

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

September 14, 2016 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Donna Silva	Director of Finance
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

OTHER ATTENDEES

Al Dains	Citrus Height Water District (CHWD)
Ray Riehle	CHWD
Caryl Sheehan	CHWD
Bob Churchill	CHWD
Hilary Straus	CHWD
Carol Clark	Customer
Sandy Harris	Customer
Rick Williams	Customer
Misha Sarkovich	Fair Oaks Water District (FOWD)
Dave Underwood	FOWD
Anthony Chacon	Forsgren
Chris Petersen	GEI
Ibrahim Khadam, P.E.	MWH
Vanessa Nishikawa, P.E.	MWH
Neil Schild	Sacramento Suburban Water District
Mitch Dion	Self
Tony Barela	SJWD
George Machado	SJWD
Jason Mayorga	SJWD
Jerry Spencer	SJWD
Rob Watson	SJWD
Greg Zlotnick	SJWD

AGENDA ITEMS

- I. Consent Calendar**
- II. Presentations**
- III. New Business**
- IV. Old Business**

- V. Public Forum
- VI. Information Items
- VII. Director Reports
- VIII. Committee Meetings
- IX. Upcoming Events
- X. Closed Session
- XI. Open Session
- XII. Adjourn

President Tobin called the meeting to order at 6:03 p.m.

I. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, August 10, 2016

Recommendation: Approve draft minutes

2. Payment of Bills and Claims

Recommendation: Adopt Resolution No. 16-15

3. Los Lagos Tank Recoating Project (r)

Recommendation: Award a construction contract to Blastco, Inc. for the amount of \$363,635 and authorize a construction contingency of \$72,727 (20%) for a total authorized construction budget of \$436,362

Director Miller moved to approve the Consent Calendar. Director Costa seconded the motion and it carried unanimously.

Director Costa informed the Board that the Blastco bid came in about \$100,000 below the next lowest bidder and \$200,000 below the highest bidder, so staff contacted the company to ensure that there were no errors in the bid documentation.

II. PRESENTATIONS

1. Wholesale Water Management and Reliability Study Update – MWH

Mr. Ibrahim Khadam conducted a presentation on the Wholesale Water Management and Reliability Study Update. A copy of the presentation will be attached to the meeting minutes. Mr. Khadam informed the Board that the draft report was provided in the Board packet and is available on the District's website.

Mr. Khadam reminded the Board that the region has faced a drought over the last few years and it has put the water supply in this region at risk. Therefore, the Board decided to evaluate what options are available to further improve its water supply.

Mr. Khadam reviewed the study process and engagement which included the study scoping and approach development, the identification and screening of initial options, the refined evaluation of selected options and finally the recommendations and road map. He explained the three study objectives and the key findings.

Mr. Khadam explained that the key findings include increasing water utilization, groundwater banking, and regional collaboration. In addition, he explained that the options considered in the study are not mutually exclusive.

Mr. Khadam informed the Board that MWH's recommendations are to institute a Wholesale Water Management and Reliability Program (WWMRP), review and amend relevant policies, contracts, and practices to support the WWMRP, engage in a pilot water transfer in 2017, and implement a long-term advocacy and public outreach campaign to support the WWMRP. Mr. Khadam reviewed the road map for implementing each study recommendation.

Mr. Khadam reviewed the Feasibility Reliability Program Study and Related Regional Efforts timeline and the 3 tasks associated with the recommendations. In addition, he mentioned the ongoing regional efforts being completed at the same time, which will require some coordination by the District.

Mr. Khadam informed the Board that MWH will meet with the Wholesale Customer Agencies on September 22nd. He explained that comments on the draft final report are requested by September 28th and in the meantime MWH will develop TM6. He expects the final report ready for review in early October and a joint Board meeting will be in mid to late October.

2. Board Governance – Josh Horowitz

Mr. Horowitz conducted a presentation on Board Governance. A copy of the presentation will be attached to the meeting minutes. Mr. Horowitz reviewed the act and art of governance, the Board's fundamental role, Board responsibilities, and Board conduct standards. In addition, he reviewed the Board President responsibilities as well as the General Manager's role and duties. Mr. Horowitz reviewed Board meeting conduct and Board meeting efficiency. He reviewed the differences between ordinances, resolutions and policies.

III. NEW BUSINESS

1. New Agenda Format – Shauna Lorange

Ms. Lorange informed the Board that a new format for the Board agendas has been created to help streamline meetings to allow more time for new information and important topics to be discussed. She explained that all action items will be placed under the Consent Calendar, New Business, or Old Business. She explained that Committee Meetings are listed by date with the minutes provided in the Board packet so there is no need for the Committee Chair to read the minutes; however, Board members may ask questions during this time on items that were discussed in the committee meetings.

IV. OLD BUSINESS

There were no matters discussed.

V. PUBLIC FORUM

Mr. Misha Sarkovich, FOWD board member, addressed the Board and commented that he thought wholesale rates were going to be on the agenda. He commented that FOWD General Manager, Tom Gray, provided the FOWD Board with a staff analysis of the impacts of the proposed wholesale rate structure. Mr. Sarkovich requested that the minutes reflect that FOWD is opposed to the proposed rate structure and rate increase. Ms. Lorance recommended that Mr. Sarkovich attend the October 26th Board meeting which will be a workshop to review the District's 10-year financial plans.

Mr. David Underwood, FOWD board member, addressed the Board and requested that the District consider changing the proposed rate structure and rate increase so that it can offer some flexibility, and find opportunities for the agencies to work with each other to reduce costs and help reduce future rate increases.

Mr. Ray Riehle, CHWD board member, addressed the Board and introduced the CHWD board and staff in attendance. He informed the SJWD Board that an email that was sent by SJWD Board Candidate, Rick Williams, which stated that the 13% rate increase was being proposed by CHWD due to the fact that "CHWD can no longer absorb the SJWD rate hikes," was a mischaracterization of the proposed rate increase. Mr. Riehle informed the Board that only 1.4% of the proposed increase is related to the SJWD rate increase and 10.8% is related to capital projects. Mr. Riehle commented that CHWD supports and continues to work closely with the wholesale agency leadership on a variety of issues, and values the relationship established with SJWD.

VI. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Fix Proceedings

Ms. Lorance informed the Board that the Petitioners (DWR and USBR) are in the process of presenting their cases to the State Water Resources Control Board. The Protestors' attorneys (Protestors include but are not limited to San Juan, PCWA, and the cities of Folsom and Roseville) will be cross examining the petitioners, as necessary, and turned in testimony on September 2nd. She explained that she is scheduled to testify beginning on October 20th.

Ms. Lorance informed the Board that the Protestors' main objection is the fact that there is not an operations plan and under the current process it shows Folsom Reservoir hitting dead pool (no water) one out of ten years. One comment is that there needs to be an operations plan which shows how

they are going to maintain adequate water supply to meet the District's oldest water rights on the North Fork of the American River.

Mr. Horowitz informed the Board that there is a potential \$3+ billion bill that the federal government will be expected to pay directly to Cal WaterFix that cannot be passed onto the CVP contractors. He commented that for this project to move forward, Congress would have to appropriate \$3+ billion to this project. Ms. Lorance commented that the Protestors are also very involved in the cost allocation discussion and, although she sees no benefit to the District in this project, the Bureau of Reclamation (Bureau) will be allocating costs based on benefit.

For information, no action requested.

1.2 CVP Long Term Contracts

Ms. Lorance congratulated the Board for entering a long term Central Valley Project (CVP) contract with the Bureau in 2005. The contract is a 40-year contract which ends in 2045. She informed the Board that EBMUD and EID also signed a long term CVP contract in 2005, while the City of Roseville, PCWA, Sacramento County Water Agency, and SMUD elected not to enter a long term contract at that time and have been on interim contracts.

Ms. Lorance informed the Board that the Bureau has decided to reinstate ESA Section 7 consultation on the CVP's Operations Criteria and Plan, which will likely take up to four years to complete and likely to be subject to lengthy litigation at its conclusion. She explained that the Bureau believes it may be constrained by the Endangered Species Act (ESA) from executing contracts during re-consultation; therefore, the four agencies may have to remain in interim renewal status which will now require a needs analysis and environmental review every two years for the interim contract renewal.

For information, no action requested.

1.3 Miscellaneous District Issues and Correspondence

Ms. Lorance introduced Greg Zlotnick, the new Water Resources Specialist, and the Board welcomed him. Mr. Horowitz added that he has known Mr. Zlotnick for many years and the District gained a great asset.

Ms. Lorance reported that she has received emails that have been distributed to an unknown email list that contain incorrect information. To set the record straight, she reiterated that the District does not reimburse any candidates for candidate statements or reimburse for any candidate fees or expenses incurred as a result of an election for any existing Board members, future Board members or other candidates. Director Miller concurred with Ms. Lorance's statement and informed the Board that, over his tenure on the Board, the District has not paid for candidate statements.

Ms. Lorance explained that if the county determined in the past that the county over-charged for the candidate statement, then the District would have to issue the refund for the overage since the candidate paid the District for the candidate statement fee and the District paid the County. She explained that there was a \$300 overpayment in 2014 which resulted in the District refunding \$300 to all candidates who paid for a candidate statement in Sacramento County. In addition, she explained that the process was changed for the 2016 elections, and all candidate statement fees are now collected by the counties.

Ms. Lorance reminded the Board that the District debt is being repaid by all Wholesale Customer Agencies and not just SJWD-Retail. She explained that it is part of the fixed rates and is paid for by FOWD, CHWD, Orange Vale Water Company, City of Folsom (north of the American River), and SJWD-Retail.

Ms. Lorance informed the Board that the District won an award for transparency which indicates the amount of information that is available on the District's website. She commented that the website is constantly updated and kept as current as possible.

Ms. Lorance reported that the District received a letter from a customer to thank the District for sending SJWD employee, Jason Mayorga, to their home on a Saturday to investigate a water issue and his excellent assistance going above and beyond their expectations.

Ms. Lorance reported that a letter was sent to Mr. Jim Branham, Sierra Nevada Conservancy, supporting the Sierra Nevada Watershed Improvement Project.

Ms. Lorance reported that a letter was received from the Bureau that indicated that they received the Region's comments on the Proposed Final CVP Municipal and Industrial Water Ratesetting Policy.

For information, no action requested.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 WTP Operations Update

Mr. Durkin reminded the Board that Director Miller inquired at the last meeting if there were any problems at the WTP due to construction on the Folsom Dam Joint Federal Project and the discolored water that was being contained with the curtain wall. Mr. Durkin reported that, at that time, there seemed to be no issues; however, a couple days after that meeting, the operators at the WTP started to see increases in turbidity.

Mr. Durkin informed the Board that with half the plant down last month due to coordination with the WTP improvements construction, the turbidity caused issues at the plant. The plant would normally be capable of treating 70 MGD through half the plant, however, the operators had to reduce flows to 60 MGD in order to properly treat the high turbidity water and comply with our permit conditions. In order to reduce flows, staff contacted SSWD and requested that they take less water and use their wells. He explained that during this time, SJWD staff was communicating with the Bureau, the Corp of Engineers, and Kiewit Construction to mitigate the issue. He explained that operations are being monitored closely and SSWD is now receiving the full amount of water that they requested.

For information, no action requested.

2.2 Update on Website Modifications

Mr. Durkin conducted a brief presentation on *Website Update Status* and a copy of the presentation will be attached to the meeting minutes. Mr. Durkin explained that Chris von Collenberg, SJWD IT Administrator, made changes to the District's website to improve mobile device viewing. Mr. Durkin informed the Board that "Cascading Style Sheets" (CSS) and HTML programming changes were applied to the website. CSS provides responsive web design to resize, hide, shrink, enlarge, or move content to make it look good on any screen. The changes to the website should be completed by September 16th.

For information, no action requested.

2.3 Miscellaneous District Issues and Correspondence

There were no other items discussed.

3. DIRECTOR OF FINANCE'S REPORT

3.1. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz informed the Board that there would be a Closed Session.

VII. DIRECTORS' REPORTS

1.1 SGA

No report.

- 1.2 RWA**
No report.
- 1.3 ACWA**
 - 3.3.1 Local/Federal Government/Region 4 - Pam Tobin**
No report.
 - 3.3.2 JPIA - Bob Walters**
No report.
 - 3.3.3 Energy Committee - Ted Costa**
No report.
- 1.4 CVP Water Users Association**
No report.
- 1.5 Other Reports, Correspondence and Comments**
There were no other items discussed.

VIII. COMMITTEE MEETINGS

1. Public Information Committee (8/15/16)

Director Miller reported that the committee met on August 15, 2016 and discussed the Wholesale Mailer, Customer Survey, Press Release, WaterSmart Software Program, and Customer Committee for Financial Plan and Community Outreach. The committee meeting minutes will be attached to the original board minutes.

2. Personnel Committee (8/30/16)

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

3. Legal Affairs Committee (8/31/16)

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

4. Water Supply & Reliability Committee (9/1/16)

Director Costa commented that he was contacted by some people and was informed that a group of developers and property owners in North Natomas, west of Rio Linda, have hired a water attorney and are looking into ways to provide water for several thousand acres of development. He suggested that the District discuss this with SSWD as it might be a way to show beneficial use of the water should the agencies work together to supply water to that area. The committee will discuss this at their next meeting. The committee meeting minutes will be attached to the original board minutes.

5. Finance Committee (9/13/16)

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

IX. UPCOMING EVENTS

1. ACWA Continuing Legal Education for Water Professionals
September 15-16
San Diego, CA
2. ACWA Regulatory Summit
October 3-4
Sacramento, CA

President Tobin called for Closed Session at 7:55 pm.

X. CLOSED SESSION

1. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).
2. 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.
3. Conference with legal counsel -- anticipated litigation; Government Code sections 54956.9(a) and (d)(4); consideration of initiation of litigation involving one case.

President Tobin returned to Open Session at 9:51 pm.

XI. OPEN SESSION

Mr. Horowitz reported that General Manager Shauna Lorance had tendered her resignation effective December 14, 2016, and that resignation was accepted by the Board.

XII. ADJOURN

The meeting was adjourned at 9:52 p.m.

PAMELA TOBIN, President
Board of Directors
San Juan Water District

ATTEST:

TERI GRANT, Board Secretary



AGENDA ITEM III-1

Board Meeting

Sep 14, 2016

Status Report and Summary Wholesale Water Management and Reliability Study



now
part of





Wholesale Water Management and Reliability Study

DRAFT FINAL STUDY REPORT | SEPTEMBER 2016

Final Report

Introduction

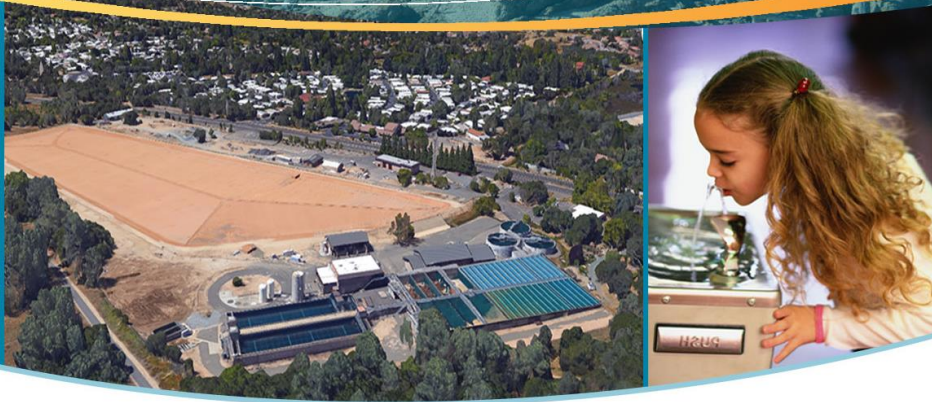
Approach

Initial Water Management Options and Evaluation

Refined Water Management Options and Evaluation

Key Findings

Recommendations



PREPARED BY

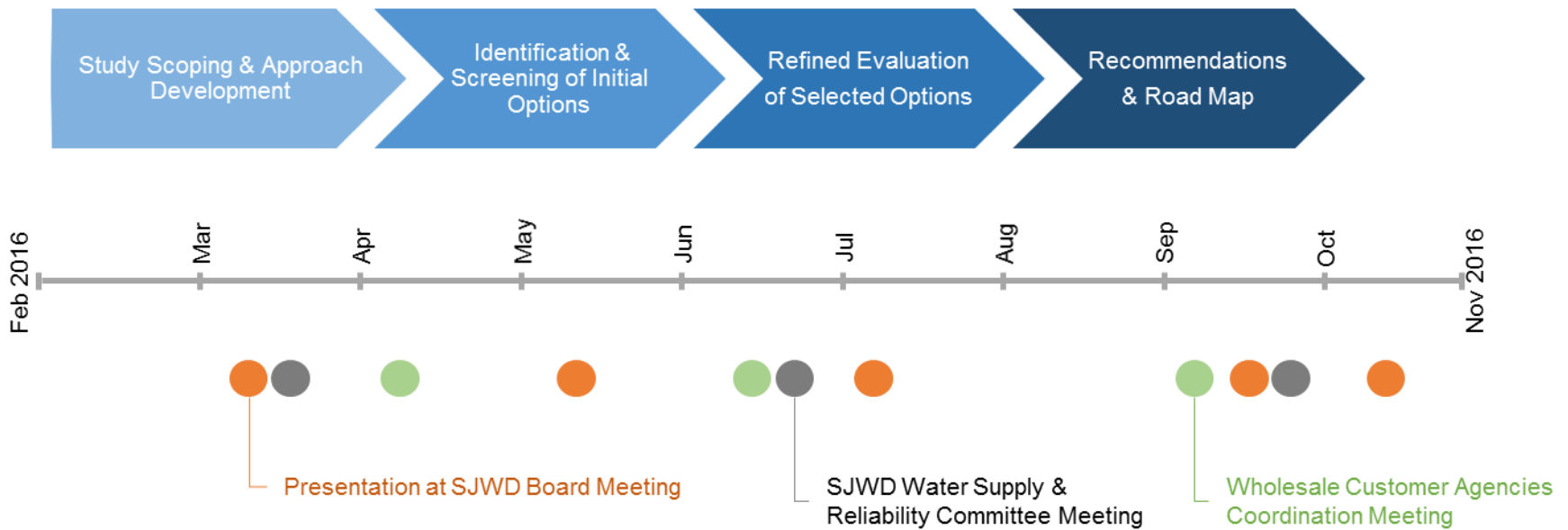


The Challenges and Need for the Study

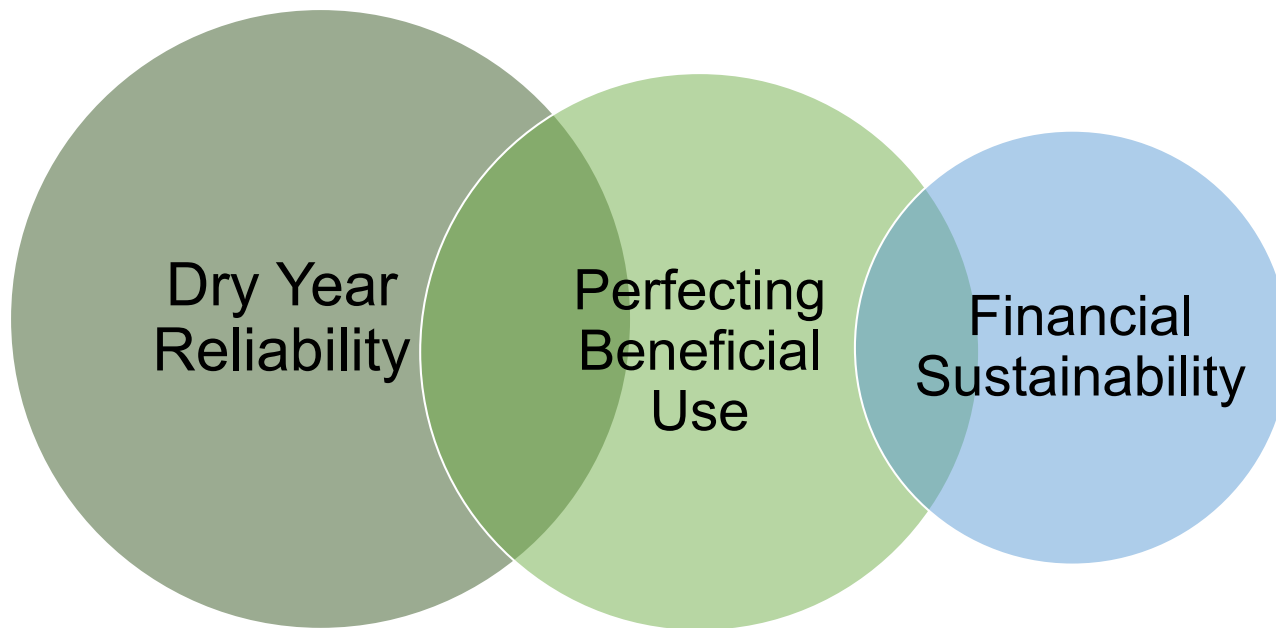


Folsom Reservoir reached a record low of 135,000 acre-feet on December 5, 2015, threatening water supplies to the District and many other water agencies in the Sacramento-Placer region.

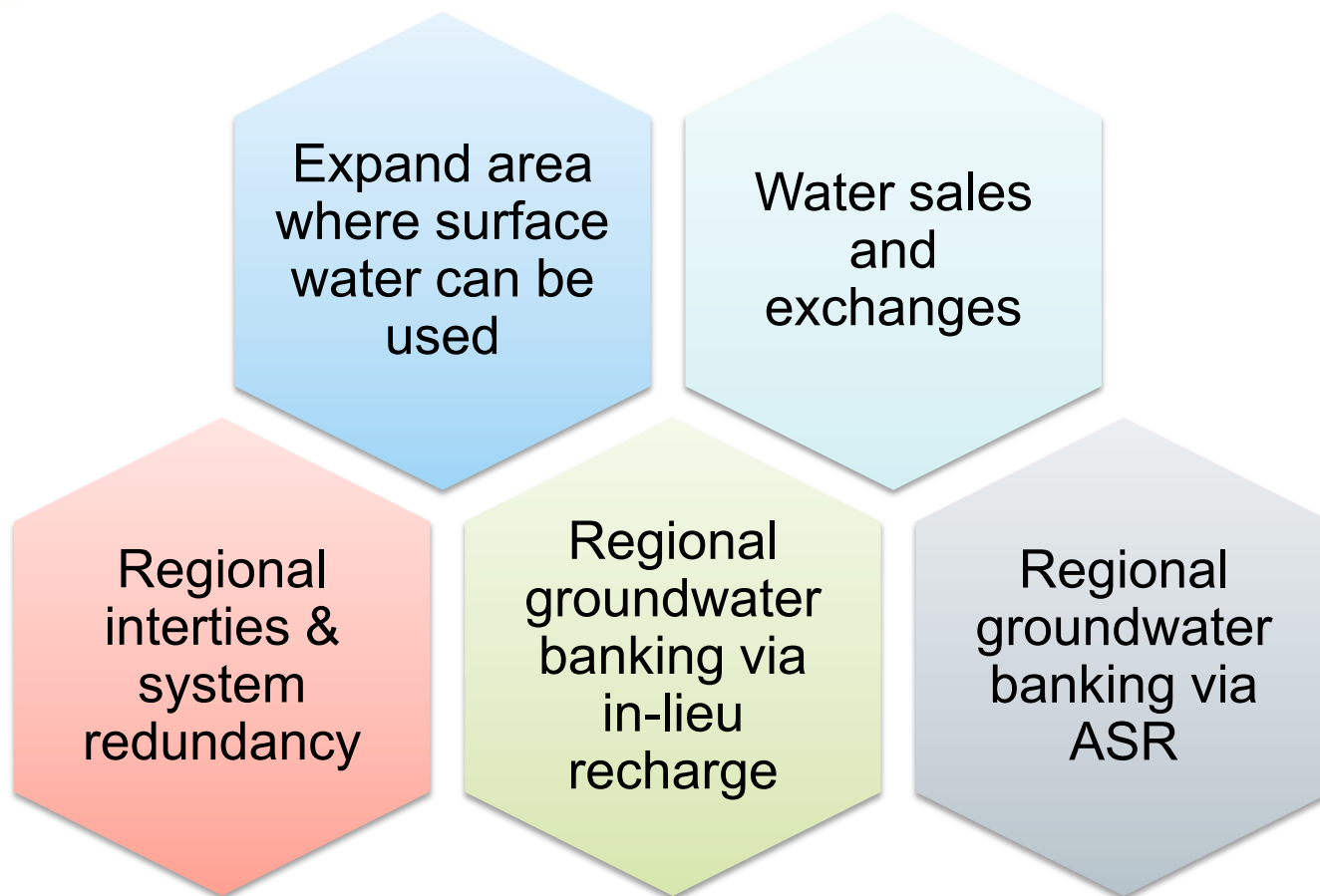
Study Process & Engagement



Study Objectives



Key Findings– Range of Promising Options



Key Findings – Increase Water Utilization

- Key to long-term water supply reliability is expanding the areas where the District can apply its available surface water supplies.
- Maximizing use of CVP water is key to improving dry-year reliability
- Increasing flexibility in MFP water use, while maintaining high utilization, is also strategically important.

Key Findings – Groundwater Banking

- Groundwater banking (via in-lieu and/or ASR) can provide the critical tools to achieve Study objectives by:
 - Increasing the use of available water supplies by establishing additional groundwater replenishment demands.
 - Preserving ownership (in full or partially) of the banked water and accumulating credits for dry year protection and for potential groundwater substitution transfers.
 - Providing adequate groundwater extraction capability and inerties for dry year protection for wholesale and retail customers.
 - Contributing to SGMA compliance and basin-wide conjunctive use.

Key Findings – Regional Collaboration

- A higher level of conjunctive management cannot occur without significant collaboration throughout the region.
 - Merger can be an effective strategy to leverage regional assets and create an administratively and financially efficient entity, but is complex to implement
 - Wholesale agreements provide similar ability to leverage regional surface water assets
 - Interagency agreements to facilitate long-term regional partnerships can help advance regional collaboration.

