

# **SAN JUAN WATER DISTRICT**

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

March 25, 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
Paul R. Stanbrough	Customer
Bob Matteoli	Non-Customer
Bob Churchill	Citrus Heights Water District (CHWD)
Mike McRae	Fair Oaks Water District (FOWD)
Tom Gray	FOWD
Kevin Thomas	Sacramento Suburban Water District
Judy Johnson	SJWD
Mitch Dion	SJWD
Vicki Sacksteder	SJWD
Marty Hanneman	SJWD

### **AGENDA ITEMS**

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

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

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

Mr. Marty Hanneman thanked the Board President for appointing him as the SJWD representative to the Water Forum Successor Effort. He informed the Board that he attended the March 12<sup>th</sup> Water Forum meeting and provided the Board with a

written report which will be attached to the meeting minutes. The Board was encouraged to communicate with Mr. Hanneman for more information.

## II. CONSENT CALENDAR

All items under the consent calendar are considered to be routine and are approved by 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 March 11, 2015

***Director Walters moved to approve the Consent Calendar. Vice President Tobin seconded the motion and it carried unanimously.***

In response to Director Walters' questions, Ms. Lorance explained that the Water Supply & Reliability Committee will be reviewing the State Water Board's new regulations. In addition, Ms. Motonaga explained that she is confirming the implementation dates with the Tyler consultants and will provide Ms. Lorance with a timeline once confirmed.

Director Miller voiced concern that the minutes and other documentation that are titled, "2x2 Water Management Ad Hoc Committee" do not indicate that it is regarding a consolidation or merger. President Costa responded that the next committee meeting is March 26<sup>th</sup> and the name of the committee can be addressed at the beginning of the meeting.

## III. PRESENTATIONS

### 1. Groundwater Pumping Reimbursement – Mitch Dion

Mr. Mitch Dion conducted a presentation on *Groundwater Pumping & Draft Invoice*. A copy of the presentation will be attached to the meeting minutes. Mr. Dion reviewed the background of San Juan Water District's Surface Water Supply and Water Shortage Management Plan (SJWSMP), gave an overview of the task he performed which was to provide an independent assessment of the "draft invoice", reviewed the draft invoice, and provided an analysis and recommendation.

The draft invoice covered a period of 67 months. Mr. Dion explained the methodology and assumptions that he used to arrive at his conclusion and recommendations.

The Board discussed the groundwater reimbursement and expressed concern regarding the delay in submitting an invoice. Mr. Bob Churchill commented that the document submitted was a 7-page spreadsheet of information and not just an invoice, and it took time to compile. Mr. Tom Gray mentioned that a one-year agreement was discussed at a general manager's meeting regarding how to handle reimbursement for any groundwater pumping this year. Director Miller expressed concern regarding the impact on the budget associated with the reimbursement.

In response to Vice President Tobin's question, Mr. Horowitz explained that there is a statute of limitations; however, since the agencies were working together on this to gather information, then the statute would most likely not apply. In response to Director Walters' question, Ms. Motonaga responded that Tyler could be set up similar to the quarterly invoices so that any funds owed would be included in the financial statements.

Ms. Lorange reported that it is her recommendation to accept Mr. Dion's analysis and corresponding reimbursement amounts, discuss the amounts with the wholesale customer agencies to make sure everyone is in agreement, and then set a payment schedule.

***Director Walters moved to accept Mr. Dion's recommendations regarding the amount to reimbursement Citrus Heights Water District (CHWD) and Fair Oaks Water District (FOWD) for previous groundwater pumping and to further authorize staff to enter into discussions with the wholesale customer agencies to develop a one year agreement covering groundwater pumping for this year and develop a payment schedule that is feasible and representative that the other retail agencies can accept. Director Rich seconded the motion and it carried unanimously.***

President Costa recommends that the agencies try to negotiate with SMUD to reduce their charges so that it would significantly lower the cost of pumping water. Director Miller and Vice President Tobin voiced concern with providing a counter offer to the draft invoice and opening up negotiations. Director Rich requested that both CHWD and FOWD provide a comment regarding the motion.

Mr. Churchill commented that he is ready to present the counter offer to the CHWD board which is based on the numbers in Mr. Dion's report. Mr. Mike McRae commented that he is ready to move forward and present to the FOWD board as well. Mr. Gray commented that it is important to have an agreement in place.

Ms. Lorange will bring the payment schedule back to the Board for review.

## **ACTION AND INFORMATIONAL ITEMS**

### **IV. OLD BUSINESS**

#### **1. Naming of new Lower Granite Bay Booster Pump Station (R)**

Ms. Lorance reported that the Field Department submitted a written letter that was presented to the Board at the last Board meeting which recommends naming the new Lower Granite Bay Booster Pump Station in honor of Al Castellanos. A copy of the letter will be attached to the meeting minutes.

***Director Miller moved to name the new Lower Granite Bay Booster Pump Station in honor of Al Castellanos. Vice President Tobin seconded the motion and it carried unanimously.***

Director Walters requested that staff create a policy or guidelines for the Board to consider regarding the naming of facilities.

### **V. COMMITTEE REPORTS**

#### **1. Public Information Committee (3/2/15)**

Director Miller reported that the committee met on March 2, 2015, and discussed the following:

- Updated PI Plan (W & R)
- Update on SJWD/SSWD 2x2 Ad Hoc Water Management Committee Public Information (W & R)
- Home Water Reports by WaterSmart (R)
- Other Public Information Matters
- Public Comment

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

#### **Updated PI Plan (W & R)**

Crocker & Crocker has been working on increasing public outreach this past year and will develop a plan for next fiscal year that continues this effort. They are updating the District's website to help increase the public's access to key information such as the budget, water rates, and salary ranges.

*For information, no action requested.*

#### **Update on SJWD/SSWD 2x2 Water Management Ad Hoc Committee Public Information (W & R)**

Director Miller reported that the committee will meet on March 26, 2015, at Sacramento Suburban Water District at 6:00 pm.

The committee discussed a wholesale mailer and directed Crocker & Crocker to develop a wholesale mailer which will include information regarding the proposed merger, drought information and water supply and reliability information.

In response to Director Walters's question, Ms. Lorance explained that Crocker & Crocker is working with MMS Strategies to coordinate information regarding the merger for the direct mailer.

President Costa commented that the content and timing of the mailer needs to be coordinated with the 2x2 Water Management Ad Hoc Committee.

*For information, no action requested.*

### **Home Water Reports by WaterSmart (R)**

Director Miller reported that the committee discussed the WaterSmart program which will provide home water use reports to retail residential customers. In addition, a plan is being developed to potentially phase in SmartMeters, which track water use in real time.

*For information, no action requested.*

### **Other Public Information Matters**

Director Miller reported that Director Rich and Director Walters have met with two FOWD directors to help foster communications.

## **2. Legal Affairs Committee (3/10/15)**

Director Walters reported that the committee met on March 10, 2015, and discussed the following:

- Letter from CHWD and FOWD on SSWD/SJWD Intertie
- Other Legal Affairs Matters
- Public Comment

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

### **Letter from CHWD and FOWD on SSWD/SJWD Intertie**

Director Walters reported that the committee discussed the letter from Citrus Height Water District and Fair Oaks Water District voicing concerns regarding the Agreement for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station. The committee discussed the letter and directed Ms. Lorance to draft a brief response letter which the Board reviewed at their March 11th meeting.

*For information only; no action requested.*

### **Other Legal Affairs Matters**

Director Walters reported that Senator Jim Nielsen requested the District's support regarding the Sites Reservoir. The committee discussed the request and directed staff to join the coalition to support the Sites Reservoir.

### **3. Water Supply & Reliability Committee (3/12/15)**

Director Walters reported that the committee met on March 12, 2015, and discussed the following:

- Water Supply Status (W & R)
- SJWD-W Statement of Responsibility (W)
- Revised Conservation Stages 3-5 (R)
- Triggers for Changing Conservation Stage Declarations (R)
- Other Matters
- Public Comment

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

### **Water Supply Status (W & R)**

Ms. Lorance reported that the State Water Resources Control Board (SWRCB) is met on March 17th to discuss water conditions and they set some mandates for conservation. Those mandates require irrigation to be limited to two days per week or have limited days in the District's water contingency plan.

Ms. Lorance reported that the Bureau released projections for Folsom Reservoir based on run-off data from the end of February with an assumption that the flows would be reduced to 500 cfs. However, since the flows were not reduced until this week, the projections are approximately 35,000 AF high. An updated projection is expected on or around April 20<sup>th</sup>. The Water & Supply Reliability Committee will meet to discuss water supplies and the new regulations.

*For information only; no action requested.*

### **SJWD-W Statement of Responsibility (W)**

Director Walters reported that the Water Supply & Reliability (WSR) Committee requested a review of existing documentation regarding the District's use of water supplies by the Legal Affairs Committee. The Legal Affairs Committee determined that there were not any legal limitations in formation legislation or contracts regarding the District's water supply. The WSR Committee discussed the topic and agreed that SJWD should continue to provide the most reliable water supply without limitation to source. Therefore, the WSR Committee does not recommend a Statement of Responsibility be considered by the Board. The committee will discuss Water Allowances at the next committee meeting.

**Revised Conservation Stages 3-5 (R)**

Director Walters reported that the committee agreed to hold discussion of the conservation stages until after the SWRCB's meeting on March 17th.

For information only; no action requested.

**Triggers for Changing Conservation Stage Declarations (R)**

Director Walters reported that the committee discussed the triggers for changing conservation stage declarations. At the committee meeting, Director Rich suggested that the Board consider implementing the drought rates and that the implementation of the drought rates be included for information to customers on the Prop. 218 notice.

For information only; no action requested.

**VI. INFORMATION AND ACTION ITEMS**

**1. GENERAL MANAGER'S REPORT**

**1.1 Water Supply Status**

Ms. Lorance reported that the snow pack is under 10% of average and a new report will be coming out in April that is used for the final projections at Folsom Reservoir.

For information, no action requested

**1.2 2x2 Water Management Ad Hoc Meeting**

Ms. Lorance reminded the Board that the 2x2 Water Management Ad Hoc Committee meeting is scheduled for Thursday, March 26, 2015, at 6:00 p.m. at SSWD.

For information, no action requested

**1.3 Report Back Items**

There were no items discussed.

**1.4 Miscellaneous District Issues and Correspondence**

Ms. Lorance informed the Board that the District received a notice from the State Water Board that Foresthill Public Utility District has a petition to transfer up to 2,000 AF of water to the Santa Clara Valley Water District.

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

**2.1 R3 Federal Lobbying Trip to Washington D.C.**

Mr. Durkin informed the Board that he and Vice President Tobin along with representatives from the cities of Roseville and Folsom met with representatives in Washington D.C. for two days. The meeting topics

included conditions at Folsom Reservoir and the forecast for storage, the Bureau's 2015 operation plan and alternative operations plan, and the need for reduced flows., Discussions also covered the Joint Federal Project, or new spillway, and the revised Water Control Manual that will direct Folsom operations. We continued to advocate for a plan that uses forecast-based technology. Vice President Tobin commended Mr. Durkin for his expertise in communicating the region's concerns at the meetings.

*For information, no action requested*

## **2.2 Report Back Items**

There were no items discussed.

## **2.3 Miscellaneous District Issues and Correspondence**

In response to Director Miller's questions, Mr. Durkin responded that the Barton Road Intertie Project is going well and with the soft ground the District's pipeline was installed with ease. Mr. Durkin reported that the work on the Antelope Pump Back Station is going well and should be completed in early Fall.

# **3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT**

## **3.1. Report Back Items**

Ms. Motonaga reported that the budget timeline has been revised as the Finance Department is finishing the 2013-14 CAFR and will have final numbers which will be significant for a starting point on the reserves. The dates have been pushed out a month and a special meeting or workshop will need to be scheduled at the end of April in order to keep on schedule.

Ms. Motonaga conducted a brief presentation on the budget. A copy of the presentation will be attached to the meeting minutes. Ms. Motonaga informed the Board that the COLA, based on the Western CPI-A, came in at 1% as compared to 1.4% last year. This is below the Social Security increase for 2015 of 1.7% She reported that the 6% for healthcare is unchanged. In addition, she informed the Board that there is a significant drop in water production projections for the next two years, which will affect the budget. She informed the Board that staff's recommendation might include a double digit rate increase for wholesale. Ms. Lorance commented that is due to a reduction in revenue each year due to a 20% reduction in water sales, as a portion of fixed costs are in the volumetric charges.

***Vice President Tobin moved to schedule a special Board meeting or workshop on April 29, 2014. President Costa seconded the motion and it carried unanimously.***



In response to Director Miller's question, Ms. Lorance explained that the drought rate will be discussed under the retail budget. She commented that the Board might want to discuss a drought rate for wholesale.

Mr. Gray commented that the FOWD will be willing to work collaboratively and as fast as possible to settle up the groundwater invoice and any potential agreement for groundwater for 2015.

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

There were no items discussed.

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

### **4.1 Legal Matters**

Mr. Horowitz reminded the Board that directors who are not on a standing committee or ad hoc committee are allowed to attend those meetings; however, they should not sit together or participate in the meeting. President Costa commented that they can speak under Public Comment.

In response to President Costa's comment, Mr. Horowitz responded that the District decided last year not to issue tickets or fines, and instead work with customers to comply with the ordinances.

## **5. DIRECTORS' REPORTS**

### **5.1 SGA**

Vice President Tobin reported that SGA will meet on April 9, 2015.

### **5.2 RWA**

No report.

### **5.3 ACWA**

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

Vice President Tobin reported that ACWA met March 12, 2015 and discussed bills and groundwater legislation, and the bonds and funding allocations.

#### **5.4.2 Energy Committee - Ted Costa**

President Costa reported that Mr. Dion attended the March 17<sup>th</sup> committee meeting and will provide a report at the Finance Committee meeting.

#### **5.4.3 JPIA - Bob Walters**

No report.

### **5.5 CVP Water Users Association**

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

## **5.6 Other Reports and Comments**

### **5.6.1 Letter from the Sierra Club**

Vice President Tobin reported that she received an email from the Sierra Club discussing water storage. She is requesting that a letter be drafted in response to educate the Sierra Club on the benefits of water storage. President Costa directed staff to draft a response letter and he will sign it.

## **VII. UPCOMING EVENTS**

1. 2015 ACWA Spring Conference  
May 5-8, 2015  
Sacramento, CA
2. 2015 AWWA Annual Conference & Exposition  
June 7-10, 2015  
Anaheim, CA

## **VIII. ADJOURN**

**The meeting was adjourned at 9:00 p.m.**

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

ATTEST:

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TERI HART, Board Secretary

# Memorandum

**To:** Shauna Lorance, General Manager, San Juan Water District  
**CC:** Board of Directors  
**From:** Marty Hanneman, P.E.  
**Date:** March 21, 2015  
**Re:** Water Forum Successor Effort March 12, 2015 Meeting Summary

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## **Introduction:**

As you are aware, San Juan Water District (SJWD) Board President Costa appointed me at the March 11, 2015 Board meeting to represent the District at the Water Forum plenary sessions. This appointment was voted on by the full Board and was approved unanimously.

On Thursday March 12, 2015, I attended the Water Successor Effort Meeting on behalf of SJWD. Attached is the agenda from the meeting. There were approximately 35 meeting attendees.

## **Meeting Summary:**

Tom Gohring, Water Forum Successor Effort (WFSE) Executive Director began the meeting promptly at 6:00 P.M. asking if there are any Disclosures/Report Backs/Announcements. Kerry Schmitz, Division Chief - Sacramento County Water Agency disclosed that they are currently in discussions with Sacramento County Airports regarding the County's water rights of 1918 and 1951, which is approximately 3,200 ACF. The intent would be for potential use at the Freeport Water Intake facility or other areas.

Under Action Items, Gohring presented the proposed Fiscal Year 2015-16 WFSE Budget (attached). Gohring stated that the proposed budget reflects a proposed 1.7% overall increase in the WFSE budget from FY 2014-15. This is primarily due to an expected 2.7% increase in WFSE staff labor and benefits costs.

Rob Roscoe, General Manager, Sacramento Suburban Water District requested the actual budget expenditures for the current FY budget to determine how funds are being spent. Gohring said he would form a group of the top five WFSE funding agencies to evaluate the expenditures and report back to the full Water Forum group.

There were three presentations given for the northern, central and southern portions of the Sacramento ground water basin:

1. Rob Swartz, Regional Water Authority on the Sacramento Groundwater Management Activities (Presentation Attached), and

2. Darrell Eck, Sacramento County Water Agency on the SCGA Groundwater Management Activities (Presentation Attached), and
3. Mike Wackman, South County Groundwater Management Activities of 2014. Wackman stated that he does not have much data at this time to present. Stated McClellan AFB has a 30 year ground water clean-up plan compared to Aerojets 240 year cleanup plan.

John Woodling, Executive Director of the Regional Water Authority (RWA) presented an Overview of Sustainable Groundwater Activities of 2014. Woodling's presentation is attached.

There were many comments provided and questions on the presentations, which took most of the meeting time. Primarily by Ron Stork, Clyde MacDonald, and Rob Roscoe.

Since the meeting was running long due to the presentations, Gohring and others did not have time on the agenda to provide updates on; Flow Standard, Habitat Management, Water Conservation and Water Supply & River Conditions.

