

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

February 11, 2015 – 7:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Joshua Horowitz	Legal Counsel

OTHER ATTENDEES

Mike McRae	FOWD
Jacob McRae	FOWD
Neil Schild	SSWD
Tony Barela	SJWD
Jason Mayorga	SJWD
Vicki Sacksteder	SJWD
Mary Lynn Scherrer	Customer

AGENDA ITEMS

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

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

I. PUBLIC FORUM

There were no public comments.

II. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meetings

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

1. Minutes of the Board of Directors Meeting January 28, 2015

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

ACTION AND INFORMATIONAL ITEMS

III. COMMITTEE REPORTS

1. Personnel Committee (1/26/15)

Vice President Tobin reported that the committee met on January 26, 2015, and discussed the following:

- Finance Staffing Levels (W & R)
- Other Finance Matters
- Public Comment

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

Finance Staffing Levels (W & R)

Vice President Tobin reviewed the committee minutes. Ms. Lorance informed the Board that Director Walters requested that page 2 of the committee minutes be amended. Ms. Lorance commented that the minutes were revised accordingly and will be attached to the Board meeting minutes.

In response to Director Miller's question, Ms. Lorance explained that the Finance & Administrative Services Manager full time regular position has not been filled. She stated that Ms. Motonaga's contract is scheduled to end in March and it will be extended. Ms. Lorance explained that the specific roles of the position will depend on the staffing level in the department. Staffing levels are one of the topics to be discussed at the upcoming Board Workshop. Ms. Lorance informed the Board that the position's job description portrays a higher strategic level position and the reality is that the position is required to cover daily accounting/entry level work due to the workload of the accounting department. Mr. Durkin noted that Ms. Motonaga has committed to staying through the completion of the Tyler conversion project.

Other Personnel Matters

There were no other items discussed.

Public Comment

There was no public comment.

2. Water Supply & Reliability Committee (1/27/15)

Director Walters reported that the committee met on January 27, 2015, and discussed the following:

- Water Management Strategy (W)
- Water Supply Status (W & R)
- SJWD-W Statement of Responsibility (W)
- Water Allowances (W)
- Revised Conservation Stages 3-5 (R)
- Triggers for Changing Conservation Stage Declarations (R)
- Barton Road Intertie - Retail vs. Wholesale (W & R)
- Other Matters
- Public Comment

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

Water Management Strategy (W)

Ms. Lorance informed the Board that the committee will be working on water management strategy. She explained that there are currently three water sources – the pre-1914 water rights, the CVP water contract and the PCWA water contract. Ms. Lorance explained that the committee will be reviewing the costs and water supply reliability.

For information only; no action requested.

Water Supply Status (W & R)

Ms. Lorance informed the Board that she provided a brief overview on Folsom Reservoir current conditions and projections for the year.

For information only; no action requested.

SJWD-W Statement of Responsibility (W)

Ms. Lorance informed the Board that the committee discussed SJWD-W Statement of Responsibility. A copy of a draft document was provided which describes the Statement of Responsibility and Water Allowances. The committee will be discussing development of a statement of responsibility at a future meeting. Director Walters suggested that the wholesale customer agencies (WCAs) submit their written comments regarding SJWD-W's responsibility to their agency regarding water supply reliability. In addition, the WCAs should also be given information on what SJWD-W expects of the WCAs.

The committee will review the document that was provided to them then discuss the topic at a future committee meeting.

For information only; no action requested.

Water Allowances (W)

Ms. Lorance informed the Board that there has been discussion regarding water allowances for the WCAs, which occurred as a response to the SJWD/SSWD merger discussions. The concept is that the WCAs would be given a water allowance that would be reserved for their use each year. The committee will be reviewing this concept to decide if it should be investigated future, and if so then how would the allowances be set and defined.

In response to Director Walters' question regarding a redundancy in the guarantee of water supplies to the WCAs, Mr. Horowitz explained that the statement in the wholesale water supply agreement states the laws as it is in California – once you serve customers within your service area then your obligation is to continue serving them to the best of your ability. Director Walters requested that a copy of the wholesale supply agreement be made available at the next committee meeting.

For information only; no action requested.

Revised Conservation Stages 3-5 (R)

Director Walters commented that the volunteer Drought Committee should provide a report on the Conservation Stages. Ms. Sacksteder commented that the Drought Committee provided Ms. Lorance with the stages and is working on an overall report to present at a future Board meeting.

Ms. Lorance reported that the volunteer Drought Committee has made some revisions to the conservation stages 3-5. She explained that those revisions will be presented to the Water Supply & Reliability Committee at their next meeting. In addition, the revised conservation stages will need to go through the ordinance process.

For information only; no action requested.

Triggers for Changing Conservation Stage Declarations (R)

Ms. Lorance informed the Board that the volunteer Drought Committee has been working on the triggers for increasing and decreasing conservation stage declarations, which has helped Ms. Lorance put the triggers in a user friendly format.

For information only; no action requested.

Barton Road Intertie - Retail vs. Wholesale (W & R)

Director Miller requested that the committee review whether the Barton Road Intertie with PCWA should be a retail or wholesale cost based on being a water reliability project. He explained that the project was initiated due to the water supplies available last year. Although the committee did not recommend a policy change in order to make this a wholesale cost, Director Miller contends that the project is a wholesale project. Ms. Lorance commented that the once

the Statement of Responsibility for SJWD-W is completed then it might help clarify this issue.

For information only; no action requested.

Other Matters

The next committee meeting was scheduled for February 19, 2015 at 4:00 pm.

3. Engineering Committee (1/29/15)

Director Rich reported that the committee met on January 29, 2015, and discussed the following:

- Solar Facility Improvements to Serve the New Lower Granite Bay Pump Station (W)
- FY2014-2015 Wholesale Capital Improvement Program (CIP) Projects (W)
- FY2014-2015 Retail CIP Projects (R)
- Other Engineering Matters
- Public Comment

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

Solar Facility Improvements to Serve the New Lower Granite Bay Pump Station (W)

Director Rich reported that the committee discussed improvements at the solar facility. He explained that staff is recommending to invest approximately \$120,000 to improve the efficiency of the system so that the District would save approximately \$80,000 per year.

Director Rich moved to direct staff to enter into an agreement with SunPower to modify the Solar Facility to improve the utilization for a not-to-exceed amount of \$105,000 with an additional authorized amount of \$15,000 for contingencies. Director Walters seconded the motion and it carried unanimously.

In response to Director Costa's question, Mr. Durkin explained that there is a program through the Public Utilities Commission or possibly PG&E that pays 37 cents per kilowatt hour for peaking power just to have facilities available on a standby basis. Mr. Durkin commented that there may be opportunities in the future to take advantage of this program. In addition, Mr. Durkin explained that the improvements SunPower will make to the solar facilities will allow the District to take advantage of a different program through PG&E that has limited participant availability.

FY2014-2015 Wholesale Capital Improvement Program (CIP) Projects (W)

Director Rich reported that Mr. Durkin and Mr. Watson conducted a presentation on the FY2014-15 Wholesale Capital Improvement Program

projects. There are a number of projects that will be completed at the Water Treatment Plant.

For information only; no action needed

FY2014-2015 Retail CIP Projects (R)

Director Rich reported that Mr. Durkin and Mr. Watson conducted a presentation on the FY2014-15 Retail Capital Improvement Program projects. In addition, the committee discussed the annual schedule for meter replacements and the use of a data logger.

For information only; no action needed

4. Finance Committee (2/10/15)

Director Costa reported that the committee met on February 10, 2015, and discussed the following:

- Review and Pay Bills (W/R)
- Preliminary Auditor Update – Internal Controls (W & R)
- Other Financial Matters
- Public Comment

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

Review and Pay Bills (W/R)

Director Costa reported that the committee reviewed bills and claims in the amount of \$1,011,858.71 and found them to be in order.