Key Findings – Portfolio Approach

- Water management options considered in this Study are not mutually exclusive:
 - Leverage synergies among combined options (*e.g., water sales with in-lieu banking agreements*)
 - Pursue a combination of short- and long-term arrangements (*e.g., short-term water sale that turns into long-term in-lieu banking partnership*)
 - Pursue partnerships with multiple agencies (*e.g., coordination with PCWA, and ASR with WCA*)

Recommendations (1) – Reliability Program

Institute a Wholesale Water Management and Reliability Program.

- a. Initiate a feasibility study for the recommended water management options: expanded water sales, groundwater banking, ASR program.
- b. Continue to explore expanding the District's service area via merger or new wholesale customer agreements.
- c. Work with PCWA to expand conveyance and interties capacities in coordination with expansion of Ophir WTP.
- d. Actively collaborate with the RWA and water agencies in the region on potential water management actions that may be beneficial to the region, but not appropriate for the District to take the lead in development.

Process for Developing the Reliability Program



Road Map for Implementing the Study Recommendations

2016 – 2017

POLICIES AND PROTOCOLS

- Define scope of policy amendments and rules of engagement for study implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Seek PCWA's concurrence on flexible use of the MFP contract water
- Explore regional interest in becoming a WCA

GROUNDWATER BANKING

- Develop conceptual groundwater banking business cases to assess financial outlook in different banking operations and financial criteria for success
- Identify initial transfer partner(s) for exploratory discussions and possible pilot project

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Complete scoping in conjunction with policy considerations
- Develop implementation principles and guidance

REGIONAL COORDINATION AND COLLABORATION

- Coordinate on activities and collective interests
- Collaborate on water management initiatives complementary to District's actions and interests

2017 – 2018

POLICIES AND PROTOCOLS

- Develop and adopt policy amendments and formalize rules of engagement

GROUNDWATER ACCOUNTING FRAMEWORK

- Develop initial concept of District's accounting framework based on SGA's existing framework

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Develop a pilot application for flexible use of MFP contract water with regional partner(s)
- Develop new WCA agreement(s)

GROUNDWATER BANKING

- Implement a pilot project for demonstration purposes
- Develop specific banking projects for development, approval, and implementation, focusing on near-term success
- Confirm initial transfer partner(s) for interest and potential agreements for implementation

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Coordinate with WCAs on assessing the feasibility of ASR for integrated surface water and groundwater management in District's wholesale service areas

EXPAND INTERTIES WITH PCWA

- Coordinate with PCWA on concept development for expanded interties and use of American River Pump Station and Ophir WTP capacity

2018 – 2019

POLICIES AND PROTOCOLS

- Integrate amended policies and protocols for consistent application in District operations
- Amend policies and protocols as needed to adapt changed conditions, if necessary

GROUNDWATER ACCOUNTING FRAMEWORK

- Formalize District's accounting framework
- Participate in regional efforts for implementation of groundwater accounting framework consistent with SGMA and relevant regional agreements related to implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU AND SGA AREA

- Demonstrate ability to fully utilize water rights, CVP contract entitlement, and MFP contract entitlement, even if not on an annual basis
- Modify the CVP service area through administrative actions by Reclamation based on new WCA(s)

MERGER

- Engage in merger discussions with willing partner(s); when completed, modify the CVP contract service area accordingly and reassess need for continued implementation of roadmap components

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on long-term sustainable practice and governance
- Enhance regional coordination on banking operations, consistent with SGMA and other regional frameworks

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- If ASR is feasible and mutual interest exists, coordinate with partner(s) to develop a detailed plan for approval and implementation agreement(s)

EXPAND INTERTIES WITH PCWA

- Develop intertie expansion plan for feasibility and approval; develop operation agreement with PCWA

2019 and Beyond

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on expanding portfolio of transfer partners, if necessary
- Participate in regional water banking operations and other related regional common practices and protocols

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Construct/retrofit facilities
- Incorporate ASR into long-term operations, and adapt as needed

EXPAND INTERTIES WITH PCWA

- Implement intertie expansion and operation agreement

TYPE OF ACTION:

-  Administrative
-  Agreements
-  In-lieu Recharge
-  ASR
-  Conveyance & Interties

Task 1 – Develop Policies & Protocols

Task 2 – Develop Reliability Program & Implementation Plans

Task 3 – Regional Coordination & Collaboration

KEY:

- ASR = Aquifer Storage and Recovery
- CVP = Central Valley Project
- MFP = Middle Fork Project

- POU = Place of Use
- PCWA = Placer County Water Agency
- SGA = Sacramento Groundwater Authority

- SGMA = Sustainable Groundwater Management Act
- WCA = Wholesale Customer Agency
- WTP = Water Treatment Plant

Recommendations (2) – Policies and Protocols

Review and amend, as needed, the relevant policies, contracts, and practices to support the Wholesale Water Management and Reliability Program.

- a. Institute a formal groundwater replenishment demand.
- b. Secure PCWA's concurrence on the flexible use of MFP water, and amend Warren Act Contract with Reclamation.
- c. Consult with Reclamation on expanding the CVP contract service area to include MFP water right extended POU in Sacramento County.
- d. Establish clear but adaptive rules of engagement for exploring potential water sales and groundwater banking options with other water agencies in the region to promote long-term partnerships.

Road Map for Implementing the Study Recommendations

2016 – 2017

2017 – 2018

2018 – 2019

2019 and Beyond

POLICIES AND PROTOCOLS

- Define scope of policy amendments and rules of engagement for study implementation

POLICIES AND PROTOCOLS

- Develop and adopt policy amendments and formalize rules of engagement

POLICIES AND PROTOCOLS

- Integrate amended policies and protocols for consistent application in District operations
- Amend policies and protocols as needed to adapt changed conditions, if necessary

GROUNDWATER ACCOUNTING FRAMEWORK

- Develop initial concept of District's accounting framework based on SGA's existing framework

GROUNDWATER ACCOUNTING FRAMEWORK

- Formalize District's accounting framework
- Participate in regional efforts for implementation of groundwater accounting framework consistent with SGMA and relevant regional agreements related to implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Seek PCWA's concurrence on flexible use of the MFP contract water
- Explore regional interest in becoming a WCA

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Develop a pilot application for flexible use of MFP contract water with regional partner(s)
- Develop new WCA agreement(s)

MAXIMIZE WATER USE IN MFP EXTENDED POU AND SGA AREA

- Demonstrate ability to fully utilize water rights, CVP contract entitlement, and MFP contract entitlement, even if not on an annual basis
- Modify the CVP service area through administrative actions by Reclamation based on new WCA(s)

MERGER

- Engage in merger discussions with willing partner(s); when completed, modify the CVP contract service area accordingly and reassess need for continued implementation of roadmap components

GROUNDWATER BANKING

- Develop conceptual groundwater banking business cases to assess financial outlook in different banking operations and financial criteria for success
- Identify initial transfer partner(s) for exploratory discussions and possible pilot project

GROUNDWATER BANKING

- Implement a pilot project for demonstration purposes
- Develop specific banking projects for development, approval, and implementation, focusing on near-term success
- Confirm initial transfer partner(s) for interest and potential agreements for implementation

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on long-term sustainable practice and governance
- Enhance regional coordination on banking operations, consistent with SGMA and other regional frameworks

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on expanding portfolio of transfer partners, if necessary
- Participate in regional water banking operations and other related regional common practices and protocols

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Complete scoping in conjunction with policy considerations
- Develop implementation principles and guidance

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Coordinate with WCAs on assessing the feasibility of ASR for integrated surface water and groundwater management in District's wholesale service areas

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- If ASR is feasible and mutual interest exists, coordinate with partner(s) to develop a detailed plan for approval and implementation agreement(s)

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Construct/retrofit facilities
- Incorporate ASR into long-term operations, and adapt as needed

EXPAND INTERTIES WITH PCWA

- Coordinate with PCWA on concept development for expanded interties and use of American River Pump Station and Ophir WTP capacity

EXPAND INTERTIES WITH PCWA

- Develop intertie expansion plan for feasibility and approval; develop operation agreement with PCWA

EXPAND INTERTIES WITH PCWA

- Implement intertie expansion and operation agreement

REGIONAL COORDINATION AND COLLABORATION

- Coordinate on activities and collective interests
- Collaborate on water management initiatives complementary to District's actions and interests

TYPE OF ACTION:



Task 1 – Develop Policies & Protocols

Task 2 – Develop Reliability Program & Implementation Plans

Task 3 – Regional Coordination & Collaboration

KEY:

ASR = Aquifer Storage and Recovery
CVP = Central Valley Project
MFP = Middle Fork Project

POU = Place of Use
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SGA = Sacramento Groundwater Authority

SGMA = Sustainable Groundwater Management Act
WCA = Wholesale Customer Agency
WTP = Water Treatment Plant

Recommendations (3) – Pilot Transfer

Engage other water agencies in potential water sales and groundwater banking partnerships with a near-term focus on an “early win.”

- a. Build partnerships to realize groundwater banking operations for dry-year protection and/or transfers resulting in revenue to offset District’s investments.
- b. Conduct a “proof-of-concept” via a short-term water sale with or without banking options using MFP or water rights.
- c. Establish and test accounting and reporting procedures and water management protocols.

Road Map for Implementing the Study Recommendations

2016 – 2017

2017 – 2018

2018 – 2019

2019 and Beyond

POLICIES AND PROTOCOLS

- Define scope of policy amendments and rules of engagement for study implementation

POLICIES AND PROTOCOLS

- Develop and adopt policy amendments and formalize rules of engagement

POLICIES AND PROTOCOLS

- Integrate amended policies and protocols for consistent application in District operations
- Amend policies and protocols as needed to adapt changed conditions, if necessary

GROUNDWATER ACCOUNTING FRAMEWORK

- Develop initial concept of District's accounting framework based on SGA's existing framework

GROUNDWATER ACCOUNTING FRAMEWORK

- Formalize District's accounting framework
- Participate in regional efforts for implementation of groundwater accounting framework consistent with SGMA and relevant regional agreements related to implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Seek PCWA's concurrence on flexible use of the MFP contract water
- Explore regional interest in becoming a WCA

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Develop a pilot application for flexible use of MFP contract water with regional partner(s)
- Develop new WCA agreement(s)

MAXIMIZE WATER USE IN MFP EXTENDED POU AND SGA AREA

- Demonstrate ability to fully utilize water rights, CVP contract entitlement, and MFP contract entitlement, even if not on an annual basis
- Modify the CVP service area through administrative actions by Reclamation based on new WCA(s)

GROUNDWATER BANKING

- Develop conceptual groundwater banking business cases to assess financial outlook in different banking operations and financial criteria for success
- Identify initial transfer partner(s) for exploratory discussions and possible pilot project

GROUNDWATER BANKING

- Implement a pilot project for demonstration purposes
- Develop specific banking projects for development, approval, and implementation, focusing on near-term success
- Confirm initial transfer partner(s) for interest and potential agreements for implementation

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on long-term sustainable practice and governance
- Enhance regional coordination on banking operations, consistent with SGMA and other regional frameworks

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on expanding portfolio of transfer partners, if necessary
- Participate in regional water banking operations and other related regional common practices and protocols

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Complete scoping in conjunction with policy considerations
- Develop implementation principles and guidance

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Coordinate with WCAs on assessing the feasibility of ASR for integrated surface water and groundwater management in District's wholesale service areas

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- If ASR is feasible and mutual interest exists, coordinate with partner(s) to develop a detailed plan for approval and implementation agreement(s)

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Construct/retrofit facilities
- Incorporate ASR into long-term operations, and adapt as needed

EXPAND INTERTIES WITH PCWA

- Coordinate with PCWA on concept development for expanded interties and use of American River Pump Station and Ophir WTP capacity

EXPAND INTERTIES WITH PCWA

- Develop intertie expansion plan for feasibility and approval; develop operation agreement with PCWA

EXPAND INTERTIES WITH PCWA

- Implement intertie expansion and operation agreement

REGIONAL COORDINATION AND COLLABORATION

- Coordinate on activities and collective interests
- Collaborate on water management initiatives complementary to District's actions and interests

TYPE OF ACTION:



KEY:

ASR = Aquifer Storage and Recovery
CVP = Central Valley Project
MFP = Middle Fork Project

POU = Place of Use
PCWA = Placer County Water Agency
SGA = Sacramento Groundwater Authority

SGMA = Sustainable Groundwater Management Act
WCA = Wholesale Customer Agency
WTP = Water Treatment Plant

Task 1 – Develop Policies & Protocols

Task 2 – Develop Reliability Program & Implementation Plans

Task 3 – Regional Coordination & Collaboration

Recommendations (4) – Engagement

Implement a long-term advocacy and public outreach campaign to support the Wholesale Water Management and Reliability Program.

- Maintain consistent and strategic education, advocacy, and outreach program.
- Enhance overall transparency and improve support throughout Program implementation.
- Target audiences for specific Program elements, including WCAs, water agencies in the region, non-governmental organizations and regulatory agencies, and potential water transfer partners outside the region

Road Map for Implementing the Study Recommendations

2016 – 2017

POLICIES AND PROTOCOLS

- Define scope of policy amendments and rules of engagement for study implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Seek PCWA's concurrence on flexible use of the MFP contract water
- Explore regional interest in becoming a WCA

GROUNDWATER BANKING

- Develop conceptual groundwater banking business cases to assess financial outlook in different banking operations and financial criteria for success
- Identify initial transfer partner(s) for exploratory discussions and possible pilot project

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Complete scoping in conjunction with policy considerations
- Develop implementation principles and guidance

EXPAND INTERTIES WITH PCWA

- Coordinate with PCWA on concept development for expanded interties and use of American River Pump Station and Ophir WTP capacity

REGIONAL COORDINATION AND COLLABORATION

- Coordinate on activities and collective interests
- Collaborate on water management initiatives complementary to District's actions and interests

TYPE OF ACTION:



Task 1 – Develop Policies & Protocols

Task 2 – Develop Reliability Program & Implementation Plans

Task 3 – Regional Coordination & Collaboration

2017 – 2018

POLICIES AND PROTOCOLS

- Develop and adopt policy amendments and formalize rules of engagement

GROUNDWATER ACCOUNTING FRAMEWORK

- Develop initial concept of District's accounting framework based on SGA's existing framework

MAXIMIZE WATER USE IN MFP EXTENDED POU

- Develop a pilot application for flexible use of MFP contract water with regional partner(s)
- Develop new WCA agreement(s)

GROUNDWATER BANKING

- Implement a pilot project for demonstration purposes
- Develop specific banking projects for development, approval, and implementation, focusing on near-term success
- Confirm initial transfer partner(s) for interest and potential agreements for implementation

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Coordinate with WCAs on assessing the feasibility of ASR for integrated surface water and groundwater management in District's wholesale service areas

EXPAND INTERTIES WITH PCWA

- Coordinate with PCWA on concept development for expanded interties and use of American River Pump Station and Ophir WTP capacity

2018 – 2019

POLICIES AND PROTOCOLS

- Integrate amended policies and protocols for consistent application in District operations
- Amend policies and protocols as needed to adapt changed conditions, if necessary

GROUNDWATER ACCOUNTING FRAMEWORK

- Formalize District's accounting framework
- Participate in regional efforts for implementation of groundwater accounting framework consistent with SGMA and relevant regional agreements related to implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU AND SGA AREA

- Demonstrate ability to fully utilize water rights, CVP contract entitlement, and MFP contract entitlement, even if not on an annual basis
- Modify the CVP service area through administrative actions by Reclamation based on new WCA(s)

MERGER

- Engage in merger discussions with willing partner(s); when completed, modify the CVP contract service area accordingly and reassess need for continued implementation of roadmap components

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on long-term sustainable practice and governance
- Enhance regional coordination on banking operations, consistent with SGMA and other regional frameworks

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- If ASR is feasible and mutual interest exists, coordinate with partner(s) to develop a detailed plan for approval and implementation agreement(s)

EXPAND INTERTIES WITH PCWA

- Develop intertie expansion plan for feasibility and approval; develop operation agreement with PCWA

2019 and Beyond

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on expanding portfolio of transfer partners, if necessary
- Participate in regional water banking operations and other related regional common practices and protocols

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Construct/retrofit facilities
- Incorporate ASR into long-term operations, and adapt as needed

EXPAND INTERTIES WITH PCWA

- Implement intertie expansion and operation agreement

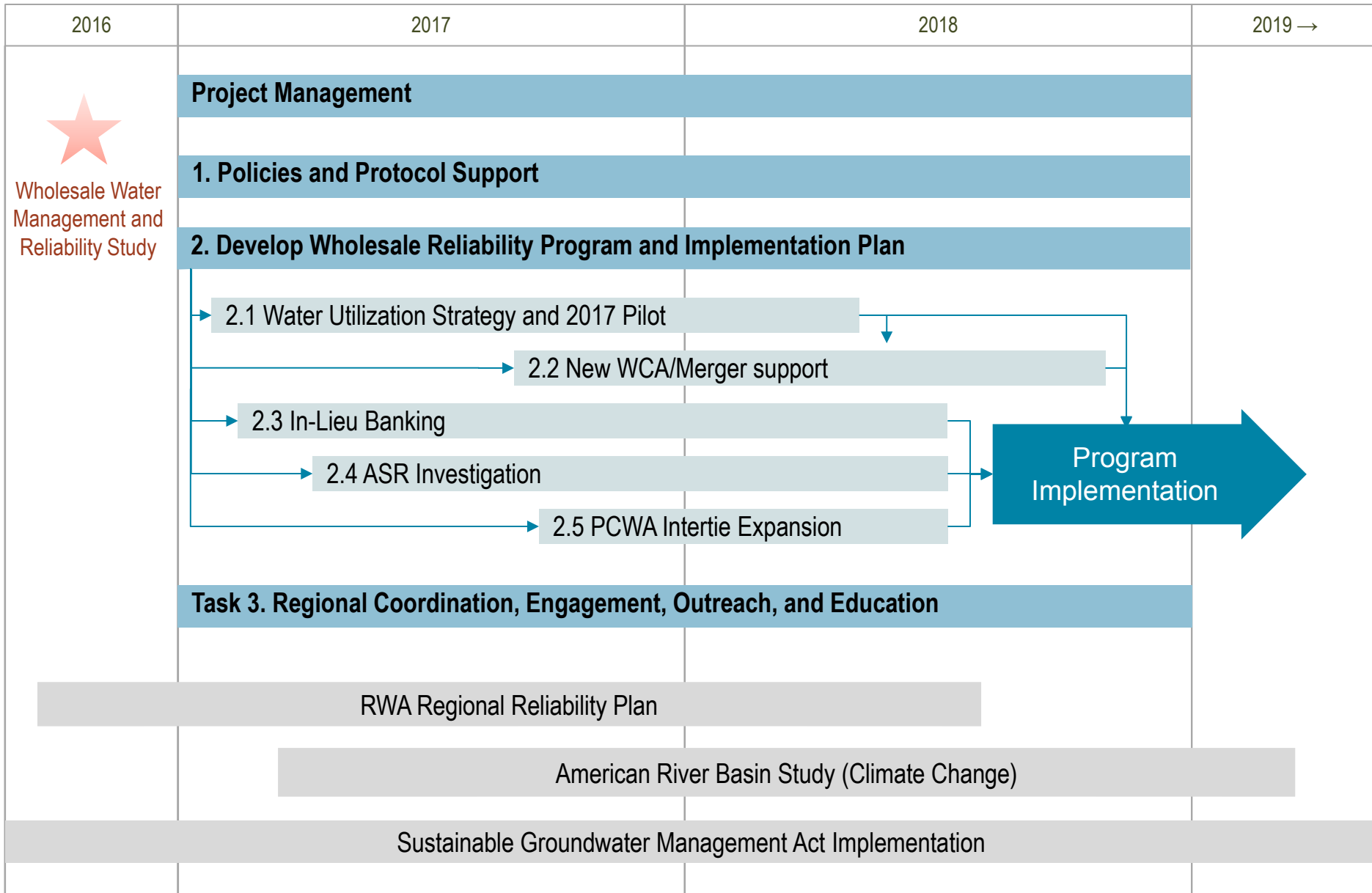
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WCA = Wholesale Customer Agency
WTP = Water Treatment Plant

Feasibility Reliability Program Study and Related Regional Efforts



Next Steps

Presentation to the WCAs

September 22, 2016

Comments due on Draft Final Report

September 28, 2016

Revised Draft TM6 – Scope of Feasibility Study

Late September, 2016

Final Report

Early October 2016

Joint Board Meeting Presentation

Mid to Late October 2016



BOARD GOVERNANCE

BEST PRACTICES FOR EFFECTIVE BOARD ACTION & MEETING CONDUCT

SEPTEMBER 14, 2016

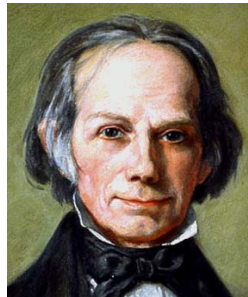
PRESENTED BY: JOSHUA M. HOROWITZ, DISTRICT LEGAL COUNSEL



Bartkiewicz, Kronick & Shanahan
A Professional Corporation

**“GOVERNMENT IS A TRUST, AND THE
OFFICERS OF GOVERNMENT ARE
TRUSTEES; AND BOTH THE TRUST
AND THE TRUSTEES ARE CREATED
FOR THE BENEFIT OF THE PEOPLE.”**

- HENRY CLAY



WHAT IS GOVERNANCE?

- The dictionary defines governance as the act and the art of directing and controlling an organization.

- In the public agency context, governance means the board acting collectively to adopt and oversee the impartial implementation and administration of policies that promote and protect the best interests of the communities served by the agency (and to bring the public along with the action).

3

BOARD'S FUNDAMENTAL ROLE

“All members of the board of directors shall exercise their independent judgment on behalf of the interests of the entire district, including the residents, property owners, and the public as a whole in furthering the purposes and intent of [the CSD Law].” -- Government Code section 61040(c)

- The Board is the “captain of the ship.”
 - Sets SJWD’s policy “course” and provides the “crew” with effective guidance and the tools to safely steer the ship on the course that’s been set by the Board.

- The Board is SJWD’s “Standard Bearer.”
 - Advocates for the District’s policies both inside and outside of the organization.

4

BOARD RESPONSIBILITIES

- Determine SJWD’s mission and purpose, and promote it.
- Set and ensure implementation of effective policies that reflect the needs and interests of the communities served.
 - The Board “shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies.” (G.C. section 61045(g).)
- Ensure and oversee the District’s fiscal health.
- Ensure legal and ethical integrity and maintain accountability.
- Support the GM and assess his/her performance.
- Select and oversee performance of the Treasurer, Secretary, Auditor, and Legal Counsel.

5

BOARD CONDUCT STANDARDS

“Nearly all men can stand adversity, but if you want to test a man’s character, give him power.” – Abraham Lincoln

- Be loyal to District’s mission free from other loyalties, including Director’s personal and financial advantage.
- Follow highest ethical standards.
- Act respectfully and deal fairly with public, other Directors, and staff.



6

BOARD CONDUCT STANDARDS

- Recognize and avoid interests that conflict with public duties.
- Act collectively and support final collective actions in public.
- Protect confidential information.
- Work collaboratively with the public and other public officials.

7

RESULTS OF PROPER BOARD CONDUCT

- Promotes public's respect for Board and SJWD's mission.
- Establishes SJWD as a leader in community and industry.
- Models proper conduct and leadership for staff.
- Promotes public "buy-in" for new programs and difficult decisions.
- Promotes public confidence that Board is "doing right."

8

RESPONSIBILITIES OF BOARD PRESIDENT

- Presides at all regular and special Board meetings.
- Calls special meetings when necessary.
- Establishes committees and appoints directors to serve on committees and as representatives to outside associations.
- Assists the GM in preparing meeting agendas.
- Serves as the liaison between the GM and Board.
- Consults with GM on implementation of Board policy.
- Signs contracts on behalf of District, unless Board delegates authority to GM or other officer.

9

GENERAL MANAGER'S ROLE AND DUTIES

(Government Code section 61051)

- The Board directs the GM, who in turn directs staff to implement the Board's adopted policies.
- Reports to the Board as required by law, policy and Board direction.
- Directs and oversees day-to-day District operations.
- Has authority to hire and discharge all employees.
- Fixes and alters the compensation of employees, subject to Board approval.
- Reviews and presents proposed budgets to Board.

10

BOARD MEETING CONDUCT

- Be attentive and polite to all speakers.
- Act impartially and without apparent bias.
- Not required to respond to comments or engage in extended discussions with public.
- Not required to act simply because item is on agenda.
- Avoid going “off agenda.”
- President has right to limit speaking time and enforce rules prohibiting repetitive comments and offensive conduct.

11

BOARD MEETING AGENDAS

- Must contain statutory advisories, but these do not need to be read at the start of each meeting.
- A consent calendar is a recommended (and almost universal) tool to address routine, non-controversial items.
- New and old action items and staff and consultant presentations and reports should be the centerpiece of meetings.
- Written Committee and Director reports should be placed in the agenda packet, but should not be read or reported in detail.
 - Any action items brought forward by committee should either be included on action/business portion of agenda or be the centerpiece of committee presentations.
 - Otherwise, written committee and director reports should be addressed by exception.

12

ORDINANCE v. RESOLUTION v. POLICY

It's Complicated!

- Traditional definition: An ordinance is a local law prescribing an enforceable, permanent, generally applicable rule of conduct that is prospective in operation.
- A resolution is “less formal” – it expresses the “sense of the Board” on a matter of policy or administration, and is considered more temporary or changeable in nature.
- A policy is the Board’s guidance to staff to perform, in a manner prescribed by the Board, the District’s legal duties as established by statute or ordinance (and resolution).
- One important legal distinction – only an ordinance can be enacted by an initiative (but not a referendum).