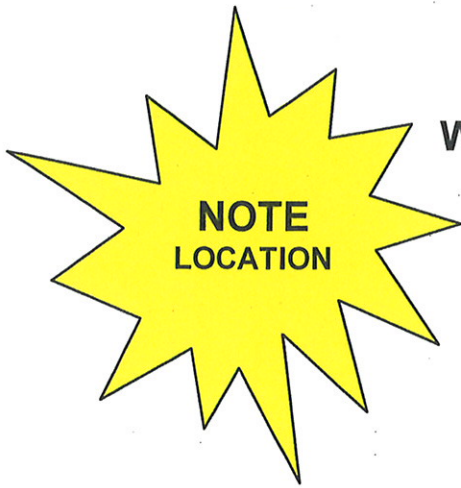
Ron Stork, Friends of the River, made a request to WF purveyors: to report on potential surface water curtailments at next week's Dry Year Conference being held on Tuesday March 17<sup>th</sup> at the Central City Library Galleria. In a following day email to all, Gohring stated that Ron is looking for how do you see your water rights AND contracts holding up this year? Basically, how vulnerable are you?

The Meeting ended around 8:15 P.M.

Respectfully submitted.

Attachments:

1. March 12, 2015 WFSE Meeting Agenda
2. February 24, 2015 Memo – WFSE FY 2015-16 Proposed Budget
3. SGA Groundwater Management Activities Presentation
4. SCGA Groundwater Management Activities Presentation
5. Overview of Sustainable Groundwater Management Activities of 2014 Presentation



## WATER FORUM SUCCESSOR EFFORT

Thursday, March 12, 2015

5:30 PM – 8:30 PM

Clunie Community Center

**\*\* ALHAMBRA ROOM \*\***

601 Alhambra Blvd.

Sacramento, CA 95816

### Agenda

5:30 DINNER

5:45 INTRODUCTIONS

6:00 DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS

6:15 ACTION ITEM FY2015-2016 Water Forum Budget

6:30 PRESENTATION SGA Groundwater Management Activities  
- Rob Swartz, Regional Water Authority

6:50 PRESENTATION SCGA Groundwater Management Activities  
- Darrell Eck, Sacramento County Water Agency

7:10 PRESENTATION South County Groundwater Management Activities  
- Mike Wackman

7:30 PRESENTATION Overview of Sustainable Groundwater Management Activities of 2014  
- John Woodling, Regional Water Authority

7:50 UPDATES Flow Standard – Tom Gohring  
Habitat Management – Lilly Allen  
Water Conservation – Mark Roberson  
Water Supply & River Conditions – Tom Gohring

8:30 ADJOURN

**Clunie Community Center:** located in McKinley Park in East Sacramento, just a few blocks from the Water Forum office. Entrance is near the corner of F Street on Alhambra Blvd. through the McKinley Library main lobby, up a flight of stairs or elevator. Just follow the Water Forum sign.





Sacramento City-County  
Office of Metropolitan  
Water Planning

**To:** Water Forum Coordinating Committee Members  
**From:** Tom Gohring, Executive Director  
**Date:** February 24, 2015  
**Subject:** Fiscal Year 2015-16 Proposed Budget

Attached are the proposed Fiscal Year 2015-16 budgets for the Water Forum Successor Effort and the Habitat Management Element for your approval at your February 26, 2015 meeting.

Please note the following key items:

- **Habitat Management Element**

Contributions for the HME were increased by 2.75% pursuant to the Water Forum Agreement annual construction cost inflation adjustment as published in the Engineering News Record. This budget includes only revenue projections for the City and County of Sacramento, any additional contributions are unpredictable and therefore not included here.

- **Water Forum Successor Effort**

We propose an increase of approximately 1.7% in the FY 2015-16 WFSE budget. This is due primarily to an expected 2.7% increase in labor and benefits costs including:

- Cost-of-living increases for three positions (mandated by current labor agreements)
- Proposed 2% cost-of-living increase for Executive Director. Per your request at our last meeting, the following references related to cost increased from 2013 to 2014 were consulted in developing the proposed cost increase:
  - U.S. Bureau of Labor Statistics Employment Cost Index (ECI) for wages and salaries, for civilian management, professional: 2.0% increase (<http://www.bls.gov/news.release/eci.t08.htm>)
  - ECI for all wages and salaries, for the Pacific Region: 2.50% increase (<http://www.bls.gov/news.release/eci.t10.htm>)
  - Engineering News Record construction cost index (same as HME): 2.75% increase
  - Consumer Price Index for Northern California: 2.4% increase ([http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Price.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm))
  - Approved COLA for City of Sacramento represented administrative staff: 2.0% increase

The only other increased cost in the WFSE budget is approximately \$3,000 increase in local transportation costs, which reflect increased meeting activity associated with the Dry Year Conference meetings.

Please contact Tom Gohring (916-808-1998) if you have questions regarding this information.



**DRAFT**

**Water Forum Annual Budget  
Fiscal Year 2015-16  
- Overview -**

	FY 2014-15 Approved	FY 2015-16 Proposed	Difference	
<b>FUNDING</b>				
Water Forum Successor Effort (WFSE)	917,962	933,363	15,401	1.68%
Habitat Management Element (HME)	599,252	615,731	16,479	2.75%
<b>Water Forum Subtotal</b>	<b>1,517,214</b>	<b>1,549,094</b>	<b>31,881</b>	<b>2.10%</b>
Fund Balance Draw	1,250,000	1,167,000	-83,000	-6.64%
<b>Grand Total</b>	<b>2,767,214</b>	<b>2,716,094</b>	<b>-51,119</b>	<b>-1.85%</b>

**EXPENDITURES****Water Forum Successor Effort**

Staff / Labor and Benefits	459,748	472,249	12,501	2.72%
Operating Services and Supplies	164,714	167,614	2,900	1.76%
Consulting Services and Programs	293,500	293,500	0	0.00%
<b>WFSE Subtotal</b>	<b>917,962</b>	<b>933,363</b>	<b>15,401</b>	<b>1.68%</b>

**Habitat Management Element**

Consulting Services and Programs	133,000	140,000	7,000	5.26%
LAR Flow Management Standard	466,252	475,731	9,479	2.03%
<b>HME Subtotal</b>	<b>599,252</b>	<b>615,731</b>	<b>16,479</b>	<b>2.75%</b>

<b>Water Forum Subtotal</b>	<b>1,517,214</b>	<b>1,549,094</b>	<b>31,880</b>	<b>2.10%</b>
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**Fund Balance**

LAR Flow Management Standard EIR	1,250,000	1,167,000	-83,000	-6.64%
<b>Grand Total</b>	<b>2,767,214</b>	<b>2,716,094</b>	<b>-51,120</b>	<b>-1.85%</b>

**GRANT ACTIVITY**

Gravel Augmentation (\$4.4M to date)	880,000	400,000	-480,000	-54.55%
Other Restoration (\$4.42M to date)	0	0	0	n/a
<b>Grant Subtotal (\$8.82M to date)</b>	<b>880,000</b>	<b>400,000</b>	<b>-480,000</b>	<b>-54.55%</b>

**FUND BALANCE REPORTS**

	06/30/13	06/30/14	Difference
Water Forum Successor Effort	353,000	167,000	-186,000
Habitat Management Element	1,499,000	1,500,000	1,000
<b>Total Fund Balance</b>	<b>1,852,000</b>	<b>1,667,000</b>	<b>-185,000</b>

**DRAFT**

## Water Forum Annual Budget

Fiscal Year 2015-16  
- Proposed Expenditures -

	FY 2014-15 Approved	Difference		FY 2015-16 Proposed
<b>WATER FORUM SUCCESSOR EFFORT</b>				
Staff / Labor and Benefits	459,748	12,501	2.72%	472,249
Furlough Savings	0	0	n/a	0
<b>Subtotal</b>	<b>459,748</b>	<b>12,501</b>	<b>2.72%</b>	<b>472,249</b>
<b>Operating Services and Supplies</b>				
Leased office space	38,514	0	0.00%	38,514
Special projects	20,000	0	0.00%	20,000
City administrative costs	39,000	0	0.00%	39,000
Outreach and sponsorships	15,000	0	0.00%	15,000
Food and catering for meetings	7,000	0	0.00%	7,000
Printing	5,000	0	0.00%	5,000
Transportation/local	4,000	0	0.00%	4,000
Legal services	10,000	0	0.00%	10,000
Travel / lodging / registration fees / meeting rooms	3,100	2,900	93.55%	6,000
Office supplies, AV, subscriptions/membership	5,000	0	0.00%	5,000
Rental and maintenance of equipment	5,100	0	0.00%	5,100
Telecommunications	6,500	0	0.00%	6,500
Computer supplies, services/software, web site	6,000	0	0.00%	6,000
Postage & delivery services	500	0	0.00%	500
<b>Subtotal</b>	<b>164,714</b>	<b>2,900</b>	<b>1.76%</b>	<b>167,614</b>
<b>Consulting Services / Programs</b>				
LAR Flow Management Standard	8,000	0	0.00%	8,000
Technical support	165,000	0	0.00%	165,000
Mediation/facilitation	75,500	0	0.00%	75,500
Water conservation	45,000	0	0.00%	45,000
<b>Subtotal</b>	<b>293,500</b>	<b>0</b>	<b>0.00%</b>	<b>293,500</b>
<b>WFSE Subtotal</b>	<b>917,962</b>	<b>15,401</b>	<b>1.68%</b>	<b>933,363</b>
<b>HABITAT MANAGEMENT ELEMENT</b>				
<b>Consulting Services / Programs</b>				
LAR Flow Management Standard	466,252	9,479	2.03%	475,731
Technical support	17,000	3,000	17.65%	20,000
Mediation/facilitation	20,000	0	0.00%	20,000
LAR projects	60,000	0	0.00%	60,000
Survey and monitoring	36,000	4,000	11.11%	40,000
<b>HME Subtotal</b>	<b>599,252</b>	<b>16,479</b>	<b>2.75%</b>	<b>615,731</b>
<b>Water Forum Subtotal</b>	<b>1,517,214</b>	<b>31,880</b>	<b>2.10%</b>	<b>1,549,094</b>
<b>FUND BALANCE</b>				
<b>LAR Flow Management Standard EIR</b>				
<b>WFSE Fund Balance</b>	<b>350,000</b>	<b>-183,000</b>	<b>-52.29%</b>	<b>167,000</b>
<b>HME Fund Balance</b>	<b>900,000</b>	<b>100,000</b>	<b>11.11%</b>	<b>1,000,000</b>
<b>Fund Balance Subtotal</b>	<b>1,250,000</b>	<b>-83,000</b>	<b>-6.64%</b>	<b>1,167,000</b>
<b>Grand Total</b>	<b>2,767,214</b>	<b>-51,120</b>	<b>-1.85%</b>	<b>2,716,094</b>

**DRAFT**

**Water Forum Annual Budget  
Fiscal Year 2015-16**

**- Summary of Projected Funding Sources -**

**WFSE**

Sacramento County - Zone 13	485,965
City of Sacramento	267,063
City of Roseville	80,468
City of Folsom	38,880
Placer County Water Agency	20,344
Sacramento Municipal Utility District	17,577
San Juan Water District in Placer County	13,732
El Dorado County Water Agency	9,334
<b>Subtotal</b>	<b>933,363</b>

**HME**

Sacramento County - Zone 13	410,487
City of Sacramento	205,244
Non CVP Diversions	0
Golden State Water Company	0
<b>Subtotal</b>	<b>615,731</b>

**Draw From Fund Balance**

WFSE	167,000
HME	1,000,000
<b>Subtotal</b>	<b>1,167,000</b>

**Combined Total** 2,716,094

**DRAFT**

**Water Forum Annual Budget**  
**Fiscal Year 2015-16**  
**- WFSE Cost Share -**

<b>Purveyors / Organizations</b>	<b>Active Connections on 12-31-14</b>	<b>Cost Share</b>	<b>Percent of the total</b>
Zone 13, Sacramento County unincorporated area <sup>1</sup>	250,555	485,965	52.07%
City of Sacramento	137,693	267,063	28.61%
City of Roseville	41,488	80,468	8.62%
City of Folsom	20,046	38,880	4.17%
Placer County Water Agency <sup>2</sup>	10,489	20,344	2.18%
Sacramento Municipal Utility District <sup>3</sup>	n/a	17,577	1.88%
San Juan Water District in Placer County	7,080	13,732	1.47%
El Dorado County Water Agency <sup>4</sup>	n/a	9,334	1.00%
<b>Total</b>	<b>467,351</b>	<b>933,363</b>	<b>100.00%</b>

**NOTES:**

<sup>1</sup>Zone 13 funds will be used to cover the financial contributions for water purveyors serving the unincorporated areas of Sacramento County and the cities of Citrus Heights, Rancho Cordova and Elk Grove. (The Zone 13 breakdown is on the next page of this packet.)

<sup>2</sup>For Placer County Water Agency, it is assumed that 66.7 percent of their 31,499 connections are regularly served by the Yuba/Bear Rivers. Therefore, the remaining 10,489 connections are included in this calculation. As PCWA continues to develop the American River and develops the Sacramento River diversion included in the Water Forum Agreement, connections served by these supplies will be included in the allocation procedure.

<sup>3</sup>Contributions by the Sacramento Municipal Utility District was initially set annually at \$10,000. This contribution is adjusted each year for inflation as set by the January issue of the "Engineering News Record" published Construction Cost Index (CCI) for US - 20 Cities Average and for the San Francisco Area per the Water Forum Agreement (page 87). The annual adjustment is calculated using the average of the CCI for these two areas, currently 2.75%. This % is multiplied by the prior year contribution amount to determine the amount of increase/decrease.

<sup>4</sup>El Dorado County Water Agency contributes a flat one percent of the total budget on behalf of the El Dorado Irrigation District and the Georgetown Divide Public Utility District, all of which currently have Water Forum Procedural Agreements. As soon as these purveyors have negotiated Specific Agreements, they will contribute to the Water Forum Successor Effort on the same basis as other purveyors that have Specific Agreements.

**DRAFT**

Water Forum Annual Budget  
Fiscal Year 2015-16

- SCWA Zone 13 and Cities of Citrus Heights and Elk Grove -

Purveyors / Organizations	Active Connections on 12-31-14	Percent of Zone 13
California-American Water Company	58,841	23.48%
Carmichael Water District	11,793	4.71%
Citrus Heights Water District	19,674	7.85%
Clay Water District	n/a	0.00%
Del Paso Manor Water District	1,797	0.72%
Elk Grove Water District	12,216	4.88%
Fair Oaks Water District	13,809	5.51%
Florin County Water District	2,227	0.89%
Galt Irrigation District	n/a	0.00%
Golden State Water Company	16,330	6.52%
Natomas Central Mutual Water Company	n/a	0.00%
Omochumne-Hartnell Water District	n/a	0.00%
Orange Vale Water Company	5,751	2.30%
Rancho Murieta Community Services District	2,614	1.04%
Rio Linda/Elverta Community Water District	4,514	1.80%
Sacramento County Water Agency	51,868	20.70%
Sacramento Suburban Water District	45,683	18.23%
San Juan Water District (in Sacramento County)	3,438	1.37%
<b>Total</b>	<b>250,555</b>	<b>100.00%</b>

**DRAFT**

**Water Forum Annual Budget<sup>1</sup>  
Fiscal Year 2015-16**

**- HME Cost Share Projection -**

	<b>2014-15 Approved</b>	<b>2015-16 Proposed</b>	<b>Difference</b>	
County of Sacramento - Zone 13	399,501	410,487 <sup>2</sup>	10,986	2.75%
City of Sacramento	199,751	205,244 <sup>2</sup>	5,493	2.75%
Non CVP Diversions	0	0 <sup>3</sup>	0.00%	n/a
Golden State Water Company	0	0 <sup>4</sup>	0.00%	n/a
<b>Total</b>	<b>599,252</b>	<b>615,731</b>	<b>16,479</b>	<b>2.75%</b>

<sup>1</sup>The Water Forum Agreement describes the cost-sharing process among the Water Forum purveyors for the Habitat Management Element on pages 86-87.

<sup>2</sup>Contributions by the City of Sacramento and County of Sacramento were initially set annually at \$125,000 and \$250,000, respectively. These contributions are adjusted each year for inflation as set by the January issue of the "Engineering News Record" published Construction Cost Index (CCI) for US - 20 Cities Average and for the San Francisco Bay Area. The annual adjustment is using the average of the CCI for these two areas, currently 2.75%. This % is multiplied by the prior year contribution amount to determine the amount of increase/decrease.

<sup>3</sup>Other purveyors with contracts for Central Valley Project water agreed to contribute to the HME in those years when they divert non-CVP water above their baseline. The potential value of these contributions is unknown at the time budgets are prepared.

<sup>4</sup>Golden State Water Company agreed to contribute to the HME for water diverted under its replacement water supply contract with SMUD. The potential value of this contribution is unknown at the time budgets are prepared.

