

Agenda

Sacramento Suburban Water District

Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, February 22, 2016
6:30 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the January 25, 2016 Regular Board Meeting
Recommendation: Approve subject minutes.

Items for Discussion and Action

2. SSWD Website Customer Payment Portal
Presentation by Annette O'Leary regarding the Customer Payment Portal.
3. 2015 Annual Audit Status
Receive written staff report and direct staff as appropriate.
4. Groundwater Monitoring Wells Project
Receive written staff report and direct staff as appropriate.
5. Status of the San Juan Water District Reorganization Discussion
Receive written staff report and direct staff as appropriate.

Information Items

6. Water Conservation and Regional Water Efficiency Program Report
 - a. Drought Report
 - b. Summary of Activities During January 2016
 - c. Water Conservation Program and Results
 - d. Upcoming Events
7. District Activity Reports
 - a. Water Operations and Exceptions Report
 - b. Customer Service Report
 - c. Community Outreach Report
8. Engineering Report
 - a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination
 - c. McClellan Business Park
 - d. Groundwater Quality Projects

- e. Developer Projects
 - f. Water System Master Plan Update and 2015 Urban Water Management Plan
 - g. Other
9. Financial Report
- a. Draft Financial Statements – January 2016
 - b. Draft Investments Outstanding and Activity – January 2016
 - c. Draft Cash Expenditures – January 2016
 - d. Draft Credit Card Expenditures – January 2016
 - e. Draft Directors Compensation and Expense Accounting – Through January 2016
 - f. Draft Market Report Yields – January 2010 through January 2016
 - g. Draft District Reserve Balances – January 2016
 - h. Information Required by Bond Agreement
10. General Manager’s Report
- a. Cal WaterFix Update
 - b. 2016 Resumption of Placer County Water Agency Delivery of Surface Water
 - c. McClellan Cleanup Activities
 - d. Regional Water Authority Status of Grant Awards
11. Legislative and Regulatory Update
12. Long Term Warren Act Contract
13. Water Statement Modifications
14. Update on the Emergency Conservation Regulations State Water Resources Control Board
15. Succession Plan Report

16. Fulton/El Camino Recreation and Park District Easement Update
17. Regional Water Transfer
18. Upcoming Policy Review
 - a. Reasonable Accommodation & Interactive Process Policy (PL - HR 014)

Committee Reports

19. a. Facilities and Operations Committee (Director Locke)
Notes from the February 12, 2016 meeting.
- b. Finance and Audit Committee (Director Thomas)
No report.
- c. Government Affairs Committee (Director Locke)
No report.
- d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)
No report.
- e. Ad Hoc Water Rights Review Committee (Director Schild)
No report.

Director's Reports (Per AB 1234, Directors will report on their meeting activities)

20. a. Regional Water Authority (Director Thomas)
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from the January 27, 2016 meeting and the February 17, 2016 meeting
- b. Sacramento Groundwater Authority (Director Schild)
Agenda from the February 11, 2016 meeting.
- c. Water Forum Successor Effort (Assistant General Manager York)
No report.

Carryover Storage Working Group Meetings
No report.

Water Forum Dry Year Conference Meeting
No report.

Water Caucus Meeting
No report.

d. Other Reports

Miscellaneous Correspondence and General Information

21. Correspondence received by the District
22. General Information

Upcoming Events

- 2016 ACWA Legislative Symposium
March 9, 2016
Sacramento, CA
- Creek Week Celebration Event – SSWD
March 9, 2016 11:00 a.m. – 2:00 p.m.
Carmichael Park, Carmichael, CA
- 2016 Water Education Foundation – Executive Briefing
March 17, 2016
Sacramento, CA
- 2016 Cap To Cap – Metro Chamber
April 9-13, 2016
Washington DC

Director's Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Closed Session (Closed Session Items are not opened to the public)

23. a. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957
- b. Conference with Board negotiating committee (including Director Thomas) involving the General Manager under Government Code sections 54954.5(f) and 54957.6.