13

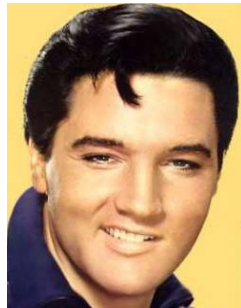
ORDINANCE v. RESOLUTION v. POLICY

- But, to some extent the distinction between ordinances and resolutions is blurred.
 - Courts look at what the Board’s intent and purpose is – is a resolution legislative or a policy statement?
 - In some cases, for example water rates, the Board is authorized by statute to act by ordinance or resolution – a water rate adopted by resolution is just as enforceable as one adopted by ordinance.
- A good rule of thumb – actions that are intended to be regulatory and binding on a long-term basis should be adopted by ordinance.

14

“I DON’T LIKE PEOPLE WHO ARE IN POLITICS FOR THEMSELVES AND NOT FOR OTHERS. YOU WANT THAT, YOU CAN GO INTO SHOW BUSINESS.”

- ELVIS PRESLEY



15

QUESTIONS?



Bartkiewicz, Kronick & Shanahan
A Professional Corporation

16

*Copy to Board
my report*

AGENDA ITEM VI-1.3

United States Department of the Interior



BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

IN REPLY REFER TO:
MP-3400
WTR-1.10

AUG 09 2016

Mr. Richard D. Plecker
Environmental Utilities Director
City of Roseville
311 Vernon St.
Roseville, CA 95678

Subject: Comments on the Proposed Final Central Valley Project (CVP) Municipal and Industrial (M&I) Water Ratesetting Policy

Dear Mr. Plecker:

Thank you for your agency's contributions to the consolidated comments that were provided by letter, dated June 30, 2016, on behalf of the CVP American River Division (ARD) regarding the Proposed Final CVP M&I Water Ratesetting Policy. The letter identified several issues that ARD M&I water service contractors would like to see addressed in the final M&I Water Ratesetting Policy. Reclamation will review each of the issues identified and incorporate them in the policy where it is appropriate, and then continue to work with the Central Valley Project Water Association at future Financial Affairs Committee meetings to ensure that all issues and comments provided are addressed. Once the proposed final policy is updated with the feedback received, all CVP water contractors will be given another opportunity to review the document before it is forwarded on to Reclamation's Policy Office in Denver. An updated version of the proposed final policy is expected to be ready for review by November 30, 2016.

If you have any questions or concerns regarding the Proposed Final CVP M&I Ratesetting Policy, please contact Ms. Autumn Wolfe at awolfe@usbr.gov or by phone at 916-978-5391.

Sincerely,

Brenda Bryant

Brenda Bryant
Assistant Regional Director

cc: Continued on next page

Sacramento County Water Agency
Attn: Michael Peterson
Director/Agency Engineer
827 7th Street, Room 301
Sacramento, CA, 95814

City of Folsom
Attn: Marcus Yasutake
Environmental and Water Resources Director
50 Natoma Street
Folsom, CA 95630

San Juan Water District
Attn: Shauna Lorance
General Manager
P.O. Box 2157
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Placer County Water Agency
Attn: Andrew Fecko
Director, Resource Development
P.O. Box 6570
Auburn, CA 95604

East Bay Municipal Utility District
Attn: Alexander Coate
General Manager
1127 11th St, Suite 414
Sacramento, CA 95814

Sacramento Municipal Utility District
Attn: Jon Olson
Director, Energy Trading and Contracts
P.O. Box 15830
Sacramento, CA 95852

El Dorado County Water District
Attn: Kenneth V. Payne, P.E.
Interim General Manager
4110 Business Drive, Suite B
Shingle Springs, CA 95682

AGENDA ITEM VI-1.3

P.O. Box 2157 | 9935 Auburn Folsom Road | Granite Bay, CA 95746 | 916-791-0115 | sjwd.org



August 16, 2016

Jim Branham
Executive Officer
Sierra Nevada Conservancy
11521 Blocker Dr., Ste 205
Auburn, CA 95603

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

Subject: Support for the Sierra Nevada Watershed Improvement Project

Dear Mr. Branham:

The San Juan Water District Board of Directors appreciates the information provided regarding the Sierra Nevada Watershed Improvement Project. ACWA and the Nature Conservancy have launched separate but complementary efforts to protect the State's water and environmental resources. SJWD is a member of ACWA, and has fully supported the ACWA headwaters initiative.

The headwaters of the many rivers that originate in the Sierra Nevada are critical to the water supply for most of California. Successful management of the watershed is critical, and will become more important as water demands increase and climate change reduces the amount of snow pack.

San Juan Water District's Board of Directors supports your efforts and appreciates all the work you have done to increase the awareness of the importance of the management of the watershed in our region. Please keep us updated on your progress, and do not hesitate to list our support of your efforts on your website if you desire.

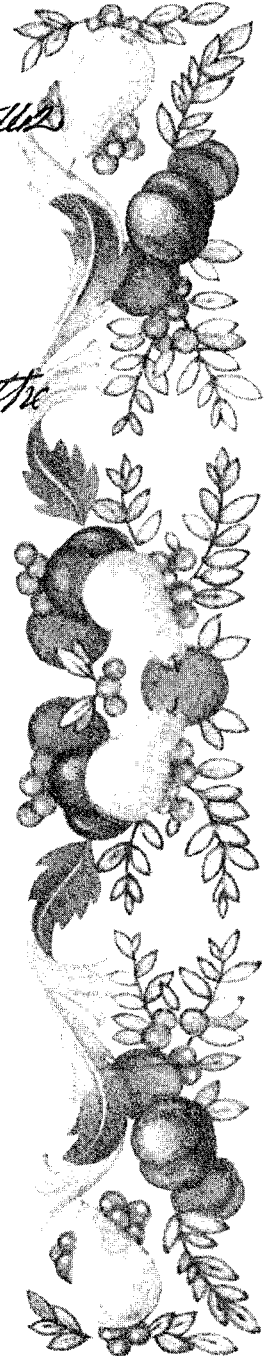
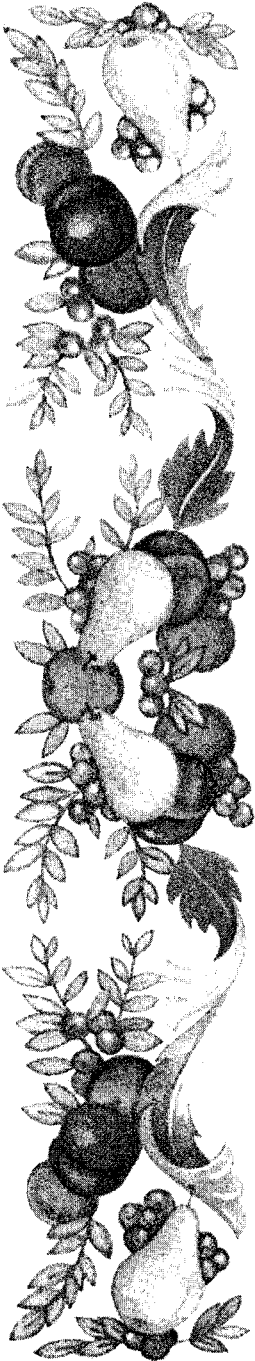
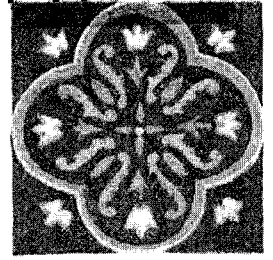
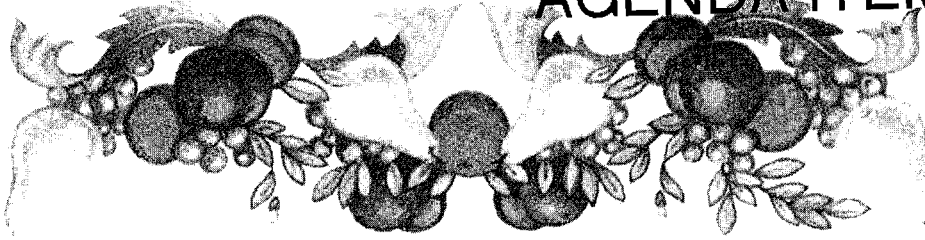
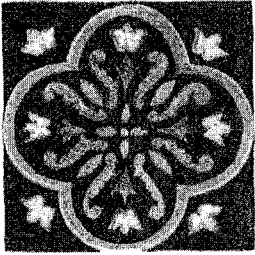
Bob Walters, Director at San Juan Water District, is interested in being added to your email list for upcoming meetings on this topic. His email is bobbwalt@gmail.com.

Again, thank you for all your efforts on this important topic.

Sincerely,

Pam Tobin
President, SJWD

cc: SJWD Board of Directors
Shauna Lorange, SJWD General Manager



Orangerville, Ca 95422

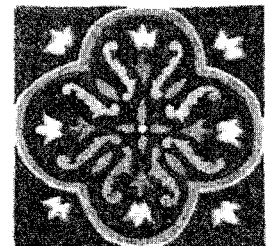
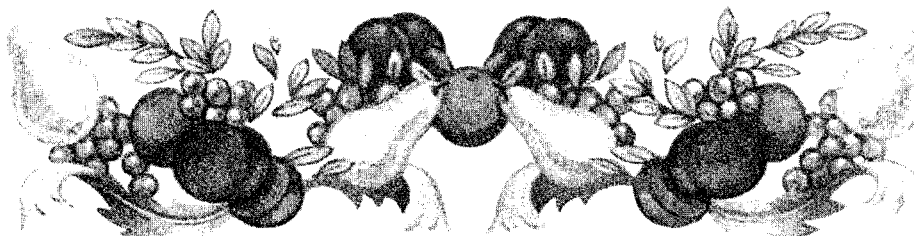
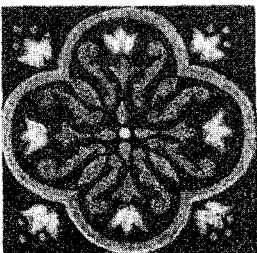
San Juan Water Dist.
9535 Auburn Folsom Rd
Geonite Bay, Calif. 95746

Sir:

This letter is to thank you for the superior service of Jason Mayorga. My handiman had investigated the water problem incorrectly. When Jason came to shut off the water, he checked the problem. After redigging he was able to trace the water to a valve that was open. This he closed. As this was late Sat., he saved us the hardship of being without water for the weekend.

His extra time and effort was greatly appreciated.

Jean + Jack Chapman



www.sjwd.org
Website Update Status

September 14, 2016

Keith Durkin
Assistant General Manager

Website Modifications

- ▶ Staff (CvC) took temporary control of website from C&C to make changes to improve mobile device viewing
- ▶ “Cascading Style Sheets” (CSS) and HTML programming changes were applied to the website
 - CSS provides instructions to browsers on how to display HTML elements on screen, paper, or in other media
 - Used to make web pages look good on all devices (desktops, tablets, and phones)
- ▶ CSS provides responsive web design to resize, hide, shrink, enlarge, or move content to make it look good on any screen


Responsive Website Design

The Pulpit Rock

- The Drive
- The Walk
- The Return
- The End

The Walk

The walk to the Pulpit Rock will take you approximately two hours, give or take an hour depending on the weather conditions and your physical shape.



What?
The Pulpit Rock is a part of a mountain that looks like a pulpit.

Where?
The Pulpit Rock is in Norway

Price?
The walk is free!

This web page is a part of a demonstration of fluid web design made by www.w3schools.com. Resize the browser window to see the content response to the resizing.

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CONTACT US

search our site

Go

Home

About San Juan

Customer Service

Water Quality

Water Efficiency

Construction

Calendar

Check out our calendar of upcoming events and meetings.

LEARN MORE



SIGN UP FOR OUR EMAIL ALERTS

email

GO

CALENDAR



WATERING DAYS



REPORT WATER WASTE



REBATES



PAY YOUR BILL



Water Efficiency Information

As of March 23, 2016, San Juan moved to a Conservation Stage 2 with a voluntary 10 percent use reduction. By moving from Stage 4 to Stage 2, the 10 percent drought surcharge was removed effective April 1. Thanks to improved rain and snowfall and water conservation statewide, that state also has lifted mandatory water conservation requirements. [Read Stage 2 water restrictions.](#)

LEARN MORE



Transparency Hub

Our [Transparency Hub](#) is the central point for accounting, operations and governance information and data. It's

LEARN MORE

QUICK LINKS

- [Board Meetings](#)
- [Employment Opportunities](#)



CONTACT US

search our site

Go

San Juan ranks high in water quality through testing and treatment.

LEARN MORE



SIGN UP FOR OUR EMAIL ALERTS

email

GO

CALENDAR

WATERING DAYS

REPORT WATER WASTE

REBATES

PAY YOUR BILL

QUICK LINKS

- Board Meetings
- Employment Opportunities
- Contact Us
- WaterSmart
- Current Lake Levels
- Transparency Hub
- Water Conservation Tips
- Construction

CALENDAR

Check out our monthly calendar of events, workshops and board meetings.

Tuesday

13



Water Efficiency Information

As of March 23, 2016, San Juan moved to a Conservation Stage 2 with a voluntary 10 percent use reduction. By moving from Stage 4 to Stage 2, the 10 percent drought surcharge was removed effective April 1. Thanks to improved rain and snowfall and water conservation statewide, that state also has lifted mandatory water conservation requirements. Read Stage 2 water restrictions.

LEARN MORE



Transparency Hub

Our Transparency Hub is the central point for accounting, operations and governance information and data. It's information where you want it, when you need it.

LEARN MORE



Questions & Answers

Are you looking for more information on San Juan Water District? Our Questions & Answers page is the place to go for answers to all of your questions about the District's operations, budgets, staffing, billing and more.

LEARN MORE



WaterSmart

Take the Guesswork Out of Saving Water Reduce your water use with WaterSmart. This free tool monitors your home's water use and provides you with recommendations on new ways to save.

LEARN MORE



REBATES

Find out about our money-saving water efficiency rebates and free programs.



WHOLESALE

Learn more about collaboration between Wholesale customers.



SAVE OUR H2O

Check out statewide water information and a water use calculator.




CUSTOMER SERVICE

Get information about rates, fees and paying your bill online.



Go

CONTACT US



What days can we
water now in a Stage 2
conservation level?
Any day.

LEARN MORE



CUSTOMER SERVICE

Our highest priority is to provide customers with reliable, clean water at reasonable rates with quality customer service.

We want to hear from you! Your comments and input will help us provide our customers with the best possible service. Please let us know how we are doing by completing our [satisfaction survey](#).

VIEW AND PAY BILL



FEES AND RATES

Go

CONTACT US



Home

About San Juan ▾

Customer Service ▾

Water Quality

Water Efficiency ▾

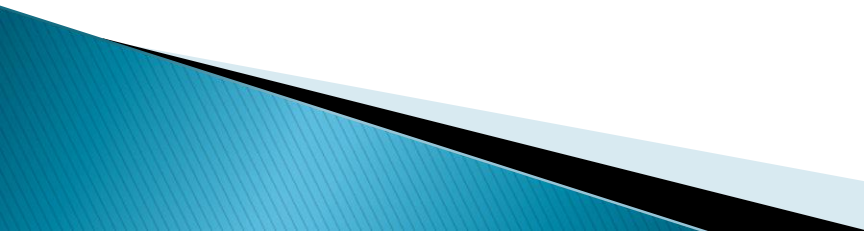
Construction ▾

Calendar

What days can we
water now in a Stage 2

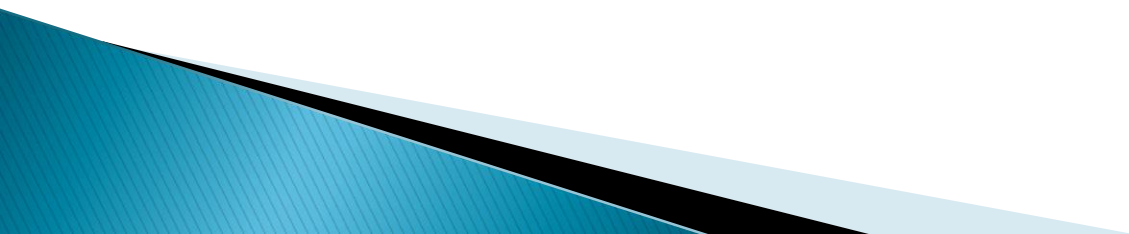
Status



- ▶ Modifications will be complete by Friday, September 16th
 - ▶ Working version can be viewed at : <http://Lanitech.net/sjwd>
 - ▶ Note that this modification does not include any changes to layout, format, content or feel of the website, or capabilities for staff to manage the site
 - ▶ Thanks to Chris von Collenberg!
- 



Questions?



**Public Information Committee Meeting Minutes
San Juan Water District
August 15, 2016
10:30 a.m.**

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

District Staff & Consultants: Shauna Lorance, General Manager
Lisa Brown, Customer Service Manager
Teri Grant, Board Secretary/Administrative Assistant
Lucy Eidam Crocker, Crocker & Crocker

Topics: Wholesale Mailer (W)
Customer Survey (R)
Press Release (R)
WaterSmart Software Program (R)
Customer Committee for Financial Plan and Community Outreach (R)
Other Public Information Matters
Public Comment

1. Wholesale Mailer (W)

Ms. Eidam Crocker informed the committee that past surveys have shown that customers want to receive information through different avenues. She provided the committee with the draft information for the wholesale mailer and explained that graphics and formatting will be completed. The committee reviewed the information and provided some suggested revisions. The committee would like to see a draft of the formatted mailer once it is completed.

Ms. Eidam Crocker informed the committee that the mailer is anticipated to be completed in mid to late September. In addition, she will make the recommended changes and bring back to the next meeting.

For information, no action requested.

2. Customer Survey (R)

Ms. Lorance informed the committee that staff recommends that the customer survey not be completed at this time. The committee discussed the recommendation and agreed with staff. Director Tobin suggested that a placeholder for the survey be in the FY 2017-18 budget.

For information, no action requested.

3. Press Release (R)

Ms. Lorance informed the committee that a press release was provided to local media as a response to the Sacramento Bee article regarding the District's water

usage. Ms. Brown commented that no media outlets ran the information. It was suggested that another press release be created with graphics that shows the trend of the District's declining water demands.

Director Miller suggested that another press release be done regarding the lowering of the water in Folsom Reservoir and the reasons behind the releases.

For information, no action requested.

4. WaterSmart Software Program (R)

Ms. Lorance informed the committee that grant funding for the WaterSmart program has been delayed. Ms. Brown explained that DWR and RWA are in the process of signing the grant agreement which will fund 50% of the overall costs. Ms. Brown voiced concern that it has taken longer than usual for this grant to be finalized; therefore, she has not proceeded with sending out WaterSmart reports to customers since February. The committee discussed the program and agreed that the program, which was started during the drought, is a valuable program; however, they agreed with Ms. Brown that the grant funding is needed to support the program. Ms. Brown will contact the RWA again to see if grant funding is retroactive and check on the status.

5. Customer Committee for Financial Plan and Community Outreach (R)

Ms. Lorance informed the committee that Thank You letters were sent to the volunteers who served on the Drought Committee. She explained that the retail customers were offered an opportunity to serve on a Financial Plan and Rate Committee. Ms. Lorance will meet with President Tobin to discuss the meeting schedule for the committee.

For information, no action requested.

6. Other Public Information Matters

There were no other items discussed.

For information, no action requested.

6.1 Next Meeting Date

The next committee meeting is scheduled for September 6, 2016 at 10:00 am. [*The time was changed to 9:00 am after the meeting*]

7. Public Comment

There was no public comment.

The meeting adjourned at 11:40 am.

AGENDA ITEM VIII-2 DRAFT

**Personnel Committee Meeting
San Juan Water District
August 30, 2016
4:00 p.m.**

Committee Members: Pam Tobin, Chair
Bob Walters, Director

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

Topics: Update on HR Review (W & R)
Employee Policy Review (W & R)
Other Personnel Matters
Public Comment

1. Update on HR Review (W & R)

Ms. Lorange informed the committee that Shellie Anderson, Bryce Consulting, has updated all of the District's personnel files in order to keep medical records separate from the regular personnel file. In addition, Ms. Anderson reformatted the personnel manual to be in a chapter format. Ms. Anderson has also started interviewing management about their HR needs and gaps and is in the process of mapping out and streamlining the recruitment, selection and onboarding process for new employees including tackling the pre-employment medical screening. Ms. Lorange informed the committee that there have been changes in the law that affect drug testing and those changes will be incorporated into the policy and screening process.

Director Walters requested that a written report be provided once the audit and review is complete.

Ms. Lorange informed the committee that the Water Resources Specialist position has been filled with an anticipated start date of September 12th, pending the pre-employment medical screening.

For information only; no action requested.

2. Employee Policy Review (W & R)

Ms. Lorange informed the committee that the *Employee Policy Manual* is being renamed *Employee Manual* and changes to the manual include moving some employee policies to Board policies. She explained that significant changes will be reviewed by the committee and are documented in a written staff report, which will be attached to the meeting minutes. In addition, after the committee reviews the changes, Legal Counsel will review the full manual then District employees will be given a chance to discuss the manual for their input prior to Board approval.

Ms. Lorance informed the committee that Board policies will go through Board approval and Ordinance revisions will be reviewed by Legal Affairs Committee. Director Walters suggested that an introductory statement be provided which explains the difference between Board policies and Ordinances. Ms. Lorance will have Legal Counsel provide the statement.

The committee reviewed the significant changes, which were documented in the staff report and made some minor revisions.

For information only; no action requested.

3. Other Personnel Matters

There were no other items discussed.

3.1 Next Meeting Date

The next meeting will be scheduled when needed.

4. Public Comment (W/R)

There was no public comment.

The meeting was adjourned at 4:48 p.m.

STAFF REPORT

To: Personnel Committee

From: Shauna Lorance

Date: August 30, 2016

Subject: Employee Manual Revisions

RECOMMENDED ACTION

Concurrence to include revisions in reformatted Employee Manual.

BACKGROUND

The Board of Directors has requested the Personnel Committee conduct a review of the existing Employee Manual to confirm the manual complies with all regulations and laws. Staff will be submitting recommended revisions to the Employee Manual in smaller groups of policies. Once all policies have been discussed in concept with the Personnel Committee, the recommended revisions/policies will undergo legal review and proposed revisions will be discussed with all staff. After completed, the documents will be reformatted into an Employee Manual, Board policies, and Ordinances as appropriate for final review by the Personnel Committee and approval by the Board of Directors.

CURRENT STATUS

The Personnel Committee has previously provided general consensus with the substantive revisions for policies through 5100.

Staff recommends the following significant revisions for Policies 6000 through 15000:

- Policy 6020 Education Program - Require employees to be with the District for at least 3 years prior to education reimbursement
- Policy 6030 Professional Certification – clarify that the District pays for the first round of testing for certifications. Any future testing costs due to the employee not passing the test are the responsibility of the employee. Clarifies that professional certification includes operator certification.
- Policy 6050 Beneficial Suggestion – The minimum and maximum award amounts were increased since the original policy was adopted in 2002. Included a clarification that the Board may determine an amount higher than the maximum award for extenuating circumstances.
- Policy 7020 Standards of Conduct –
 - Clarified the time frame within which notification of an absence must be provided to employees supervisor

- Deleted willfully submitting incorrect timecard as an independent infraction, as it is already covered in number 6
 - Clarification of requirement to notify District of any crime or off duty situation which could affect job performance, security or customer safety.
- Policy 7040 uniforms and dress code –
 - Complete revision to the section on facial hair
 - Revision to uniforms for clarity, but no revisions from current processes
 - Updated policy to include existing reimbursement for steel toed boots and specialty electrical boots
- Policy 7050 – The section on unexcused absences is deleted as this is already included in the attendance policy
- Policy 7060 anti-harassment policy – complete revision to meet legal requirements
- Policy 7070- The entire policy was deleted as the use of tools is already in other sections. Need to consider if it would be beneficial to create a new policy on driving record requirements
- Policy 8020 Employer Employee Relations– does not belong in the employee manual. Ask legal if needed as a board policy or is it out of date.
- Policy 9020 – Revised wording to reflect that employee evaluations are completed once a year in February
- Policy 10020 – Revised section to include all forms of tobacco, not just smoking, such as e-cigarettes, etc. Included statement that smoking is not allowed in District vehicles.
- Policy 10030 - Need to ask legal if safety days can be “lost” at the end of the year or must be allowed to be carried over to future years or paid out.
- Policy 11050 – This policy was deleted in entirety as completely outdated
- Policy 13010- Revised the information on retirement benefits to include PEPRA.
- Policy 15010 – Recommend deleting our computer policy and replace with information similar to ACWA’s technology information wording.
- Appendix C Josh has provided a sample drug and alcohol testing policy we will use in coordination with SSWD policy and procedures to modify our policy to meet current laws and regulations.

AGENDA ITEM VIII-3

DRAFT

Legal Affairs Committee Meeting August 31, 2016 4:00 p.m.

Committee Members: Bob Walters (Chair)
Ted Costa, Director

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Teri Grant, Board Secretary/Administrative Assistant
Josh Horowitz, Legal Counsel

Members of the Public: Debra Sedwick, Del Paso Manor Water District

Topics: Board Member Tablets and Emails (W & R)
Sacramento County Paving Requirements Update (W)
New Drinking Water Discharge Permit Requirements Related to Baldwin Reservoir Operations (W)
Ordinance Review (W &R)
Other Legal Affairs Matters
Public Comment

Director Walters informed the committee that agenda item 2 would be discussed at the beginning of the meeting. The meeting minutes will reflect the original meeting agenda order.

1. Board Member Tablets and Emails (W & R)

Ms. Lorance reported that the Public Information Committee recommended to the Board that tablets be supplied to Board members for District Business use, and so that District emails are received on non-personal devices. The Board referred the agenda item to the Legal Affairs Committee for discussion. The committee discussed the item and decided to table the discussion for a few months.

For information only; no action requested

2. Sacramento County Paving Requirements Update (W)

Ms. Lorance introduced Debra Sedwick, Del Paso Manor Water District General Manager, and informed the committee that Ms. Sedwick is interested in the District's position regarding this topic. Director Costa commented that the Board should consider obtaining an outside legal opinion on this matter.