# SGA Groundwater Management Update

Water Forum Plenary  
March 12, 2015

# Overview

- Adopted update to Groundwater Management Plan
- Developed quantifiable management objective indicators
  - Groundwater volumes
  - Groundwater levels
  - Groundwater quality



# Groundwater Management Plan Update

- Third in planned ongoing updates to GMP
- Goal  
**Provide reliable and sustainable groundwater resources for the existing and future needs of the region**
- Quantified Management Objective Indicators

**Sacramento Groundwater Authority**

## **Groundwater Management Plan**

**Sacramento County - North Basin**



December 2014

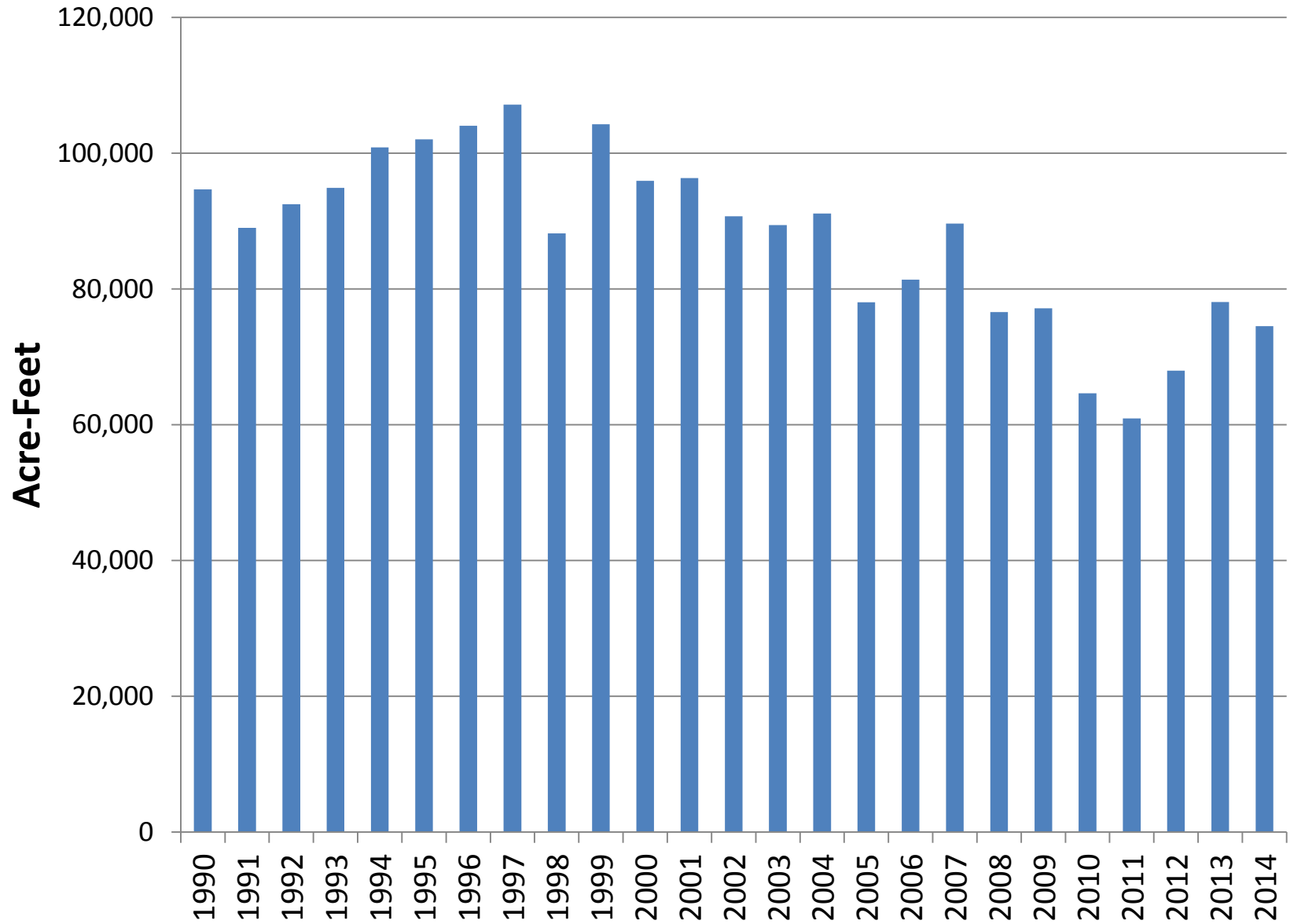
# Management Objective Indicators

- Groundwater Extraction
  - Water Forum Sustainable Yield (131,000 acre-feet)
  - SGA Central Area Groundwater Goal (90,000 acre-feet)
- Groundwater Levels
  - Levels in Indicator “Threshold Wells”
- Groundwater Quality
  - Maximum Contaminant Level (MCL) Exceedances
  - Total Dissolved Solids (TDS) Trends

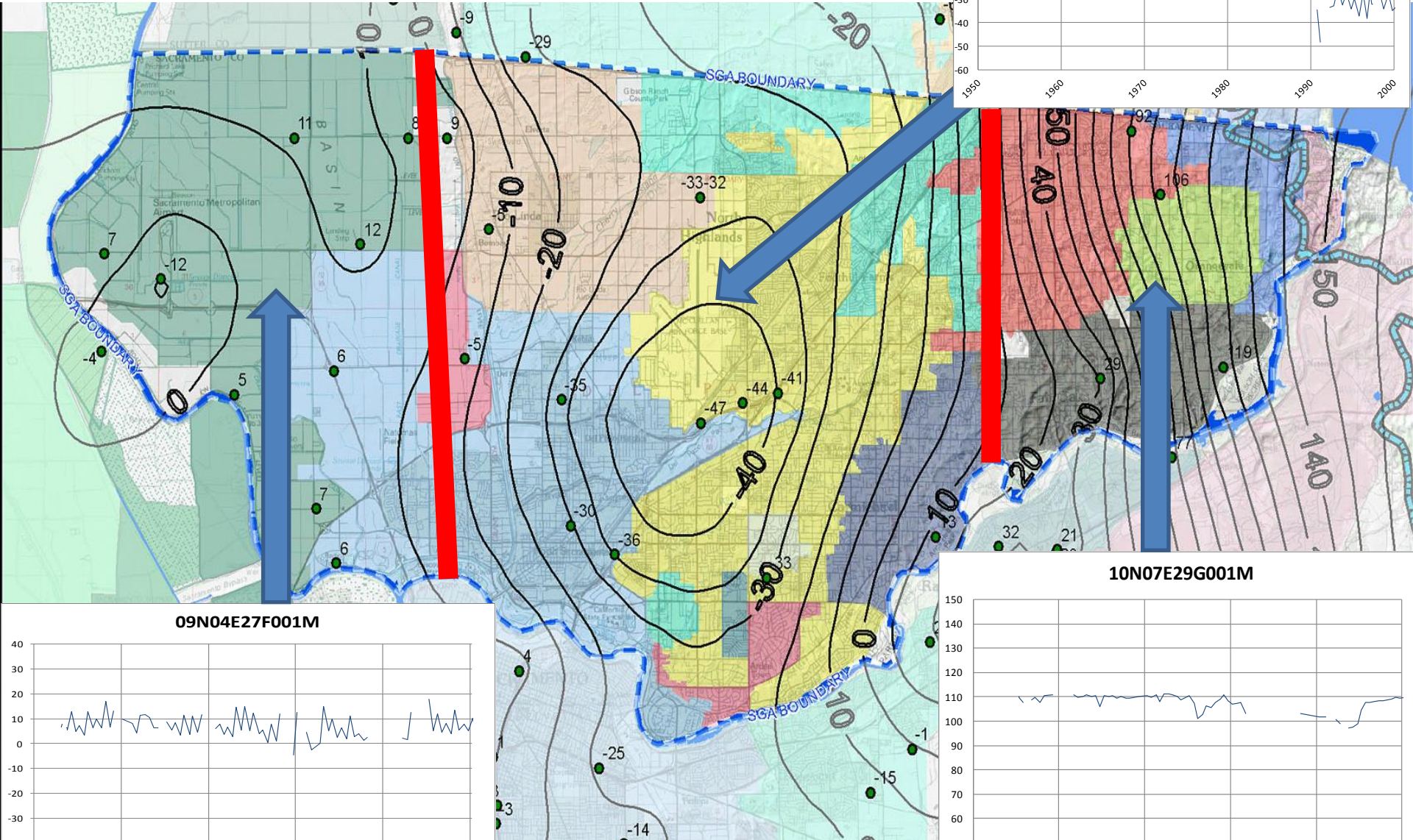
# Groundwater Extraction

- Annual reporting by water purveyors
- If exceeding targets, work with local purveyors to:
  - identify impacts in basin;
  - identify and implement actions to mitigate impacts;
  - identify and implement actions to operate within targets.

# Groundwater Use Trends



# SGA Central Area



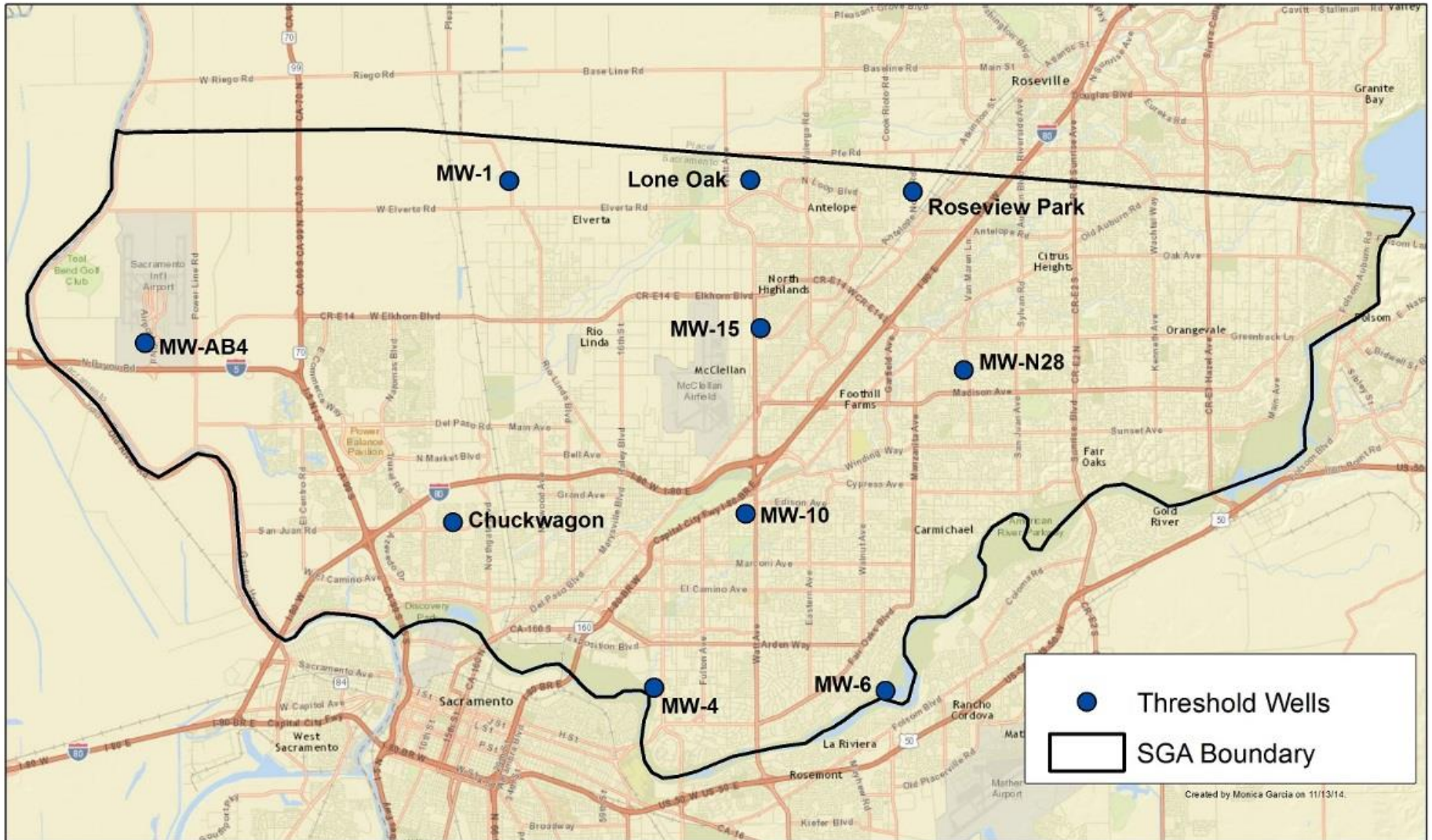
# Water Accounting Framework

<b>Agency</b>	<b>Pumping Prior to SGA (ac-ft)</b>	<b>Sustainability Reduction (ac-ft)</b>	<b>Sustainable Target (ac-ft)</b>
<b>Carmichael WD</b>	<b>7,516</b>	<b>870</b>	<b>6,646</b>
<b>City of Sacramento</b>	<b>23,287</b>	<b>2,696</b>	<b>20,591</b>
<b>California American Water</b>	<b>20,351</b>	<b>2,356</b>	<b>17,995</b>
<b>Del Paso Manor WD</b>	<b>1,657</b>	<b>192</b>	<b>1,465</b>
<b>Golden State WC</b>	<b>1,242</b>	<b>144</b>	<b>1,098</b>
<b>Rio Linda/Elverta Community WD</b>	<b>3,259</b>	<b>377</b>	<b>2,882</b>
<b>Sacramento County WA</b>	<b>4,850</b>	<b>562</b>	<b>4,288</b>
<b>Sacramento Suburban WD</b>	<b>39,622</b>	<b>4,587</b>	<b>35,035</b>
<b>Total</b>	<b>101,784</b>	<b>11,784</b>	<b>90,000</b>

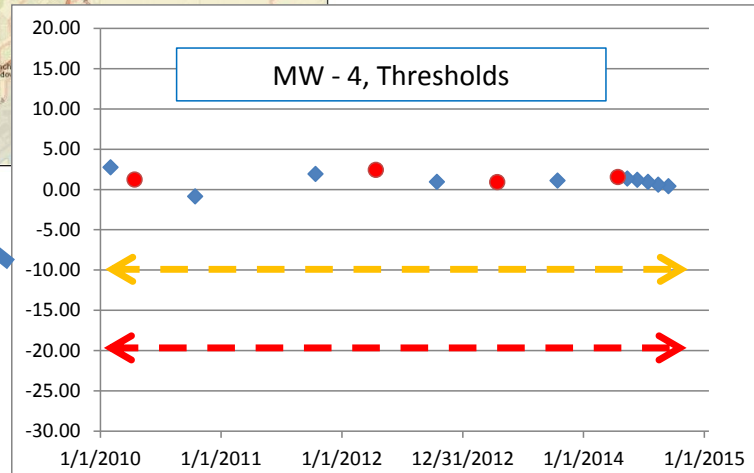
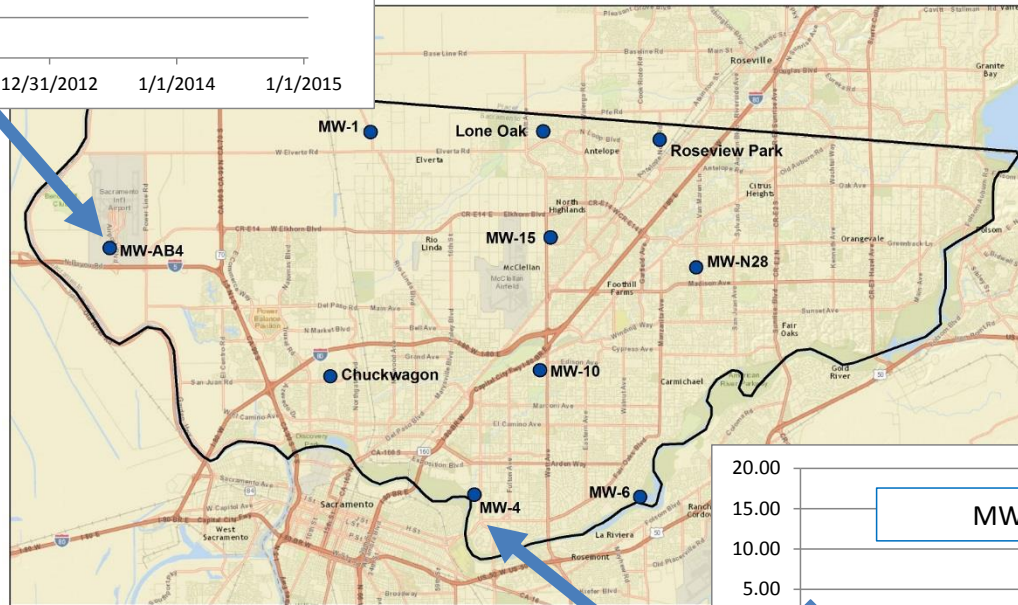
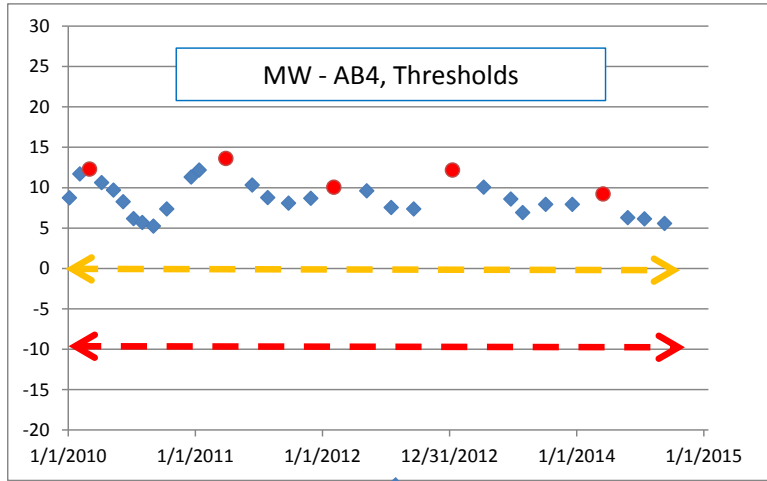
# Groundwater Levels