Director Costa moved to approve Resolution 15-02. Vice President Tobin seconded the motion and it carried unanimously.

Vice President Tobin requested that the cost of the temporary employee positions be brought to the Board Workshop in which it is relevant.

Preliminary Auditor Update – Internal Controls (W & R)

President Costa informed the Board that Ms. Motonaga introduced Rich Kikuchi from Lance, Soll & Lunghard, LLP, (LSL) who is performing the District's annual audit. LSL is auditing the fiscal year ending June 30, 2014 and are nearly complete with that audit.

President Costa reported that the committee reiterated their concern that the financials are all in order and that all funds are accurately reported and in the accounting system. The auditors are looking at the practices and procedures of the accounting department and will provide the Board with the financial statement report, the management letter and the audit communication letter at the conclusion of the audit for the period ending June 30, 2014. The auditors will provide verbal recommendations to staff regarding any internal control

issues so that when they return in September to perform the actual audit the changes that are needed will already be implemented.

Other Finance Matters (W/R)

There were no other matters discussed.

IV. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Washington DC Trip

Ms. Lorance reported that the trip to Washington DC last week was very effective. She explained that staff who they met with fully understands the region's positions. In addition, elected officials will be going to Washington DC in mid-March to give an update and let the federal government know what is needed at that time.

Ms. Lorance reported that Representative Ami Bera has offered to assist us with meeting with the San Francisco office of the Corp of Engineers who are working on the Operations Control Manual for Folsom Reservoir. In addition, they met with the new commissioner of the USBR, Estevan López.

For information, no action requested

1.2 Report Back Items

There were no items discussed.

1.3 Miscellaneous District Issues and Correspondence

Ms. Lorance reported that Senator Jim Nielsen requested that a representative attend the Senate Budget Committee oversight hearing on February 12th regarding Proposition 1 and funding on drought relief efforts. Ms. Sacksteder will attend the hearing and make a comment on the District's behalf.

Ms. Lorance reported that it is expected that the State Water Resources Control Board will be issuing a temporary urgency change order to reduce the water quality standards in the Delta in order not to release as much water from Folsom Reservoir. Mr. Horowitz commented that the order would be for February and March. In addition, he mentioned that the 3,000 cfs of exports was reduced to 1,500 cfs by the Executive Director of the State Water Board.

Ms. Lorance informed the Board that a letter of comment is being prepared to submit to the State Water Board regarding the 2015 drought and the temporary urgency order.

For information, no action requested

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Report Back Items

There were no items discussed.

2.2 Miscellaneous District Issues and Correspondence

Mr. Durkin informed the Board that, when the Solar facility was built, provisions were included to allow additional solar panels to be added in the future to serve the new Lower Granite Bay Pump Station. The additional panels would cost approximately \$1.8-\$2.4 million for the project. However, additional panels will not be needed with the improvements mentioned earlier under the Engineering Committee report. In addition, the 7-9 year estimated payback period on the original solar project will be accelerated with the improvements and the project will be paid back in a shorter period of time. He commended staff for their hard work on recognizing the opportunity to improve the Solar facility.

3. FINANCE AND ADMINISTRATIVE SERVICES MANAGER'S REPORT

3.1. Report Back Items

There were no items discussed.

3.2. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz reported that there is a proposal in Congress to require the Corp of Engineers to take input from local agencies on flood control manual and operations.

Mr. Horowitz reported that he produced an analysis of the District's water rights and ability to use the water rights in other places as requested by the Legal Affairs Committee. He commented that staff is reviewing the document and it will be brought to a future Board meeting for review.

Mr. Horowitz reported that the State Water Board put out an order for information to riparian and pre-1914 water rights holders. The information, which includes 2014 diversions by month, water rights claim, and projected 2015 diversions, must be submitted by March 6, 2015. He commented that the State Water Board is requesting the information in an attempt to make sure that water purveyors are actually following their water rights provisions. He informed the Board that a comment letter will be sent to the State Water Board regarding concerns of curtailments to pre-1914 water rights holders.

5. DIRECTORS' REPORTS

5.1 SGA

Vice President Tobin reported that SGA meets February 12, 2015.

5.2 RWA

Vice President Tobin reported that RWA met in January.

5.3 ACWA

5.4.1 Local/Federal Government/Region 4 - Pam Tobin
No report.

5.4.2 Energy Committee - Ted Costa
No report.

5.4.3 JPIA - Bob Walters
No report.

5.5 CVP Water Users Association

No report.

5.6 Other Reports and Comments

Vice President Tobin reported that she attended a Cap-to-Cap meeting on February 10th. The Cap-to-Cap event will include 13-14 committees attending on various issues. She commented that water will be the top issue with Ms. Lorance being one of the team leads on the water committee.

President Costa and Vice President Tobin responded to a member of the public's question on groundwater.

V. UPCOMING EVENTS

1. 2015 ACWA DC Conference
February 25-26, 2015
Washington, DC
2. 2015 ACWA Legislative Symposium
March 4, 2015
Sacramento, CA
3. 2015 Water Education Foundation – Executive Briefing
March 25, 2015
Sacramento, CA

VI. ADJOURN

The meeting was adjourned at 8:34 p.m.

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

ATTEST:

TERI HART, Board Secretary

AGENDA ITEM III-1 DRAFT

Personnel Committee Meeting San Juan Water District January 26, 2015 3:00 p.m.

Committee Members: Pam Tobin, Chair
Bob Walters, Director

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

Topics: Finance Staffing Levels (W & R)
Other Personnel Matters
Public Comment

1. Finance Staffing Levels (W & R)

Ms. Lorance informed the committee that staffing levels will be discussed in more detail at the annual Board Workshop; however, discussions regarding the staffing levels in the Finance Department need to begin. She informed the committee that there are some tasks that cannot be delegated due to the level of expertise required to perform the task and there are some tasks that don't get completed or are delayed. Currently, the Finance Manager performs lower level accounting duties on a daily basis.

Ms. Motonaga informed the committee that the Finance & Administrative Services Manager position, which she is currently filling on an interim basis, should be completing tasks at a higher level and delegating more work. She commented that in her professional opinion the position should perform at a management and strategic level. Therefore, it is her recommendation that an Accounting Technician III position be added to the Finance Department, which would fall below the Accountant position. With this additional position, more work could be delegated to staff and allow the manager to perform at the appropriate level. Furthermore, she commented that recently the manager position has had a high turnover. If the department is properly staffed, she has confidence that the District will be successful at finding a qualified candidate for the District. Proper staffing will allow the manager to operate at a higher level with more strategic responsibilities, allowing the manager to utilize and leverage their experience and abilities to the benefit of the District.

Ms. Motonaga explained that there are two temporary accounting positions currently working in the Finance Department to assist with the Tyler conversion and other tasks. The Accounting Technician III position would be assigned the job duties of these temporary positions along with being assigned additional duties.

Ms. Motonaga informed the committee that the Accountant position was vacated in November and a temporary employee has been filling that position. She explained that interviews were conducted and two candidates are being considered. Ideally, she would recommend that one of the candidates fulfill the existing open Accountant position and the other candidate fill an Accounting Technician III position.

Ms. Motonaga informed the committee that the Finance Department currently has the following positions:

- Finance & Administrative Services Manager
- Finance & Administrative Services Analyst
- Accountant
- Purchasing Agent (no finance support)
- Accounting Technician II (HR – payroll & benefits, no finance support)

Ms. Lorance commented that she was directed by the Board to fix the Finance Department issues and, based on Ms. Motonaga's professional recommendation, she agrees and strongly recommends adding an additional position to the Finance Department. In addition, Ms. Lorance is concerned that if another position is not added that the same or similar problems may occur in the future with the Finance Department. Ms. Lorance explained that as mentioned at the Joint Board meetings, the Finance Departments of SJWD and SSWD will be kept separate for some time, provided a merger happens.

