2015	EFT	0.00	132.02	404253
01133	ASSOCIATED SOUND	07/08/2015	EFT	0.00	846.13	404254
01152	Automated Valve Services, Inc.	07/08/2015	EFT	0.00	2,273.75	404255
01242	Bureau of Reclamation-MPR	07/08/2015	EFT	0.00	152,635.19	404256
01330	CDW GOVERNMENT INC	07/08/2015	EFT	0.00	548.63	404257
01365	CISCO AIR SYSTEMS, INC	07/08/2015	EFT	0.00	487.07	404258
01378	Clark Pest Control	07/08/2015	EFT	0.00	916.00	404259
01486	DEPARTMENT OF ENERGY	07/08/2015	EFT	0.00	4,606.34	404260
01521	DP2 BILLING SOLUTIONS LLC	07/08/2015	EFT	0.00	10,834.52	404261
01589	Eurofins Eaton Analytical, Inc	07/08/2015	EFT	0.00	1,657.00	404262
01611	FERGUSON ENTERPRISES, INC.	07/08/2015	EFT	0.00	1,768.61	404263
01721	HACH COMPANY	07/08/2015	EFT	0.00	1,005.03	404264
01888	JOHNSON CONTROLS INC (CALAIR)	07/08/2015	EFT	0.00	330.00	404265
01892	Johnson, Judy	07/08/2015	EFT	0.00	70.00	404266
01934	Koff & Associates	07/08/2015	EFT	0.00	1,810.00	404267
02020	MCC Control Systems	07/08/2015	EFT	0.00	4,400.00	404268
02307	River City Fire Equipment	07/08/2015	EFT	0.00	1,004.42	404269
02555	Thatcher Company of CA	07/08/2015	EFT	0.00	12,507.04	404270
02	Tobin, Pamela	07/08/2015	EFT	0.00	20.24	404271
02710	Wageworks, Inc	07/08/2015	EFT	0.00	48.00	404272

Check Report

Date Range: 07/08/2015 - 07/08/2015

Vendor Number 02730	Vendor Name Western Area Power Admin	Payment Date 07/08/2015	Payment Type EFT	Discount Amount 0.00	Payment Amount 7,141.13	Number 404273
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Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	199	95	0.00	643,318.27
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	46	21	0.00	205,041.12
	245	116	0.00	848,359.39

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	7/2015	848,359.39
			<u>848,359.39</u>

STAFF REPORT

To: Finance Committee
From: Keith Durkin
Assistant General Manager
Date: July 1, 2015
Subject: Compensation Study

Recommendation

Staff recommends that the Finance Committee and the Board consider adoption of the Compensation Study Report and implementation of the proposed salary ranges.

Background

After more than two years of detailed evaluation and analysis, the Personnel Committee completed their work on the Compensation Study in May 2015 and recommended that the Board consider accepting the report and implementing the proposed salary ranges. Prior to the Board's consideration of a motion, President Costa referred the study to the Finance Committee to review the financial considerations of the study. At the June 9th Finance Committee meeting, President Costa also stated that the committee would review other aspects of the study, including:

1. The policy for setting the frequency and timing of conducting compensation studies.
2. The policy for comparing the District's compensation to other agencies.
3. The effect of the District's policy for setting salary ranges.

Additional Information

The District's Compensation Study Policy, Policy 3110, establishes the criteria and provides direction for conducting compensation studies. Policy 3110: Compensation Studies is attached to this report for information.

Compensation Study Frequency

Policy 3110 sets the timeline for performing compensation studies at approximately every 5 years, as directed by Board. The Board has the prerogative to conduct studies more or less frequently as it deems appropriate. For comparison and example, the last compensation study was completed in February 2006 with data obtained in 2005.

Compensation Comparisons

Policy 3110 states that the purpose of compensation studies is to determine fair and equitable compensation for employees in order to recruit and retain talented employees.

Total compensation is used to determine if salaries and benefits are appropriate, or above or below the labor market for competitiveness. Policy 3110 further documents the District's policy of maintaining a labor market position at 10 percent above average using the top of the range unless the compensation study sample size or other factors warrant further evaluation.

The District performed a salary survey in 2001 using the 75th percentile for setting compensation. The 2006 compensation study parameters were revised by the Board to 10 percent over average considering the number of comparator agencies used in the study. In 2013, the Board adopted a policy to maintain the 10 percent over average for the 2015 Compensation Study.

Appropriate compensation ranges are set to recruit and retain talented employees. In addition, the Board has historically set compensation at some amount above average in recognition that job classifications, responsibilities, assigned duties, and compensation ranges are not collectively bargained. By setting the top of the salary range above average, the Board signals to employees that the District's expectations are above average, provides flexibility to management and staff to assign duties outside of rigid job descriptions, provides opportunities for employees to take on additional challenges outside their defined job duties, and provides incentive to employees to perform above average to reach the top of pay ranges.