Mr. Durkin informed the committee that a utilities technical group has been meeting with the Sacramento County Department of Transportation (DOT) to review and potentially develop amendments to the revised trench paving standards that the DOT is proposing to the Sacramento County Board of Supervisors. The technical group also requested that DOT complete a study to evaluate and justify the new standards. He explained that the meetings with the DOT are not going in the direction that is needed to accomplish

meaningful amendments or commit to a study and therefore no additional meetings are expected to be scheduled with the DOT.

Mr. Durkin informed the committee that he, Director Walters, and representatives from Sacramento Suburban Water District have met with three county supervisors thus far to discuss the impacts of the revised standards on public utilities and request further consideration. All three supervisors were asked whether the County obtained an opinion from county counsel on to determine whether the new standards could sustain a legal challenge. To date one has not been obtained.

Mr. Durkin informed the committee that the DOT will submit a staff report for the September 27th Sacramento County Board of Supervisors meeting, and we will obtain a copy of the staff report when it is submitted approximately a week prior to the meeting.

The committee discussed the agenda topic and staff will report back after the September 27th Board of Supervisors meeting.

For information only; no action requested

3. New Drinking Water Discharge Permit Requirements Related to Baldwin Reservoir Operations (W)

Mr. Durkin reported that the Baldwin Reservoir was converted to a natural habitat in the 1990's to mitigate for loss of wetlands associated with an Elliot Homes housing project at that time. He explained that sludge from the District's water treatment plant was originally pumped to the location and the water from the sludge would drain into the reservoir. He explained that once the Solids Handling Building was constructed and the sludge was no longer pumped to the reservoir site, the District was required to supply water to the reservoir in an amount up to one acre foot per day. He informed the committee that partially treated water has been supplied to the reservoir from the water treatment plant since that time.

Mr. Durkin reported that the State Water Resources Control Board has issued a new Drinking Water Discharge Permit Requirement which allows agencies to discharge up to one acre foot per day for discharges such as hydrant flushing, pipeline leaks and items covered under normal activities. To comply with the new discharge permit, staff is making plumbing changes at the water treatment plant and will transition to using raw water for Baldwin Reservoir environmental requirements.

For information only; no action requested

4. Ordinance Review (W & R)

Ms. Lorance provided the committee with a written staff report which will be attached to the meeting minutes. In response to Director Costa's question, Ms. Lorance explained that non-significant changes included grammar and spelling corrections while significant changes included changes to the meaning of the policy.

For information only; no action requested

5. Other Legal Affairs Matters (W & R)

5.1 Next Meeting Date

The next meeting will be scheduled when needed.

6. Public Comment

There were no public comments.

The meeting was adjourned at 5:04 p.m.

STAFF REPORT

To: Legal Affairs Committee

From: Shauna Lorance

Date: August 31, 2016

Subject: Ordinance Revisions

RECOMMENDED ACTION

Concurrence to significant revisions in ordinances.

BACKGROUND

The Board of Directors has requested the Legal Affairs Committee conduct a review of the existing Ordinances to confirm they are up to date and reflect current practice. Staff will be submitting recommended revisions to the ordinances in two groups. Once all ordinances have been discussed in concept with the Legal Affairs Committee, the recommended revisions will undergo legal review and proposed revisions will be discussed with all staff. After completed, the documents being reviewed by the Personnel Committee and the Legal Affairs committee will be reformatted into an Employee Manual, Board policies, and Ordinances as appropriate for final review by the Legal Affairs Committee and approval by the Board of Directors.

CURRENT STATUS

Staff recommends the following significant revisions for Ordinances 1000 through 14000.

Ordinance 1000 – no change

Ordinance 2000 – delete from the ordinances and develop into board policy

Ordinance 3000 – per the Board workshop

- deletes the need for a payroll account
- Removes the capital facilities special funds that are not necessary anymore
- Removes the special fund for vacation and sick time, as this should be paid out of operation on an occurrence basis.

Ordinance 4000 – delete as this a procedure, not an ordinance

Ordinance 5000 – delete from the ordinances and develop into board policy

Ordinance 6000 – no change

Ordinance 7000 – no change

Ordinance 8000 – no change

Ordinance 9000 - no change

Ordinance 10000 – no change

Ordinance 11000 – no change

Ordinance 12000 – removed flat rate charges for retail

Ordinance 13000 - no change

AGENDA ITEM VIII-4 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District September 1, 2016 9:30 a.m.

Committee Members: Bob Walters, Chair
Dan Rich, Director

District Staff: Shauna Lorange, General Manager
Keith Durkin, Assistant General Manager
Lisa Brown, Customer Service Manager
Teri Grant, Board Secretary/Administrative Assistant

Consultants: Vanessa Nishikawa, P.E. (MWH)
Ibrahim Khadam, P.E. (MWH)
Richard Shatz (GEI)

Members of the Public: Michael Schaefer, Orange Vale Water Company
Sharon Wilcox, Orange Vale Water Company

Topics: Water Management and Reliability Study Update (W)
Update on Current Water Supply Conditions and Forecasts (W)
SWRCB Short-term and Potential Long-term Conservation Requirements (W&R)
Other Matters
Public Comment

1. Water Management and Reliability Study Update (W)

Ms. Vanessa Nishikawa informed the committee that MWH completed the technical work and has prepared a Draft Final Study Report. A copy of the draft Final Study Report, with all committee recommended changes, will be attached to the meeting minutes.

Ms. Nishikawa informed the committee that after reviewing the report, she would like to receive some feedback from the committee today. Additional time to review the report will be given and comments need to be submitted by September 6th in order to be incorporated into the report and be ready for distribution in the Board packet on September 8th.

Ms. Nishikawa informed the committee that there are six sections in the report:

- Introduction
- Approach
- Initial Water Management Options and Evaluation
- Refined Water Management Options and Evaluation
- Key Findings
- Recommendations

Ms. Nishikawa briefly covered the Introduction section which covered Background, Challenges Ahead, and Regional Context. She reviewed the Approach section which includes Study Goal and Objectives, Planning Principles, Study Process, Study Strategies and Tactics, and Evaluation Criteria. She reviewed the Initial Water Management Options and Evaluation section and explained the Development of Initial Options, and Screening of Initial Options. As part of this section, she reviewed in detail the Trade-off Analysis of the Initial Options using the Four Evaluation Criteria, and the Summary Evaluation of the 28 Initial Management Options and their scores under the Four Evaluation Criteria and related metrics.

Mr. Durkin reminded the committee that the objective of the study was to screen out options on a technical basis, and the political or other type issues will be reviewed under the next phase. Director Walter suggested that additional information be added to the Introduction section which explains this information. In addition, it was suggested that information be added which explains that the Board has the discretion to select individual or combined options to meet future reliability solutions and that the ranking of the options may change, due to changing conditions.

In response to Mr. Michael Schaefer's comment regarding the selection of options being subjective, Mr. Ibrahim Khadam explained how some of the scores were arrived at based on the criteria and objectives of the study. Ms. Nishikawa explained that MWH provided TMs which were used to arrive at the scoring analysis. The TMs will be available for public review at the District office.

Ms. Nishikawa reviewed the Refined Water Management Options and Evaluation section. She explained that the 11 retained options were grouped into 5 combined options as follows:

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

Ms. Lorange explained that the options that MWH placed into the 5 groups will be further evaluated under the next phase. Ms. Nishikawa reviewed the Evaluation of Combined Options focused on Increasing Water Supply Availability During Dry-years, Perfecting Beneficial Use of District's Available Surface Water Rights and Contract Entitlements, and Long-term Financial Sustainability. Mr. Khadam reviewed the Refined Evaluation and Comparison of the Five Combined Options chart.

Mr. Khadam explained that the Key Findings section summarizes the entire report. Ms. Nishikawa reviewed the five Key Findings, then Mr. Khadam reviewed the Recommendations section. He explained the 4 recommendations. In addition, he reviewed the Road Map for Implementing the Study Recommendations. Ms. Lorange commented that the Road Map contains items for the feasibility study in

2016-17, which would be the next phase, and she recommends noting that or placing a dotted line around the section and defining it.

Mr. Khadam reviewed a handout with the committee titled, "SJWD Water Supply Feasibility Study and Related Regional Efforts." A copy of the handout will be attached to the meeting minutes. He explained that it is a high level scope for the next phase. In addition, MWH is working on TM6 which is in draft form and is being reviewed prior to being provided to the Board.

Mr. Khadam informed the committee that MWH is recommending that a Wholesale Reliability Program be established which will require Partners Engagement, Initial Business Case Evaluation, Engineering and Cost Estimates, Permitting and Compliance Strategy, and Refined Business Case Evaluation. Ms. Nishikawa explained that, at the end of the feasibility study, a program implementation plan would be developed which would include the options that would be moving forward. Mr. Khadam commented that the program would coordinate and allow other agencies to complete certain tasks such as RWA's Regional Groundwater Bank Development & Operations.

Director Rich commented that the TMs are full of great information and inquired if some of the quantification could be incorporated into the report. Ms. Lorance commented that the District could also maintain a binder with the report in the front and the TMs included in the back. Mr. Durkin suggested that page 8 include reference to the TMs. Mr. Khadam suggested adding a table of contents page that also lists the TMs and any attachments as reference.

In response to Director Walters' question, Ms. Lorance informed the committee that the schedule is very optimistic and will depend on partner participation. In addition, Ms. Lorance commented that the Board can incorporate the information into the long-term financial planning once the feasibility study is complete; however, reference to the information could be incorporated into the financial plans that are currently being updated.

Ms. Nishikawa requested that the committee review the document and submit comments by September 6th, so that an updated draft report can be included in the Board packet on September 8th. The Board will review the draft report at the September 14th Board meeting and comments will be requested a couple weeks afterwards. In addition, MWH will be meeting with the Wholesale Customer Agencies after the Board meeting. In response to Director Walters' question, Ms. Lorance responded that the Finance Committee will review the feasibility study and implementation costs.

For information only; no action requested.

2. Update on Current Water Supply Conditions and Forecasts (W)

Ms. Lorance reported that the water storage at Folsom Reservoir is currently at 347,424 acre feet (af). She informed the committee that it was reported by Reclamation that the Delta and Shasta Reservoir are doing better than anticipated at this point; therefore, the outflow out of Folsom is being reduced to 1,500 csf over the next few days. The projection, at the 90th percent exceedance, is still approximately 200,000 af by the end of December.

For information only; no action requested.

3. SWRCB Short-term and Potential Long-term Conservation Requirements (W&R)

Ms. Lisa Brown provided the committee with a written staff report which was updated shortly after the meeting. A copy of the updated staff report will be attached to the meeting minutes.

Ms. Brown informed the committee that the State Water Resources Control Board (SWRCB) allowed the District to provide self-certification and demonstrate that the District has adequate water supplies to withstand three additional dry years in order to meet their short-term conservation requirement. Therefore, the District believed that the requirement was met and no further water conservation, other than the 20% by 2020, was needed. However, the SWRCB and the Department of Water Resources (DWR) are interpreting the Governor's Executive Order B-37-16 slightly differently.

The SWRCB and DWR interpretation requires agencies, such as SJWD, to continue to use less water than 2013, with a comparative period beginning in June 2016 and ending at the end of January 2017. This new requirement also eliminates all past cumulative savings. Ms. Lorance explained that the District cannot exceed 2013 usage otherwise there may be a penalty. Ms. Brown informed the committee that the District is meeting the short-term requirement and is at 15% below 2013 usage.

Ms. Brown informed the committee that the DWR and the SWRCB are planning for long-term conservation requirements. She explained that a User Advisory Group has been tasked with developing permanent statewide conservation standards that exceed the existing requirements. She reported that DWR and SWRCB have given the group until January 10, 2017 to submit a proposed draft framework which will then be included in the 2017 spring legislation.

Ms. Brown informed the committee that there are approximately 30 representatives on the User Advisory Group, with representation for our region by ACWA, RWA, PCWA, and City of Sacramento. Ms. Lorance informed the committee that the District's Water Resource Specialist will also be attending the meetings. Ms. Brown informed the committee that the group will meet September 6th and then have a workshop on September 19-20. In addition, a public draft will be released October 28th.

Ms. Lorance explained that the District will be pushed towards water budgets; however, staff is not reacting on anything until it is released since sometimes grants are provided at later dates. She commented that there will be a tremendous amount of work needed to implement a plan to meet any long-term conservation requirements that require water budgets.

Ms. Brown informed the committee that the same group is also working on a Water Shortage Contingency Plan framework and will be holding additional workshops to discuss the framework and provide a public report. As indicated earlier, Ms. Brown will update the staff report to summarize the information.

Ms. Lorance informed the committee that USBR is not entering into long-term water supply agreements at this time and is only considering renewals of interim agreements. Ms. Lorance commented that the District needs to show beneficial use of the water and look into short-term water transfers.

For information only; no action requested.

4. Other Matters

There were no other matters discussed.

4.1 Next Meeting Date

The next committee meeting will be scheduled as needed.

5. Public Comment

There were no public comments.

The meeting adjourned at 11:50 am.



Wholesale Water Management and Reliability Study

DRAFT FINAL STUDY REPORT | SEPTEMBER 2016



PREPARED BY



MWH® now part of



Stantec

with



List of Abbreviations and Acronyms

AF	acre-feet	PS	pump station
ARPS	American River Pump Station	RDCP	Regional Drought Contingency Plan
ASR	aquifer storage and recovery	Reclamation	U.S. Department of the Interior, Bureau of Reclamation
Cal-Am	California American Water Company	RLECWD	Rio Linda/Elverta Community Water District
CHWD	Citrus Heights Water District	RW	recycled water
CoR	City of Roseville	RWA	Regional Water Authority
CVP	Central Valley Project	RWRP	Regional Water Reliability Plan
CWD	Carmichael Water District	SGA	Sacramento Groundwater Authority
District	San Juan Water District	SGMA	Sustainable Groundwater Management
DPMWD	Del Paso Manor Water District	SCWA	Sacramento County Water Agency
FOWD	Fair Oaks Water District	SJWD	San Juan Water District
GSWC	Golden State Water Company	SSWD	Sacramento Suburban Water District
GW	groundwater	Study	Wholesale Water Management and Reliability Study
ID	Identification	Subbasin	North American Groundwater Subbasin
MFP	Middle Fork Project	SW	surface water
mgd	million gallons per day	TAF	thousand acre-feet
N/A	not applicable	WCA	Wholesale Customer Agency
NF	North Folsom	WTP	water treatment plant
NS	transfer/exchange	WWTP	wastewater treatment plant
O#	Option #		
OVWC	Orange Vale Water Company		
PCWA	Placer County Water Agency		
POU	place of use		

Acknowledgement:

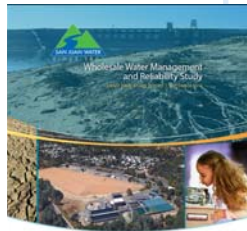
The study team would like to thank the active engagement and guidance of the San Juan Water District Board of Directors and Water Supply and Reliability Committee throughout the intensive study development. The valuable input received from the Wholesale Customer Agencies and other regional water agencies and partners were also appreciated.

INTRODUCTION

The Wholesale Water Management and Reliability Study (Study) is a reconnaissance-level study initiated by the San Juan Water District (District) to identify a pathway to long-term water supply reliability for both the District and its Wholesale Customer Agencies. The Study describes the challenges facing the District; and includes development and evaluation of a comprehensive array of water management options ranging from facility improvements to operational agreements and regional collaboration to governance and institutional arrangements. The District intends to leverage Study findings to guide its participation in regional collaborative efforts, and to develop a long-term implementation plan.

This Study is the first step in the District’s evaluation and development of a program to achieve long-term water supply reliability.

Wholesale Water Management and Reliability Study



Introduction	1
Approach	4
Initial Water Management Options and Evaluation	8
Refined Water Management Options and Evaluation	14
Key Findings	20
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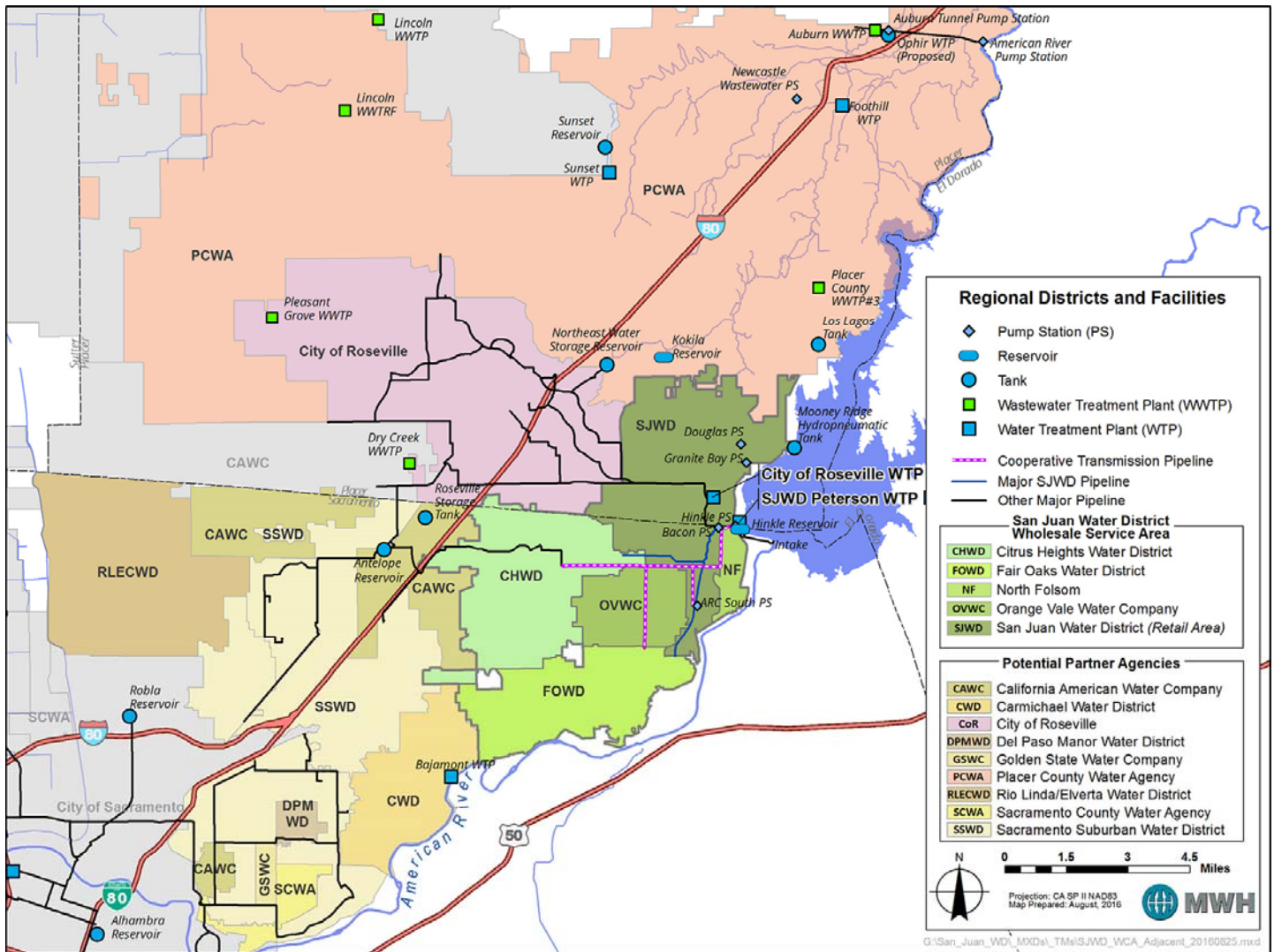
Located adjacent to Folsom Reservoir, the District diverts, treats, and delivers reliable, high-quality surface water service to about 160,000 retail and wholesale customers in eastern Sacramento and southern Placer counties. The District retails treated water in portions of Sacramento and Placer Counties, and wholesales treated water to Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, and the City of Folsom (for the Ashland area north of the American River). These agencies are collectively referred to as the Wholesale Customer Agencies or WCAs. In addition, the District treats surface water for Sacramento Suburban Water District (SSWD) when both plant capacity and SSWD’s supply from Folsom Reservoir are available.

With its roots tracing back to the Gold Rush era, the District holds a healthy measure of water rights and contract entitlements from the American River relative to its demands. The District holds a pre-1914 appropriative water right of about 26,400 acre-feet per year and an appropriative water right of about 6,600 acre-feet per year, both from the American River. The senior water right status prompted the U.S. Department of the Interior, Bureau of Reclamation (Reclamation) to enter into an agreement with the District upon construction of Folsom Reservoir, setting the District’s maximum diversion under its water rights to 33,000 acre-feet per year at a rate of 75 cubic feet per second. The District also has the following contractual water entitlements: (1)

BACKGROUND

San Juan Water District (District or SJWD) is a community services district established by a vote of the citizens in 1954, formed under Section 61000 et seq., Title 6, Division 3 of the California Government Code Water Code, Section 3000.

District's Retail and Wholesale Service Area and Potential Regional Partners



To help alleviate the health and safety concerns during California's ongoing historic drought, the District implemented two projects in 2015 to provide access to emergency supplies:

- Antelope Booster Pump Station Pump Back Project that provides up to 14.4 million gallons per day (MGD) of groundwater from SSWD to SJWD.
- Barton Road Emergency Intertie and Pump to expand intertie capacity with PCWA's treated water system to 3 MGD.

a Central Valley Project (CVP) water supply contract for 24,200 acre-feet per year; and (2) a water supply contract with Placer County Water Agency (PCWA) for 25,000 acre-feet per year. The District has an existing Warren Act Contract with Reclamation to wheel non-CVP water supply through federal facilities, such as Folsom Reservoir and intake facilities.

CHALLENGES AHEAD

The historic drought that has unfolded over the last several years has severely tested the robustness and resiliency of California's water management systems. The District, which has long enjoyed a reliable surface water supply from Folsom Reservoir, is no exception. On December 5, 2015, the storage in Folsom Reservoir reached a record low of 135,000 acre-feet, surpassing the low of 140,600 acre-feet seen during the 1977 drought. As a precautionary measure, Reclamation recently completed construction of a series of temporary pumps that could draw water out of the reservoir even if levels fall below the municipal intake—the intake for the District and other water users in Sacramento-Placer region. Further drops in reservoir level could force the District and other water users to rely heavily on alternative water sources (e.g., groundwater), even with high levels of conservation. This scenario has come very close to reality several times recently.

The 2000 Water Forum Agreement and subsequent 2003 American River Basin Cooperating Agencies Regional Water Master Plan outlined a conjunctive use program to serve as a water supply reliability strategy for both the District and the region. This program was intended to make use of the District's 82,200 acre-feet per year of surface water supplies in most hydrologic years to build up groundwater storage, reserving groundwater to supplement surface water supplies in dry years and to compensate for reduced surface water diversions on the Lower American River due to hydrologic conditions and environmental protection. However today, all WCAs rely primarily on surface water, and full potential of the conjunctive use program has not been realized due to infrastructure limitations and required partnership and operating agreements.

The District's long-term water supply reliability challenges are reflected in several different ways.

- When surface water is extremely limited, the District does not have sufficient facilities to provide a redundant water supply to its retail and wholesale customers from groundwater or alternate sources.
- The District does not own large surface water storage facilities or established groundwater banking credits through collaboration with partners, either in or outside the wholesale service area, that can be used to store surplus surface water supplies in normal and wet years for access during dry years.
- The District's water rights and contract entitlements may be at risk if it cannot put them to beneficial use in their entirety, further reducing reliability in the face of increasing regulatory requirements and competition for uses throughout the system.

REGIONAL CONTEXT

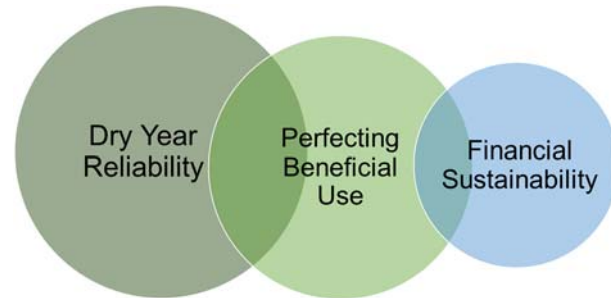
This Study is being conducted concurrent with the Regional Water Authority's (RWA) Regional Drought Contingency Plan (RDCP) and Regional Water Reliability Plan (RWRP). The intent of the RDCP is to increase the resiliency of the region's water resources in the face of future climate and drought conditions. The RWRP aims to further advance regional collaboration towards full realization of the envisioned regional conjunctive use program, including the development of a federally-recognized groundwater bank. Study findings will allow the District to refine its strategic long-term plan and better position it to align and integrate with both the RDCP and RWRP.



Folsom Reservoir reached a record low of 135,000 acre-feet on December 5, 2015, threatening water supplies to the District and many other water agencies in the Sacramento-Placer region.

APPROACH

The District's long-term success hinges upon providing increased water supply reliability to its retail and wholesale customers during dry years, and that can be best accomplished by integrating surface water and groundwater resources to fully leverage the District's water rights, contract entitlements, and available and planned facilities, all in a financially responsible and sustainable manner.



STUDY GOAL AND OBJECTIVES

The Study goal is to improve management of surface water and groundwater resources within the District's wholesale service area, and potentially outside the District's current service area, through collaboration, consolidations, or other actions improve its water supply reliability.

The three specific objectives of this Study are as follows:

1. Increase water supply reliability to the District's retail customers and WCAs during dry years by integrating surface water and groundwater storage.
2. Perfect the beneficial use of the District's water rights, contractual entitlements, and facilities.
3. Provide long-term financial benefits to District ratepayers, and provide regional and statewide benefits.

PLANNING PRINCIPLES

The following planning principles provided guidance on how the Study was developed and evaluations were conducted. Planning principles were necessary to aid in development and efficient screening of proposed water management options:

- Consider the full range of options within the District's maximum allowable authority.
- Maintain and improve current water supply reliability to WCAs.
- Maintain consistency with new and emerging regulations, such as the Sustainable Groundwater Management Act (SGMA).
- Maintain consistency with Water Forum Agreement, and consider regional setting and legal considerations.
- Maximize potential financial assistance for implementation.
- Conduct a structured, inclusive, and transparent planning process.