The committee discussed the additional position. Director Walters voiced concern regarding public perception of adding an additional position. Director Tobin voiced concern that if another position was not added then the District might end up in the same situation with the Finance Department that they encountered in 2014. Ms. Motonaga will provide more information to the Board at a later date.

For information only; no action requested.

2. Other Personnel Matters

There were no other items discussed.

For information only; no action requested.

3. Public Comment (W/R)

There was no public comment.

The meeting was adjourned at 4:45 p.m.

AGENDA ITEM III-2 DRAFT

Water Supply & Reliability Committee Meeting Minutes San Juan Water District January 27, 2015 3:00 p.m.

Committee Members: Bob Walters, Chair
Dan Rich, Director

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

Members of the Public: Bob Churchill, Citrus Heights Water District
Tom Gray, Fair Oaks Water District
Joe Duran, Orange Vale Water Company

Topics: Water Management Strategy (W)
Water Supply Status (W & R)
SJWD-W Statement of Responsibility (W)
Water Allowances (W)
Revised Conservation Stages 3-5 (R)
Triggers for Changing Conservation Stage Declarations (R)
Barton Road Intertie - Retail vs. Wholesale (W & R)
Other Matters
Public Comment

1. Water Management Strategy (W)

Ms. Lorance informed the committee that the committee will be working on water management strategy. She explained that there are currently three water sources – the pre-1914 water rights, the CVP water contract and the PCWA water contract. She commented that there are benefits and costs for using the various water sources, such as use of PCWA water can only be within Placer County and the District pays for the water whether or not it is used. She explained that the District pays for CVP water that is used; however, if the water is not used then it does not count towards the shortage provision and future allowances are affected.

Ms. Lorance explained that the committee will be reviewing the costs and water supply reliability. With the change in committee members, she will review all three water sources again in an upcoming meeting.

For information only; no action requested.

2. Water Supply Status (W & R)

Ms. Lorance commented that Folsom Reservoir is currently just under 450 TAF of water storage, which is almost at average. She explained that the concern is that there is relatively no snowpack in the Sierras. In addition, the Bureau is holding

releases from Folsom at about 900 cfs and they are still planning for this year to be a drought. Ms. Lorance reported that the State Board issued a notice that they may be issuing curtailment orders this year similar to last year.

For information only; no action requested.

3. SJWD-W Statement of Responsibility (W)

Ms. Lorance provided the committee with a draft document describing SJWD-W Statement of Responsibility and Water Allowances. A copy of the document will be attached to the meeting minutes.

Ms. Lorance informed the committee that they will be discussing development of a statement of responsibility at a future meeting. She explained that there are differing opinions on whether SJWD-W should be involved with groundwater reliability or any other water supplies. Therefore, the committee will be reviewing whether there should be different responsibilities for different agencies and whether the responsibilities be added as an addendum to the wholesale water supply agreement. Ms. Lorance commented that the committee should review the document that was just provided to them then discuss the topic at a future committee meeting. Ms. Lorance will email out the draft document and will request that the wholesale customer agencies (WCA) respond with their comments. Director Walters suggested that the WCAs submit written comments separate from the document that Ms. Lorance has presented. The committee discussed groundwater wells and the shortage agreement.

Mr. Bob Churchill commented that the CHWD Board has not offered an opinion on CHWD's involvement with the Antelope Pump Back Project; however, it might make sense for CHWD to be involved with the project to serve the eastern portion of Citrus Heights. Mr. Churchill requested to be included in discussions regarding the Pump Back Project. In addition, he mentioned that he spoke with Orange Vale Water Company regarding groundwater water supply from CHWD or FOWD to OVWC.

Director Walters suggested that the WCAs submit their written comments regarding SJWD-W's responsibility to their agency regarding water supply reliability. Mr. Churchill commented that the WCAs should also be given information on what SJWD-W expects of the WCAs. The committee will discuss this topic at a future committee meeting.

For information only; no action requested.

4. Water Allowances (W)

Ms. Lorance informed the committee that there has been discussion regarding water allowances for the WCAs. The discussions occurred as a response to the SJWD/SSWD merger discussions. The concept is that the WCAs would be given a water allowance that would be reserved for their use each year. She explained that the concept would be that each WCA's water use for a rolling average of three-year non-constrained water use could be used to determine the amount of water to

reserve for each WCA. In addition, she commented that this would be a way to give the WCAs assurances that water would be reserved for them to utilize and that SJWD-W would not commit the water elsewhere.

Ms. Lorance commented that, since the committee is reviewing the concept and document for the first time, this should also be brought back to a future committee meeting for review. Ms. Lorance commented that this could be an amendment to the existing water supply agreements. Mr. Gray suggested that if the agreements are revised then maybe the shortage plan, allowances, and sharing of supplies be reviewed and included in an updated agreement.

In response to Director Rich's question, Mr. Durkin explained that there were concerns from the existing WCAs that their access to surface water could be diminished if water were to be provided to SSWD and this water allowance approach could be SJWD-W's solution of assuring water to the WCAs. In addition, Mr. Durkin explained that should there be no surface water available to SJWD-W, then the Antelope Pump Back Project could supply groundwater to SJWD-R, OVWC and Folsom (north of the American River) while FOWD and CHWD utilized their groundwater wells at full capacity. Ms. Lorance commented that the pump back project could provide enough water so that all WCAs would be at approximately the same level of service.

For information only; no action requested.

5. Revised Conservation Stages 3-5 (R)

Ms. Lorance informed the committee that the Volunteer Drought Committee has been meeting and reviewing the conservation stages. The Volunteer Drought Committee consists of business and customer volunteers from the District. The goal of the Volunteer Drought Committee was to make conservation stages 3-5 more usable by the customer. A draft of the proposed changes was handed out and will be attached to the meeting minutes. The committee reviewed the document and will discuss further at the next meeting.

For information only; no action requested.

6. Triggers for Changing Conservation Stage Declarations (R)

Ms. Lorance informed the committee that along with the Volunteer Drought Committee reviewing conservation stages, she has been working on the triggers for increasing and decreasing conservation stage declarations. A draft of the proposed triggers was handed out and will be attached to the meeting minutes. Ms. Lorance reviewed the proposed triggers for stages 3-5. The committee will review the document and discuss at the next meeting.

For information only; no action requested.

7. Barton Road Intertie - Retail vs. Wholesale (W & R)

Ms. Lorance informed the committee that Director Miller requested that this committee review whether the Barton Road Intertie with PCWA should be a retail or wholesale cost based on being a water reliability project. Ms. Lorance informed the committee that the Board policy has been to consider direct interties with the retail system to be a retail facility similar to CHWD having interties with neighboring agencies. She explained that the cost and benefit go directly to the retail service area. Mr. Durkin commented that if the District were responsible for the total water supply, including groundwater and interties, then everything could be considered a wholesale cost. In addition, he commented that the current intertie with PCWA is a retail cost. The committee discussed the topic and they do not recommend a policy change in order to make this a wholesale cost.

For information only; no action requested.

8. Other Matters

8.1 Next Meeting Date

The next committee meeting was scheduled for February 19, 2015 at 4:00 pm.

9. Public Comment

There was no public comment.

The meeting adjourned at 5:30 pm.