Adjournment

Upcoming Meetings

Monday, March 21, 2016 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the February 22, 2016 meeting of the Sacramento Suburban Water District Board of Directors was posted by February 18, 2016 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 12

Date: February 16, 2016

Subject: Long Term Warren Act Contract

Staff Contact: Dan York, Assistant General Manager

Recommended Board Action:

Authorize the General Manager to proceed with attempts to receive a 25-year Long Term Warren Act Contract from the Bureau of Reclamation.

Note: This report was presented to the Facilities and Operations Committee at their meeting on February 12, 2016, with the Committee directing staff to bring this before the full Board at the February 22, 2016 regular Board meeting for consideration.

Background:

As mentioned in previous staff reports, the District has been attempting to obtain a Long-Term Warren Act Contract (LTWAC) from the Bureau of Reclamation (Reclamation) since 2004. The District was unsuccessful in obtaining a LTWAC, however, it has been able to enter into “wet-year only” Temporary 1-year contracts, and, most recently, a temporary 5-year Warren Act Contract. The District’s current Temporary 5-year Warren Act Contract expires in 2017.

Discussion:

To inform the District Board’s decision making regarding renewal of the current long-term agreement with the Placer County Water Agency (PCWA) for up to 29,000 acre-feet annually of Middle Fork Project (MFP) and potential execution of future “Warren Act” contracts with the U.S. Bureau of Reclamation (Reclamation) for use of excess capacity in Folsom Dam and Reservoir (Folsom Facilities) to store and/or convey the District’s MFP water, an Assessment Report (Assessment) has been generated, attached to this report as Exhibit 1. The purpose of this Assessment is to help facilitate decisions by the District regarding continued reliability of the MFP surface water supply in average or wet years.

The PCWA Agreement is a vital component of the District’s groundwater stabilization program. In addition, the District’s 2010 Urban Water Management Plan, 2009 Water System Master Plan, Purveyor Specific Agreement with the Sacramento Water Forum, and other long range plans and commitments all assume continued availability of the MFP supply.

A very important factor is the District cannot take delivery of the MFP supply without corresponding Warren Act contracts with Reclamation for storage and conveyance through the

Folsom Facilities. There is currently no alternative infrastructure available in the Region to convey the MFP supply from the upper American River watershed to the District's point of delivery at the terminus of the North Fork Pipeline (the Hinkle Wye) adjacent to San Juan Water District's Sydney Peterson Water Treatment Plant.

Staff and Ecorp Consulting (modeling consultant) met with Reclamation staff on February 3, 2016 to discuss the District's 2006 Draft Environmental Assessment (DEA) and modeling requirements. There were two key items resulting from the meeting. It was determined the DEA is outdated and should not be relied upon and the District will have to include temperature in an American River model.

The Assessment is a summary-level report intended to assist the District's Board and management in making informed decisions. The Assessment outlines two key factors regarding the LTWAC, which are listed below:

Cost: The estimated cost of a 25-year LTWAC is roughly approximated at \$200,000. The estimated cost of either twenty-five consecutive 1-year WAC's or five consecutive 5-year WAC's would be close to or equal to a 25-year LTWAC.

Risk: Failure to award the LTWAC places the District in the position of pursuing successive temporary WAC's indefinitely in order to take delivery of its MFP supply. The risks of frequent negotiations in either 1-year or 5-year intervals to continued, reliable delivery of the MFP supply could potentially be significant, especially considering expected long term volatility in the regulatory environment.

Fiscal Impact:

The approximate cost to obtain a 25-year LTWAC is \$200,000. Staff did not begin discussions with Reclamation on a LTWAC until after the CY2016 budget was approved, therefore, funds were not included for this particular scope of work. Staff will utilize available funds in consulting services, and if necessary, request an augmentation of the budget later in the calendar year, should the Board decide to pursue this option.

Strategic Plan Alignment:

Water Supply - B. Provide for the long-term future needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.

Water Supply - D. Manage the District's water supplies to ensure their quality and quantity.

Receiving a 25-year LTWAC will assist in securing a safe and reliable water supply that will benefit District customers long-term. In addition, receiving surface water during wet years will allow the District to assist with its groundwater stabilization program.