STUDY PROCESS

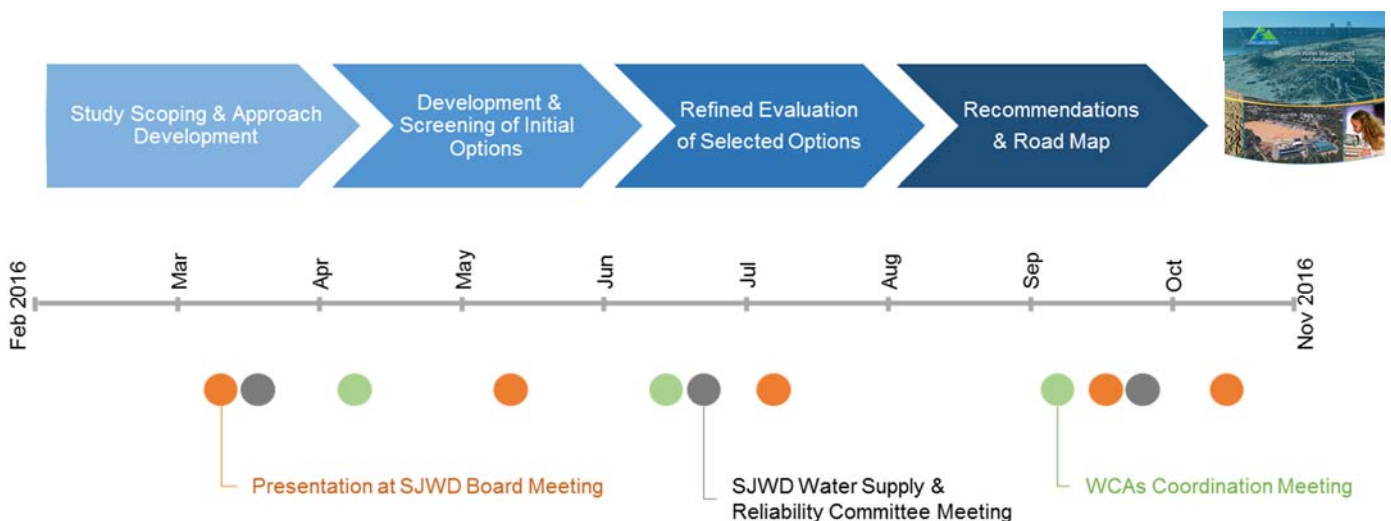
The Study process reflected a streamlined approach, where incremental findings from discrete tasks were documented in technical memoranda. It included the following activities:

- Study Scoping and approach development
 - Development of the Study goal, objectives, and planning principles.
 - Collection and review of existing information.
 - Development of screening criteria and metrics.
- Development and screening of initial water management options.
- Refined evaluation of selected water management options.
- Recommendations and Road Map
 - Development of a detailed scope for next phase of the Study.
 - Development of recommendations and a Study Final Report.

The Study process also included regular workshops and meetings with the District Water Supply and Reliability Committee, District Board of Directors, WCA representatives, and WCA Boards of Directors. All workshops and meetings were open to the public.

Study Process and Engagement

The four-step process provides a systematic approach to derive the final recommendations with efficient advisory communications within established venues, allowing additional transparency and public involvement opportunities in the short study timeframe.

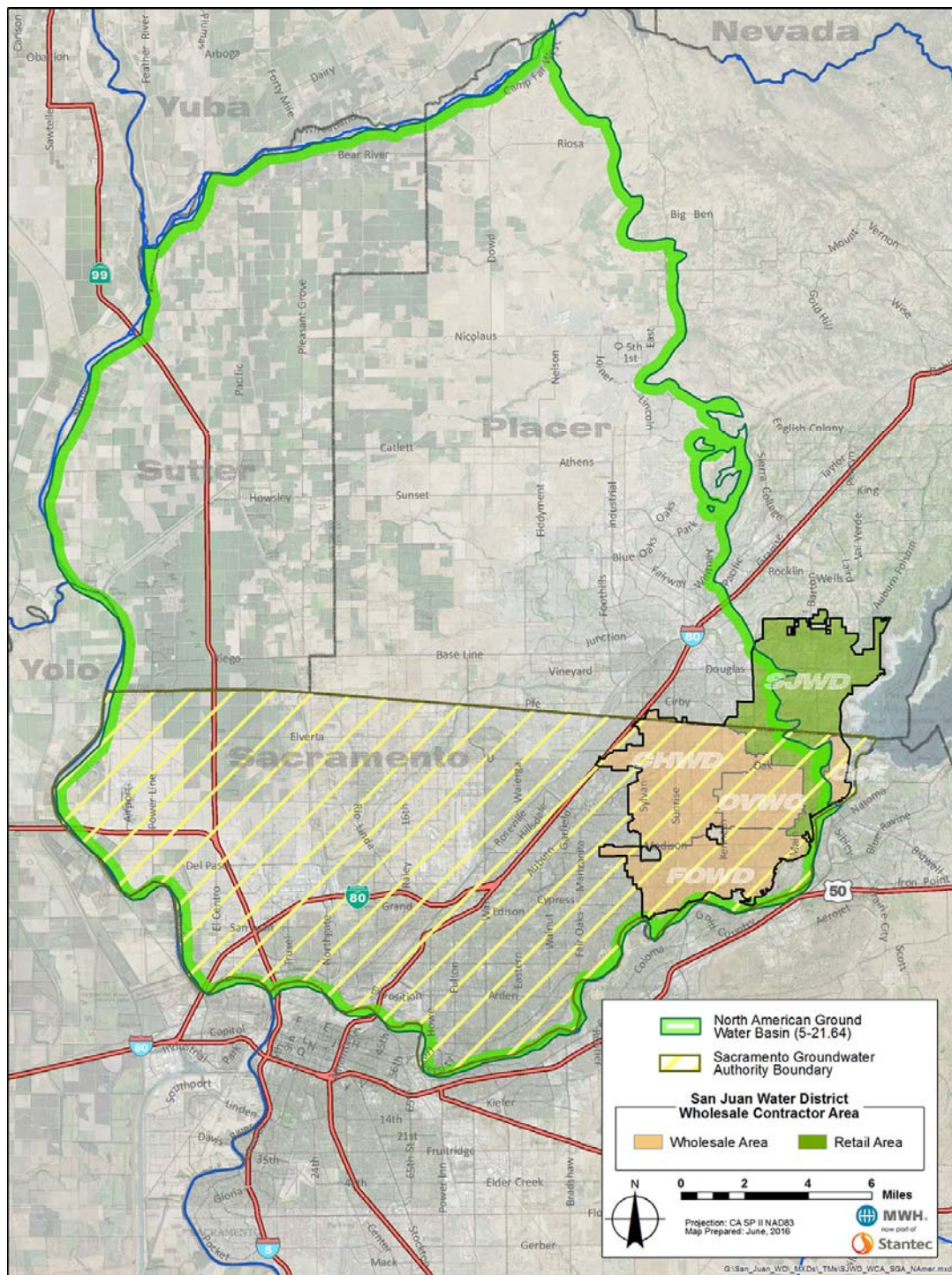


Study Report and Associated Technical Memoranda

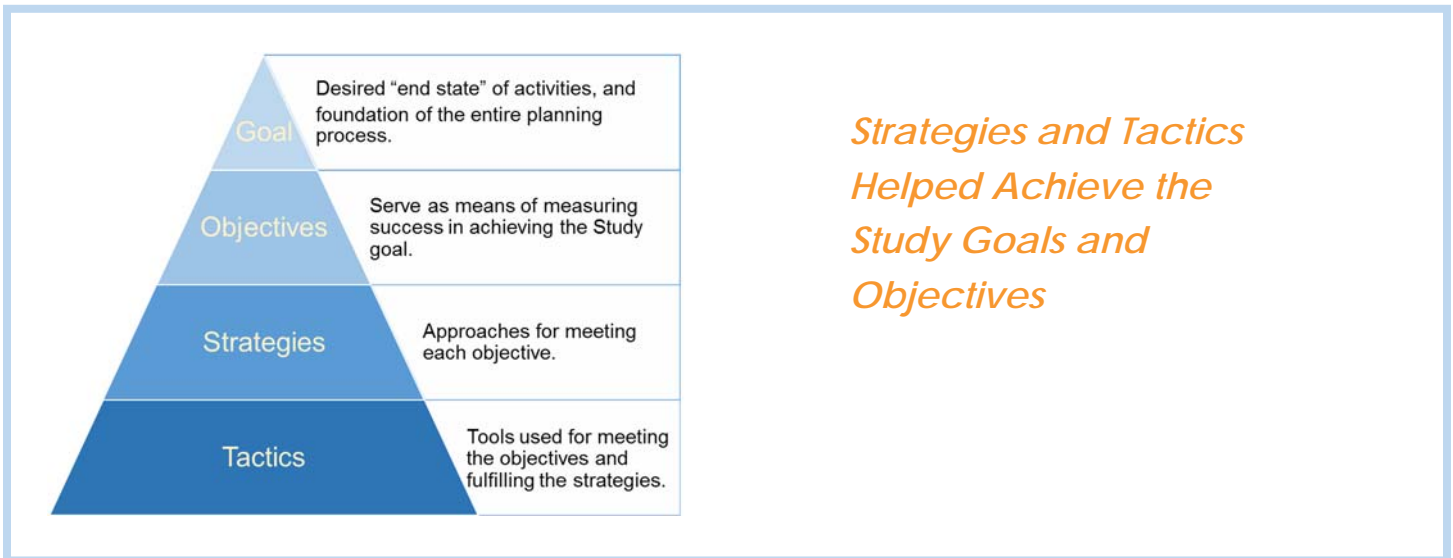
This Study Report summarizes the planning and technical efforts undertaken throughout conduct of the Study. A series of 6 TMs were prepared to document findings from discrete tasks, representing “snapshots in time” during the intensive Study process.

- **TM1: Purpose, Goals, and Objectives**—This TM sets the direction for the broader Study process by defining the purpose, goals, objectives, and planning constraints. It also describes the process and schedule, and roles and responsibilities for conducting the Study.
- **TM2: Review of Existing Information**—This TM summarizes the compilation and review of existing information required for completing the Study. It contains:
 - Descriptions of the categories of data and information needed to support the Study
 - Overview of the status and high-level assessment of the existing data and information
 - Recommendations and next steps
- **TM3: Screening Criteria and Methodology**—This TM presents the Study criteria, methods, and approach. It contains:
 - Description of the evaluation criteria and metrics developed to support evaluation, comparison, and prioritization of identified water management options (option)
 - Overview of the approach for screening the initial options using the developed evaluation criteria and metrics to identify which options should be retained for further evaluation
 - Overview of the approach for prioritizing the retained options using the results of a more detailed evaluation of each retained option and applying the same evaluation criteria and metrics to provide a consistent framework for evaluation, comparison, and prioritization of the options
- **TM4: High-Level Evaluation and Screening of Water Management Options**—This TM contains:
 - Identification and screening of the initial options
 - Results from the screening of the initial options using the developed evaluation criteria and metrics to identify which options should be retained for further evaluation
 - Overview of the approach for prioritizing the retained options
- **TM5: Evaluation of Retained Water Management Options**—This TM contains:
 - Review of the identification, screening, and evaluation of the initial options including the evaluation criteria and metrics used in the process
 - Grouping of the retained options by theme into a set of 5 combined options
 - Evaluation and comparison of the 5 combined options
 - Key findings on the combined options
 - Next steps in the Study
- **TM6: Feasibility Study Scope of Work**—This TM contains the scope of work for the next step in developing and evaluating the 5 combined options; the detailed Wholesale Water Management and Reliability Program Feasibility Study (Feasibility Study). It includes including task descriptions, a preliminary budget, and preliminary schedule.

These 6 TMs are available at the District office. Contact Keith Durkin at 916.791.0115 or kdurkin@sjwd.org.



Most of the District's service area is in the North American Groundwater Subbasin (Subbasin). This Subbasin is bounded on the south by the American River, on the north by the Bear River, on the west by the Sacramento River, and by bedrock foothills to the east. It covers an area of 351,000 acres and includes portions of Sacramento, Placer, and Sutter counties.



STUDY STRATEGIES AND TACTICS

In order to meet the Study objectives, several strategies were developed. These strategies and associated tactics for achieving the strategies are as follows:

1. **Increase use of District's water rights and contract entitlements** – Would help meet Objectives 2 and 3 of perfecting beneficial use and providing long-term financial benefits, respectively. To implement this strategy, the following tactics could be taken:
 - a. **Groundwater recharge** – Would increase surface water supply use by recharging the groundwater basin during wet years either within or outside of the District service area. Would provide both an increase in the use of water supplies and revenue received by the District from additional sales.
 - b. **Expansion of District's service area** – Would increase demand for District's surface water supplies. Would provide both an increase in the use of water supplies and revenue received by the District from additional sales.
 - c. **Water transfers/exchanges** – Would increase use of District's surface water supplies during wet years by transferring supplies to another agency. Also, would increase District revenue through implementing a new transfer.
2. **Develop alternative access to surface water** – Would help meet Objectives 1 and 2 of increasing water supply reliability and perfecting beneficial use, respectively. To implement this strategy, the following tactics could be taken:
 - a. **Surface water storage** – Would increase use of surface water supplies in wet years by storing water when available. Consequently, would increase stored surface water for later use when surface water supplies are reduced or may not be available.
 - b. **New point of diversion or intertie connection** – Would decrease reliance solely on Folsom Reservoir. Unlikely to perfect beneficial use unless paired with another option such that in wet years, the District would be able to increase its use of its surface water supplies.
3. **Diversify water supply portfolio** – Would help meet Objective 1 of increasing water supply reliability. To implement this strategy, the following tactics could be taken:

3. a. **Groundwater extraction** – Would provide the District with another source of water aside from surface water supplies. During extreme drought conditions, when access to surface water supplies from Folsom Reservoir may be unavailable, the District would have access to groundwater.
- b. **Recycled water use** – Would provide the District with another source of water aside from surface water supplies. During extreme drought conditions, when access to surface water supplies from Folsom Reservoir may be unavailable, the District would have access to recycled water.

EVALUATION CRITERIA

A mix of qualitative and quantitative screening criteria were used to support evaluation, comparison, and ranking of water management options. The four evaluation criteria are as follows:

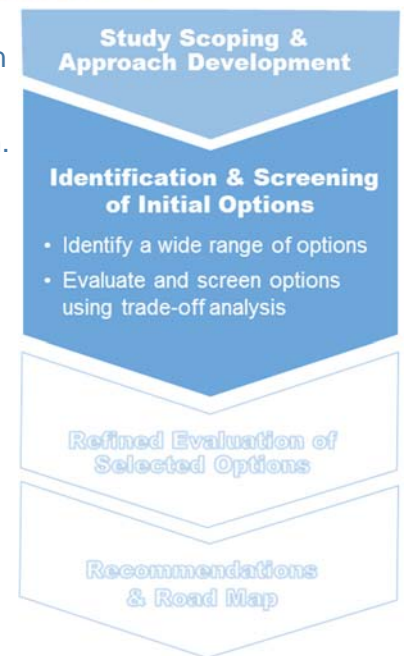
1. **Cost-effectiveness** – Quantitatively measured the cost-effectiveness of an option's water supply benefits (yield) relative to its costs at a conceptual or pre-appraisal level.
2. **Contribution to objectives** – Quantitatively and qualitatively assessed an option's contribution to each of the Study objectives listed below.
 - a. Increase water supply reliability to the District's retail customers and WCAs by integrating surface water and groundwater storage for (1) improving reliability during dry years, and (2) mitigating extreme drought conditions (i.e., improving the District's ability to receive water supplies during an extreme drought when the access to the District's current water rights and contract entitlements is highly restricted).
 - b. Perfect the beneficial use of the District's water rights, contractual entitlements, and facilities.
 - c. Provide long-term financial benefits to District ratepayers, and provide regional and statewide water management benefits.
3. **Implementation complexity** – Qualitatively assessed the likelihood that an option would be implemented within a reasonable timeframe to achieve its potential benefits. Implementation complexity considered factors such as water rights and contract approvals, permitting, environmental compliance, land acquisition, public support, and institutional requirements.
4. **Uncertainty** – Qualitatively assessed level of confidence in the definition of the option, in both its benefits and costs.

The four evaluation criteria reflect the District's priorities and objectives in this study and its management policy

Cost-Effectiveness	<ul style="list-style-type: none"> • Cost per acre-foot
Contribution to Objectives	<ul style="list-style-type: none"> • Dry year reliability & extreme drought conditions • Increase use of District's water supplies & treatment capacity • Provide long-term financial benefits to District ratepayers
Implementation Complexity	<ul style="list-style-type: none"> • Environmental & permitting requirements and approvals • Water rights and contracts requirements, Institutional • Land acquisitions, public support, & schedule
Uncertainty	<ul style="list-style-type: none"> • Costs • Yield and reliability

INITIAL WATER MANAGEMENT OPTIONS AND EVALUATION

The comprehensive approach for the Study was to develop a holistic plan of actions to achieve long-term sustainability and stewardship in water resources management by conducting a reconnaissance-level evaluation. The identification of initial water management options covered the broad spectrum of potential actions, and the application of evaluation criteria resulted in selected options that were retained for further development and evaluation.



DEVELOPMENT OF INITIAL OPTIONS

Prior to Study initiation, 13 options for better management of groundwater and surface water were identified by the District’s Water Supply and Reliability Committee. During the Study, an additional 15 options were identified through input provided during project workshops and meetings, and review of available technical documents.

Using the Study evaluation criteria and associated metrics, scores were assigned to each of the criteria and metrics for each initial option based on the results of assessment. These scores were then used to conduct a trade-off analysis to support screening of the initial options.

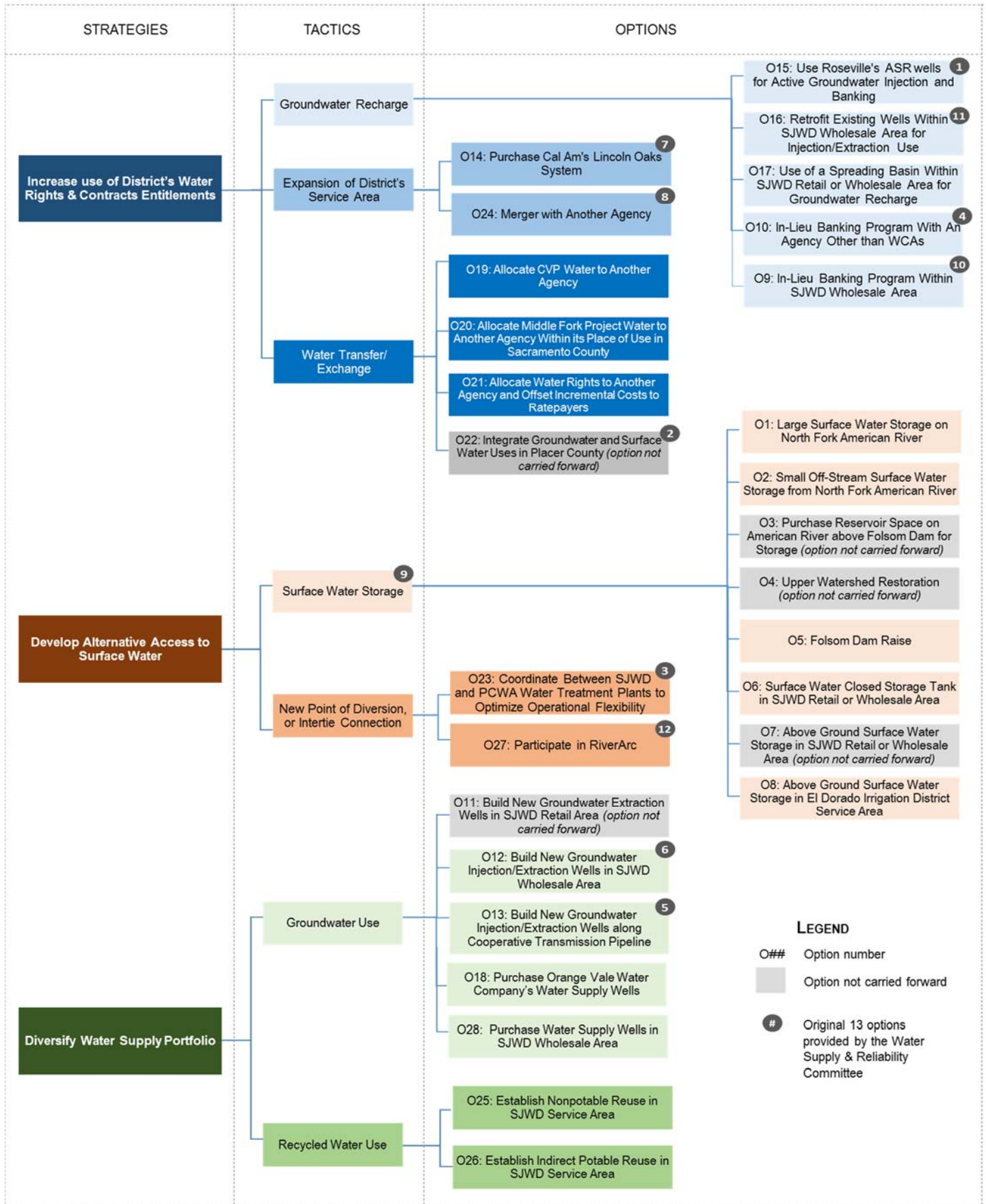
SCREENING OF INITIAL OPTIONS

The trade-off analysis investigated how the options ranked across two or more criteria. It allowed for identification of options that scored well across multiple criteria as well as those that scored well on some criteria, but not on others. The following three trade-offs were evaluated:

- **Cost-Effectiveness and Contribution to Objectives Trade-off** – Options were ranked according to cost-effectiveness and overall contribution to objectives scores. Higher ranking options had lower cost per acre-foot and higher overall contribution to objectives scores.
- **Cost-Effectiveness and Implementation Complexity Trade-off** – Options were ranked according to cost-effectiveness and implementation complexity scores. Higher ranking options had lower cost per acre-foot and higher overall implementation factors scores (i.e., easier to implement).
- **Contribution to Objectives and Implementation Complexity Trade-off** – Options were ranked according to contribution to objectives and implementation complexity scores. Higher ranking options had higher overall contribution to objectives and higher overall implementation factors scores (i.e., easier to implement).

The findings of this trade-off analysis were used to identify options that consistently ranked in the more desirable regions and those that consistently ranked in the less desirable regions. The more desirable region was where the two trade-off criteria achieved their best values, while the less desirable region was where both criteria were at their worst values.