SJWD-W Statement of Responsibility

Background

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

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

SJWD-W identified the need to have a reliable alternative water supply for dry years that did not rely on the current shortage policy adopted by the WCA. A shortage plan designed to bring all WCA up to the same level of service during a complete outage of surface water was developed. The assumptions in the analysis are that CHWD and FOWD will utilize their groundwater wells, with the ability to utilize Hinkle Reservoir to manage the fluctuation of daily demands. SJWD-W will construct a pump back to utilize groundwater from SSWD to benefit OVWC, City of Folsom north area, and SJWD-R.

Current Situation

The development of a plan to provide additional water supply to those WCA without access to groundwater initiated concern amongst CHWD and FOWD about the appropriateness of SJWD-W identifying water supplies beyond surface water. Those two agencies believe SJWD-R, OVWC and the City of Folsom north area should be responsible for identifying their own shortage supplies without the assistance of SJWD-W. However, SJWD-W owns the CTP that is being utilized for the pump back of groundwater supplies, so SJWD-W is the only agency that has the right to enter in a contract with SSWD to construct a pump back and to utilize the CTP.

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

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

Requested Action from the Water Supply and Reliability Committee

1. Is it appropriate for SJWD-W to develop a statement of responsibility?
 - a. No – stop here
 - b. Yes- go to number 2
2. Should SJWD-W have different responsibilities to different WCA?
 - a. No – develop one statement of responsibility
 - b. Yes – go to number 3
3. Should the different responsibilities result in different water supply contract terms?
 - a. No – stop here
 - b. Develop statements of responsibility

Water Allowances

Background

The merger discussions between SJWD and SSWD have identified concerns related to water supply availability from the WCA. One of the concerns is the possibility that in the future SJWD could over allocate the available surface water supply, this risking the surface water supply available to the existing WCA. There is desire to have some assurances that the WCA would have access to a reasonable amount of surface water.

Current Status

To address this concern, the idea of a water allowance being included in the WCA agreements has been suggested. Staff recommends starting with the following principles related to a water allowance:

1. The allowance would be an "up to" amount that would be available to the agency when surface water is available.
2. Any water above the total of all allowance amounts would be available for SJWD to utilize in a manner that could provide a benefit.
3. The allowance would be determined based on a rolling average of the past 3 years unconstrained water use. This is the same method used for water shortage calculations by the USBR for CVP water.
4. Possible consideration of increasing the allowance by a percentage above the rolling average, perhaps 10%, to account for varying water usage years.
5. If there is an increase to the allowance by a percentage, the increase could be at a higher rate. This could assist in encouraging conservation to meet the 20% reduction by 2020 required by California law.

Requested Action from the Water Supply and Reliability Committee

1. Is it appropriate for SJWD-W to develop a water allowance for the WCA?
 - a. No – stop here
 - b. Yes- go to number 2
2. Does using a rolling average of historical use as the basis seem reasonable?
 - a. No – develop a new approach to determining an allowance
 - b. Yes – use this approach for draft
3. Should the water allowance be included in the water supply contract?
 - a. No – develop another approach for agreement
 - b. Yes - Develop term for water supply contract or addendum to existing agreement

MANDATORY REQUIREMENTS – STAGES 1 – 5

STAGE 3 – WATER WARNING

The declaration of a Stage 3 water conservation requirements will be made by an ordinance or resolution adopted by the San Juan Water District's Board of Directors in a regular or special meeting.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Reduce indoor water use by at least 20% and outdoor water use by at least 25%. Contact the District or visit our website at www.sjwd.org for additional tips and techniques to reduce water use.
3. Customers with “smart” irrigation timers or controllers are asked to set their controllers to achieve 75% of the evapotranspiration (ET) rate.
4. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
5. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
6. Customers shall repair all leaks within two (2) working days or less if warranted by the severity of the problem.
7. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations.
8. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health, ~~esthetic~~ or sanitary purposes, is prohibited.
9. Customers are encouraged to take advantage of the District's free conservation services and rebate programs.
10. Restaurants shall serve water only upon request.
11. Users of construction meters and fire hydrant meters will be monitored for efficient water use.
12. Water Emergency tiered pricing will be implemented pursuant to requirements of Proposition 218 in accordance with California law.

STAGE 4 – WATER CRISIS: LONG-TERM

The declaration of Long-Term Stage 4 water conservation requirements will be by the agency's Board of Directors in a regular or special session. A long-term declaration is for water shortage conditions expected for duration of more than 45 days.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. ~~Automatic s~~Shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem.
5. All pools, and spas, ~~and ornamental fountains/ponds~~ shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. All pools and spas shall either be covered when not in use, or utilize the chemicals that can be added to pools and spas to reduce evaporation. Water use for ornamental ponds and fountains is prohibited.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health ~~or sanitary purposes~~, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce landscape and pasture irrigation by ~~26–30~~– 50% of normal use. Customers with "smart" irrigation timers or controllers are asked to set their controllers to achieve 50 to 74% of the evapotranspiration (ET) rate. Drip irrigation systems are NOT excluded from this requirement.
9. Reduce indoor water use by ~~26–~~ 50 at least 25%. Contact your water provider for tips and techniques to reduce indoor water use.
10. Restaurants shall serve water only upon request.
11. Flushing of sewers or fire hydrants is prohibited. ~~except in case of emergency and for essential operations.~~
12. Water for flow testing and construction purposes from water agency fire hydrants and blow-offs is prohibited. ~~Use of reclaimed water for construction purposes is encouraged.~~

13. Installation of new turf or landscaping is prohibited, unless the California model landscape ordinance is followed.
14. Encourages aAutomobiles or equipment ~~shall to~~ be washed only at commercial establishments that use recycled or reclaimed water.
15. Water Crisis/Emergency tiered pricing will be implemented.
16. No new commitments will be made to provide service for new water service connections, unless the California model landscape ordinance is followed.

STAGE 5 – WATER EMERGENCY: LONG-TERM

The declaration of Long-Term Stage 5 water conservation requirements will be by the agency's Board of Directors in a regular or special session. A long-term declaration is for water shortage conditions expected for a duration of more than 45 days.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Landscape and pasture irrigation utilizing District treated water is prohibited.
3. ~~Free flowing hoses for all uses are prohibited.~~ Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes shall be repaired immediately. Water service will be suspended until repairs are made.
5. All pools and spas shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. All pools and spas shall either be covered when not in use, or utilize the chemicals that can be added to pools and spas to reduce evaporation. Water use for ornamental ponds and fountains is prohibited.
5. ~~All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. Water use for commercial and multi-family residential ornamental ponds and fountains is prohibited.~~
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health ~~or sanitary purposes~~, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce indoor water use by at least more than 5025%.
9. Restaurants shall serve water only upon request.
10. Water for flow testing and construction purposes from water agency fire hydrants and blow-offs is prohibited. No potable water from the District's system shall be used for construction purposes including but not limited to dust control, compaction, or trench jetting. Use of reclaimed water for construction purposes is encouraged.
11. Flushing of sewers or fire hydrants is prohibited ~~except in case of emergency and for essential operations.~~

12. Installation of new turf or landscaping is prohibited.
13. Automobiles or equipment shall be washed only at commercial establishments that use recycled or reclaimed water.
14. New eConnections to the District water distribution system will not be allowed be determined based on the governors declaration.
15. Water Crisis/Emergency tiered pricing will be implemented.
- ~~16. No commitments will be made to provide service for new water service connections.~~

Triggers for Increasing and Decreasing Conservation Stage Declarations

Stage 3

Trigger to enact

- Folsom Reservoir is projected to drop below 250,000 AF within the next six months
- The three month drought forecast, if available, shows maintaining or increasing drought conditions
- There is minimal snow pack in the watershed

Trigger to reduce to lower stage

- Folsom Reservoir projection revised to remain above above 250,000 for next six months
- The three month forecast shows drought conditions improving
- There snow pack in the watershed increases significantly