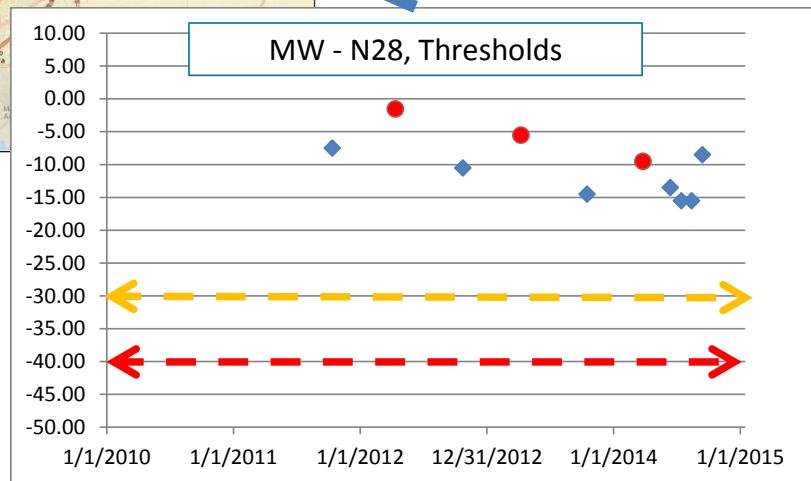
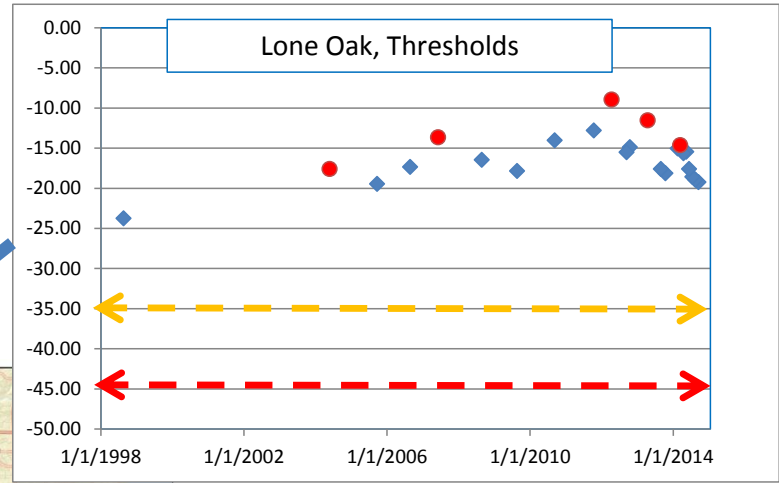
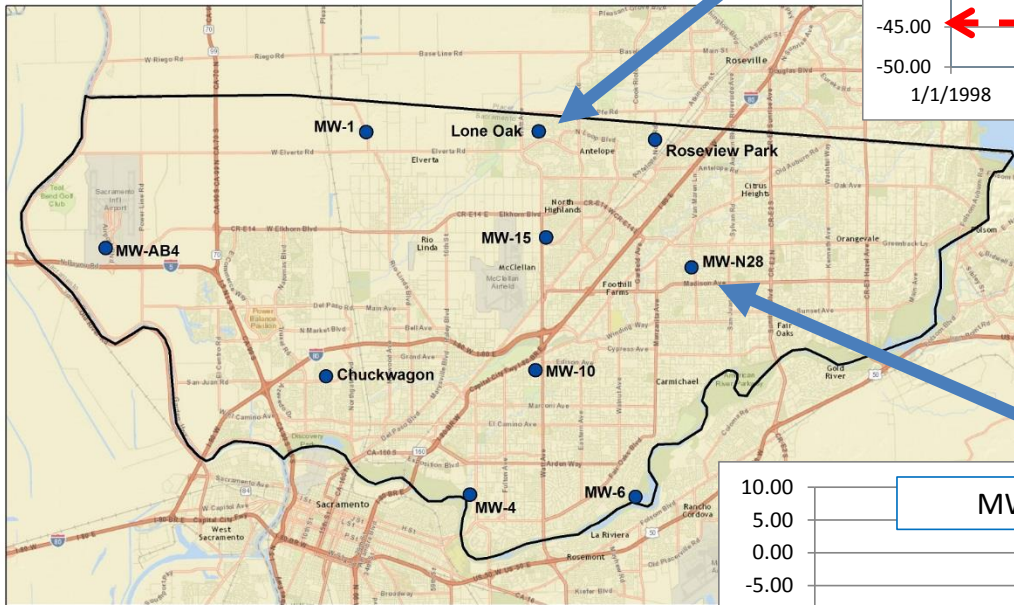
- Subset of monitoring network identified as Threshold Wells
- Intended to:
  - limit impacts to neighbor management areas
  - limit future changes to surface water/groundwater relationship
  - limit internal impacts (e.g., contaminant migration, potential subsidence)
- Based on historical lows in basin and Water Forum sustainable yield evaluation

# Threshold Well Locations









# Threshold Responses

- If groundwater levels recede to the upper threshold level, actions may include:
  - increase monitoring to determine potential causes of the observed drawdown and if there are other impacted users of groundwater;
  - notify the SGA Board and potentially impacted users;
  - identify range of actions that can be implemented to respond to verified problems associated with the drawdown of groundwater levels in the area.

# Threshold Responses (cont.)

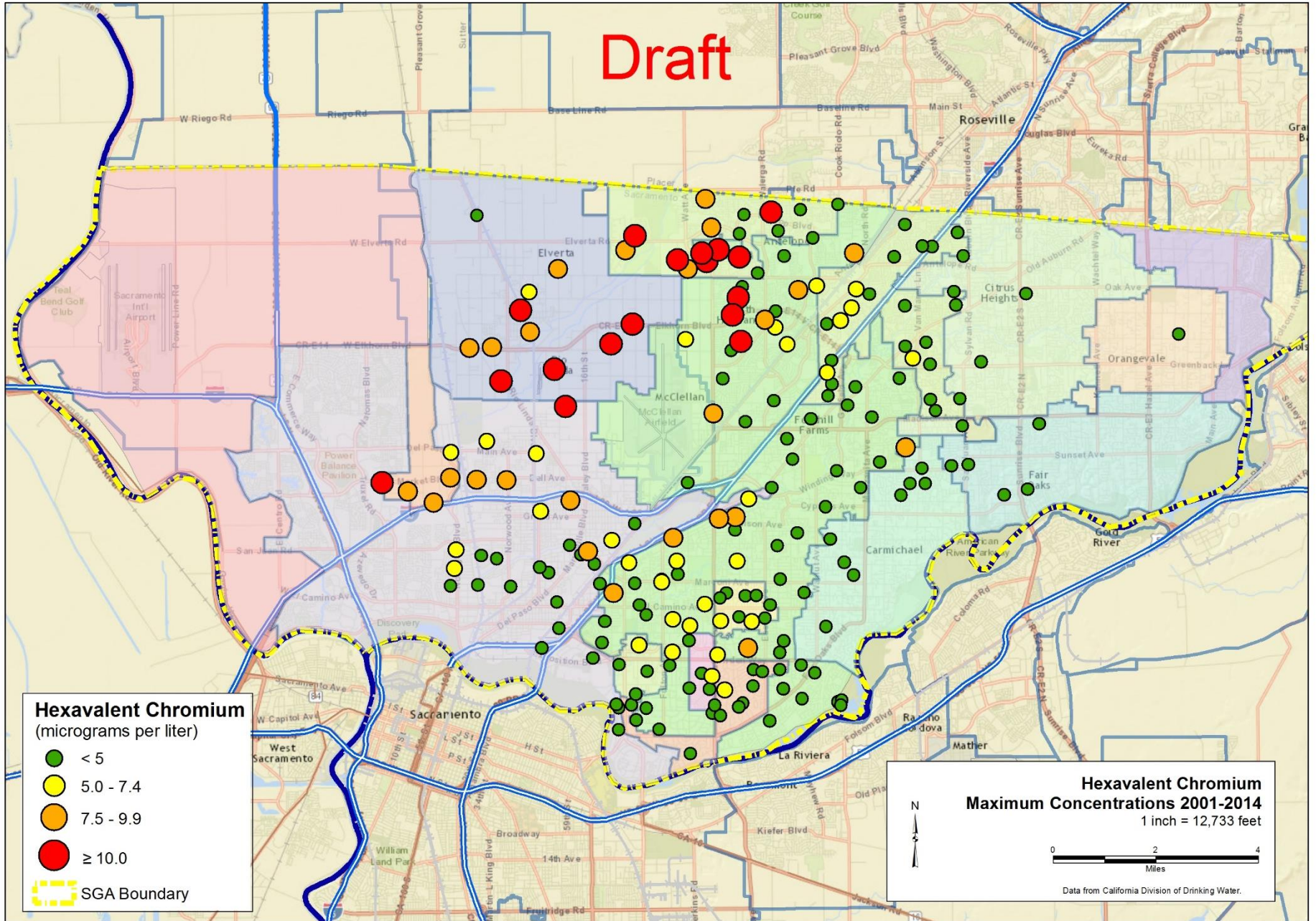
- If groundwater levels reach the lower threshold level in a well, consider additional actions, which may include:
  - implement actions that were identified from the upper threshold exceedance;
  - mitigate impacts to other impacted users of groundwater.

# Groundwater Quality

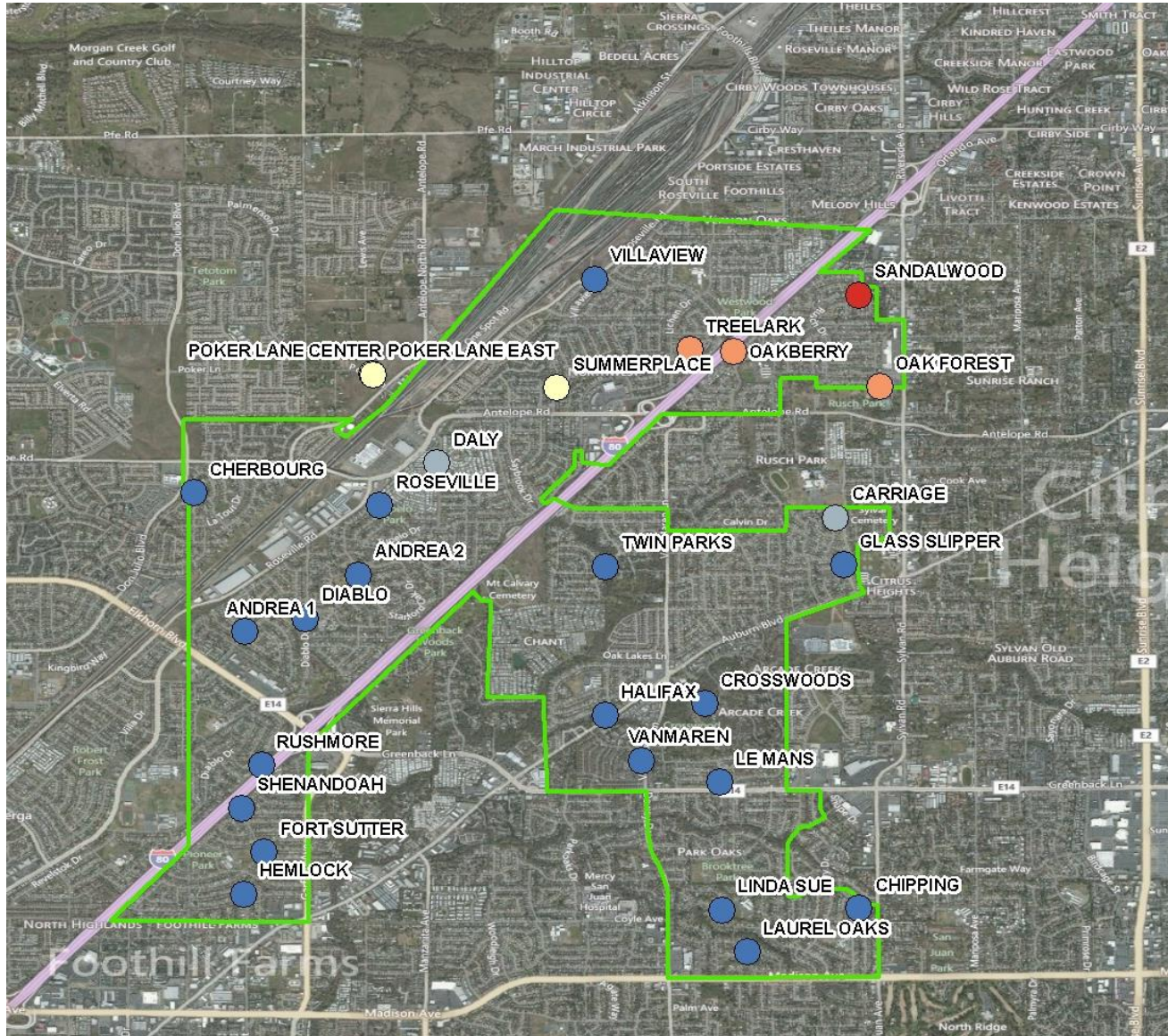
- MCL Exceedances
  - Water purveyors will report to SGA annually
  - SGA will locate information spatially
- Actions could include, but are not limited to:
  - request additional monitoring by the water purveyor within the well or in nearby wells;
  - bring the issue to the attention of regulatory agencies;
  - bring to Regional Contamination Issues Committee for discussion and suggestions for additional action.

# North Sacramento County Hexavalent Chromium in Public Supply Wells

Draft



# PCE Contamination Study



# Contact

Rob Swartz

[rswartz@rwah2o.org](mailto:rswartz@rwah2o.org)

916-967-7692

[www.sgah2o.org](http://www.sgah2o.org)



# SCGA Groundwater Management Update

Water Forum Plenary  
March 12, 2015

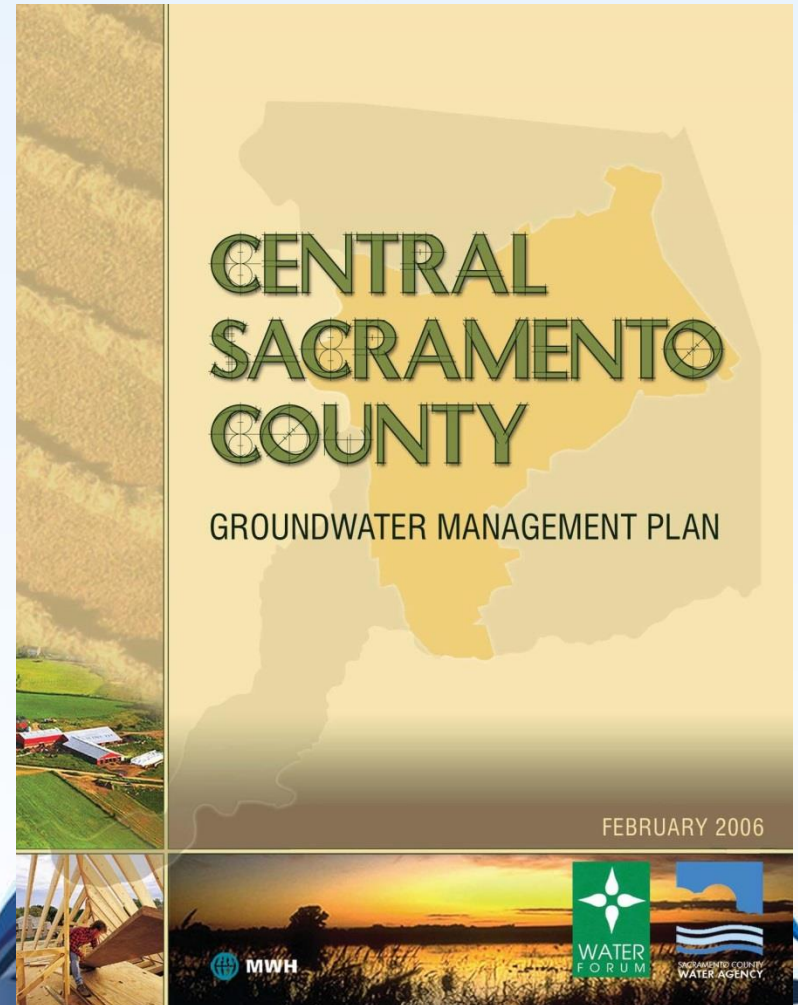
# Overview

- Groundwater Management Plan
- Groundwater Accounting Program
- Agricultural Demand Estimate
- BMO Threshold Development
- Recharge Mapping



# Groundwater Management Plan

The groundwater management plan is a tool to help ensure a long-term reliable water supply for rural domestic, agricultural, urban, business/industrial, environmental, and development uses in the region.