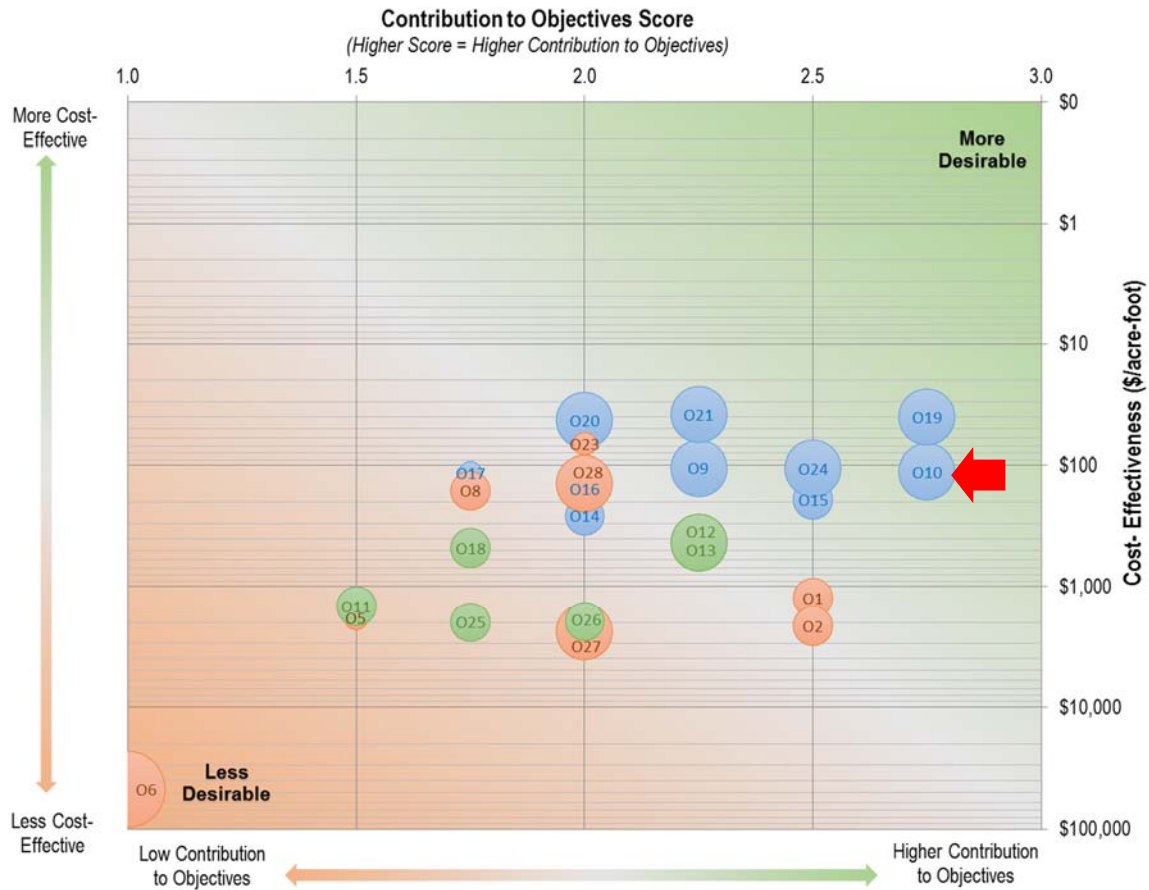
Initial Water Management Options Grouped by Strategy and Tactic



LEGEND

- O## Option number
- Option not carried forward
- # Original 13 options provided by the Water Supply & Reliability Committee

Trade-off Analysis of the Initial Options using the Four Evaluation Criteria



LEGEND

○# Numbers correspond to Option ID

Option Type

- Increase use of District's Water Rights & Contracts Entitlements
- Develop Alternative Access to Surface Water
- Diversify Water Supply Portfolio

Bubble Size

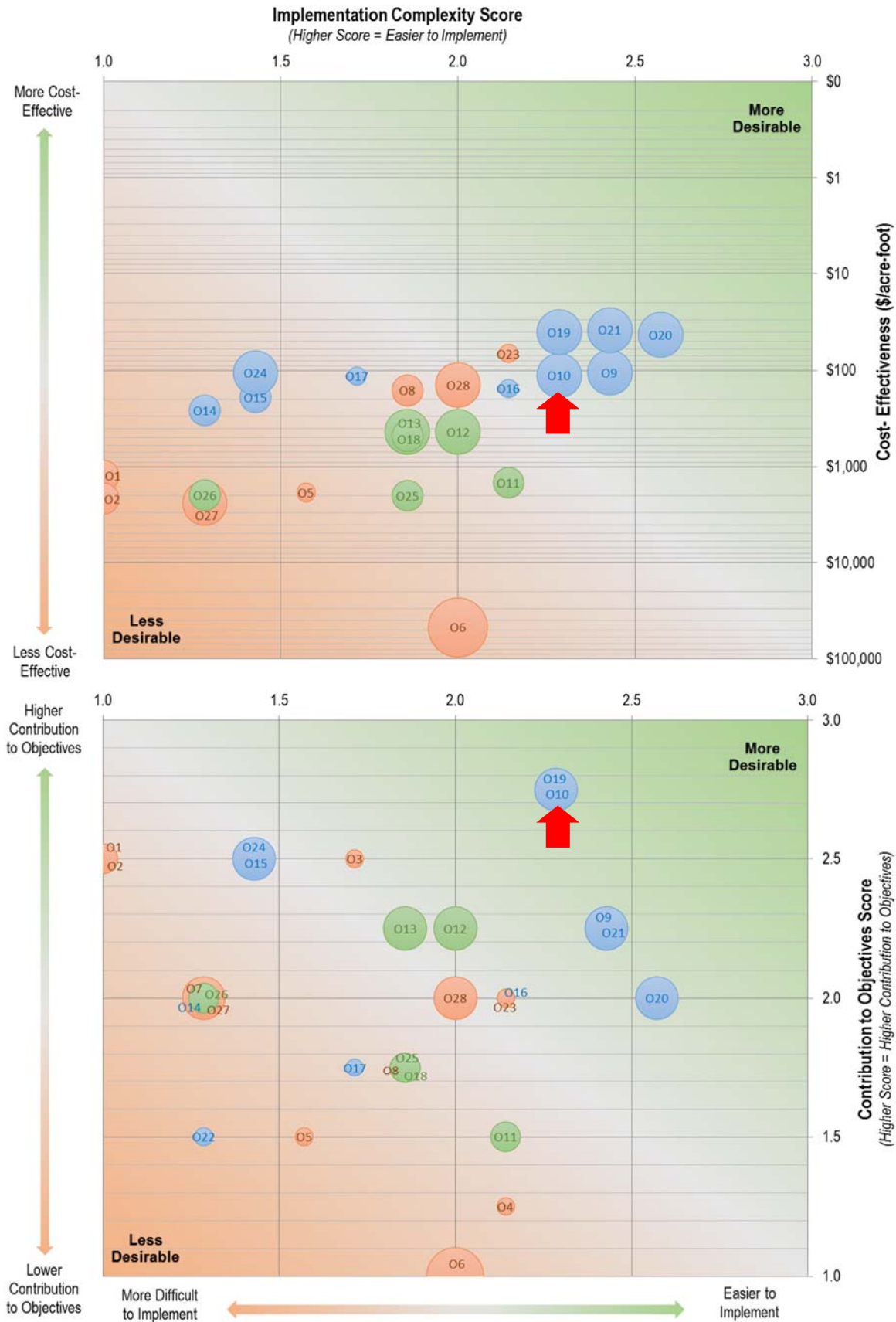
○ ○ ○ Bubble Size Represents Level of Uncertainty (Bigger Size = More Certainty; Smaller Size = more Uncertainty)



Example – Option O10 “In-Lieu Banking Program with an Agency Other than the WCA’s”

Option’s relative ranking is depicted in each of the three trade-offs:

- Moderately cost-effective with a high contribution to objectives (above)
- Easy to implement and moderately cost effective (upper right)
- Easy to implement with a high contribution to objectives (lower right)



Organizing the 28 options into three groups—Group A (high potential), Group B (moderate potential), Group C (low potential)—provided a means for identifying those options with a greater chance of achieving Study goals and objectives in a cost-efficient manner, within a reasonable timeframe, and with high degree of confidence.

7 options were included in Group A, 6 in Group B, and 10 in Group C. Note that 5 options were not carried forward for further evaluation as they were deemed unviable or unfavorable at this time either because (1) the opportunity to implement the potential action had already passed (e.g., purchase surface water storage space on the American River above Folsom Reservoir), or (2) the potential action would be significant in nature and therefore, the District would not initiate the action alone but would likely participate with other regional partners or authorities (e.g., O4: Upper Watershed Restoration). These 5 options were not included in Groups A, B, or C.

11 options were selected for further evaluation as retained options:

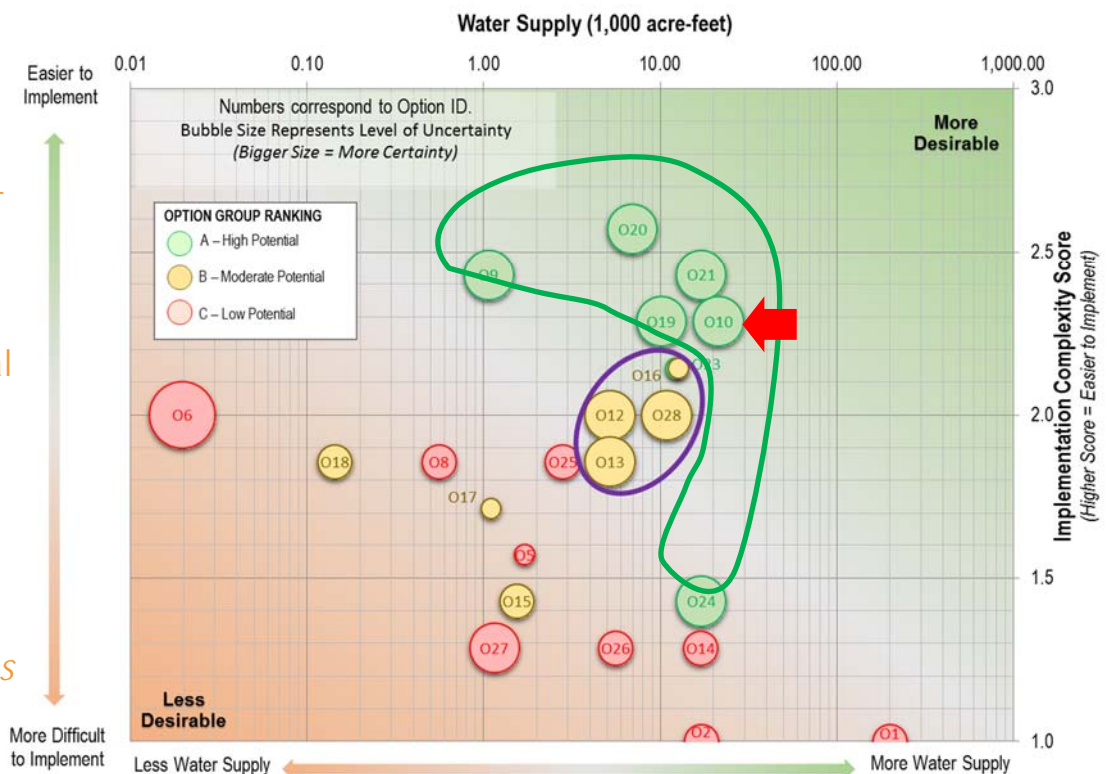
- 7 options in the high potential grouping (Group A)
- 4 options in the moderate potential grouping (Group B) that each had relatively high water supply benefits and only moderate implementation complexity

The District Board has the discretion to select individual options or combine options to develop future reliability solutions. Ranking of options, due to changing conditions, may become more feasible in the future than at the time of this analysis.

Initial Options Grouped According to their Relative Ranking, and Options Retained for Further Analysis are Identified

11 Initial Options were retained for future consideration and/or additional feasibility studies:

- 7 Group A Options
- 4 promising Group B Options



REFINED WATER MANAGEMENT OPTIONS AND EVALUATION

The 11 retained options were grouped into 5 combined options based on their similarities with respect to (1) how they might achieve the District’s objectives, and (2) potential implementation requirements. Additional refinements were also made to each combined option to better contrast the effects of the corresponding water management strategies included in that combined option. A key consideration in the development and evaluation of the combined options was the need to observe the terms and conditions of water right permits and water service contracts, including corresponding places of use (POUs) and contract service areas.

A combined option presented herein is not necessarily a discrete and complete alternative that would fully achieve all Study objectives, meaning that the District would likely not choose one option and implement it individually. Rather, the combined options highlight and contrast the advantages and limitations of the different water management strategies.



Option A	Full Utilization of Water Supplies	019 020 021
Option B	In-lieu Banking Program	010 09
Option C	Aquifer Storage & Recovery Program	012 013 016 028
Option D	SJWD and PCWA Coordination	023
Option E	Merger with Another Agency	024

OPTION A: FULL UTILIZATION OF WATER SUPPLIES PROGRAM

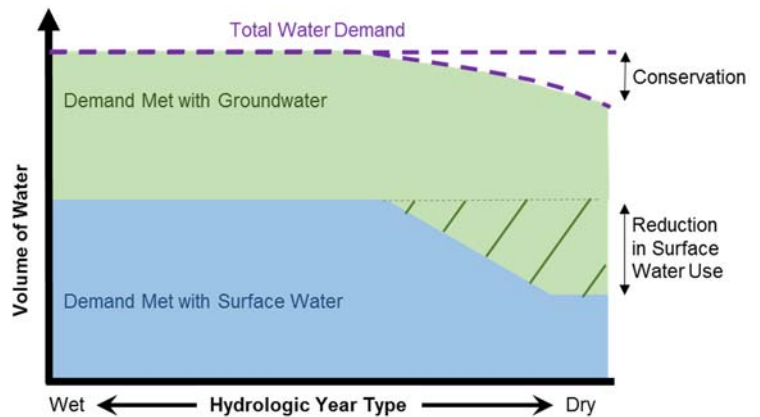
This option aims to fully utilize the District's current water rights and contract entitlements thereby improving dry-year water supply reliability. When fully developed, the District would manage all of its available water supplies as a whole without needing to track use of each supply source separately.

Under this option, the District would pursue institutional arrangements with one or more water agencies using a combination of (1) short- and long-term transfers with agencies outside the District's existing wholesale service area, and (2) new wholesale agreements. This would allow the District to establish sufficient demands outside its wholesale service area during Water Forum wet/average years to facilitate full utilization of available water supplies. The targeted water agencies would be inside the Sacramento Groundwater Authority (SGA) area (i.e., the area within the North American River Groundwater Subbasin and south of the Sacramento-Placer county line). Depending on the water agency, additional infrastructure improvement may be required.

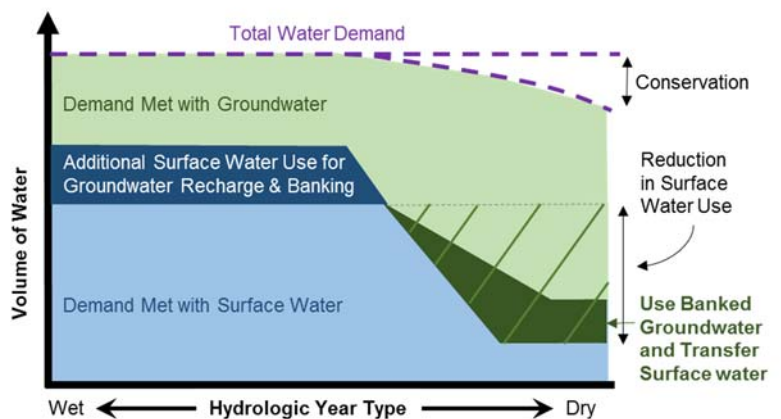
All water transfers or sales outside of the existing wholesale service area under this option were assumed to be transactional in nature. In other words, the District would not retain rights to the water after the transfer or sale. The District and existing WCAs would have priority on use of available water supplies prior to a transfer or sale. The resulting additional CVP contract water use would increase the District's dry-year supply compared to current conditions.

It is likely that with PCWA's consensus, Middle Fork Project (MFP) water would be used first in the initial implementation of this option. Should a wholesale agreement be established with another agency, it would provide justification for District to request that Reclamation adjust its CVP contract service area to allow further flexibility of use. Note that the District may consider using water rights for single-year sales. This tactic may be useful for near-term implementation of this option, prior to an agency becoming a new WCA.

Conceptual Diagram for In-lieu Groundwater Recharge and Banking in the Context of Surface Water Diversions under the Water Forum Agreement, and the Related Opportunity for Groundwater Substitution Transfer



Typical Water Supplies in Conjunctive Use Operation



Groundwater Banking to Increase Reliability and Support Groundwater Substitution Transfers

OPTION B: IN-LIEU BANKING PROGRAM

Through in-lieu recharge, this option aims to develop water banking operations outside of the District's existing service area.

Under this option, the District would enter into a banking agreement with one or more agencies in the SGA area, but outside of the District's existing retail and wholesale service areas, to receive surface water in Water Forum wet/average years for use in-lieu of existing groundwater use. (In-lieu recharge opportunities in the wholesale service area are not included in this option because the quantity of water that could be banked would be small in comparison to the banking opportunities outside the wholesale service area.) The District would retain the right to the banked water for dry-year protection and for potential groundwater substitution transfers with other parties.

In a dry year when surface water supplies may be limited, the banked groundwater could be extracted and delivered to the District's retail or wholesale customers. In addition, a groundwater substitution transfer could be facilitated by the District's banking partner reverting back to groundwater use and extracting from the banked groundwater account. This would allow the District to redirect equal amount of surface water and make it available for purchase by others. Depending on the banking partner(s), additional infrastructure improvements (e.g., interties, conveyances, and pumps) may be required.

The District and existing WCAs would have priority on use of available water supplies prior to delivery to a banking partner. The resulting additional CVP contract water use would increase the District's dry-year supply compared to current conditions.

It is likely that with PCWA's consensus, MFP water would be used first in the initial implementation of this option. Water rights supplies could be considered for



Conservation is an important element in District's long-term water management toolbox. However, more active management actions are required for securing long-term water supply reliability.

banking purposes because under this option, the District would retain the right to the banked water. Should the District's CVP contract service area change, the District could have additional flexibility for use of water supplies. However, it is not clear if a banking operation would be sufficient for Reclamation to take action to change the District's CVP contract service area; therefore, CVP water was considered in the

evaluation but the option's performance could be reduced if that water could not be used for banking purposes.

OPTION C: AQUIFER STORAGE AND RECOVERY PROGRAM

This option aims to employ aquifer storage and recovery (ASR) in the District's existing service area to increase water supply benefits and dry-year protection.

Under this option, during Water Forum wet/average years, treated surface water would be injected into the groundwater aquifer for short-term (less than a year) or long-term (more than a year) storage within District's wholesale service area. In dry years, this stored water would then be recovered using the same or different groundwater wells in the District's wholesale service area to meet consumptive demands. The District could also make the stored water available for purchase by others through groundwater substitution. This option would involve developing additional operational agreements with WCAs, and installing new and/or retrofitting existing groundwater wells to allow for the injection and corresponding extraction needs.

All District surface water supplies could be considered in this option because the ASR program would be established in the existing wholesale service area.

OPTION D: SJWD AND PCWA COORDINATION

This option aims to provide emergency supplies and operational flexibility by working with PCWA to improve redundancy and dry-year protection by establishing alternative access to some District supplies.

If Reclamation's reservoir operations resulted in severely low storage and water elevation, the District's access to water supplies from Folsom Reservoir could be significantly restricted or become unavailable even though it still had the legal right to divert from the reservoir. Under this option, emergency supplies could be provided using available treatment capacities at the District's Peterson Water Treatment Plant (WTP), PCWA's Foothill WTP, and PCWA's future Ophir WTP.

Under this condition, PCWA would divert the District's MFP supply through PCWA's American River Pump Station upstream of Folsom Reservoir and treat it for delivery to the District's retail service area in Placer County (i.e., Granite Bay area). Treatment could occur at the Foothill WTP or the future Ophir WTP, where more capacity would be available. Expansion of existing interties and other conveyance may be required to facilitate delivery of the treated water. While this operation would also be possible beyond emergency conditions, it would not be recommended because the District has currently ample capacity at Peterson WTP.

The District could also provide PCWA with emergency supplies and operational flexibility from Folsom Reservoir, if the situation warranted.

The water supplies for this option would be limited to the MFP water for PCWA to divert at its American River Pump Station.

OPTION E: MERGER WITH ANOTHER AGENCY





















































This option aims to create a consolidated governing body of the District and one or more water agencies to improve governance, administrative, and operational efficiencies, and increase overall water supply reliability and operational flexibility for all participants.

Under this option, the District would pursue a merger agreement through a consensus-based process with an agency(ies) in the SGA area that currently uses groundwater as the primary source of supply. This arrangement would (1) facilitate the District's ability to make use of its available surface water in the combined service area thereby maximizing beneficial use, and (2) provide the District with access to groundwater for drought protection and operational flexibility, thereby increasing opportunities to practice conjunctive use. Implementation of this option may involve construction of new and/or expansion of existing interties, conveyance, and pumping facilities, in addition to legal and institutional arrangements that would be unique to this option.

In a merger, all the District's water rights and CVP water supplies could be applied in the combined service area following a change in the District's CVP service area. MFP water would be used within its authorized POU or the combined service area, whichever was less.



Refined Evaluation and Comparison of the Five Combined Options (Recommended to Proceed)

ATTRIBUTE		Option A Full Utilization of Water Supplies	Option B In-lieu Banking Program	Option C ASR Program	Option D SJWD and PCWA Coordination	Option E Merger with Another Agency
Geographic Focus		Outside WSA ⁽¹⁾	Outside WSA ⁽¹⁾	WSA	Placer County	Outside WSA ⁽²⁾
Institutional Requirements		Short- & long-term Water sales	Wholesale Agreement	Water Banking Agreement	ASR Partnership Agreement	Emergency Operation Agreement
Water to be Used		 	  	 	  	
Retain Right to Water after Transaction		No	Yes	Yes	N/A	Yes
CONTRIBUTION TO OBJECTIVES						
1. Increase water supply reliability to the District's retail customers and WCAs during dry years.	Increase CVP Contract Use & its Dry-Year Allocations					
	Expand Conjunctive Use & Groundwater Banking					
	Expand Emergency Interties					
2. Perfect the beneficial use of the District's water rights, contractual entitlements, and facilities.	WSA			  		
	MFP Extended POU	 	  	 		  
	SGA Area		  			  
3. Provide long-term financial benefits to ratepayers, and provide regional and statewide benefits.	Support Groundwater Substitution Transfers	Enables for separate water sales with agencies outside the SGA Area				
	Upfront Costs		Varies ⁽²⁾  	  		Varies ⁽³⁾  

Key
ASR = Aquifer Storage and Recovery
MFP = Middle Fork Project
N/A = not applicable

PCWA = Placer County Water Agency
SJWD = San Joan Water District
SGA = Sacramento Groundwater Water Authority
WSA = Wholesale Service Area

 CVP Contract
 MFP Contract
 Water Rights

Notes:

- ⁽¹⁾ Focused on agencies outside WSA, but within SGA area for cost and institutional considerations.
- ⁽²⁾ Costs will depend on partner agency and required facilities upgrade to facilities in-lieu operations.
- ⁽³⁾ Costs will depend on partner agency, and would include costs for operation, financial, administrative, and staff integration requirements.

EVALUATION OF COMBINED OPTIONS

The figure on the facing page shows the Study objectives to which each option would contribute. All options would increase water supply reliability during dry years. Options A, B, C, and E would also contribute to the other two objectives of helping perfect the beneficial use of the District's water supply, and providing a long-term financial benefit to existing ratepayers. How each of these combined options would contribute to the specific objectives is also shown in the figure.

Increasing water supply availability during dry-years

Options A, B, C, and E would increase the use of CVP contract supplies (i.e., establish a historical record of beneficial use) which would provide the District with a higher CVP allocation during dry-years. Options B, C, and E would all focus on conjunctive use and could provide the District with access to groundwater supplies during dry years. Option D would provide an alternate access point to the District's MFP contract water should water be unavailable from Folsom Reservoir during extreme drought conditions.

Perfecting beneficial use of District's available surface water rights and contract entitlements

Currently, the District maximizes use of its water right and uses portions of both its MFP and CVP contract entitlements. Depending on the partner agency(ies) and location(s), the District could increase its beneficial use of certain surface water supplies. For example, the District would be able to use only water right or MFP water for groundwater banking if a partner agency was in the MFP water right extended POU in Sacramento

County. For existing WCAs, all of the District's available supplies could be used for groundwater banking. In comparison, a partner agency outside of the MFP water right extended POU would be limited to using the District's water rights, requiring the District to supply water right water to the partner agency and to backfill in its service area by serving CVP or MFP water. CVP water would only be available to a partner agency if it merged with the District due to the defined service area. Option D would not increase beneficial use of supplies and is therefore left blank in the figure.

Long-term financial sustainability

All of the options (less Option D) would provide the District with the opportunity to engage in groundwater substitution transfers. However, there are important clarifications related to the nature of the required institutional arrangements under each option. Option A would be a transactional arrangement, so groundwater substitution transfers would need to be negotiated separately. Option B would essentially be a paid service for banking the District's available water supplies, where the District would retain the right to the banked water but with certain financial arrangements. Under Option C, there would also be additional financial costs for structuring a groundwater substitution transfer with the WCAs.

While most of these options would provide long-term financial benefits to ratepayers, there would be upfront costs associated with implementing any option that would likely offset some or all of the near-term financial benefits.

*Antelope Booster Pump
Station Pump Back
Project provides up to
14.4 MGD of
groundwater from SSWD*



KEY FINDINGS

Spilling from Folsom Reservoir for flood operations on early March 2016, just 4 months after reaching its lowest recorded level, highlights the reservoir's inadequate size for effectively managing the valuable water resources in the American River Basin in light of anticipated hydrologic changes from changing climate. It also punctuates the needs for District's reevaluation of its options in developing a more robust water supply portfolios and implementation strategy for long-term water supply reliability for its customers and financial sustainability.



Through comprehensive review of the water management and reliability options, key findings were identified that are important for District consideration and in formulating recommended next steps (feasibility studies and implementation).

1. The District's water reliability challenges include the exclusive reliance on surface water from Folsom Reservoir, and the undeveloped capacity to leverage its rich water rights and contract capacity to provide dry-year protection.

In severe drought conditions when surface water diversion is extremely limited from Folsom Reservoir, the District has limited options to provide redundant water supplies from alternative sources to maintain adequate service to its retail and wholesale customers. Although the District has approximately 21,300 acre-feet per year of currently unused surface water supplies available during wet years, this unexercised diversion does not contribute to dry-year protection, and the District is at risk of further reductions in its reliability under changing regulatory conditions and Reclamation's current shortage policy.

2. The District's long-term success hinges upon providing, in a financially responsible and sustainable manner, increased water supply reliability during dry years to its retail and wholesale customers, which can be best accomplished by integrating surface water and groundwater resources to fully leverage the District's water rights, contract entitlements, and available and planned facilities.

Addressing the District's long-term water supply reliability challenges requires the integrated and balanced application of three key water management strategies: (1) increasing beneficial use of the District available surface water supplies, (2) diversifying the District's water supply portfolio by integrating groundwater use, and (3) establishing alternative locations for the District to receive its surface water supplies (in addition to Folsom Reservoir).

3. The District’s investment priorities need to be aligned with an implementation strategy that focuses on delivering efficient and practical outcomes in the context of regional and statewide drivers.

The range of options with a greater chance of achieving the District’s goals and objectives, in a cost-efficient manner, within a reasonable timeframe, and with higher degree of confidence, include: (1) increasing utilization of available water supplies through water sales and exchanges, (2) increasing utilization of available water supplies through a merger or new wholesale agreements, (3) expanding groundwater banking through regional collaboration, and (4) expanding emergency interties in the region.

Other important regional and statewide water management options for water supply reliability include water reuse and surface water storage development. Although these strategies can contribute to overall regional and statewide benefits and stewardship, they are ineffective in addressing the District’s water supply reliability challenges because of the high relative costs, high levels of implementation complexity, and/or questionable technical feasibility.

4. The key to the District’s long-term water supply reliability is the expansion of areas where the District can apply its available water supplies to enhance both utilization and management flexibility.

The increased flexibility in MFP water use and increased use of CVP water are important to the District’s overall strategy for long-term water supply reliability. This requires (1) collaboration with regional partners to integrate groundwater use into drought protection measures and groundwater storage and banking opportunities, and (2) institutional arrangements and possible administrative considerations to remove unnecessary restrictions on water use. For example, the District’s current Warren Act Contract with Reclamation is for water use in Placer County only,

which is more limited than what the District’s MFP contract allows.

Maximizing use of CVP contract water is critical to improving dry-year reliability. Reclamation’s current shortage policy specifies that the CVP allocation be based on contract usage in the preceding few years. Therefore, increasing the use of CVP contract directly translates into increased CVP allocations during dry years.