Stage 4

Trigger to enact

- Folsom Reservoir is projected to drop below 150,000 AF within the next four months, and/or USBR initiates construction of barge
- The three month drought forecast, if available, shows maintaining or increasing drought conditions
- There is minimal snow pack in the watershed

Trigger to reduce to lower stage

- Folsom Reservoir projection revised to remain above 150,000 for next four months
- The three month forecast shows drought conditions improving
- There snow pack in the watershed increases significantly

Stage 5

Trigger to enact

- Folsom Reservoir is projected to drop below 100,000 AF within the next four months, and/or USBR initiates operation of barge or other project to pump water into the intake
- The three month drought forecast, if available, shows maintaining or increasing drought conditions
- There is minimal snow pack in the watershed

Trigger to reduce to lower stage

- Folsom Reservoir projection revised to remain above 100,000 AF for next four months, or Folsom Reservoir has risen to 1000,000 AF and is holding at that level.
- The three month forecast shows drought conditions improving
- There snow pack in the watershed increases significantly

**Engineering Committee Meeting Minutes
San Juan Water District
January 29, 2015
8:30 a.m.**

Committee Members: Dan Rich, Chair
Ken Miller, Director

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

Members of the Public: Dave Kane, Citrus Heights Water District

Topics: Solar Facility Improvements to Serve the New Lower Granite Bay Pump Station (W)
FY2014-2015 Wholesale Capital Improvement Program (CIP) Projects (W)
FY2014-2015 Retail CIP Projects (R)
Other Engineering Matters (W & R)
Public Comment (W & R)

1. Solar Facility Improvements to Serve the New Lower Granite Bay Pump Station (W)

Mr. Durkin informed the committee that electrical demands at the District's facilities have declined the past few years and improvements are recommended for the Solar Facility in order to take full advantage of the available power and provide the excess power to the new Lower Granite Bay Pump Station (LGBPS). He provided the committee with a staff report which will be attached to the meeting minutes.

Mr. Durkin reviewed the staff report in detail with the committee and explained the need for the improvements and the cost savings to the District. The improvements will allow all the buildings and facilities on the District's main site, including the LGBPS, currently on separate PG&E meters to count towards the energy used from the solar facilities and save the District about \$80,000 per year in electricity costs. The improvements will require a one-time installation cost of \$105,000. He explained that the annual savings will also help pay back the initial cost of the Solar Project more quickly. The committee discussed the proposed project and agreed with staff that the project is needed.

The Engineering Committee recommends consideration of a motion to direct staff to enter into an agreement with SunPower to modify the Solar Facility to improve the utilization for a not-to-exceed amount of \$105,000 with an additional authorized amount of \$15,000 for contingencies.

2. FY2014-2015 Wholesale Capital Improvement Program (CIP) Projects (W)

Mr. Durkin provided the committee with a handout of the FY2014-15 Wholesale Capital Improvement Program projects. A copy will be attached to the meeting minutes. Mr. Durkin reviewed the list in detail and explained that projects listed for the WTP (1A-1E) are for design work only and the actual construction costs will be

approximately \$6-7 million. The committee discussed the projects listed in the FY2014 -15 CIP and agreed with staff that each project should remain on the list.

Mr. Durkin informed the committee that due to staffing constraints he would like to negotiate directly with Kennedy/Jenks Consultants (K/J) for the planning and design work on the WTP project and bypass the RFP process. Because of K/J's qualifications, previous experience working on the preliminary design of elements of the current WTP projects, and the potential benefits to staff time and resources, K/J is the best suited for this project. The committee discussed and agreed that Mr. Durkin should request a proposal from K/J and bring it back to the next committee meeting for review.

For information only; no action needed

3. FY2014-2015 Retail CIP Projects (R)

Mr. Durkin provided the committee with a handout of the FY2014-15 Retail Capital Improvement projects. A copy will be attached to the meeting minutes.

In response to Director Miller's question, Mr. Watson explained that the meters that are on the annual schedule for rehabilitation are determined by age, number of failures, and those that are not reading correctly. The committee discussed customer service when dealing with leaks or concerns with meter reading accuracy and that conservation staff performs water audits at the customer's request for no charge. Mr. Kane mentioned that CHWD has a device which they temporarily install at a customer's property which logs the amount of water used; therefore, when other methods are exhausted, CHWD staff can use the data logger and see when water is being used. For instance if the irrigation system is coming on at night then they can let the customer know the time and duration so that the irrigation system can be adjusted. The committee requested that staff look into this device and report back to the Water Supply & Reliability Committee.

For information only; no action needed

4. Other Engineering Matters

There were no other matters discussed.

4.1 Next Meeting Date

The next committee meeting will be scheduled when needed.

5. Public Comment

There were no public comments.

The meeting was adjourned at 10:08 a.m.

STAFF REPORT

To: Engineering Committee
From: Keith Durkin, Assistant General Manager
Date: January 29, 2015
Subject: Solar Facility Modifications

RECOMMENDED ACTION

Staff recommends the Engineering Committee recommend a motion by the Board to direct staff to enter into an agreement with SunPower to modify the Solar Facility to improve its utilization for a not-to-exceed amount of \$120,000 which includes \$15,000 for contingencies.

BACKGROUND

San Juan Water District's (District) solar facility is located on a 5-acre parcel east of Auburn Folsom Road next to Baldwin Reservoir (See Figure 1). Construction of the solar facility was completed in June, 2011. The facility was designed and constructed by SunPower Corporation.



Figure 1 - San Juan Water District Site

The solar facility is divided into two separate arrays and power connections to District facilities (See Figure 2). Array A is a dedicated feed to the Hinkle Booster Pump Station and the Maintenance Building and Array B is a dedicated feed to the Peterson Water Treatment Plant. Arrays A & B have separate Pacific, Gas & Electric (PG&E) meters and connections to the PG&E grid. There is also a third PG&E service connection and meter at the Administration Building, but this meter is not connected to the solar facility. The design of the solar facilities included provisions to add an Array C in the future if desired to serve the new Lower Granite Bay Booster Pump Station (LGBBPS).

Currently Array A is over utilized by the pump station and the maintenance building; therefore, the District purchases additional power to operate the station. Array B is underutilized for the water treatment plant and provides power into the PGE grid on a regular basis. PG&E provides a credit to the District for this “excess” power on a wholesale cost basis.

Since the two arrays connect to separate PG&E meters, they are considered separate Net Energy Metering (NEM) accounts. "NEM", is a special billing arrangement that provides credit to customers with solar photovoltaic (PV) systems for the full retail value of the electricity their system generates. Under NEM, the customer's electric meter keeps track of how much electricity is consumed by the customer and how much excess electricity is generated by the system and sent back into the electric utility grid.