Salary Ranges

Based on the District's philosophy and Policy 3110, salary ranges for each position are set so that the top of the range is ten percent above the top of the average salary range. The bottom of each salary range is twenty percent below the top. This means that a given salary can be below average, but can increase to 10 percent above the top of the average range.

Employee salaries do not automatically start at a level above average. New employees coming into the District are usually compensated at or near the bottom of the range. Employees can move through their salary ranges, but solely on merit, and each merit increase is typically limited to five percent or less unless an employee has obtained additional certifications or some other measurable significant achievement.

SAN JUAN WATER DISTRICT
EMPLOYEE MANUAL

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

3110.00 Compensation Philosophy

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

3110.01 Process

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

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

3110.02 Methodology

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

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

3110.03 Authority and Responsibility

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

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

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

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

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

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

STAFF REPORT

To: Finance Committee

From: Keith Durkin, Assistant General Manager

Date: June 30, 2015

Subject: Unit Price Construction Contract

RECOMMENDED ACTION

Staff recommends the Board consider a motion to approve a Unit Price Construction Contract with GM Construction & Developers, Inc. for \$135,138, with a total authorized construction budget of \$150,000 which includes a ten-percent contingency.

BACKGROUND

The District solicited bids in May for the annual Unit Price Construction Projects. These types of projects include fire hydrant installations, blow-off valves, service lateral taps and connections, and other small distribution system projects that require labor, equipment, or scheduling beyond the capacity of our staff. On June 11, 2015, District staff received and opened 3 bids as listed below, with GM Construction as the apparent low bidder.

Bidder	Bid Amount
GM Construction & Development, Inc.	\$135,138
Performance Piping	\$151,609
Rawles Engineering	\$170,800

CURRENT STATUS

Staff has reviewed the bid documents and contacted the contractor's references. All are in satisfactory order.

BUDGET IMPACT

There is no budget impact. The bids came in within the expected range and the contract amount will be included in the FY 2015-2016 retail budget. GM Construction's bid of \$135,138 represents a one-percent decrease from our current contract amount and budget.

Director Tobin's report

SGA June 11, 2015

SGA Groundwater Management Program:

Rob Swartz, Manager of Technical Services gave an informational presentation on current ground water monitoring during drought conditions. A study of the occurrence of PCE contamination in the CA American Water Lincoln Oaks Service Area is continuing. The first test well was completed June 3rd and the second well is under construction and should be operational in July. Areas of concern that will be monitored with the effort to try to identify the depth of the contamination is north of I-80.

When original wells were built, they were built using stainless steel and they now know that the corrosion that happens in stainless steel has contributed to the hexavalent chromium in the basin.

The PCE study shows several wells are above the MCL levels. For instance there used to be a dry cleaners at 404 Vernon St in Roseville from about 1930-1990 and the PCE shows there have been high level over this long period of time. Monitoring wells in Rsvl screen at 330' to find and pick up the presence of PCE. Sampling at the 2nd site on White Blvd which is a new well takes samples at 200' in one zone and 340' in another zone to be able to sample and collect data.

SGA Fiscal Year 2015-2016 Budget passed with discussion about early partial payments of the CalPERS unfunded Pension liability. Any delays to early payment increases the cost of the unfunded liability by 7.5% SGA's payment to RWA for the unfunded pension liability was budgeted at \$87,800 to be paid in FY15. For the Fy16 budget approx \$33,300 is expected to be paid to RWA.

The SGA Board agreed to shift 2% of the employer's portion of the pension plan obligations to the employees while making a coincident 2% increase in pay for FY16. This pay increase would be in addition to any potential merit increases.

Government Affairs Update – There are numerous bills moving through the legislature that would amend the Sustainable Groundwater Management Act (SGMA). Most notably, RWA has worked with the sponsors of AB 617 (Perea)(moved through the house) to include key amendments of interest to SGA, which would reduce the possibility that our compliance could be affected by neighboring areas. SB 385 (Hueso) passed unanimously in the Senate and moves to the Assembly. The bill will provide the opportunity for agencies to have a compliance period to meet the standard for hexavalent chromium. The issue of confidentiality of well logs has been a debate for many years in the Legislature. SB 20 (Pavley), which would provide public access to well logs passed in the Senate. The issue is also contained in a budget trailer bill. The Department of Water Resources continues to meet with stakeholders in the process of developing regulations to implement the SGMA. Draft regulations relating to basin boundary revisions are