# Basin Management Objectives

- Groundwater Extraction
  - Water Forum Sustainable Yield (273,000 acre-feet)
- Groundwater Levels
- Subsidence
- Adverse Impacts to Surface Water
- Water Quality

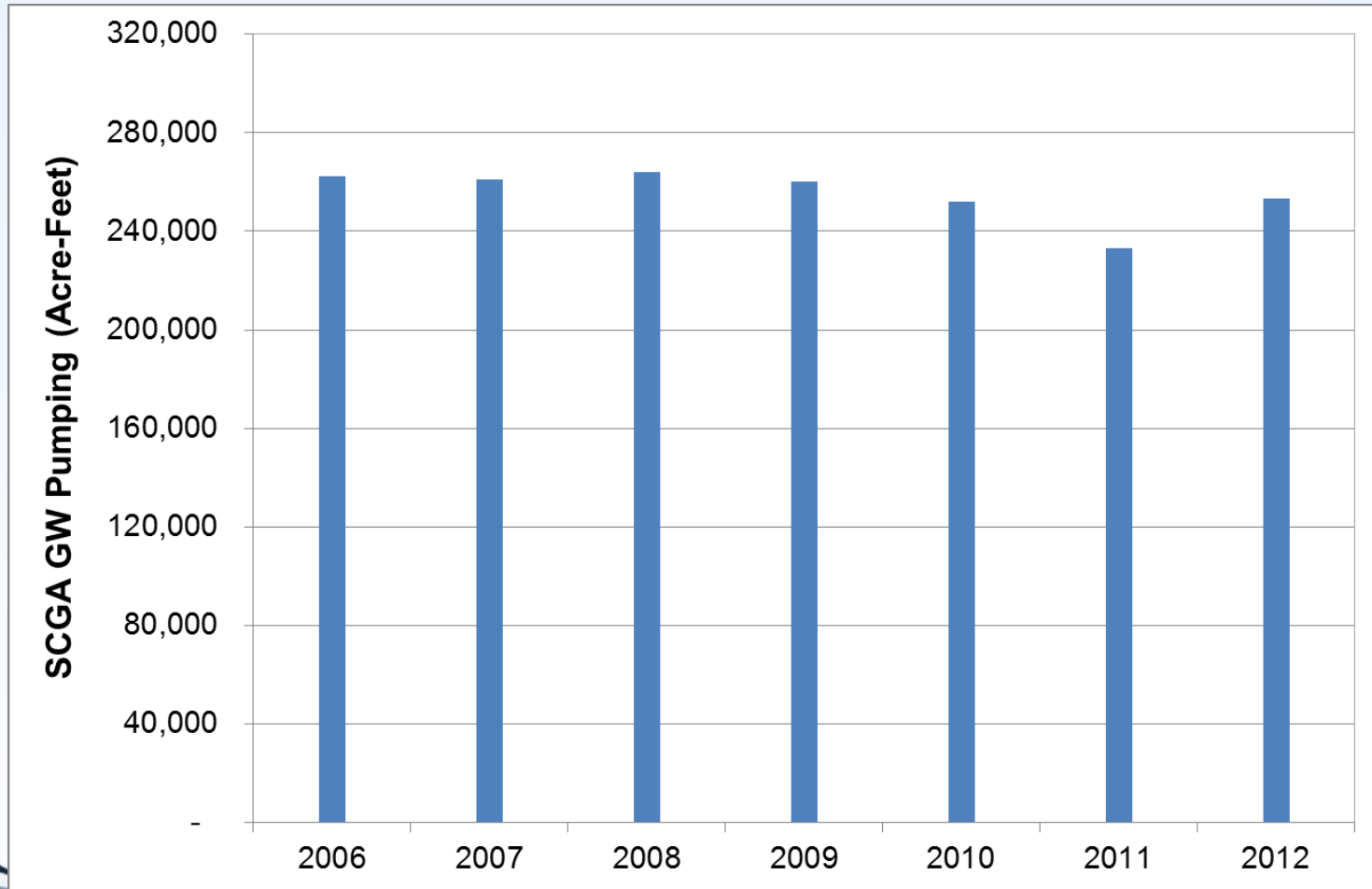


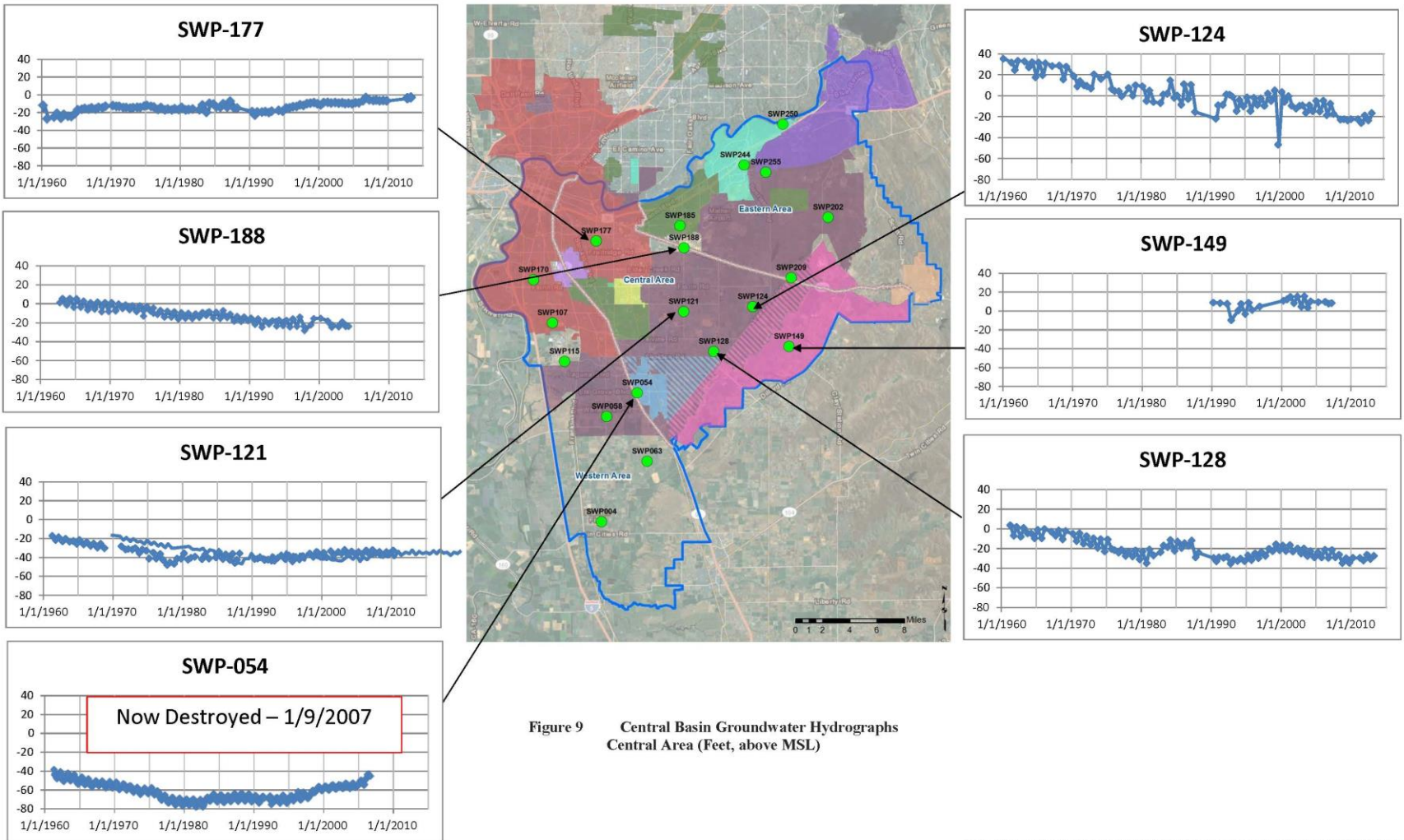
# Groundwater Extraction

- Annual reporting by water purveyors
- Extractions reported in biennial report including:
  - Reported meter data;
  - Estimates (primarily based on UWMPs);
  - Agriculture and Ag-Res; and
  - Remediated groundwater.



# Groundwater Use Trends





Note: Groundwater hydrograph elevations are based on the NAVD88 datum

# Groundwater Accounting Program

- Provides a means for banking water in the Central Basin
- Will include assurances for both the entity banking the water and stakeholders in the basin
- Program is currently under development





# Agricultural Demand Estimate

- Pumping data available from most public entities and remediation sites – pumping data not available on agricultural and ag-res wells
- Estimate based on water demands for:
  - Vineyards and orchards
  - Field and truck crops
  - Pasture and hay
  - Rural residential



# BMO Threshold Development

- Program identified as BMO 2 in GMP
  - General criteria spelled out in Appendix B
- Program contains:
  - Monitoring actions
  - Trigger points
  - Recommended actions
- AB 303 grant work further defining and refining process

# Recharge Mapping

- Required through AB 359 – now required as part of the Sustainability Act
- Provides a greater understanding of recharge from:
  - Precipitation and applied water
  - Rivers
  - Subsurface flows at boundaries



# **Implementing The Sustainable Groundwater Management Act**



**SACRAMENTO GROUNDWATER AUTHORITY**

# Overview

- Requirements of the Act
- Implementation in the Sacramento Region

# What is Sustainability?

- Undesirable results

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies
- Significant and unreasonable land subsidence that substantially interferes with surface land uses
- Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

# Requirements of the Act

- Establish a Groundwater Sustainability Agency by June 30, 2017
- Adopt and implement a Groundwater Sustainability Plan by January 31, 2022
- Achieve Sustainability by 2042.

# Authorities

- Assess Fees
- Require reporting of extractions
- Require reduction of extractions
- No well permitting authority

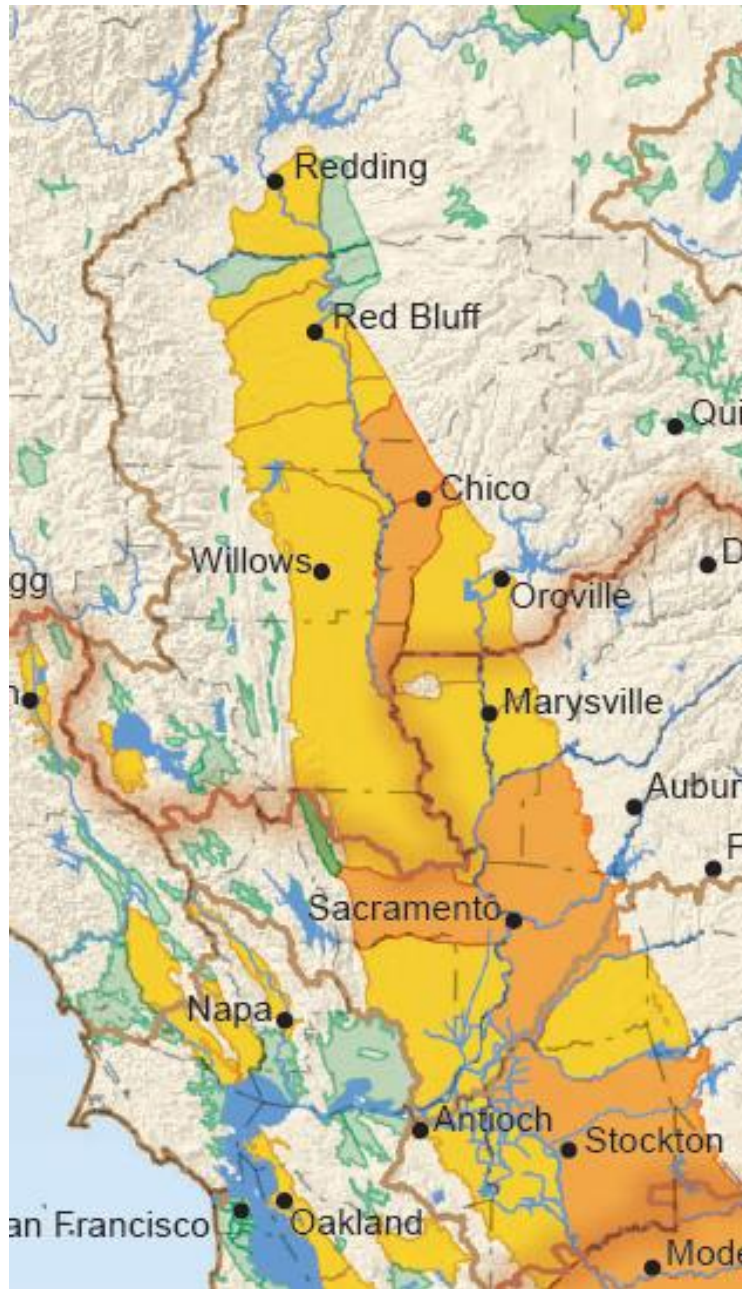


# State Intervention

- If deadlines not met...
- DWR and SWRCB may identify a basin as “probationary”
- State develops an “interim plan”
- Charges fees to cover costs
- Requires extraction reporting

# Regulation Development

- DWR will develop regulations for basin boundary revisions by January 2016
- DWR will develop regulations for coordination agreements and evaluation of plans by June 2016



 Groundwater basin/subbasin

Basin prioritization ranking

 High

 Medium

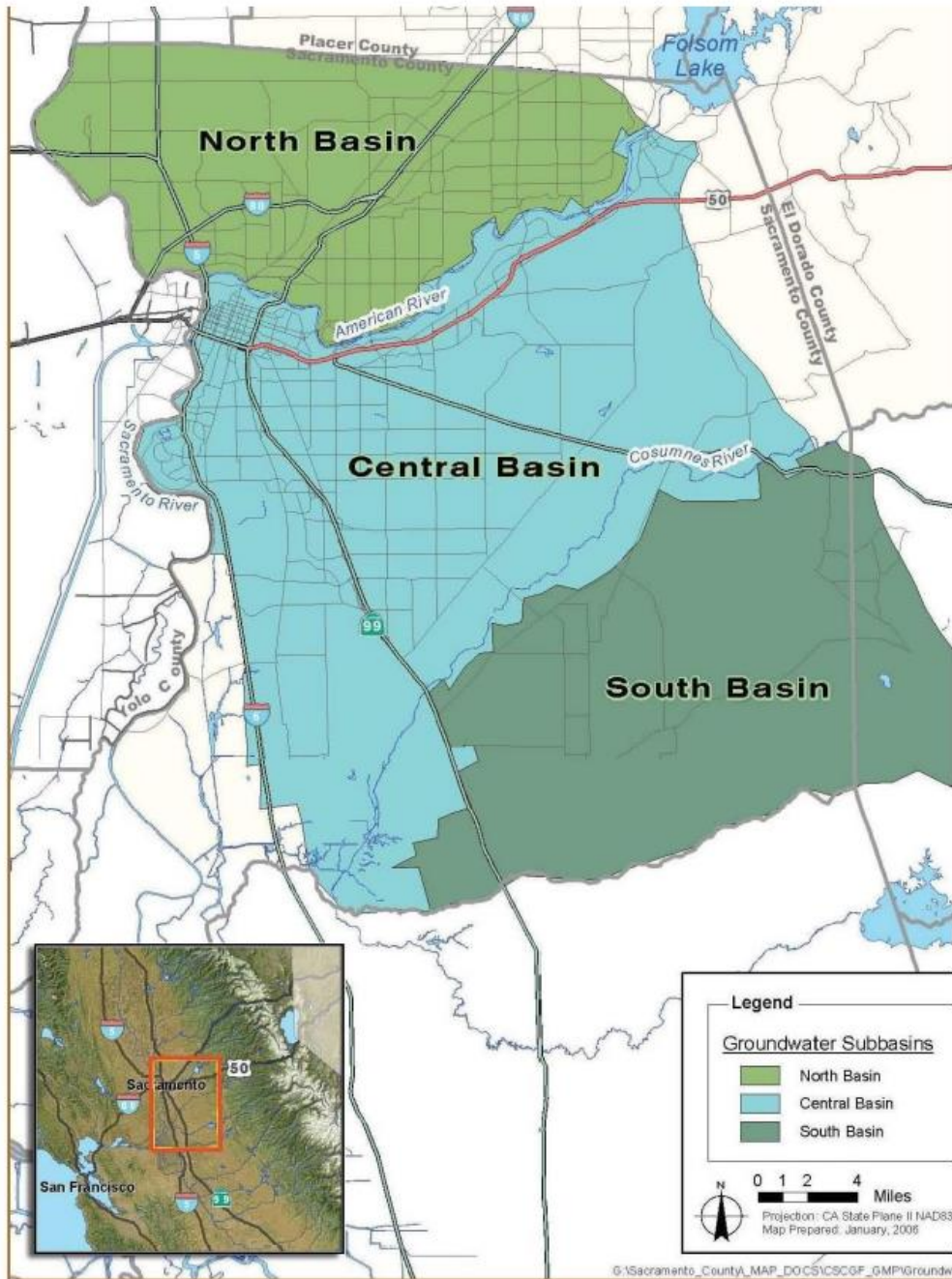
 Low

 Very low

 DWR Region Office boundary

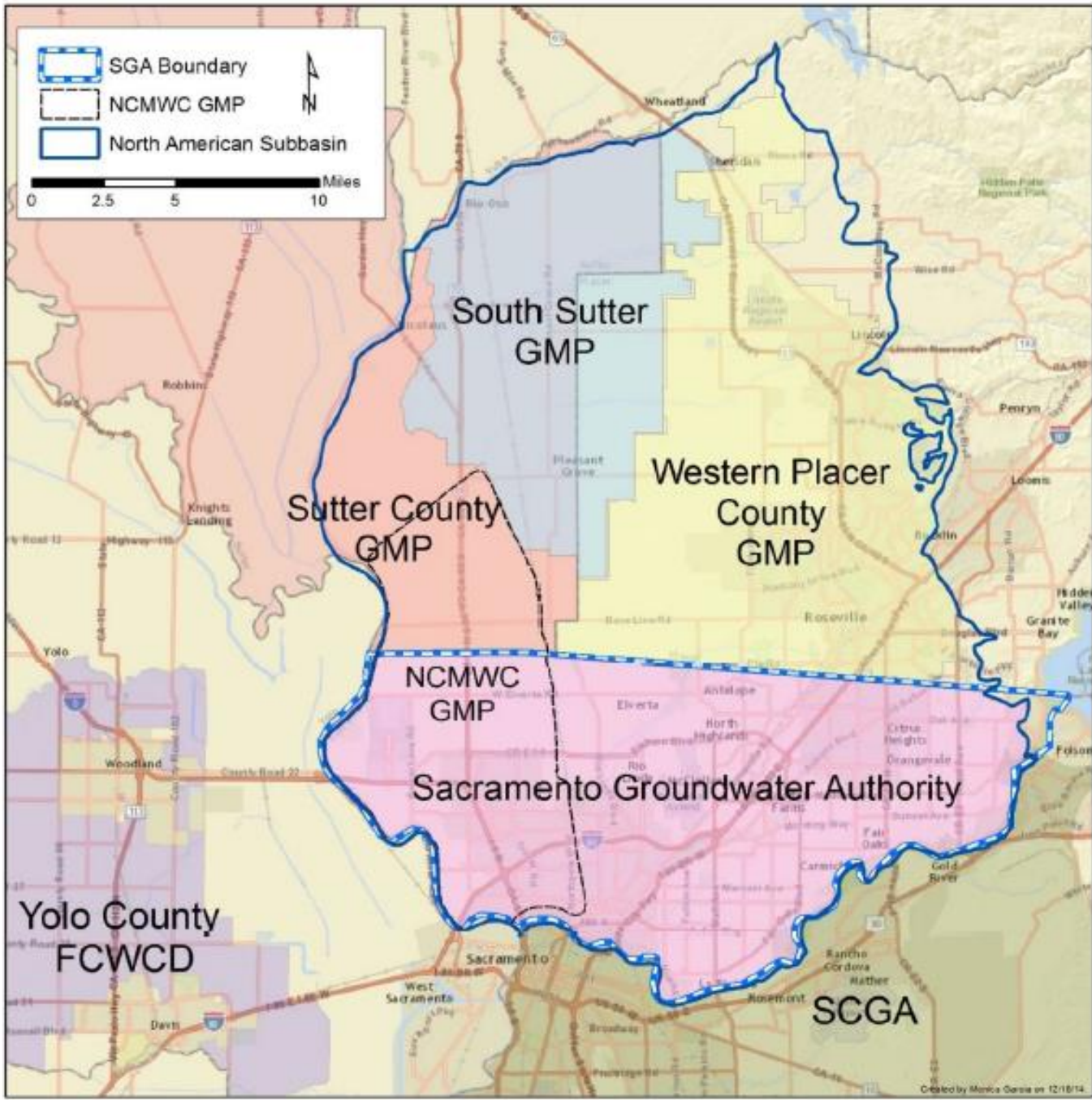
 Hydrologic region boundary

 County boundary



G:\Sacramento\_County\_MAP\_DOCS\CSCGF\_GMP\Groundw





Created by Monica Garcia on 12/18/14.