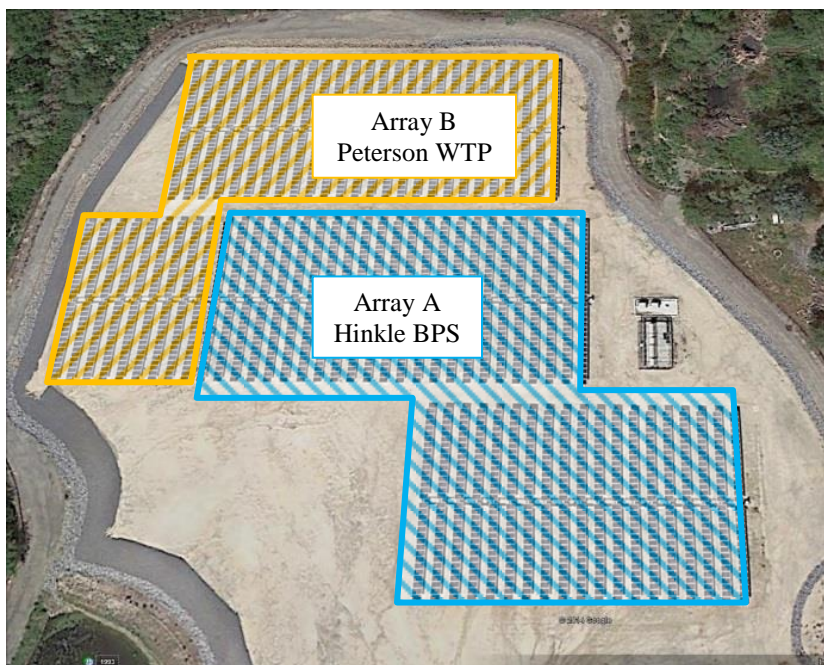


Figure 2: Solar Field

Recently, PG&E offered a NEM Aggregation (NEMA) Program which allows “campuses” like shopping centers, school sites, and the District’s main site with multiple PG&E meters to combine the energy use for different facilities/meters on a single site and count this usage against the total energy capacity of a solar facility. Unfortunately, since the District’s solar facility is divided into two separate arrays and, according to PG&E, each array is considered to be separate solar facilities for NEM accounting purposes, the District is limited to only combining the Admin Building usage to the Array A. Even with this added load to Array A, it does not fully utilize the power available from the facility.

If the solar arrays A & B were combined, therefore creating a single NEM account, the District could take full advantage of the NEMA Program, allowing complete beneficial usage of the solar facility, by aggregating all the existing electrical demands and the

future electrical demand from the LGBBPS now under construction. Based on SunPower's financial analysis, it is estimated that the District would save an additional \$80,000 (approximate) per year in electrical costs.

STATUS

Staff has been working with SunPower and PG&E to identify the solar facility modifications and program requirements to fully utilize the power supplied from the solar facility. Staff initially estimated the cost of the necessary modifications to be approximately \$150,000 to \$175,000 but was able to negotiate a quote with SunPower to have the work done under our existing O&M agreement for \$105,000. Having SunPower complete the modifications ensures all warranties remain in place and all components match the quality and specifications of the original equipment. SunPower will also be responsible for managing the entire project reducing the burden on staff. The cost of the modifications would be recovered in less than two years based on the estimate of electrical cost savings. The District would continue to save \$80,000 per year after the modifications were "paid off".

FINANCIAL CONSIDERATIONS

Paying for the modifications will result in a temporary (less than two years) unplanned drawdown of wholesale capital reserves. The timing of projects and the amount available in reserves can accommodate this expense.

RECOMMENDATIONS

Staff recommends the District proceed with the modifications to the solar facilities as described above.

Table 1 - Wholesale CIP Status Summary

No.	Project Name	Budget	Lead / Support	Schedule	Status
1A	New Settled Water Channel Improvement	\$ 313,000	AGM/Consult	Design in FY 14-15 (Const in FY 15-16)	Series of 5 WTP improvement to be bundled (i.e., settled water channel, rapid mix, flocculators, sludge collection, and washdown piping projects will be designed, bid and constructed as a combined project).
1B	Rapid Mix Process Improvements	\$ 24,640			
1C	Replace Flocculators, Modify Basins	\$ 282,640			
1D	Replace Sludge Collection System	\$ 61,600			
1E	Washdown Piping Improvements	\$ 22,000			
2	Backwash Hood Pumps	\$ 50,000	T/Engr	Complete in FY 14-15	Rehab and update project. Being completed by in-house personnel. One pump currently out for rehab, a second pump will follow. Additional pumps will be rehab'd in FY 15-16. The BW Hoods will then be rebuilt in FY 16-17.
3	Polymer System Improvements (in Control Building)	\$ 112,000	T/Engr	Complete in Dec 2015	Being completed by in-house personnel. Working with regulatory for equipment approval.
4	Hinkle Reservoir Cleaning	\$ 22,400	T	June 2015	Comprehensive inspection of cover & liner & ancillaries, followed by repairs and a thorough cleaning. Work to be performed using an outside contractor. (May combine with Item 8)
5	SSWD-SJWD Pump Back Project	\$ 2,400,000	OM/Engr	Aug. 2015	Currently in construction. Partnering with SSWD for the design and construction.
6	Control Valve Stations	\$ 600,000	Engr	Aug. 2015	Design is complete. Bid end of Q1 following completion of a revised hydraulic analysis and preparation of an operations report.
7	ARC Flash Assessment and Improvements	\$ 175,000	Engr	Dec. 2015	Issuing an RFP to solicit proposals in Feb 2015. Assessment, design and construction will follow.
8	Hinkle Reservoir Cover and Liner Assessment	\$ 224,000	AGM/Consult	June 2015	Preparing an RFP to release in Q1 2015. Planned completion of assessment and recommendations will follow. Being bundled with the Kokila Assessment (Retail).
9	In-Plant Pump Station Improvements	\$ 56,000	Engr/Consult	Dec. 2015	Being completed by in-house personnel, with assistance from outside electrical engineering consultant.
10	Hinkle Reservoir Overflow Apron Drains	\$ 15,000	Engr/T	June 2015	Design is complete. Preparing to either complete construction using in-house personnel (if staff is available), or bidding.
11	Security Improvements (at WTP and Bacon BPS)	\$ 100,000	Engr/Consult	June 2015	Design is complete. Preparing to bid in Q1 2015. Will be accomplished with Retail Security Improvements.
12	FO-40 Rehab/Lining (Workplanning & Agreement Phase)	\$ -	AGM/OM/Engr	June 2015	Preparing a project summary report and a workplan and cost analysis for BOD approval and consultation with FOWD prior to entering future construction phase.

Legend - "AGM" = Asst Gen. Mgr; "Engr" = Engineering; "OM" = Operations Mgr; "T" = Treatment; "M" = Maintenance; "Consult" = Consultant

Table 2 - Retail CIP Status Summary

No.	Project Name	Budget	Lead / Support	Schedule	Status
1	Commercial Meter Improvements	\$ 60,000	FO	FY 14-15	Annual Operations O&M task; R&R as required.
2	Residential Meter Replacements	\$ 130,000	FO	FY 14-15	Annual Operations O&M task; R&R as required.
3	Annual Small Distribution System Improvement Projects	\$ 123,000	Engr/FO	FY 14-15	Annual improvements projects, replacements and improvements as planned, and unplanned as occur.
4	Security Improvements (Bacon BPS)	\$ 75,000	Engr	Bid in Q1 2015, Const complete Dec 2015	Design is complete. To be Bid bundled with the Whsl security project.
5A	Erwin Avenue (Entire Alignment; Steel)	\$ 179,000	Engr/FO	Bid Jan 2015, Const complete by Q3 2015	Design complete. Bidding 1/28/15 as a bundled package consisting of projects 5A thru 5E.
5B	Peerless Ave 12" - North Main Replacement	\$ 257,000			
5C	Telegraph Ave Re-connect (7616-7626, Creek Xing)	\$ 73,000			
5D	Oak Ave & Cardwell 12" Main (Santa Juanita to Cardwell)	\$ 335,000			
5E	Douglas Blvd. (Joe Rodgers to Luth. Church; Steel)	\$ 134,000			
6	AFR - North Phase 24" T-main	\$ 500,000	Engr/FO	Done Q3 2015	Currently under construction.
7	PCWA/SJWD-R Barton Rd Intertie (Pipe & Meter & PRS)	\$ 620,000	Engr/FO	Done Q3 2015	Currently under construction.
8	3.0 MG Kokila Reservoir Condition Assessment/Evaluation	\$ -	AGM/Engr	Done Q2 2015	Being done concurrently with Wholesale's Hinkle Reservoir Assessment project.
9	ARC-North / ARC-South PRS	\$ 200,000	Engr/FO	Done Q3 2015	In design phase. Construction complete Sept 2015.
10	Eureka & AFR Bacon/LGB PRS		Engr/Consult	Done Q4 2015	Being completed with the UGB BPS project.
11	4.96 MGD Upper Granite Bay Pump Station (rehab existing)	\$ 2,015,000	Engr/Consult	Done Q4 2015	In construction phase. Constructio to begin after completion of the Lower GB BPS.
12	10.1 MGD Lower Granite Bay Pump Station (new station)	\$ 3,500,000	Engr/Consult	Done Q3 2015	Currently under construction.