Maintaining high utilization of MFP contract water is also strategically important to preserve these supplies for use in the region. The District and PCWA should continue to coordinate on achieving maximum utilization of these supplies while increasing contract flexibility to allow for concurrent maximization of CVP contract utilization. Addressing financial implications of this increased flexibility is also important to long-term financial sustainability.

5. Many of the water management options considered in this study are not new; however, past implementation efforts have experienced differing levels of success due to insufficient incentives and sometimes misaligned practices of the District and other water agencies in the region.

The District and water agencies in the region face a challenging future in water management planning under changing regulations for water right administration and environmental protection, and implementation of SGMA. A higher level of conjunctive management in this region cannot occur without significant collaboration throughout the region.

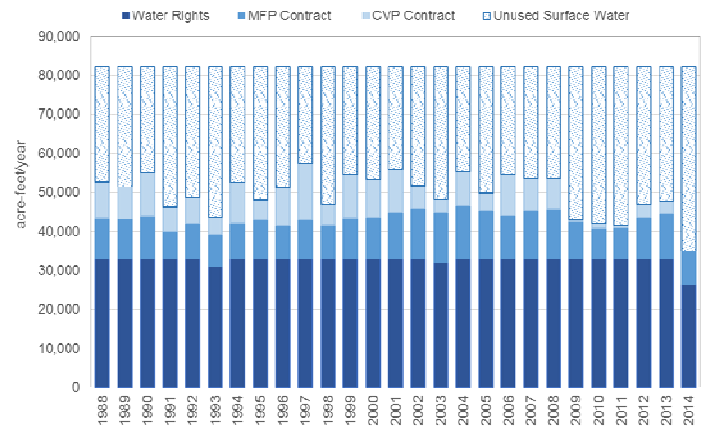
An agency merger can be an effective strategy to leverage regional assets and create administratively and financially efficient management entities. However, this type of action is often nuanced and time consuming. Alternatively, improving water supply reliability for agencies in the region can be further advanced through interagency agreements with conditions and protocols that facilitate long-term regional partnerships rather than short-term transactional gains.

Available Surface Water Supplies and Facility Capacities

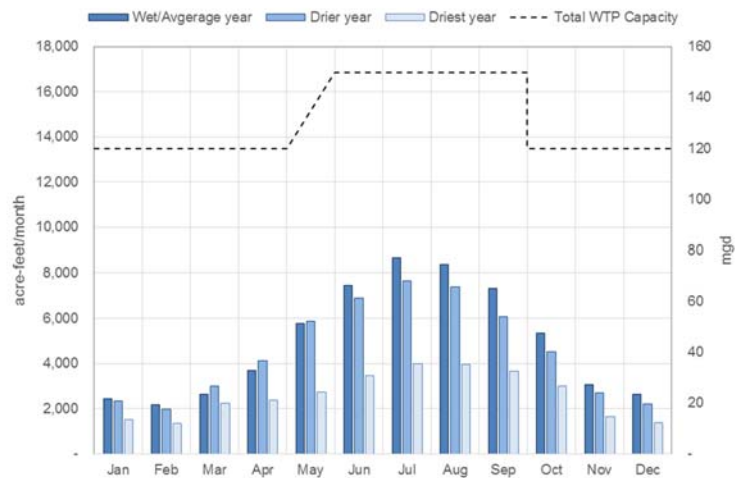
Of the District's 82,200 acre-feet per year of surface water supplies, approximately 21,300 acre-feet per year are available for other beneficial uses during Water Forum wet/average years.

The District's Peterson Water Treatment Plant (WTP) has unused capacity that can support expanded deliveries of surface water to other agencies in the region.

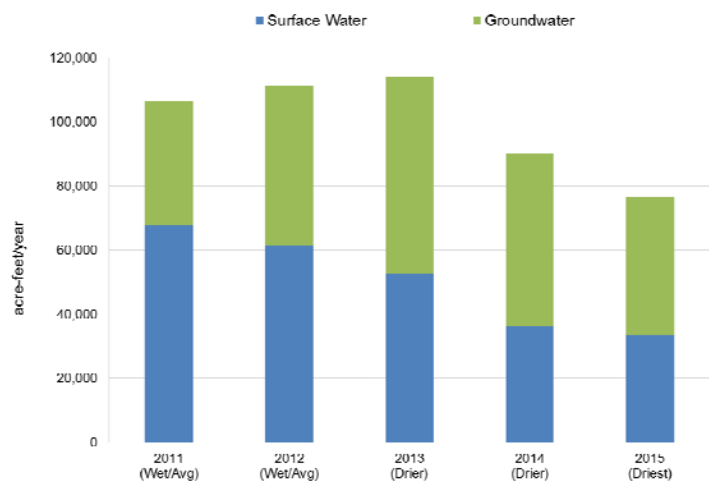
There are opportunities to expand surface water deliveries to existing groundwater users in the Sacramento Groundwater Authority (SGA) area that do not currently receive surface water in wet/average years.



District's Annual Surface Water Use by Source



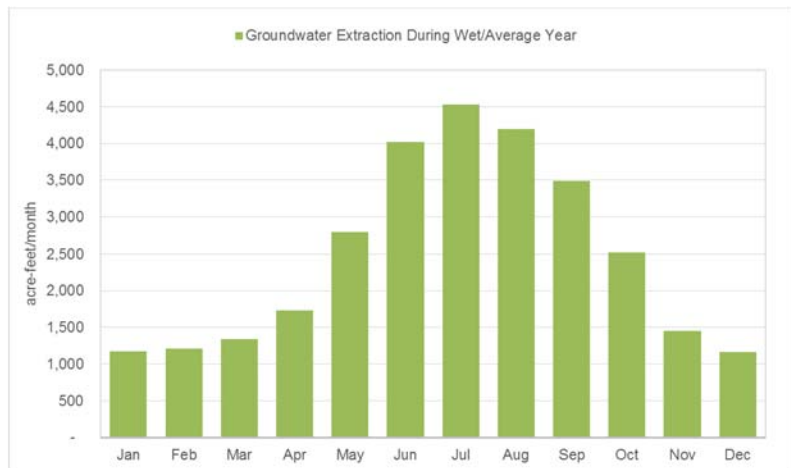
Peterson WTP Average Monthly Utilization Compared to Maximum Capacity



Surface Water and Groundwater Use in SGA Area

.... Can Facilitate Groundwater Banking via In-Lieu Recharge and/or Aquifer Storage and Recovery

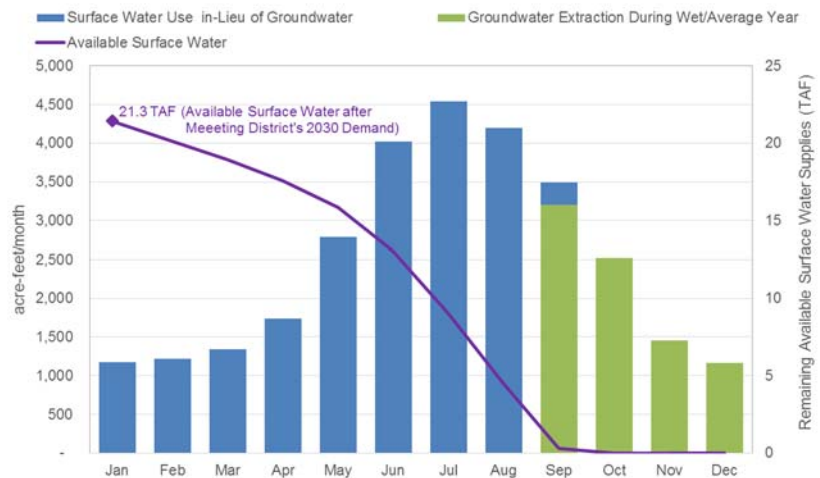
In the SGA area and MFP place of use, groundwater pumping during wet/average years is approximately 33,000 acre-feet per year.



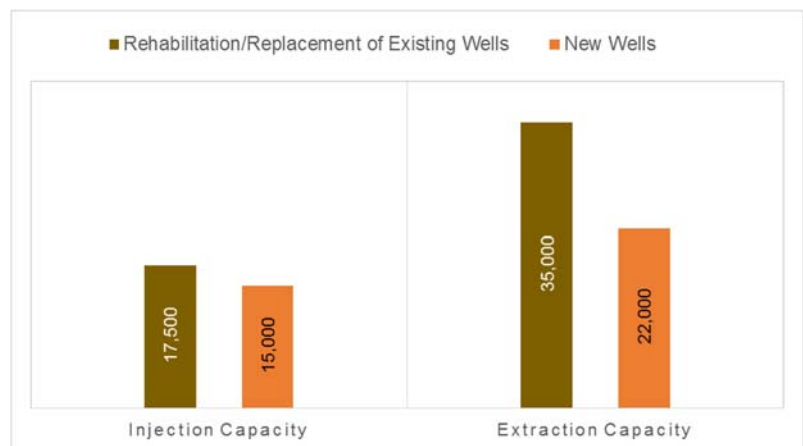
In-lieu Recharge using the District's Available Surface Water Supplies and Available Capacity at Peterson WTP



With participation of agencies in the SGA area, expanded groundwater banking via in-lieu recharge has the potential to put to beneficial use all of the District's available surface water supplies.



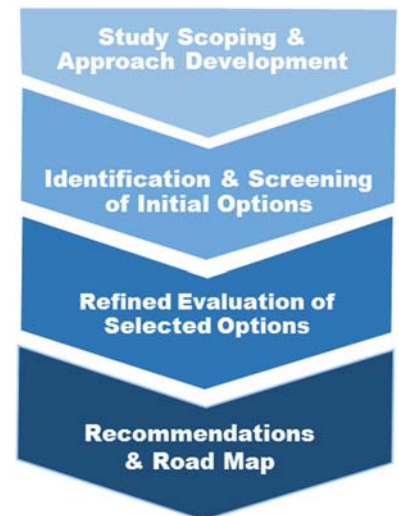
Expanded groundwater banking via Aquifer Storage and Recovery (ASR) in the District's wholesale service area also has the potential to put to beneficial use all of the District's available surface water supplies.



Potential Extraction/Injection Capacity of Existing Wells and New Wells in the Wholesale Service Area

RECOMMENDATIONS AND ROAD MAP

The various water management options presented in this study are not distinct alternatives that are mutually exclusive. Rather, they present a collection of tactics that support each other along the District's path toward long-term sustainable water supply reliability. As a multi-faceted approach to achieving a healthy water supply portfolio and providing necessary dry year protection, a road map was prepared for the District to delineate the general focus and schedule of the next steps in the District's evaluation and development of a program to achieve long-term water supply reliability.



1. The District should institute a Wholesale Water Management and Reliability Program to coordinate the implementation of various components of the recommended actions, and maintain the District's participation in regional initiatives consistent with its corresponding roles and benefits.

- a. The District should initiate a feasibility study for the recommended water management options—expanded water sales, groundwater banking, and an ASR program—to further explore institutional, technical, and infrastructure needs; regulatory compliance requirements; and business case evaluations and financial viability.
- b. The District should continue to explore merger opportunities with other water agencies as a merger could bring forth an expanded service area, increase use of available water supplies in a

flexible manner, and strengthen the District's overall position in regional and statewide water management negotiations and stewardship. However, a merger does not need to be a near-term focus.

- c. The District should work with PCWA on its water supply infrastructure development schedule and a strategy to establish additional emergency interties to diversify the District's options for dry year protection and emergency operations. Viable options are likely associated with the future expansion of Ophir WTP and expansion of conveyance and interties capacities.
- d. The District should capitalize on regional opportunities when available. It should actively collaborate with the RWA and water agencies in the Sacramento-Placer region on potential water management actions that may be beneficial to the region, but not appropriate for the District to take the lead in development.

2. The District should review and amend, as needed, the relevant policies, contracts, and practices to support the Wholesale Water Management and Reliability Program.

- a. The District may consider instituting a formal groundwater replenishment demand in response to SGMA and dry-year protection needs. The formalization of such a demand could facilitate a groundwater banking practice for dry-year protection purposes. This formal replenishment demand would also be reflected in shortage policies and other management practices such as its Urban Water Management Plan.
- b. The District should obtain PCWA's concurrence on its desired flexible use of MFP water as part of the strategy for water supply reliability, and amend its Warren Act Contract with Reclamation to allow for MFP water delivery to Sacramento County areas in MFP water right extended POU.
- c. The District should consult with Reclamation on expanding the CVP contract service area to include MFP water right extended POU in Sacramento County, to the extent possible. The District's petition could be more effective with the establishment of a new long-term wholesale relationship to serve planned growth or replace existing groundwater use. Since the MFP water right extended POU in Sacramento County is completely in Reclamation's CVP water right POU, the amendment would likely be a administrative change that could be easily executed.
- d. The District should consider establishing clear but adaptive rules of engagement for exploring potential water sales and groundwater banking options with other water agencies in the Sacramento-Placer region to promote long-term partnerships. This would include, but not be limited to (1) a cost allocation strategy for infrastructure use and improvements, (2) ownership of new infrastructure and their operations, and (3) ownership of and accounting for banked groundwater.

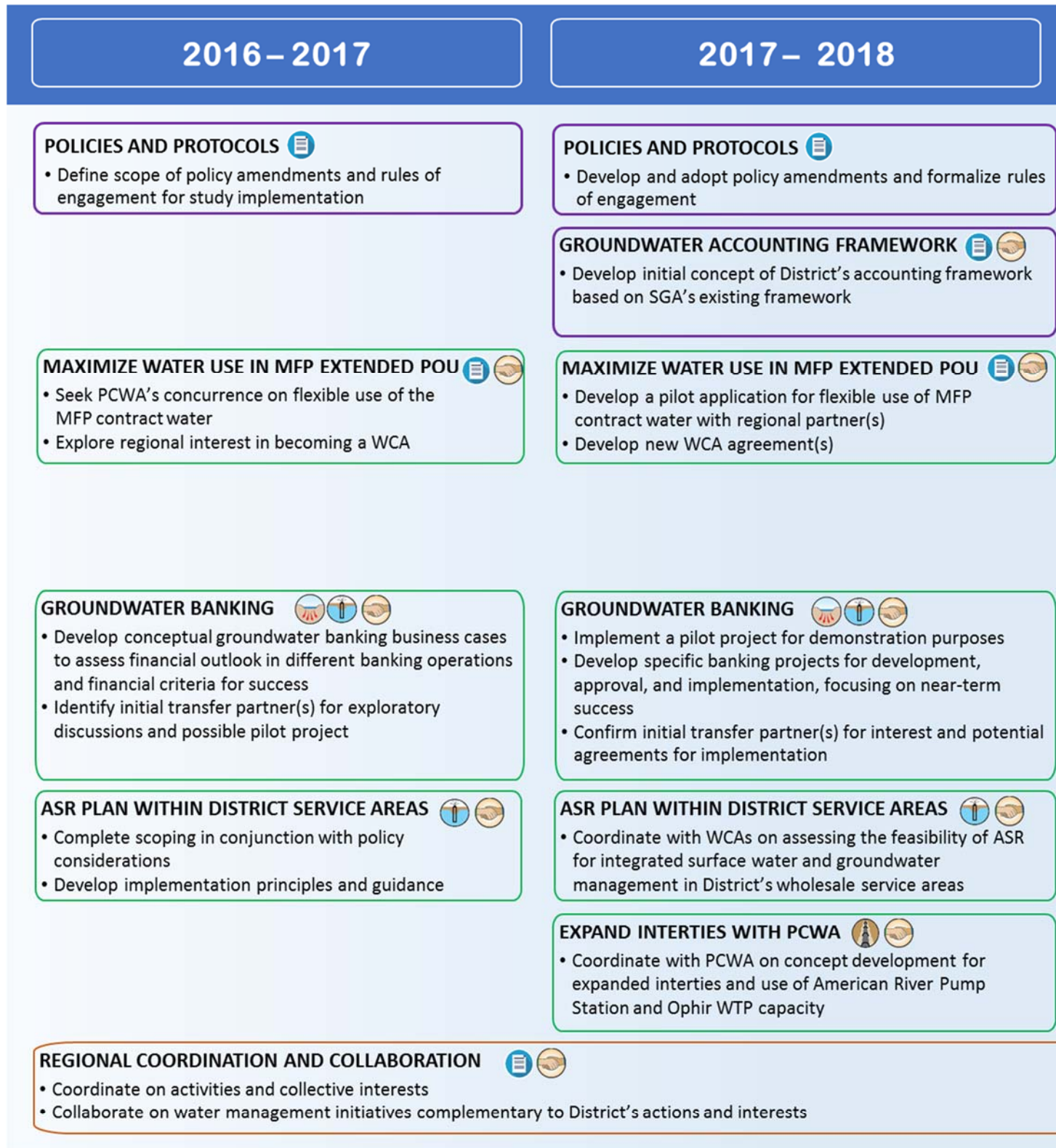
3. The District should engage other water agencies in potential water sales and groundwater banking partnerships with a near-term focus on an “early win.”

Water sales and groundwater banking partnerships could expand the District's service area for using available water supplies, establish new wholesale agreements to support a CVP contract service area change, and realize groundwater banking operations for dry-year protection and/or transfers resulting in revenue to offset infrastructure investments. The District is equipped to immediately implement a short-term water sale with or without banking options using water rights—an opportunity for “proof-of-concept” implementation. Water sales based on the District's water rights are not recommended for long-term implementation; rather, long-term implementation should focus on the use of MFP and CVP water. In addition, when all the necessary contract service area changes are completed and consistent, the District would then be able to institute more flexible accounting procedures and water management.

4. The District should implement a long-term advocacy and public outreach campaign to support the Wholesale Water Management and Reliability Program.

In addition to the District's vision for long-term benefits sustainability practices, the importance of continued education, advocacy, and outreach in a consistent and well-thought manner cannot be over-emphasized. These activities would not be limited to the future feasibility studies related to infrastructure planning and implementation; rather they would enhance overall transparency and improve support throughout Program implementation. Customization for targeted audiences would be required for development and implementation of specific Program elements, including WCAs, water agencies in the Sacramento-Placer region, non-governmental organizations and regulatory agencies, and potential water transfer partners outside the region.

Road Map for Implementing the Study Recommendations



TYPE OF ACTION:

 Administrative
  Agreements
  In-lieu Recharge
  ASR
  Conveyance & Interties

Task 1 – Develop Policies & Protocols
 Task 2 – Develop Reliability Program & Implementation Plans
 Task 3 – Regional Coordination & Collaboration

2018 – 2019

2019 and Beyond

POLICIES AND PROTOCOLS

- Integrate amended policies and protocols for consistent application in District operations
- Amend policies and protocols as needed to adapt changed conditions, if necessary

GROUNDWATER ACCOUNTING FRAMEWORK

- Formalize District's accounting framework
- Participate in regional efforts for implementation of groundwater accounting framework consistent with SGMA and relevant regional agreements related to implementation

MAXIMIZE WATER USE IN MFP EXTENDED POU AND SGA AREA

- Demonstrate ability to fully utilize water rights, CVP contract entitlement, and MFP contract entitlement, even if not on an annual basis
- Modify the CVP service area through administrative actions by Reclamation based on new WCA(s)

MERGER

- Engage in merger discussions with willing partner(s); when completed, modify the CVP contract service area accordingly and reassess need for continued implementation of roadmap components

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on long-term sustainable practice and governance
- Enhance regional coordination on banking operations, consistent with SGMA and other regional frameworks

GROUNDWATER BANKING

- Expand banking project development, approval, and implementation, focusing on expanding portfolio of transfer partners, if necessary
- Participate in regional water banking operations and other related regional common practices and protocols

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- If ASR is feasible and mutual interest exists, coordinate with partner(s) to develop a detailed plan for approval and implementation agreement(s)

ASR PLAN WITHIN DISTRICT SERVICE AREAS

- Construct/retrofit facilities
- Incorporate ASR into long-term operations, and adapt as needed

EXPAND INTERTIES WITH PCWA

- Develop intertie expansion plan for feasibility and approval; develop operation agreement with PCWA

EXPAND INTERTIES WITH PCWA

- Implement intertie expansion and operation agreement

KEY:

ASR = Aquifer Storage and Recovery
CVP = Central Valley Project
MFP = Middle Fork Project

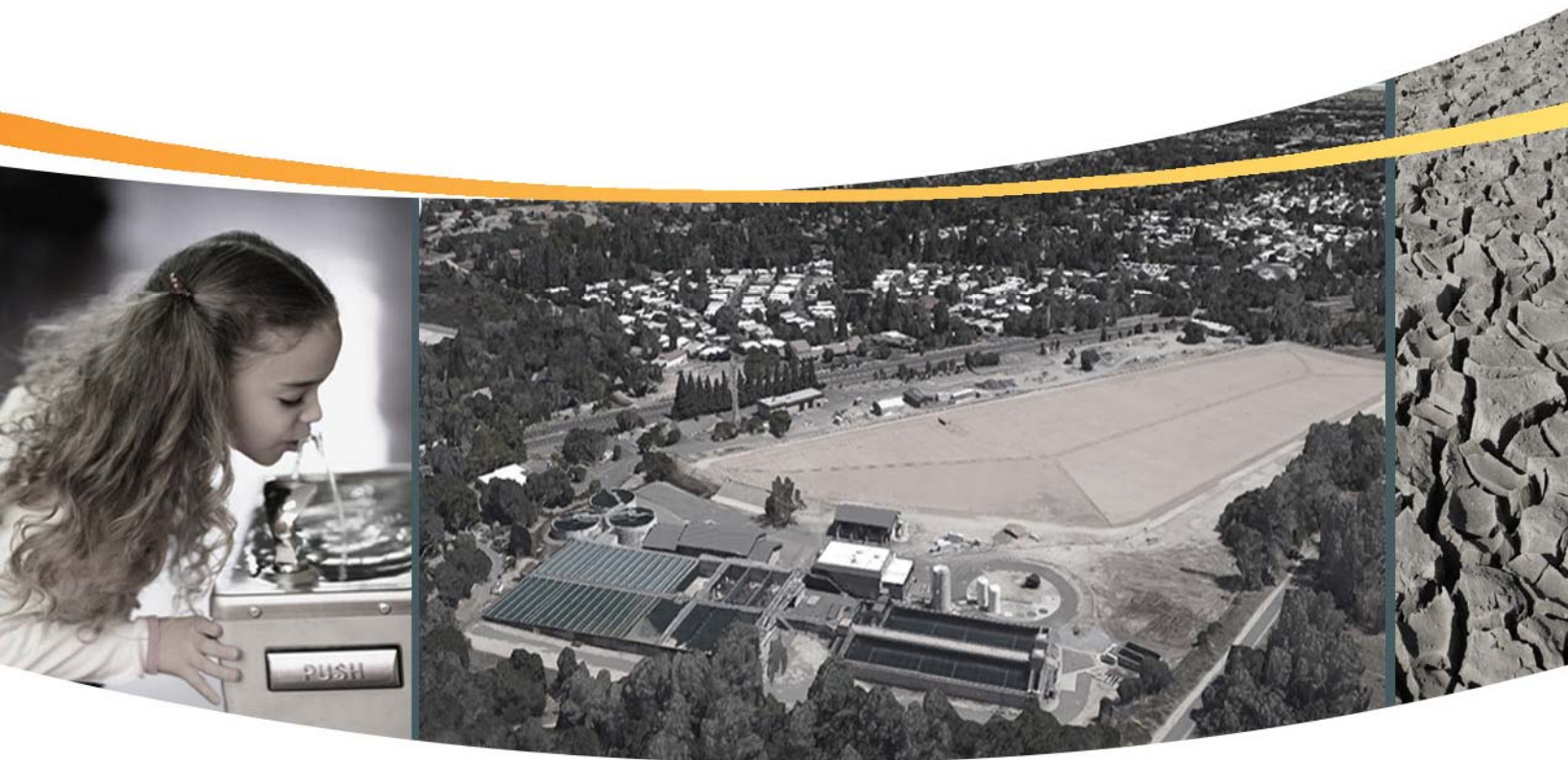
POU = Place of Use
PCWA = Placer County Water Agency
SGA = Sacramento Groundwater Authority

SGMA = Sustainable Groundwater Management Act
WCA = Wholesale Customer Agency
WTP = Water Treatment Plant