expected to be released and presented to the California Water Commission on July 15, 2015. Work is beginning on the regulations for coordination agreements among multiple agencies in a basin and for evaluating groundwater sustainability plans. DWR will convene the Practitioner Advisory Panel (PAP) in June, July, and August to solicit input on the regulations. Mr. Woodling is serving as Chair of the PAP and working closely with DWR staff to ensure the panel's input is incorporated into the regulations. b. Sustainable Groundwater Management Act Implementation – SGA and RWA convened a meeting on June 3, 2105 of water providers and county government officials in Sacramento, Placer, and Sutter Counties that overlie the North American, South American, and Cosumnes subbasins. Over 40 people attended to discuss and coordinate on implementation of the SGMA in the region. The SGMA will require a higher level of coordination among the various groundwater management entities in the future. The group discussed potential changes to basin boundaries as well as the expected make up of groundwater sustainability agencies (GSA) and their geographic areas. The group decided to meet quarterly to discuss progress. In addition, the group will meet July 16th to discuss the draft regulations for basin boundary revisions.

Staff had suggested that the SGA Board consider becoming the GSA for its jurisdictional area as early as June, but deferred pending the discussions with neighboring areas and stakeholders. Staff still expects to bring a proposal and plan for GSA formation to the Board in the second half of 2015. c. Drought Update – The Governor issued an Executive Order in April requiring a mandatory reduction in water use statewide of 25% compared to 2013. The State Water Resources Control Board adopted emergency regulations to implement the order, and allocated percentage reductions ranging from 8% to 36% depending on a water supplier's residential per capita water use. SGA agencies fall in the range from 20% to 36%. The Executive Order included a number of other restrictions on water use. Agencies in the RWA region collectively reduced water use more than 23% in April compared to April 2013. The SWRCB also issued curtailment orders for all post-1914 water rights in the Sacramento River watershed. They have indicated that curtailments of pre-1914 and riparian water rights may occur later in the year.



AGENDA ITEM IV-5.5.1

June 29, 2015

Mr. Edward J. Costa, President
Board of Directors
San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Mr. Neil W. Schild, President
Board of Directors
Sacramento Suburban Water District
3701 Marconi Avenue #100
Sacramento, 95821

Dear President Costa and President Schild:

Based on actions taken at the June 25, 2015 joint meeting of the Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) Boards of Directors, it is our understanding that the Districts are not going to continue analysis of the proposed merger of the two Districts at this time. The Fair Oaks Water District (FOWD) believes that many of the intended outcomes of the proposed merger can be accomplished through reasonable agreements and collaborative operations between multiple local Agencies. We look forward to working closely with the SSWD and SJWD boards and assigned staff on the implementation of reasonable operations and agreements that help meet the original objectives of the proposed merger.

FOWD has prudently planned, funded and implemented sufficient groundwater infrastructure to address currently represented risks to surface supply reliability; but we clearly understand that our District does not operate in a vacuum and that regional water supply reliability must be addressed.

On behalf of the entire FOWD Board and staff, we look forward to being a part of positive regional water supply solutions during these dynamic times and into the future.

Sincerely,

Michael McRae
Board President
Fair Oaks Water District

Teri Hart

From: Keith Durkin
Sent: Wednesday, July 01, 2015 10:21 AM
To: Teri Hart
Subject: FW: Facebook Post

Also please include in the board packet.

From: Joshua Wood [<mailto:joshualeewood@gmail.com>]
Sent: Tuesday, June 30, 2015 6:48 PM
To: savewater; feedback@sswd.org
Subject: Facebook Post

Dear Members of the Sacramento Suburban and San Juan Water Districts Board of Directors,

I write to you today with information and subsequent action relative to your joint Board Meeting last Thursday, June 25.

As the Executive Director of an association focused on advancing regional economic growth, I've have a keen interest in your merger discussions. The issue of water both locally and statewide is one of our top priorities. I represent hundreds of companies that depend on water supply reliability and availability. To be clear, my Board has not taken a position relative to the merger however they have been following your discussions and we were supportive of you moving to the next phase to do further analysis.

It came to my attention Thursday evening that one of my grassroots consultants made a detrimental choice, he suggested on Facebook that he would compensate people to attend your meeting. His actions were absolutely inexcusable. When I learned about the post I was dismayed. Upon hearing and confirming this act, we immediately severed all ties with this individual.

I want to be very clear that we do not condone his actions. This will not happen again. With that said, I would like to apologize to each and every one of you for this man's actions. I am extremely disappointed that his actions derailed your conversation about the issue at hand, studying the opportunity to create increased water supply reliability to your ratepayers and the business community. I hope that at a future date you will consider picking up these discussions as we believe they merit additional analysis.

Thank you

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Sincerely,

Joshua L. Wood
Wood Communications