# Requirements for establishing a GSA

- Public notice and hearing
- Notice of intent to DWR
- Consider the interests of all water uses and users
- Establish and maintain a list of interested parties
- Inform DWR of resolution to be or form a GSA

# **GROUND WATER PUMPING & DRAFT INVOICE**



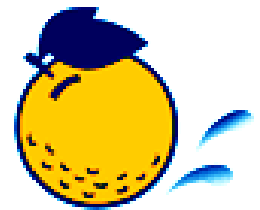
Mitch Dion  
25 March 2015

# Today's Overview

- Background of San Juan Water District's Surface Water Supply and Water Shortage Management Plan (SJWSMP)
- Overview of the Task
- Review of the Draft Invoice
- Analysis and Recommendation







CITRUS  
HEIGHTS  
WATER  
DISTRICT

# Principles of Principals



- Consistent Water Forum Agreement
- Provide a reliable and safe water supply
- Preserve the fishery, wildlife, recreational and aesthetic values

SAN JUAN WATER



Whole



FAIR OAKS  
WATER DISTRICT

## Task:

Provide an independent assessment of the “draft invoice”

## Subtasks:

- 1). Evaluate the invoice and validate methodology and cost allocation
- 2). Develop or validate methodology to provide fair and predictability for the use of groundwater to augment surface water supplies as a drought response mechanism.

## RELATED READING LIST (RRL):

- a) **Sacramento Groundwater Authority , *Water Management for the 21<sup>st</sup> Century Conjunctive Use in the Sacramento Region***
- b) **Citrus Heights Water District Annual Budget 2014**
- c) **Fair Oaks Water District Annual Budget 2014**
- d) **San Juan water District Annual Budget 2013-2014**
- e) **San Juan Water District *2010 Urban Water Management Plan***
- f) **Sacramento Suburban Water District *Review of Wholesale Wheeling and Conjunctive Use Water Rates* (HDR Jan 2014)**
- g) **City of Folsom, *Drought Probability Analysis* (Brown and Caldwell May 2008)**
- h) **Sacramento Suburban Water District *Groundwater Well Facility Asset Management Plan* (Jan 2009)**
- i) **Sacramento Suburban Water District *Strategic Energy Management Plan* (Feb 2009)**
- j) **San Juan Water District letter, *no subject(request for well pumping capacity)* to Fair Oaks Water District (July 18, 2013)**
- k) **Citrus Heights Water District letter, *Statement Regarding the Use of Remediated Groundwater* (October 16, 2006)**
- l) **Fair Oaks Water District letter, *no subject (water availability)* (February 20, 2009)**
- m) **San Juan Water District letter, *Letter on FOWD Water Supply Update* (March 26, 2014)**
- n) **San Juan Water District Staff Report *SSWD/DJWD Pump Back Project* (October 29, 2014)**
- o) **San Juan Water District letter, *Response to Comments on Proposed Pump Back Project* (June 18, 2014)**
- p) **Citrus Heights Water District letter, *Antelope Pump-Back Booster Pump Station Project* (December 1, 2014)**

# Challenges



## **Assumptions:**

- 1. That in the course of five years numerous occurrences have influenced the intentions, plans and operations which have changed the course of actions as planning in 2008 and experienced in 2014 which ultimately triggered the call for groundwater production and ultimately the very delayed invoice. Some of these events were driven internally amongst members but also the State Water and US Water management strategies also evolved making complex relationships and obligations more complex.**
- 2. That after being drafted, follow-on meetings to address specific aspects and develop policy and procedures to remove the ambiguities of the SJWSMP did not occur and that the draft plan may not have been adopted by all agencies, yet there was an understanding of how it would work in concept. And that for a number of reasons, such as mutual aid, regional communications, public satisfaction, etc... there is an expectation for regional cooperation between agencies beyond the explicit obligations and strict interpretations of the documents.**
- 3. That groundwater pumping during water shortage years has a regional value which should be recognized even if no surpluses are made available, due to offsetting the demand upon the surface water supplies.**
- 4. That groundwater pumping at nominal levels has a distorted unit costs because of the high level of fixed costs; capital and O&M which distort comparisons to wells that are pumped closer towards 80% capacity which is a level of optimization and planning often used.**
- 5. Revisions of SSWD {reference (I.)} adjusted to 2014 total cost for groundwater pumping is stated to be \$95 total expense.**

## **The methodology to determine costs and payments from the plan is provided:**

### **Rates and Charges for Groundwater**

35. Rates and charges to cover the costs of production and delivery of groundwater under this Plan will include the following: (1) Annual Facility Capital Costs for existing Groundwater Production Facilities; (2) Annual Facility Capital Costs for new or replacement Groundwater Production Facilities; (3) Operation and Maintenance Costs; and (4) Commodity Costs.

36. Annual Facility Capital Costs will be determined using the existing value of each Groundwater Production Facility divided by the years of remaining life of the facility (assuming an initial 40-year useful life for wells, piping, and buildings, and 25-year life for pumps, motors and other equipment), which will be added together to determine the total Annual Facility Capital Cost. The Annual Facility Capital Cost will be divided by the total groundwater capacity of the Groundwater Production Facility to calculate the Annual Facility Capital Cost per unit of groundwater. The Annual Facility Capital Cost will be reimbursed based on total groundwater capacity an individual Groundwater Supplier has committed to the Benefiting Agencies (based on the five-year running average of water demands and groundwater needs) under the Plan. An example of this calculation is attached to this Plan as Appendix B.

37. The amount of the Annual Facility Capital Cost and rates and charges for groundwater produced under this Plan to Benefiting Agencies will be recalculated annually. Operation and Maintenance Cost allocations will be based on the percent of each Groundwater Supplier's total groundwater capacity committed to the Benefiting Agency. Commodity Costs will be allocated based on actual per-acre-foot cost basis. An example of this calculation is attached to this Plan as Appendix B.

38. Each Groundwater Supplier will submit to San Juan an invoice documenting Operation and Maintenance Costs and Commodity Costs on a quarterly basis. Credits due to Groundwater Suppliers and payments due by Benefiting Agencies will be determined by San Juan consistent with this Plan, and will be reflected on the billing invoices that San Juan sends to the Member Agencies for charges under the wholesale water supply agreements. Payment of the rates and charges will be a condition to a Benefiting Agency receiving supplemental water supplies under the Plan.

# Draft Invoice

Agency	Years	gw af	S/af	S/Year	SJWD-R		OVWC		FOL		CHWD		FOWD	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CHWD	5.58	7,381.38	310.20	\$ 410,094	\$ 2,289,691	\$ 728,428	\$ 248,220	\$ 77,739	\$ 688,624	\$ 546,680				
FOWD	5.58	8,572.58	274.63	\$ 421,668	\$ 2,351,311	\$ 751,413	\$ 256,242	\$ 78,925	\$ 713,106	\$ 554,624				
TOTAL	5.58	15,953.96	291.09	\$ 4,644,002	\$ 4,641,002	\$ 1,479,841	\$ 504,463	\$ 156,664	\$ 1,401,730	\$ 1,101,308				
S/Year							\$ 90,352	\$ 28,059	\$ 251,056	\$ 197,248				

\$ 2,140,970 paid by non- GW pumpers

Volumetric - based on Use not Capacity  
 Reflects credits and Debits consistent w/SJWD Wholesale



# Results from methodology of SJWSMP Appendix B\*

Allocation of Annual Costs												
Driest Year Water Shortage											Adjustment to 67 months	
	Dry Condition Target MGD	Groundwater Supply MGD	MGD Shortage	GW Avail. MGD	Deficit MGD	GW Avail. %	GW Offset MGD	\$ To	\$ From		\$ to GW Pumpers	\$ from nonGW Pumpers
CHWD	8.0	9.3	-1.3	9.3	0	50.54%	3.34	\$ 91,833			\$ 512,733	
SJWD	7.0	0	7.0	0.0	4.2				\$115,621			\$ 645,553
FOWD	6.0	9.1	-3.1	9.1		49.46%	3.26	\$ 89,858			\$ 501,707	
OVWC	3.0	0	3.0	0.0	1.8	0.00%	0.00	\$ -	\$ 49,552			\$ 276,666
FOL ASH	1.0	0	1.0	0.0	0.6				\$ 16,517			\$ 92,222
	25	18.4	6.6	18.4	6.6		6.60	\$ 181,691	\$181,691		<b>\$ 1,014,440</b>	\$ 1,014,440

\*Appendix B example calculation modified for completion





# Hybrid Analysis Based upon Invoice Methodology

	Total Water Production SW +GW	Proportional Total Water Demand					Proportional Total Water Cost Assignment						
		CHWD	FOWD	Folsom	OVWC	SJRetail	CHWD	FOWD	Folsom	OVWC	SJ Retail		
9	46,786.78	32%	26%	4%	10%	29%	\$ 162,636	\$ 132,933	\$ 17,975.42	\$ 48,956.18	\$ 148,081.94		
10	43,838.26	31%	27%	3%	10%	29%	\$ 146,600	\$ 126,045	\$ 14,221.26	\$ 46,184.64	\$ 135,183.75		
11	42,285.65	31%	26%	3%	10%	30%	\$ 135,615	\$ 113,979	\$ 13,085.35	\$ 44,094.93	\$ 128,004.41		
12	45,705.94	31%	25%	3%	10%	30%	\$ 112,984	\$ 92,105	\$ 12,194.12	\$ 37,146.90	\$ 110,111.69		
13	48,581.84	31%	25%	3%	10%	31%	\$ 104,678	\$ 86,230	\$ 9,916.92	\$ 35,780.02	\$ 105,123.19		
14	21,649.04	33%	25%	3%	10%	29%	\$ 129,016	\$ 100,597	\$ 11,235.11	\$ 41,529.92	\$ 113,644.96		
							\$ 791,529	\$ 651,889	\$ 78,628.18	\$ 253,692.57	\$ 740,149.92		
							Due CHWD	\$ 384,754	\$ 316,877	\$ 38,220	\$ 123,317	\$ 359,779	\$ 1,222,947
							Due FOWD	\$ 406,775	\$ 335,013	\$ 40,408	\$ 130,375	\$ 388,000	

\$2,515,889



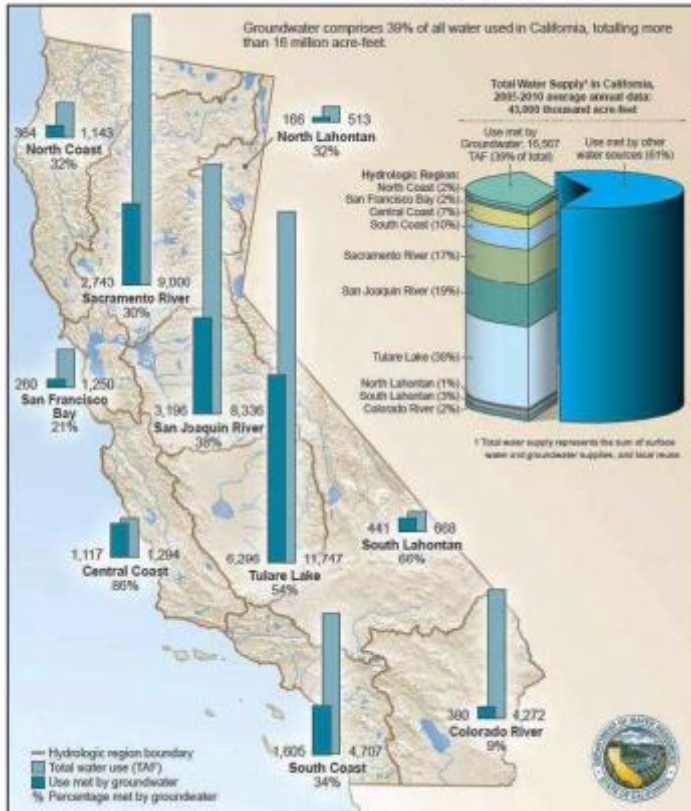
# Comparative Analysis Based upon SSWD

Comparative Cost Analysis @ SSWD

Year	Commodity Cost SSWD	Volume FOWD	Volume CHWD	Value of FOWD @SSWD Rate	Value of CHWD @SSWD Rate	Total Value of GW @SSWD Rate	CHWD	FOWD	Folsom	OVWC	San Juan Retai	Total Value of GW @SSWD
2009	\$ 80.34	1,109	2,119.58	\$ 89,084	\$ 170,287	\$ 259,371	\$ 82,618	\$ 67,529	\$ 9,131	\$ 24,869	\$ 75,224	\$ 259,371
2010	\$ 83.15	1,194	1,559.89	\$ 99,324	\$ 129,708	\$ 229,032	\$ 71,708	\$ 61,654	\$ 6,956	\$ 22,591	\$ 66,124	\$ 229,032
2011	\$ 86.06	1,516	962.38	\$ 130,481	\$ 82,825	\$ 213,305	\$ 66,849	\$ 56,184	\$ 6,450	\$ 20,724	\$ 63,098	\$ 213,305
2012	\$ 89.07	1,563	582.83	\$ 139,198	\$ 51,915	\$ 191,114	\$ 59,233	\$ 48,287	\$ 6,393	\$ 19,475	\$ 57,727	\$ 191,114
2013	\$ 92.19	1,320	465.33	\$ 121,667	\$ 42,900	\$ 164,566	\$ 50,410	\$ 41,526	\$ 4,776	\$ 17,231	\$ 50,624	\$ 164,566
2014	\$ 95.42	1,871	1,691.37	\$ 178,500	\$ 161,388	\$ 339,888	\$ 110,728	\$ 86,338	\$ 9,643	\$ 35,643	\$ 97,536	\$ 339,888
						\$ 1,397,277	\$ 441,545	\$ 361,517	\$ 43,349	\$ 140,533	\$ 410,333	\$ 1,397,277

Due CHWD	\$ 214,631	\$ 175,730	\$ 21,071	\$ 68,311	\$ 199,459	\$ 679,202
Due FOWD	\$ 226,915	\$ 185,787	\$ 22,277	\$ 72,221	\$ 210,874	\$ 718,075
						\$ 1,397,277

Figure 3 - Contribution to California Water Supply by Hydrologic Region



# Draft Invoice compared to recommendation

Agency	Years	gw af	\$/af	\$/Year	SJWD-R		OVWC		FOL		CHWD		FOWD	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CHWD	5.58	7,381.38	310.20	\$ 410,094	\$ 2,289,691	\$ 728,428	\$ 248,220	\$ 77,739	\$ 688,624	\$ 546,680				
FOWD	5.58	8,572.58	274.63	\$ 421,668	\$ 2,254,311	\$ 751,413	\$ 256,242	\$ 78,925	\$ 713,106	\$ 554,624				
TOTAL	5.58	15,953.96	291.09	\$ 831,762	\$ 4,644,002	1,479,841	\$ 504,463	\$ 156,664	\$ 1,401,730	\$ 1,101,303				
\$/Year						\$ 265,046	\$ 90,352	\$ 28,059	\$ 251,056	\$ 197,248				

GW Pumper contribute \$2,503,038 or 53%

	Total Water Production	Proportional Total Water Demand					Proportional Total Water Cost Assignment							
		CHWD	FOWD	Folsom	OVWC	SJRetail	CHWD	FOWD	Folsom	OVWC	SJ Retail			
SW +GW														
2009	46,786.78	32%	26%	4%	10%	29%	\$ 162,636	\$ 132,933	\$ 17,975.42	\$ 48,956.18	\$ 148,081.94			
2010	43,838.26	31%	27%	3%	10%	29%	\$ 146,600	\$ 126,045	\$ 14,221.26	\$ 46,184.64	\$ 135,183.75			
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2012	45,705.94	31%	25%	3%	10%	30%	\$ 112,984	\$ 92,105	\$ 12,194.12	\$ 37,146.90	\$ 110,111.69			
2013	48,581.84	31%	25%	3%	10%	31%	\$ 104,678	\$ 86,230	\$ 9,916.92	\$ 35,780.02	\$ 105,123.19			
2014	21,649.04	33%	25%	3%	10%	29%	\$ 129,016	\$ 100,597	\$ 11,235.11	\$ 41,529.92	\$ 113,644.96			
							\$ 791,529	\$ 651,889	\$ 78,628.18	\$ 253,692.57	\$ 740,149.92			
							Due CHWD	\$ 384,754	\$ 316,877	\$ 38,220	\$ 123,317	\$ 359,779	\$ 1,222,947	
							Due FOWD	\$ 406,775	\$ 335,013	\$ 40,408	\$ 130,375	\$ 380,371	\$ 1,292,941	
													\$ 2,515,889	

GW Pumper contribute \$1,553,418 or 57%

CHWD credit due \$ 838,193

FOWD credit due \$ 957,928

from non GW Pumpers \$ 512,316 verse \$ 1,054,387

from non GW Pumpers \$ 551,154 verse \$ 1,086,580

## Replay – Due from non GW Pumpers

### SJWSMP

CHWD	\$	512,733
FOWD	\$	501,707

### Hybrid Analysis\*

CHWD	\$	512,316
FOWD	\$	551,154

Credits and debits to be applied as approved by the Board on time frame as directed.