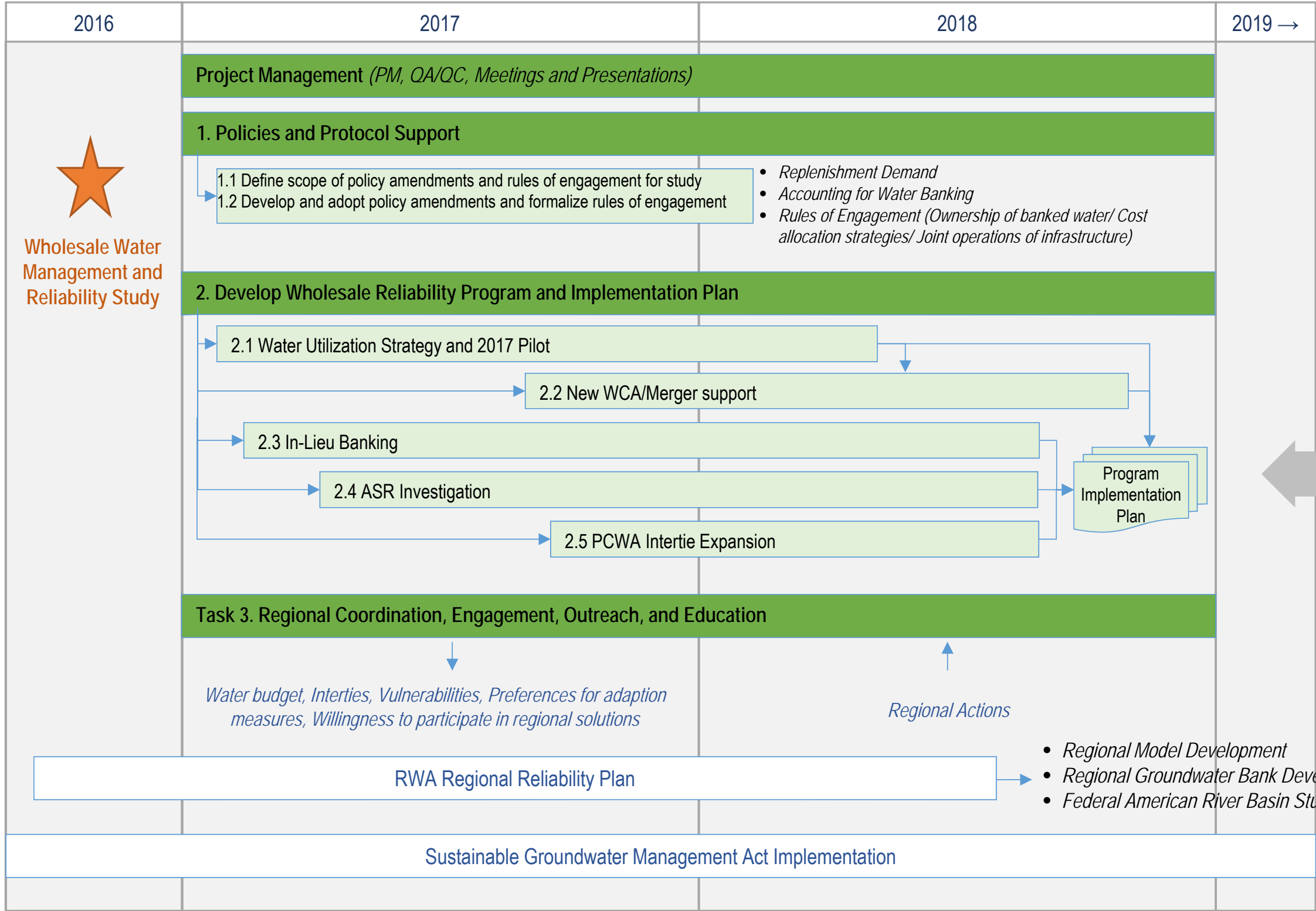


Wholesale Water Management and Reliability Study

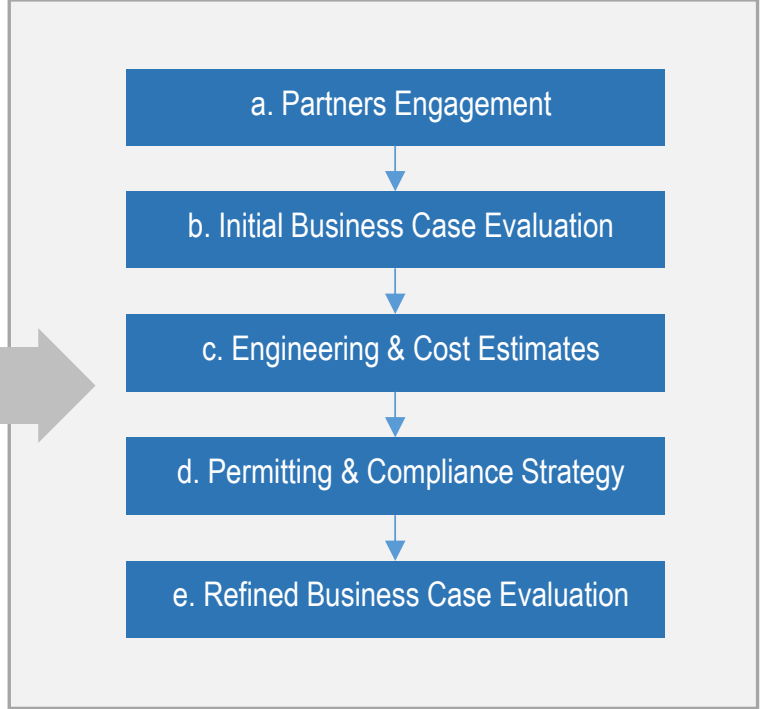
DRAFT Final Report, September 2016



SJWD Water Supply Feasibility Study and Related Regional Efforts



Process for Developing the Reliability Program



STAFF REPORT

To: Board of Directors

From: Lisa Brown, Customer Service Manager

Date: September 1, 2016

Subject: SWRCB Short and Long Term Conservation Requirements

RECOMMENDED ACTION

For information only

BACKGROUND

The State Water Resources Control Board and the Department of Water Resources are working together to develop conservation goals that satisfy the Governor's Executive Order B-37-16 issued on May 9th. This EO builds on the conservation accomplished during the drought and the implementation of Actions One and Five of the Governor's California Water Action Plan.

Short term requirements

The SWRCB allowed agencies to provide self-certification and demonstrate whether they have adequate supplies to withstand three additional dry years. Water suppliers that pass their "stress test" will not face a state-mandated conservation standard through January 2017, but are expected to keep conserving water to build long-term drought resilience. The SWRCB staff interpreted the regulation as requiring agencies not held to a state standard to continue to use less water than 2013. The new comparative period began June 2016 and will exist through January 2017. This eliminates all past cumulative savings. Agencies not in compliance may face violation.

Long term requirements

1. DWR and other State agencies convened a stakeholder process to develop a framework to carry out elements of the Executive Order. This User Advisory Group has been tasked with developing permanent statewide conservation standards that exceed existing requirements and will start with a framework that shall focus on:

- Indoor residential per capita use

- Outdoor irrigation (in a manner that incorporates landscape area, local climate and new satellite imagery data)

- Commercial, industrial, and institutional water use; and

- Water lost through leaks

This Group will publicly issue a proposed draft framework by January 10, 2017. It is estimated the standards will be included in the 2017 spring legislation.

2. DWR has also focused efforts on strengthening Water Shortage Contingency Plans (WSCP) through the User Advisory Group process. Current statutes only direct urban purveyors to provide a water shortage contingency “analysis” as a component of their Urban Water Management Plans (UWMPs) but not an actual WSCP. DWR would like to focus effort on:

Establishing triggers specific to a purveyor’s water supply.

Developing a range to be used in the demand reduction targets so purveyors are better situated to comply with possible future State mandates that may set targets that do not match specifically defined percentages.

Plans should include purveyor-specific demand reduction actions in addition to customer demand reduction actions.

DWR will hold additional workshops to discuss WSCP framework and will continue to review examples of Plans submitted by purveyors. DWR will develop recommendations to be provided in the public report.

**Finance Committee Meeting Minutes
San Juan Water District
September 13, 2016
4:00 p.m.**

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

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Donna Silva, Director of Finance
Teri Grant, Board Secretary/Administrative Assistant

Topics: Review and Pay Bills (W & R)
Los Lagos Tank Recoating Project (R)
Field Services Truck #21 Replacement (R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

The committee reviewed the presented bills and claims. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for August payables is \$1,470,554.84.

The Finance Committee recommends adoption of Resolution 16-15 via the Board Consent Calendar

2. Los Lagos Tank Recoating Project (R)

Mr. Durkin provided the committee with a written staff report which will be attached to the meeting minutes. In response to Director Costa's question, Mr. Durkin informed the committee that Placer County Water Agency has agreed to transfer ownership of the Los Lagos Tank to the District. They would like to retain rights to put an antenna on the site for their SCADA system. PCWA is completing the paper work for the transaction.

Mr. Durkin informed the committee that there were 4 bids received for the recoating project with the lowest bid coming in almost \$100,000 below the next lowest bidder; therefore, staff contacted the lowest bidder, Blastco, Inc., to confirm that their bid was correct and there were no errors made in calculations. Staff was satisfied with Blastco's response that it was correct and recommends awarding the contract to Blastco, Inc.

The Finance Committee recommends awarding a construction contract to Blastco, Inc. for the amount of \$363,635 and authorize a construction contingency of \$72,727 (20%) for a total authorized construction budget of \$436,362 via the Board Consent Calendar

3. Field Services Truck #21 Replacement (R)

Ms. Silva reported that the Field Services truck #21, which was stolen, has been recovered. She explained that since the vehicle was due for replacement this year, an insurance claim was not filed for damages to the vehicle. However, the District will file a property claim for the equipment which was stolen. Ms. Silva informed the committee that quotes are being received for replacement of the vehicle and this item will be discussed at the next committee meeting.

For information only; no action requested.

4. Other Finance Matters (W & R)

Ms. Silva informed the committee that staff has been researching the ownership of cylinders from Harris Industrial Gases and other companies instead of renting. She explained that they are looking at not only the price of purchasing the cylinders but also the regulation requirements. Director Costa commented that he believes that, once the District purchases cylinders then has them filled, the responsibility to meet the regulation requirements falls on the company that is filling the tanks. Ms. Silva will work with staff to research this further.

For information only; no action requested.

5. Public Comment

There were no public comments.

The meeting was adjourned at 4:23 p.m.

San Juan Water District

**RESOLUTION 16-15
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,470,554.84; 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 \$1,470,554.84 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 \$1,470,554.84 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 14th day of September 2016, by the following vote:

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

ATTEST

PAMELA TOBIN
President, Board of Directors
San Juan Water District

TERI GRANT
Secretary, Board of Directors

September 2016 Payment Register

Paid in Advance:

<u>Check Date:</u>	<u>Vendor:</u>		<u>Amount:</u>
08/31/2016	Payroll		646,655.91
08/19/2016	CalPERS OPEB	CK 50392	79,159.22
08/29/2016	Stephens, Teresa - Customer Overpayment Refund	CK 50396	11,800.80
09/06/2016	Department of Energy - Aug Whsl Water Bill - Restoration	EFT 404631	3,450.78
08/19/2016	Hasler/MailFinance/Neopost - Postage	CK 50394	1,999.20
09/06/2016	AFLAC - Payroll	CK 50398	1,154.68
09/06/2016	Elliott, Julia - Customer Overpayment Refund	CK 50399	1,000.00
08/19/2016	Galic Disbursing Company - Payroll	CK 50393	400.00
09/06/2016	Galic Disbursing Company - Payroll	CK 50400	400.00
08/18/2016	WageWorks, Inc - Payroll	EFT 404626	340.23
09/02/2016	WageWorks, Inc - Payroll	EFT 404630	340.23
09/13/2016	WageWorks, Inc - Payroll	EFT 404632	340.23
09/13/2016	CalPERS Long Term Care - Payroll	CK 50402	227.66
08/18/2016	CalPERS Long Term Care - Payroll	CK 50382	227.66
09/02/2016	CalPERS Long Term Care - Payroll	CK 50397	227.66
08/19/2016	CalPERS Long Term Care - Payroll	CK 50391	167.39
08/25/2016	ACWA / JPIA - Payroll	EFT 404628	105.75
08/25/2016	WageWorks, Inc - Payroll	EFT 404629	98.00
08/19/2016	CalPERS Long Term Care - Payroll	CK 50390	60.27
Total Paid in Advance			748,155.67

Checks:

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

Regular Checks	499,249.04	
EFT's	222,484.13	
Total Check Register		721,733.17


Pending Payables:

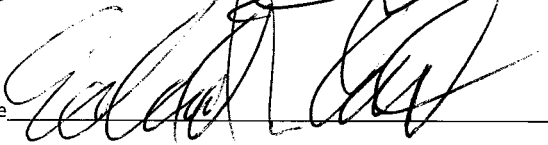
<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
58313	Youngdahl - Jul Granite Estates Services	666.00	666.00
Total Pending Payables			666.00

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE 1,470,554.84

Adjustments:

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
	None		
TOTAL PAID AND PAYABLE			1,470,554.84

Signature  _____

Signature  _____



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03392	Abercrombie, John B.	09/14/2016	Regular	0.00	2,920.29	50403
03091	Ace Hardware - Auburn Folsom Act#2	09/14/2016	Regular	0.00	198.05	50404
01061	All Electric Motors, Inc.	09/14/2016	Regular	0.00	16,237.42	50405
01073	Amarjeet Singh Garcha	09/14/2016	Regular	0.00	2,800.00	50406
02368	American City Business Journals, Inc.	09/14/2016	Regular	0.00	125.00	50407
01026	American River Ace Hardware, Inc.	09/14/2016	Regular	0.00	89.50	50408
01090	American Water Works Association	09/14/2016	Regular	0.00	105.00	50409
02463	AnswerNet	09/14/2016	Regular	0.00	277.30	50410
01027	Association of California Water Agenci	09/14/2016	Regular	0.00	1,000.00	50411
03370	AT Battery Company	09/14/2016	Regular	0.00	18.26	50412
01138	AT&T Mobility II LLC	09/14/2016	Regular	0.00	61.66	50413
01182	Bartkiewicz, Kronick & Shanahan	09/14/2016	Regular	0.00	14,268.49	50414
01187	Battery Bill Inc.	09/14/2016	Regular	0.00	520.97	50415
03431	Besko Construction and Design	09/14/2016	Regular	0.00	1,248.83	50416
01219	Borges & Mahoney Co	09/14/2016	Regular	0.00	221.56	50417
01234	Bryce Consulting, Inc.	09/14/2016	Regular	0.00	2,280.00	50418
03417	Cal Atlantic Group	09/14/2016	Regular	0.00	88.96	50419
03116	Cater, Justen	09/14/2016	Regular	0.00	190.00	50420
03345	Cessna, Chris	09/14/2016	Regular	0.00	88.00	50421
03432	Chester, Timothy	09/14/2016	Regular	0.00	113.12	50422
01372	City of Folsom	09/14/2016	Regular	0.00	32.48	50423
01378	Clark Pest Control of Stockton	09/14/2016	Regular	0.00	2,813.00	50424
02613	Clark, Tom	09/14/2016	Regular	0.00	244.03	50425
01385	Clear Edge Filtration, Inc.	09/14/2016	Regular	0.00	3,327.02	50426
03424	Davis, Aaron	09/14/2016	Regular	0.00	139.20	50427
01494	Dewey Services Inc.	09/14/2016	Regular	0.00	164.00	50428
01575	Engineering Supply Company, Inc	09/14/2016	Regular	0.00	1,500.00	50429
01609	Federal Express Corporation	09/14/2016	Regular	0.00	96.03	50430
03154	Feitser, Paul	09/14/2016	Regular	0.00	101.28	50431
03425	Fligge, Sterling	09/14/2016	Regular	0.00	464.52	50432
01634	Folsom Lake Ford, Inc.	09/14/2016	Regular	0.00	3,188.94	50433
01635	Folsom Lock & Key	09/14/2016	Regular	0.00	1,183.82	50434
01657	Galic Disbursing Company	09/14/2016	Regular	0.00	400.00	50435
01659	Gary Webb Trucking	09/14/2016	Regular	0.00	4,290.00	50436
03436	Gilli, Peter	09/14/2016	Regular	0.00	128.92	50437
01068	Glenn C. Walker	09/14/2016	Regular	0.00	993.00	50438
01681	Golden State Flow Measurements, Inc	09/14/2016	Regular	0.00	1,038.38	50439
01706	Graymont Western US Inc.	09/14/2016	Regular	0.00	11,949.22	50440
01710	Greenback Equipment Rentals, Inc.	09/14/2016	Regular	0.00	649.34	50441
03418	Groepper, Ron OR Colleen	09/14/2016	Regular	0.00	117.36	50442
03419	Gross, William OR Tina	09/14/2016	Regular	0.00	100.00	50443
01733	Harris Industrial Gases	09/14/2016	Regular	0.00	92.46	50444
01736	Hasler/MailFinance/Neopost	09/14/2016	Regular	0.00	490.27	50445
03235	HD Supply Construction Supply LTD	09/14/2016	Regular	0.00	484.22	50446
01741	HDR Engineering, Inc.	09/14/2016	Regular	0.00	309.50	50447
03072	HUNT & SONS INC.	09/14/2016	Regular	0.00	536.20	50448
03383	Inferrera Construction Management G	09/14/2016	Regular	0.00	27,276.50	50449
01796	Insomniac Productions Inc.	09/14/2016	Regular	0.00	1,436.20	50450
03428	Jablonsky, Angela	09/14/2016	Regular	0.00	19.44	50451
03443	Jent, Alice	09/14/2016	Regular	0.00	848.59	50452
01819	Joel Richard Eichman	09/14/2016	Regular	0.00	255.00	50453
01890	Johnson Petroleum Construction, Inc.	09/14/2016	Regular	0.00	720.30	50454
02024	MCI WORLDCOM	09/14/2016	Regular	0.00	97.27	50455
03420	Moniz, Dennis OR Kathy	09/14/2016	Regular	0.00	31.84	50456

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03438	Morton & Pitalo Inc	09/14/2016	Regular	0.00	500.00	50457
03386	Myers & Sons Construction, LP	09/14/2016	Regular	0.00	276,772.81	50458
03058	Naatz, April	09/14/2016	Regular	0.00	407.00	50459
02094	Neff Rental LLC	09/14/2016	Regular	0.00	1,002.22	50460
02129	Occu-Med Ltd.	09/14/2016	Regular	0.00	466.50	50461
02131	Office Depot, Inc.	09/14/2016	Regular	0.00	2,074.43	50462
	Void	09/14/2016	Regular	0.00	0.00	50463
	Void	09/14/2016	Regular	0.00	0.00	50464
	Void	09/14/2016	Regular	0.00	0.00	50465
02150	Pace Supply Corp	09/14/2016	Regular	0.00	6,013.73	50466
	Void	09/14/2016	Regular	0.00	0.00	50467
03303	Paulson, Rachael	09/14/2016	Regular	0.00	12.00	50468
03026	PFM Asset Management	09/14/2016	Regular	0.00	907.59	50469
02146	PG&E	09/14/2016	Regular	0.00	2,481.25	50470
02205	Placer County Air Pollution Control Dis	09/14/2016	Regular	0.00	1,110.32	50471
03439	Poseidon Joint Venture	09/14/2016	Regular	0.00	837.92	50472
02283	Recology Auburn Placer	09/14/2016	Regular	0.00	640.70	50473
02223	Rexel Inc (Platt - Rancho Cordova)	09/14/2016	Regular	0.00	4,934.98	50474
	Void	09/14/2016	Regular	0.00	0.00	50475
02293	RFI Enterprises, Inc	09/14/2016	Regular	0.00	48.40	50476
02302	Riebes Auto Parts, LLC	09/14/2016	Regular	0.00	62.62	50477
02328	Rocklin Windustrial Co	09/14/2016	Regular	0.00	1,346.30	50478
02357	Sacramento Municipal Utility District (09/14/2016	Regular	0.00	25,964.06	50479
02395	SAFETY KLEEN SYSTEMS INC.	09/14/2016	Regular	0.00	1,141.12	50480
02407	Scheetz Welding Service Inc.	09/14/2016	Regular	0.00	691.20	50481
02446	Sierra Chemical Co	09/14/2016	Regular	0.00	7,329.14	50482
03086	Sierra Saw Power Equipment Center	09/14/2016	Regular	0.00	129.61	50483
03267	Silva, Donna	09/14/2016	Regular	0.00	58.32	50484
03263	Singleman, Michael	09/14/2016	Regular	0.00	25.65	50485
01391	Sinnock, Cody	09/14/2016	Regular	0.00	104.00	50486
03416	Smith, Kendall	09/14/2016	Regular	0.00	226.78	50487
01854	Spencer, Jerry	09/14/2016	Regular	0.00	150.00	50488
02048	Spencer, Michael	09/14/2016	Regular	0.00	105.00	50489
03421	Standard Pacific Homes	09/14/2016	Regular	0.00	43.40	50490
01485	State of California - Department Of Co	09/14/2016	Regular	0.00	115.00	50491
02514	State Water Resources Control Board	09/14/2016	Regular	0.00	200.00	50492
01411	SureWest Telephone	09/14/2016	Regular	0.00	1,603.64	50493
02497	SWC Incorporated	09/14/2016	Regular	0.00	500.00	50494
03422	Talbert, Yong	09/14/2016	Regular	0.00	650.00	50495
03379	Taylor Morrison Of California	09/14/2016	Regular	0.00	1,386.41	50496
02580	The Eidam Corporation	09/14/2016	Regular	0.00	13,034.30	50497
03415	Toxic Substances Control, California D	09/14/2016	Regular	0.00	7.50	50498
03441	Troy Davis	09/14/2016	Regular	0.00	465.61	50499
02651	United Parcel Service Inc	09/14/2016	Regular	0.00	217.68	50500
02667	US Bank Corporate Payments Sys (CalC	09/14/2016	Regular	0.00	23,258.38	50501
	Void	09/14/2016	Regular	0.00	0.00	50502
	Void	09/14/2016	Regular	0.00	0.00	50503
	Void	09/14/2016	Regular	0.00	0.00	50504
	Void	09/14/2016	Regular	0.00	0.00	50505
	Void	09/14/2016	Regular	0.00	0.00	50506
	Void	09/14/2016	Regular	0.00	0.00	50507
	Void	09/14/2016	Regular	0.00	0.00	50508
	Void	09/14/2016	Regular	0.00	0.00	50509
03284	Vavrinek, Trine, Day & Co, LLP	09/14/2016	Regular	0.00	2,545.00	50510
02690	Verizon Wireless	09/14/2016	Regular	0.00	479.91	50511
02700	Viking Shred LLC	09/14/2016	Regular	0.00	50.00	50512
03412	Virtual Graffiti, Inc.	09/14/2016	Regular	0.00	10,390.63	50513
01687	W. W. Grainger, Inc.	09/14/2016	Regular	0.00	224.17	50514
02311	Watson, Rob	09/14/2016	Regular	0.00	74.07	50515
03264	Wiesner, Richard	09/14/2016	Regular	0.00	88.95	50516
01034	Advanced Utility Systems, a Division o	09/14/2016	EFT	0.00	3,675.00	404633

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Packet: APPKT01110-2016-09-14 Sept Board Approved AP-MS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01048	Airgas, Inc	09/14/2016	EFT	0.00	217.42	404634
01081	American Messaging Services, LLC	09/14/2016	EFT	0.00	39.35	404635
01242	Bureau of Reclamation-MPR	09/14/2016	EFT	0.00	36,764.67	404636
03221	Chemtrade Chemicals Corporation	09/14/2016	EFT	0.00	32,231.83	404637
03065	Consolidated Electrical Distributors, In	09/14/2016	EFT	0.00	775.74	404638
01521	DataProse, LLC	09/14/2016	EFT	0.00	19,418.30	404639
01486	Department of Energy	09/14/2016	EFT	0.00	2,292.06	404640
01589	Eurofins Eaton Analytical, Inc	09/14/2016	EFT	0.00	1,453.00	404641
01611	Ferguson Enterprises, Inc	09/14/2016	EFT	0.00	71.44	404642
03237	GM Construction & Developers, Inc	09/14/2016	EFT	0.00	16,147.00	404643
01721	Hach Company	09/14/2016	EFT	0.00	132.87	404644
01794	Innovyze, Inc	09/14/2016	EFT	0.00	2,800.00	404645
01917	Kennedy/Jenks Consultants, Inc.	09/14/2016	EFT	0.00	24,291.29	404646
03388	Maxim Crane Works, L.P.	09/14/2016	EFT	0.00	1,630.00	404647
02367	McClatchy Newspapers, Inc.	09/14/2016	EFT	0.00	239.26	404648
02027	Mcmaster-Carr Supply Company	09/14/2016	EFT	0.00	3,040.43	404649
01472	Mel Dawson, Inc.	09/14/2016	EFT	0.00	1,509.32	404650
02079	MWH Americas, Inc.	09/14/2016	EFT	0.00	33,615.91	404651
01038	Nimmo, Sandra G	09/14/2016	EFT	0.00	550.00	404652
02286	Regional Water Authority	09/14/2016	EFT	0.00	12,000.00	404653
02365	Sacramento Tree Foundation	09/14/2016	EFT	0.00	300.00	404654
03220	Solenis LLP	09/14/2016	EFT	0.00	7,058.88	404655
02504	Starr Consulting	09/14/2016	EFT	0.00	4,900.00	404656
03403	TESSCO Technologies, Incorporated	09/14/2016	EFT	0.00	207.08	404657
02592	The Reed Group, Inc.	09/14/2016	EFT	0.00	17,092.50	404658
02162	Tobin, Pamela	09/14/2016	EFT	0.00	30.78	404659

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	172	101	0.00	499,249.04
Manual Checks	0	0	0.00	0.00
Voided Checks	0	13	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	74	27	0.00	222,484.13
	246	141	0.00	721,733.17

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	9/2016	721,733.17
			721,733.17

STAFF REPORT

To: Finance Committee and Board of Directors
From: Rob Watson, Engineering Services Manager
Date: September 14, 2016
Subject: Los Lagos Tank Recoating Project (Contract 16-53)
Recommendation to Award Construction Contract

RECOMMENDED ACTION

Staff recommends a motion to award a construction contract to Blastco, Inc. for the amount of \$363,635.00. Considering the nature of the work and the relatively small construction amount, staff is also recommending the Board authorize a construction contingency of \$72,727 (20%) for an authorized total construction budget of \$436,362.

BACKGROUND

The Los Lagos Tank is an existing 1.6 million gallon, 125-ft diameter by 24-ft tall, welded steel tank serving the Upper and Lower Granite Bay zones. This tank was constructed in 1985, and has the original coating on both the exterior and the interior surfaces. The existing coating has outlasted the expected lifespan, having served for 31-years, and the interior coating is now exhibiting significant coating failure as evidenced by rust and corrosion.

Work for the Project consists of preparing the surface and rolling-on a new epoxy-urethane coating on the exterior of the tank and blasting the interior of the tank to bare metal, repairing the steel, and spray-applying a new epoxy coating. This Project is needed to maintain the structural integrity of the tank and to maintain water quality.

STATUS

Bids for the project were received on September 1st and are summarized as follows:

Bidder Name	Bid Total	Bid Ranking
Blastco, Inc.	\$363,635	1
Olympus and Associates	\$461,800	2
Euro Style Management	\$478,740	3
State Painting Co.	\$596,666	4

Blastco, Inc. is the lowest responsive, responsible bidder. Blastco's Bid documents were reviewed and found to be complete and satisfactory, including a review of past project references, contractor's license, insurance and bonds.

FINANCIAL CONSIDERATIONS

This retail project was planned and budgeted for the amount of \$760,000 in FY2016-2017. Based on bids received for construction, total project costs for design, construction and construction management and inspection should be below budget.