Legend - "AGM" = Asst Gen. Mgr, "FO" = Field Operations; "Engr" = Engineering; "T" = Treatment; "M" = Maintenance; "Consult" = Consultant
 "PRS" = Pressure Reducing or Controlling Station; "LGB" = Lower Granite Bay; "UGB" = Upper Ganite Bay; "BPS" = Booster Pump Station

Finance Committee Meeting Minutes
San Juan Water District
February 10, 2015
4:00 p.m.

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

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

Members of the Public: Rich Kikuchi, Lance, Soll & Lunghard, LLP

Topics: Review and Pay Bills (W & R)
Preliminary Auditor Update – Internal Controls (W & R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

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

Staff update: the total amount of bills and claims provided for approval for January payables is \$1,011,858.71.

The Finance Committee recommends approval of Resolution 15-02.

2. Preliminary Auditor Update – Internal Controls (W & R)

Ms. Motonaga introduced Rich Kikuchi from Lance, Soll & Lunghard, LLP, who is performing the District's annual audit. Mr. Kikuchi explained that his firm is auditing the fiscal year ending June 30, 2014 and are nearly complete with that audit. He expects a draft of the financial statements in the next few weeks. In addition, in a couple weeks another LSL staff person will be auditing the conversion from the Solomon accounting system to the new Tyler accounting system.

The committee reiterated their concern that the financials are all in order and that all funds are accurately reported and in the accounting system. Mr. Kikuchi explained that the auditors are looking at the practices and procedures of the accounting department and will provide the Board with the financial statement report, the management letter and the audit communication letter at the conclusion of the audit. He commented that this will be for the period ending June 30, 2014, and that they expect to begin the audit for the period ending June 30, 2015, in the next few months. They will provide verbal recommendations to staff regarding any

internal control issues so that when they return in September to perform the actual audit the changes that are needed will already be implemented.

Mr. Kikuchi informed the committee that the new Tyler accounting system will provide more internal controls, and policies will need to be established to help strengthen those controls. In addition, the accounting department should create an accounting manual; however, he commented that with staff capacity running thin, more accounting staff is needed to accomplish this task. Ms. Motonaga commented that the process to have the conversion 100% complete is taking longer since the day-to-day operations continue and reporting requirements need to be met. She explained that staff is working on past entries and this has been a much larger project than anticipated. She originally estimated that the total time would take 18 months to 2 years to complete (approximately 6 to 9 months of remaining effort).

Mr. Kikuchi informed the committee that the draft report will be completed in the next few weeks and then he will review the report at a future Board meeting then LSL will start the 2014-15 audit. Ms. Motonaga encouraged the committee to contact her or Mr. Kikuchi directly with any questions that they might have.

3. Other Finance Matters (W/R)

There were no other items discussed.

4. Public Comment

There were no public comments.

The meeting was adjourned at 4:45 p.m.

San Juan Water District

**RESOLUTION 15-02
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,011,858.71; 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 \$1,011,858.71 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 \$1,011,858.71 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 11th day of February 2015, by the following vote:

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

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

TERI HART
Secretary, Board of Directors



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
01024	ACCOUNTEMPS	02/11/2015	Regular	0	20069.69	48195
	Void	02/11/2015	Regular	0	0	48196
01039	AFLAC	02/11/2015	Regular	0	1135.7	48197
01041	Afman Supply - Todd	02/11/2015	Regular	0	1014.59	48198
01068	ALPHA DES - Glenn Walker	02/11/2015	Regular	0	968	48199
01073	AMARJEET SINGH GARCHA	02/11/2015	Regular	0	1610	48200
02463	AnswerNet	02/11/2015	Regular	0	491.95	48201
01328	Association of CA Water Agencies Jr	02/11/2015	Regular	0	106.26	48202
01134	ASSOCIATION OF CA WATER AGENC	02/11/2015	Regular	0	500	48203
01138	AT&T	02/11/2015	Regular	0	163.8	48204
01164	BACKFLOW DISTRIBUTORS INC	02/11/2015	Regular	0	356.08	48205
01182	BARTKIEWICZ,KRONICK & SHANAH	02/11/2015	Regular	0	6744.35	48206
01187	BATTERY BILL INC	02/11/2015	Regular	0	127.97	48207
01199	BENTLEY SYSTEMS INC	02/11/2015	Regular	0	248	48208
01219	BORGES & MAHONEY, COMPANY	02/11/2015	Regular	0	2027.56	48209
01234	BRYCE CONSULTING INC	02/11/2015	Regular	0	1050	48210
01298	CalPERS Long Term Care	02/11/2015	Regular	0	123.08	48211
01298	CalPERS Long Term Care	02/11/2015	Regular	0	123.08	48212
01298	CalPERS Long Term Care	02/11/2015	Regular	0	123.08	48213
03104	Capital Datacorp	02/11/2015	Regular	0	471.31	48214
03116	Cater, Justen	02/11/2015	Regular	0	71	48215
03059	Center For Hearing Health Inc	02/11/2015	Regular	0	829.25	48216
01368	CITRUS HEIGHTS WATER DISTRICT	02/11/2015	Regular	0	6171.15	48217
01372	CITY OF FOLSOM	02/11/2015	Regular	0	30.24	48218
01373	CITY OF ROSEVILLE	02/11/2015	Regular	0	6008.64	48219
01411	CONSOLIDATED COMMUNICATIONS	02/11/2015	Regular	0	1571.27	48220
01420	CORT FURNITURE RENTAL	02/11/2015	Regular	0	124.32	48221
02556	COSTA, Ted	02/11/2015	Regular	0	62.1	48222
02214	County of Placer Engineering & Surv	02/11/2015	Regular	0	375	48223
01472	DAWSON OIL CO	02/11/2015	Regular	0	4684.39	48224
01494	DEWEY SERVICES INC	02/11/2015	Regular	0	82	48225
03073	Dion, Mitch	02/11/2015	Regular	0	37.56	48226
01505	DMV RENEWAL	02/11/2015	Regular	0	255	48227
01509	DOMENICHELLI & ASSOCIATES INC	02/11/2015	Regular	0	4133.56	48228
01554	ELECTRICAL EQUIPMENT CO	02/11/2015	Regular	0	3056.72	48229
03097	Energy Systems -ES West Coast LLC	02/11/2015	Regular	0	995	48230
01603	FARWEST CORROSION CONTROL CC	02/11/2015	Regular	0	755.5	48231
01609	FEDERAL EXPRESS CORP	02/11/2015	Regular	0	76.73	48232
01634	FOLSOM LAKE FORD	02/11/2015	Regular	0	1279.89	48233
01657	GALIC DISBURSING COMPANY	02/11/2015	Regular	0	1200	48234
01659	GARY WEBB TRUCKING	02/11/2015	Regular	0	275.5	48235
01687	Grainger, Inc.	02/11/2015	Regular	0	307.43	48236
01706	Graymont Western US, Inc	02/11/2015	Regular	0	5665.35	48237
01710	GREENBACK EQUIPMENT RENTALS	02/11/2015	Regular	0	73.79	48238
01736	Hasler/MailFinance/Neopost	02/11/2015	Regular	0	204.64	48239
01741	HDR ENGINEERING, INC.	02/11/2015	Regular	0	14016.11	48240
01748	HERTZ EQUIPMENT RENTAL	02/11/2015	Regular	0	1226.62	48241
01778	IDEXX DISTRIBUTION INC	02/11/2015	Regular	0	491.05	48242
03105	JJMS Enterprises Inc	02/11/2015	Regular	0	225	48243
01898	JPIA / ACWA	02/11/2015	Regular	0	16934	48244
03110	Lance, Soll & Lunghard, LLP	02/11/2015	Regular	0	5000	48245
02022	McCurry Business Forms	02/11/2015	Regular	0	743.13	48246
02024	MCI WORLDCOM	02/11/2015	Regular	0	137.74	48247
02027	MCMMASTER-CARR SUPPLY COMPAN	02/11/2015	Regular	0	1101.53	48248