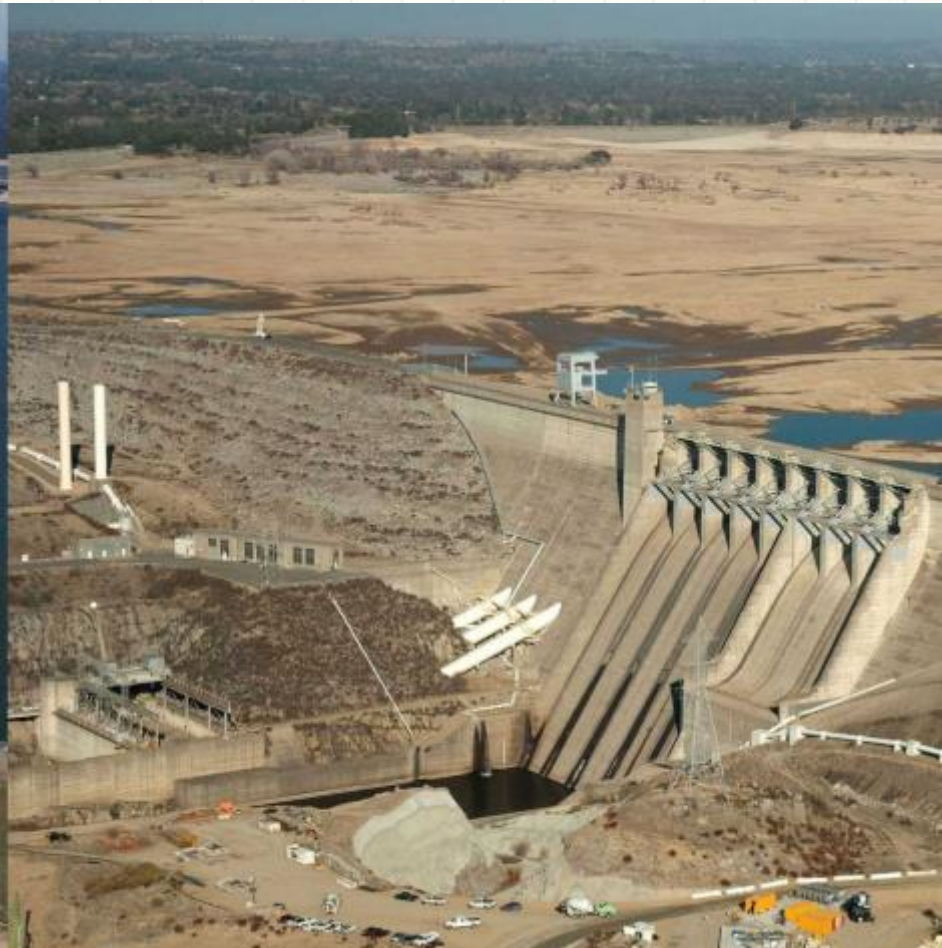
\* Adjusting balance also due from GW Pumpers



## Recommendations to the Board of Directors:

- 1. That the San Juan Water District reaffirm their obligation to plan for water supplies (surface and groundwater) to meet emergency and drought response for people and properties within the wholesale district boundary.**
- 2. That the San Juan Water District defines the service levels and cost methodology for emergency or drought water being provided specific to the benefiting agencies, such as in the Antelope Pump Back Project.**
- 3. That ground water pumping expenses for a base amount of groundwater be melded into the water rate covering an increment of capital and operational expenses which best optimize the ready to serve status for the ground water producers.**
- 4. That the board considers settlement for the full five years to groundwater pumping agencies made by applying the hybrid rate formula to the specific costs of groundwater pumping needed to satisfy regional demands in 2014 and prior within an appropriate timeframe.**
- 5. That an annual water supply summit is conducted in which water supply requests are provided by the member agencies and San Juan Water District can determine the total demand needed from groundwater pumping agencies or other sources.**

**QUESTIONS?**



# AGENDA ITEM IV-5.5

March 9, 2015

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

Re: Naming of the new lower Granite Bay booster pump station

Dear Board of Directors:

San Juan's Field Services Department respectfully requests that the new lower Granite Bay booster pump station be named in honor of Al Castellanos - a retired employee of the district who dedicated much of his life to the betterment of the district. Al worked for the district for over 35 years and he knew the district like the back of his hand. Even after he retired, we counted on his memory and expertise to help us locate water lines and other district appurtenances and we always appreciated the advice he gave. He was a respected employee and member of the community.

Al was a great mentor to many of us in Field Services. His hard work and loyalty rubbed off on all who had the pleasure of working with him. A few of the things he's best remembered for are:

- He raised his family in a small home located at the Baldwin Reservoir and he patrolled the area on weekends and after hours to remove trespassers to protect the District's (then) water storage area.
- When there was an after-hours emergency, members of the sheriff's and fire departments would go directly to Al's house for assistance.
- Al crossed the picket line during an employee strike many years ago because he stood up for what he believed in and his loyalty was to the district and in getting the job done.
- Al worked relentlessly for the district even during the hard times when the district couldn't meet payroll and during turbulent times when there was backlash from the public.

We appreciate your consideration in naming our new facility the "Al Castellanos Pump Station" in honor of a great man who truly loved San Juan Water District and gave many back breaking days to its success. We know that this well-deserved honor would make a very humble man extremely proud.

Sincerely,

SAN JUAN WATER DISTRICT FIELD SERVICES DEPARTMENT

**Public Information Committee Meeting Minutes  
San Juan Water District  
March 2, 2014  
3:30 p.m.**

Attendees: Ken Miller, Chair  
Pam Tobin, Member  
Shauna Lorance, General Manager  
Judy Johnson, Customer Service Manager  
Teri Hart, Board Secretary/Administrative Assistant  
Lucy Eidam Crocker, Crocker and Crocker  
Christine Braziel, Crocker and Crocker

Topics: Updated PI Plan (W & R)  
Update on SJWD/SSWD 2x2 Water Management Ad Hoc Committee  
Public Information (W & R)  
Home Water Reports by WaterSmart (R)  
Other Public Information Matters  
Public Comment

**1. Updated PI Plan (W & R)**

Ms. Braziel informed the committee that Crocker & Crocker has been working on increasing public outreach this past year and will develop a plan for next fiscal year that continues this effort.

Crocker & Crocker is updating the District's website to help increase the public's access to key information such as the budget, water rates, and salary ranges. The committee discussed the proposed new section of the website. They offered some suggestions for revisions which included changing the name of the section and some wording. Crocker & Crocker will make some suggested revisions.

*For information, no action requested.*

**2. Update on SJWD/SSWD 2x2 Water Management Ad Hoc Committee Public Information (W & R)**

Ms. Lorance informed the committee that the 2x2 Water Management Ad Hoc Committee public information task has resulted in meetings with over 50 elected officials and other interested stakeholders. She explained that the next step will be getting information out to customers. In addition, she informed the committee that the phone survey is completed and will be presented at the next 2x2 Water Management Ad Hoc Committee meeting.

Ms. Lorance informed the committee that customers will be given notice of the next Joint Board meeting, which is expected to be held the second week of May. She explained that in order to get the information to all retail and wholesale customers a direct mailer is proposed. The committee discussed the recommendation and



directed Crocker & Crocker to develop a wholesale mailer which will include information regarding the proposed merger, drought information and water supply and reliability information.

For information, no action requested.

### **3. Home Water Reports by WaterSmart (R)**

Ms. Johnson informed the committee that she is working with WaterSmart to implement their program to provide home water use reports to retail residential customers. WaterSmart Software will send Home Water Reports to retail residential customers via mail or email based on information we provide to them. The report will let customers know how their water use compares to average use in the retail service area and to efficient neighbors with similar properties and households. Customers will have the ability to view their water use online as well. The program will be introduced to customers in March/April starting with a welcome letter and survey.

Director Miller asked if customer will be able to view their water use in real time. Ms. Lorance informed the committee that the reports are generated after the customer's meter is read every other month. She explained that Ms. Vicki Sacksteder is developing a plan to phase in SmartMeters, which track water use in real time. In addition, Ms. Sacksteder is looking into grants to help fund the project. The plans will be brought to a future committee meeting for review.

For information, no action requested.

### **4. Other Public Information Matters**

Ms. Lorance informed the committee that Directors Rich and Walters have met with the two directors from Fair Oaks Water District.

For information, no action requested.

#### **4.1 Next Meeting Date**

The next committee meeting will be scheduled as requested.

### **5. Public Comment**

There was no public comment.

The meeting adjourned at 4:40 pm.

**Legal Affairs Committee Meeting**  
**March 10, 2015**  
**2:00 p.m.**

- Committee Members:** Bob Walters (Chair)  
Ted Costa, Director
- District Staff:** Shauna Lorance, General Manager  
Teri Hart, Board Secretary/Administrative Assistant  
Josh Horowitz, Legal Counsel
- Members of the Public:** Sharon Wilcox, Orange Vale Water Company  
Joe Duran, Orange Vale Water Company
- Topics:** Letter from CHWD and FOWD on SSWD/SJWD Intertie  
Other Legal Affairs Matters  
Public Comment

**1. Letter from CHWD and FOWD on SSWD/SJWD Intertie**

Ms. Lorance informed the committee that the Board was handed a letter at the February 25<sup>th</sup> Board meeting. The letter was from Citrus Height Water District and Fair Oaks Water District voicing concerns regarding the Agreement for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station. A copy of the letter will be attached to the meeting minutes.

The committee discussed the letter and suggested responses. The committee directed Ms. Lorance to draft a brief response letter which the Board will review at their March 11<sup>th</sup> meeting.

*For information only; no action requested.*

**2. Other Legal Affairs Matters (W/R)**

Ms. Lorance informed the committee that Senator Jim Nielsen has requested the District's support regarding the Sites Reservoir. The committee discussed the request and directed staff to join the coalition to support the Sites Reservoir.

**2.1 Next Meeting Date**

The next meeting will be scheduled when needed.

**3. Public Comment**

There were no public comments.

The meeting was adjourned at 2:40 p.m.

# AGENDA ITEM V-3 DRAFT

## Water Supply & Reliability Committee Meeting Minutes San Juan Water District March 12, 2015 4:00 p.m.

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

**District Staff:** Shauna Lorance, General Manager  
Keith Durkin, Assistant General Manager  
Judy Johnson, Customer Service Manager  
Vicki Sacksteder, Water Resources Analyst  
Teri Hart, Administrative Assistant/Board Secretary

**Topics:** Water Supply Status (W & R)  
SJWD-W Statement of Responsibility (W)  
Revised Conservation Stages 3-5 (R)  
Triggers for Changing Conservation Stage Declarations (R)  
Other Matters  
Public Comment

### 1. Water Supply Status (W & R)

Ms. Lorance commented that the status of Folsom Reservoir is unchanged since her report from last night. She commented that water supply and operations for the year will be discussed at the March 19<sup>th</sup> Board Workshop. The State Water Resources Control Board (SWRCB) is scheduled to meet on March 17<sup>th</sup> to discuss water conditions and possibly set some mandates for conservation. Therefore, Ms. Lorance will provide more information at the workshop.

*For information only; no action requested.*

### 2. SJWD-W Statement of Responsibility (W)

Ms. Lorance provided the committee with a staff report on *SJWD-W Statement of Responsibility*. A copy of the staff report will be attached to the meeting minutes. She reviewed the background and current situation. In addition, she reported that the Legal Affairs Committee reviewed the existing documents to identify if there were any limitations or declarations on what water supply related to SJWD. Legal Counsel informed the Legal Affairs Committee that there were not any legal limitations in formation legislation or contracts.

The committee discussed the topic and agreed that SJWD should continue to provide the most reliable water supply without limitation to source. In addition, the committee does not recommend a Statement of Responsibility be considered by the Board. The committee will discuss Water Allowances at the next committee meeting. Mr. Durkin commented that he will make sure that the Phase 2A report includes information regarding first priority of use to the existing wholesale customer agencies as already addressed in the wholesale water supply agreements.

### **3. Revised Conservation Stages 3-5 (R)**

The committee agreed to hold discussion of the conservation stages until after the SWRCB's meeting on March 17<sup>th</sup>.

*For information only; no action requested.*

### **4. Triggers for Changing Conservation Stage Declarations (R)**

The committee discussed the triggers for changing conservation stage declarations. The committee recommended that the 3<sup>rd</sup> bullet of each trigger be removed and that an introductory paragraph be added explaining how the process would work, the Board's responsibility and special conditions. The committee would like Legal Counsel to review the document once it is revised.

The committee discussed the Drought Rates which were approved by the Board last year. The drought rates were not implemented pending the development of triggers that would signal changes between conservation stages and drought rates. Director Rich suggested that the Board consider implementing the drought rates and that the implementation of the drought rates be included for information to customers on the Prop. 218 notice.

*For information only; no action requested.*

### **5. Other Matters**

There were no other matters discussed.

#### **5.1 Next Meeting Date**

The next committee meeting will be scheduled when needed.

### **6. Public Comment**

There was no public comment.

The meeting adjourned at 5:05 pm.

# STAFF REPORT

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To: Water Supply and Reliability Committee

From: Shauna Lorance, General Manager

Date: March 11, 2015

Subject: SJWD-W Statement of Responsibility

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## **RECOMMENDED ACTION**

Consider a recommendation to the Board of Directors on whether or not to develop a statement of responsibility for SJWD.

## **BACKGROUND**

SJWD-W has been very active for many years on the issue of operations at Folsom Reservoir. Folsom Reservoir has been utilized as an annual reservoir; the lake is drawn down each summer using as much of the stored water as possible because Folsom Lake refills relatively quickly in the winter. Utilization of as much of the stored water maximizes the yield from the reservoir for the benefit of the contractors. The concern comes when the following winter does not have adequate precipitation/snow pack to refill the lake for the following summer.

The recent drought years have brought the issue of water supply reliability up in both importance and urgency, and have become more prevalent in the discussions with the Wholesale Customer Agencies (WCA). Discussions during the past two years amongst the general managers and at public meetings have made it apparent that the current water supply shortage policy did not provide adequate supply reliability for SJWD-R, OVWC and the City of Folsom north of the American River. The current water supply shortage plan was written and agreed upon by the WCA when water demands were much higher and the plan was limited to water supply reductions to the level in the Sacramento Water Forum (WF) Agreement. The WCA voiced that the shortage agreement does not apply when water demands are below the reductions called for in the WF agreement. Due to water efficiency within the WCA, SJWD-W water usage is below the reductions for dry years in even wet years. In addition, the WCA that have the ability to utilize groundwater when surface water is reduced or not available publicly stated that they intended to assist the other WCA without access to groundwater only up to health and safety water supply levels.

SJWD-W identified the need to have a reliable alternative water supply for dry years that did not rely on the current shortage policy adopted by the WCA. A shortage plan designed to bring all WCA up to the same level of service during a complete outage of surface water was developed. The assumptions in the

analysis are that CHWD and FOWD will utilize their groundwater wells, with the ability to utilize Hinkle Reservoir to manage the fluctuation of daily demands. SJWD-W will construct a pump back to utilize groundwater from SSWD to benefit OVWC, City of Folsom north area, and SJWD-R.

### **CURRENT SITUATION**

The development of a plan to provide additional water supply to those WCA without access to groundwater initiated concern amongst CHWD and FOWD about the appropriateness of SJWD-W identifying water supplies beyond surface water.

The construction of the pump back project with SSWD has initiated a request from FOWD and CHWD for the development of a statement of responsibility of SJWD-W. There are differing views on what should be included in the statement of responsibility.

- SJWD-R, OVWC, and City of Folsom would like SJWD to continue to work on projects that provide water supply reliability in varying year types, including alternative water supplies in addition to Folsom Reservoir that could be used in emergencies or droughts.
- CHWD – does not yet have an official position
- FOWD – Board does not have an official position. GM would like SJWD to only focus on increasing the reliability of surface water from Folsom Lake. FOWD does not want SJWD to obtain any additional water supplies for emergency or drought conditions for FOWD; they have determined this is their responsibility and they will develop their groundwater to meet this need.

### **INFORMATION FROM LEGAL AFFAIRS COMMITTEE**

The Water Supply and Reliability committee requested the Legal Affairs committee to review existing documents and identify if there are any limitations or declarations on what water supply related to SJWD. Legal Counsel reported to the committee that there are not any legal limitations in formation legislation or contracts. The Legal committee referred the discussion back to the Water Supply and Reliability committee.

### **NEXT STEPS**

The committee should discuss whether or not additional definition is necessary related to SJWD efforts to increase water supply reliability.

#### Flow Chart to Guide Discussion if Desired

1. Is it appropriate for SJWD-W to develop a statement of responsibility related to water supply?
  - a. No – stop here
  - b. Yes- go to number 2
2. Should SJWD-W limit their resources to only develop reliability related to surface water?

- a. Yes – stop and recommend development of a statement
  - b. No – go to number 3
- 3. Should SJWD-W have different responsibilities to different WCA?
  - a. No – recommend development of one statement
  - b. Yes – go to number 3
- 4. Should the different responsibilities result in different water supply contract terms?
  - a. No – stop here and recommend development of a statement for each agency
  - b. Yes – recommend development of terms for water supply contracts

# Fiscal Year 2015-2016 Budget

Board Meeting  
03/25/2015



# Legal Requirements

- **Minimum Legal Requirements:**
  - Meeting where final budget is to be adopted must be publicized, including newspaper disclosure at least 2 weeks prior to the meeting.
  - Budget must be adopted before September 1.
  - Budget must be filed by September 1 with both Placer and Sacramento County.
  - Board may delegate to GM to transfer funds between budget categories; current authorization is to transfer funds within operational budget. Capital budget items approved individual by board.
  - Board must review District's reserve policy annually, best to do at budget time.

Govt. Code Sections 61110 (f); 61111 (b); and 61112 (e)

# Budget Timeline - *Updated*

- Finance Committee – 04/07/15
  - Assumptions and Timeline Review
- Board Meeting – 04/08/15
  - Assumptions and Timeline Review and Agreement
- Special Finance Committee – 04/\_\_/15
  - Review and Recommend Approval of Draft of Wholesale Budget and Rate
- Board Meeting – 04/\_\_/15
  - Review and Approve Draft of Wholesale Budget and Rate
- Finance Committee – 05/11/15
  - Review and Recommend Approval of Draft of Retail Budget and Proposed Rate for 218 Process
- Board Meeting – 05/12/15
  - Review and Approval of Draft of Retail Budget and Proposed Rate for 218 Process
  - Begin 218 Process
- Finance Committee – 07/07/15
  - Review and Recommend Approval of Retail Budget and Rate
- Board Meeting – 07/08/15
  - Review and Approval of Retail Budget and Rate

# Budget Assumptions

## District-wide

- No change in service boundaries
  - No assumptions related to possible consolidation
- Budget for Stage 3, 4 or 5 drought conditions?
- Drought Rates – Will Retail implement Drought Rates?
- Updated COLA = 1.0%
  - Last February increase used for COLA was 1.4%
  - SS Rate Increase for 2015 is 1.7%
- 2.5% for step increases (% of base salaries)
- Health Care premium increase - 6.0%
- OPEB funding requirement increase – 3.0%. (To be updated based on new actuarial valuation)
- No debt refinancing anticipated

# COLA HISTORY



SJWD COLA is benchmarked to the Western Cities-A Index. Comparison is also shown to SS Index.

# Budget Assumptions

## Wholesale

### Revenue:

- Will determine any rate increase based on projected expenses
- Current financial plan shows 6%

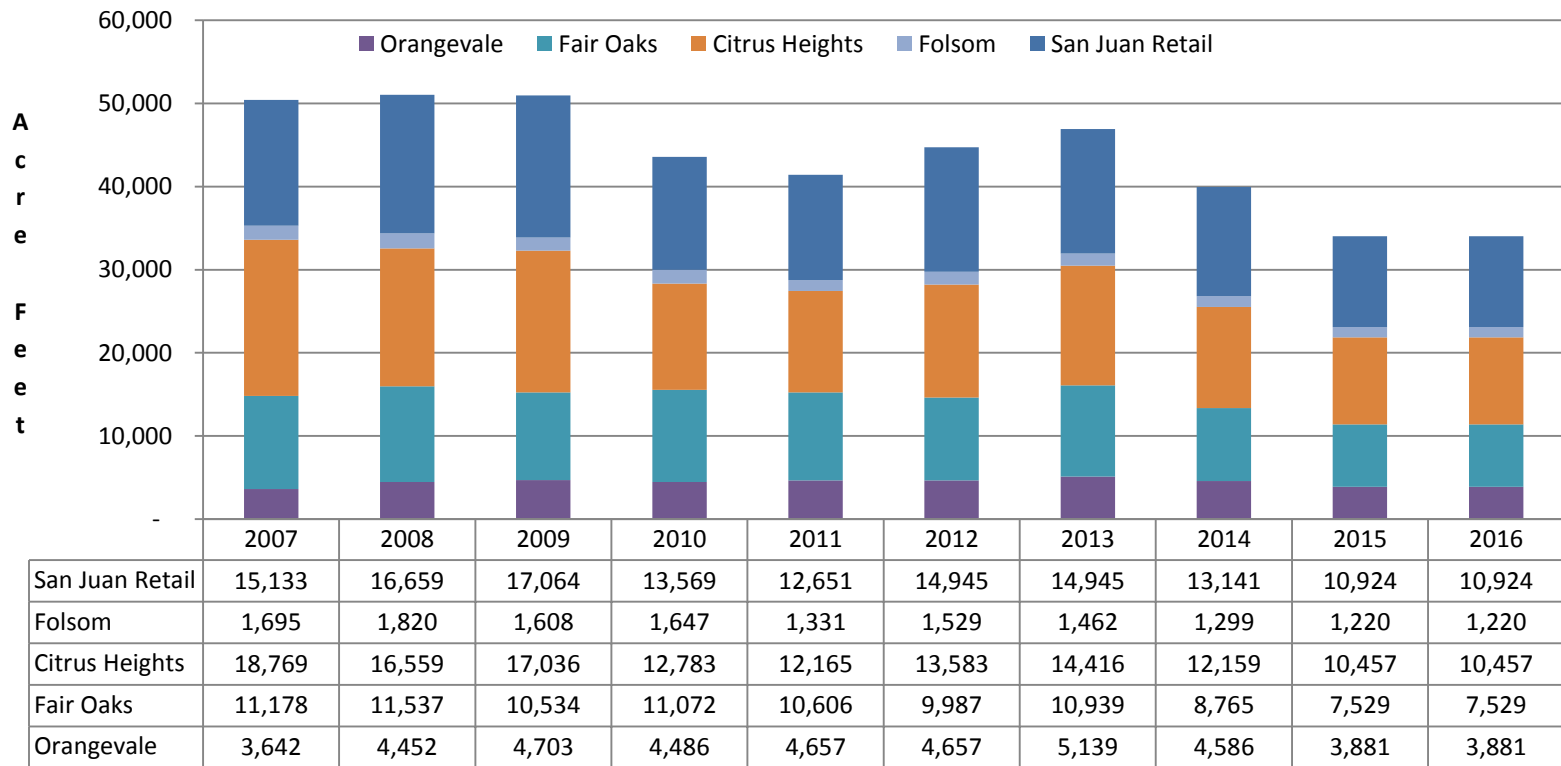
### O&M Expenses:

- Water Production – Based on current year, assumes continued drought conditions

### CIP Project Costs:

- Developed and included in 5 year Financial Plan
- Recently reviewed with Engineering Committee

# Wholesale Water Production Past 9 Years



Projected 2015 at Budget = 42,830AF      Projected 2015 Current = 34,225AF (-20%)

Projected Fin Plan 2016 = 46,083AF      Projected 2016 = 34,225AF (-26%)

# Budget Assumptions

## Retail

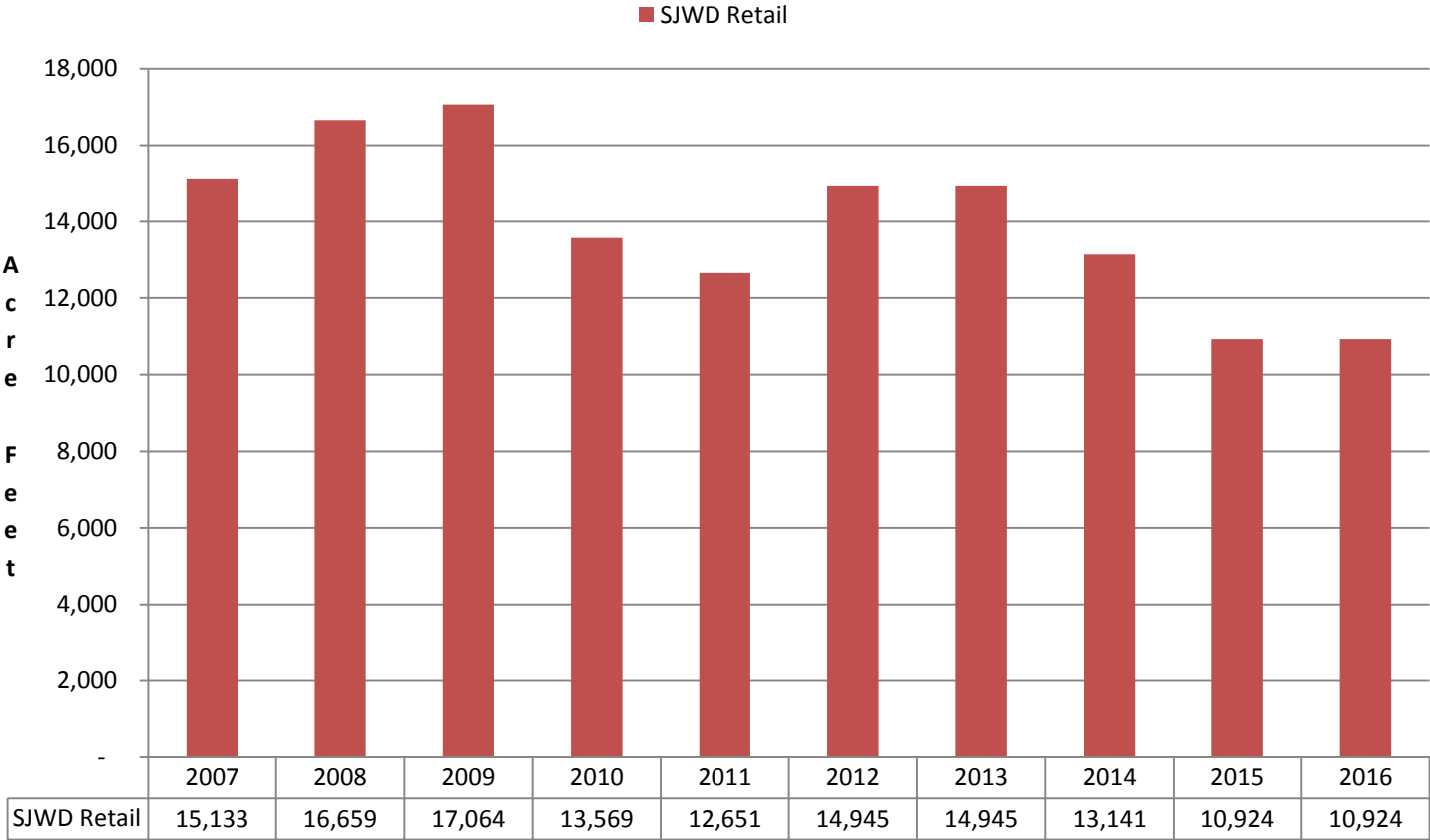
### O&M Expenses:

- Water Production – current assumption is no change from current 2014-2015 FY

### CIP Project Costs:

- Developed and included in 5 year Financial Plan
- Recently reviewed with Engineering Committee

# Retail Water Production Past 9 Years



Proj. 2015 at Budget = 12,969  
 Proj. Fin Plan 2016 = 14,949

Proj. 2015 Current = 10,924 (-16%)  
 Proj. 2016 = 10,924 (-27%)



# QUESTIONS

# AGENDA ITEM VI-5.5.1

**Teri Hart**

---

**From:** Shauna Lorange  
**Sent:** Wednesday, March 18, 2015 12:58 PM  
**To:** Ken Miller (KenMiller@surewest.net); Dan Rich  
**Cc:** Teri Hart  
**Subject:** FW: LETTER FROM SACRAMENTO: Can One Op-Ed Can Change State Drought Policy?

From Pam – Teri please read below

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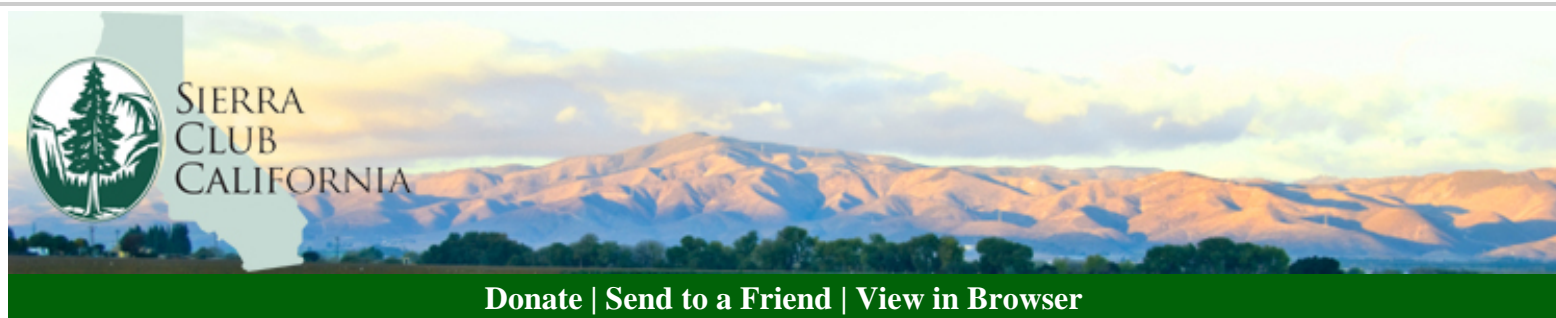
**From:** Pam Tobin [mailto:petpyrs@surewest.net]  
**Sent:** Wednesday, March 18, 2015 12:43 PM  
**To:** kmore@tfqnet.com Kristi; Shauna Lorange; Keith Durkin  
**Cc:** Ted Costa; Bob Walters; Ken Miller  
**Subject:** Fwd: LETTER FROM SACRAMENTO: Can One Op-Ed Can Change State Drought Policy?

I believe that ignorance creates an opportunity to educate. Shauna please print this and put this in the directors packets and put on the agenda to perhaps draft a letter to them educating them on the benefit of water storage and the efforts being exhausted on our regional, state and federal efforts. Thx  
Pam

Ps please forward to Dan Rick  
Sent from my iPhone

Begin forwarded message:

**From:** "Kathryn Phillips, Sierra Club California" <[SierraClub.California@sierraclub.org](mailto:SierraClub.California@sierraclub.org)>  
**Date:** March 18, 2015 at 9:00:37 AM EDT  
**To:** [petpyrs@surewest.net](mailto:petpyrs@surewest.net)  
**Subject:** LETTER FROM SACRAMENTO: Can One Op-Ed Can Change State Drought Policy?  
**Reply-To:** "Kathryn Phillips, Sierra Club California" <[SierraClub.California@sierraclub.org](mailto:SierraClub.California@sierraclub.org)>



Dear Pam,



*Crossing dry Sandy Wool Lake near Milpitas. Credit: Don DeBold*

Recent news about the dreary status of California's drought, and the mixed response to it, has me wondering why more of us aren't running down the street looking like the distraught character in painter Edvard Munch's [The Scream](#).

Water scientist Jay Famiglietti warned last week in a [Los Angeles Times op-ed](#) that NASA satellite data, combined with what we know about rapidly declining groundwater stores, shows that California has just about a year's worth of water left. This is as we come to the close of the fourth dry winter in a row, with no end to the drought in sight.

Right now, Sierra [snowpack water content is as low as ever recorded](#) by the Department of Water Resources for this time of year. In some places, it is six percent—and less—of the

average.

This grim news shouldn't come as a surprise. Famiglietti warned that we're rapidly approaching a waterless reality in a [July op-ed](#), too.

What does come as a surprise is that the level of action to respond to the drought hasn't been as focused or intense as the issue warrants.

On a positive note of action, the State Water Resources Control Board this week is expected to tell water agencies that they need to actively limit to two the number of days homeowners and commercial businesses can water their landscapes. This may seem like something that should have happened at least a year ago, but that it is happening at all is a good move.

On the other hand, the governor just spent some of his precious time working the system in Washington, DC to try to clear the way for his San Francisco Bay Delta tunnel project. And there is likely to be additional efforts by Congress to accelerate the tunnels or weaken other laws protecting the Delta.

Absolutely nothing about the tunnels project will help California's drought. At best it would just dangerously delay the inevitable necessity to dramatically change the way we deal with water. It's a distraction.

Our focus now needs to be on regional solutions to increase conservation and careful reuse and recycling. Huge infrastructure projects better suited to the Eisenhower era—the governor's tunnels, some proposed dams—provide certain big engineering firms with fat public contracts. But they don't solve or even rationally respond to the essential problem: We are in the fourth year of a drought driven by climate disruption. Drought is going to be a more frequent and more intense part of our existence, and so we need to permanently change the way we handle water in California permanently.

And that brings me back to the water scientist, Jay Famiglietti. The guy deserves a medal for speaking out clearly about the problem and offering solutions. In last week's op-ed, he recommended four things that need to happen to address the drought: mandatory water rationing across sectors, accelerated implementation of the groundwater act passed last year, a task force of thought leaders to brainstorm better long-term water management in the state, and public ownership of the drought and water management issues.

Californians use about twice as much water per capita for residential use as Australians. The Australians weren't

always so thrifty. They had to entirely redo their approach to water as they trudged through a ten-year drought.

Many of the things the Australians did are consistent with Famiglietti's four-point proposal. But we now know that we don't have ten years to spare. Indeed, some communities in the state already don't have drinking water.

If you are looking for ways to personally cut your water use, there are some great resources online. One of the best is produced by a consortium of Arizona communities. It lists nearly [200 things you can](#) do to save water. California also has a [water saver website](#) with similar recommendations.

Personal responsibility is important. But, as Famiglietti's list suggests, there are key policy shifts needed, too. So on your behalf, we'll keep pressing here in Sacramento for those shifts.

We will continue to oppose the Bay Delta tunnels and any proposed dams. We hired a new staff person who focuses on groundwater law implementation and other water issues. And we'll continue to educate and promote ways for everyone to conserve.

Sincerely,



Kathryn Phillips  
Director

**Sierra Club California is the Sacramento-based legislative and regulatory advocacy arm of the 13 California chapters of the Sierra Club.**



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