Check Register

Packet: APPKT00231-2015-02-11 Feb Check Run TB

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02125	Metropolitan Water District of Sout	02/11/2015	Regular	0	500	48249
02047	MIKE HEASLEY	02/11/2015	Regular	0	236.5	48250
01916	Miller, Ken	02/11/2015	Regular	0	23	48251
02131	OFFICE DEPOT BUS SERV DIV	02/11/2015	Regular	0	1841.99	48252
	Void	02/11/2015	Regular	0	0	48253
02134	OFFICE TEAM	02/11/2015	Regular	0	3980.16	48254
02146	P G & E	02/11/2015	Regular	0	2929.4	48255
02150	Pace Supply Corp	02/11/2015	Regular	0	5015.23	48256
	Void	02/11/2015	Regular	0	0	48257
03026	PFM Asset Management	02/11/2015	Regular	0	892.41	48258
02216	Placer County Public Works	02/11/2015	Regular	0	75	48259
02219	PLACER COUNTY TAX COLLECTOR	02/11/2015	Regular	0	16.98	48260
02223	PLATT - RANCHO CORDOVA	02/11/2015	Regular	0	454.77	48261
02280	Rawles Engineering, Inc	02/11/2015	Regular	0	3000	48262
02292	REXEL INC	02/11/2015	Regular	0	2799.71	48263
02293	RFI ENTERPRISES, INC.	02/11/2015	Regular	0	1913	48264
02357	S M U D	02/11/2015	Regular	0	9651.16	48265
02366	SAC VAL JANITORIAL SALES INC	02/11/2015	Regular	0	80.31	48266
02367	SACRAMENTO BEE	02/11/2015	Regular	0	737	48267
02384	SACRAMENTO SUBURBAN WTR DIS	02/11/2015	Regular	0	3231.62	48268
02365	Sacramento Tree Foundation	02/11/2015	Regular	0	150	48269
02423	SENSUS METERING SYSTEMS INC	02/11/2015	Regular	0	1851.39	48270
02438	SHOLL CONSTRUCTION	02/11/2015	Regular	0	1134	48271
02446	Sierra Chemical Co	02/11/2015	Regular	0	3116.91	48272
02459	SIERRA SAFETY CO., INC	02/11/2015	Regular	0	69.88	48273
03115	Spill Prevention Compliance Corpor.	02/11/2015	Regular	0	1588.5	48274
02580	THE EIDAM CORPORATION	02/11/2015	Regular	0	20231.25	48275
02589	THE NEW HOME COMPANY	02/11/2015	Regular	0	61	48276
02613	TOM CLARK	02/11/2015	Regular	0	225.7	48277
02638	TYLER TECHNOLOGIES INC	02/11/2015	Regular	0	18.55	48278
03120	Union Bank	02/11/2015	Regular	0	238.44	48279
02651	UNITED PARCEL SERVICE	02/11/2015	Regular	0	299.08	48280
02667	US BANK CORPORATE PAYMENT SY:	02/11/2015	Regular	0	9521.47	48281
	Void	02/11/2015	Regular	0	0	48282
	Void	02/11/2015	Regular	0	0	48283
	Void	02/11/2015	Regular	0	0	48284
	Void	02/11/2015	Regular	0	0	48285
	Void	02/11/2015	Regular	0	0	48286
03079	Van Dusen, Darren	02/11/2015	Regular	0	194.56	48287
02690	VERIZON WIRELESS	02/11/2015	Regular	0	512.59	48288
02700	Viking Shred, LLC	02/11/2015	Regular	0	75	48289
03069	Vogel, John	02/11/2015	Regular	0	125	48290
01048	AIRGAS INC	02/12/2015	EFT	0	284.42	404124
01081	AMERICAN MESSAGING	02/12/2015	EFT	0	14.05	404125
01112	APPLIED COMPUTER SOLUTIONS	02/12/2015	EFT	0	54977.12	404126
	Void	02/12/2015	EFT	0	0	404127
01330	CDW GOVERNMENT INC	02/12/2015	EFT	0	3136.47	404128
01378	Clark Pest Control	02/12/2015	EFT	0	2451	404129
03065	Consolidated Electrical Distributors	02/12/2015	EFT	0	3307.82	404130
01486	DEPARTMENT OF ENERGY	02/12/2015	EFT	0	4150.28	404131
01521	DP2 BILLING SOLUTIONS LLC	02/12/2015	EFT	0	6817.25	404132
01574	Endress + Huaser, Inc.	02/12/2015	EFT	0	1087.71	404133
01589	Eurofins Eaton Analytical, Inc	02/12/2015	EFT	0	1568	404134
01611	FERGUSON ENTERPRISES, INC.	02/12/2015	EFT	0	296.73	404135
01721	HACH COMPANY	02/12/2015	EFT	0	3795.73	404136
02179	PAYROLL	02/12/2015	EFT	0	712836.16	404137
02187	PERFORMANCE PIPING, INC	02/12/2015	EFT	0	1454.2	404138
02406	Savage Enterprises	02/12/2015	EFT	0	3725	404139
02572	Thatcher Company of CA	02/12/2015	EFT	0	6316.67	404140
02710	Wageworks, Inc.	02/12/2015	EFT	0	42	404141
03118	WATERSMART SOFTWARE INC.	02/12/2015	EFT	0	10000	404142

Check Register

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02730	Western Area Power Admin	02/12/2015	EFT	0	2380.38	404143

Total Checks Issued: \$1,011,088.26

3113	Special Check Run Henry Boivert	1/26/2015	Check		770.45	
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TOTAL PAID **\$1,011,858.71**

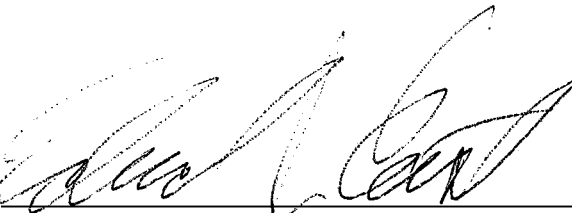
REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE 1,022,399.71

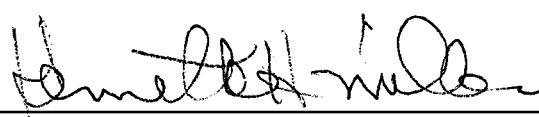
Invoices Paid 656.58

Additional Invoices Pending (11,197.58)

TOTAL PAID **\$1,011,858.71**

Regular Checks	193,217.72
EFT's	818,640.99
TOTAL PAID	\$1,011,858.71

Signature  Date 2-11-15

Signature  Date 2-18-15