EXHIBIT 1

DRAFT

Assessment Report

**Continued Reliability
Sacramento Suburban Water District (SSWD)
Middle Fork American River Project (MFP) Surface Water Supply**

Table of Contents

Introduction	3
Part I: PCWA Agreement	5
Part II: Temporary Warren Act Contracts	12
Part III: Long-Term Warren Act Contract	20
Enclosure 1: OCAP Litigation Summary	24
Enclosure 2: Historical Deliveries, PCWA Middle Fork Project Supply	26
Enclosure 3: Historical Deliveries City of Sacramento Supply	27

Introduction

Purpose. The purpose of this Assessment Report (Assessment) is to facilitate decisions by Sacramento Suburban Water District (SSWD) management on two pending contractual actions affecting continued reliability of the SSWD Middle Fork American River Project (MFP) surface water supply:

1. Renewal of the current long-term agreement with the Placer County Water Agency (PCWA) for up to 29,000 acre-feet annually (AFA) of MFP supply (PCWA Agreement or Agreement); and
2. Execution of future “Warren Act” contracts with the U.S. Bureau of Reclamation (Reclamation) for use of excess capacity in Folsom Dam and Reservoir (Folsom Facilities) to store and/or convey SSWD’s MFP water.

The Assessment is a summary-level report intended to assist SSWD management in making informed decisions. The Assessment is neither a technical report nor a formal cost/benefit analysis. Such reports and analyses are incorporated by reference as appropriate.

Need for Assessment

The SSWD Strategic Plan makes commitments and establishes goals and principles for meeting SSWD’s mission of “[delivering] a high quality, reliable supply of water and superior customer service at a reasonable price”. SSWD’s ability to achieve or surpass its strategic objectives depends to a great extent upon the certainty of renewing the PCWA Agreement upon expiration; and negotiating corresponding Warren Act contracts with Reclamation.

The PCWA Agreement is a vital component of SSWD’s groundwater stabilization program. The Agreement represents roughly 55% of SSWD’s total surface water supply¹. SSWD’s Urban Water Management Plan (UWMP), Water System Master Plan, Purveyor Specific Agreement (PSA) with the Sacramento Water Forum, and other long range plans and commitments all assume continued availability of the MFP supply.

Critically, SSWD cannot take delivery of the MFP supply without corresponding Warren Act contracts with Reclamation for storage and conveyance through the Folsom Facilities. There is currently no alternative infrastructure available in the Region to convey the MFP supply from the upper American River watershed to SSWD’s point of delivery at the terminus of the North Fork Pipeline (the Hinkle Wye) adjacent San Juan Water District’s Sydney Peterson Water Treatment Plant (WTP) in Granite Bay.

¹ The remainder of SSWD’s surface water supply consists of 22,404 AFA under an indefinite purchase agreement with the City of Sacramento; and periodic “Section 215” contracts with Reclamation for flood releases from the Folsom Facilities.

The existing PCWA Agreement expires in 2025; SSWD’s most recent Warren Act contract with Reclamation expires in 2018. An assessment is necessary in advance of those expiration dates to identify future risks and uncertainties to SSWD’s MFP water supply, and to formulate and implementing relevant mitigation strategies accordingly. .

Assessment Framework

Scope. The Assessment consists of three main parts: (1) the PCWA Agreement; (2) temporary Warren Act contracts for terms of up to 5 years each; and (3) a long-term Warren Act contract (LTWAC) for a term of 25 years.

Assessment Factors. The Agreement and both types of Warren Act contract are each assessed according to five individual factors. The assessment for each factor is followed by a summary of main risks and uncertainties, together with potential risk mitigation strategies. All assessment factors are primarily aligned with either SSWD Strategic Plan Goal 1 (Water Supply) or Goal 4 (Finance) or both.

Assessment Factor	Definition
1. Contractual Certainty	“Contractual Certainty” means the extent to which the contracting agency has the legal authority to execute the contracts or Agreements and the obligation or discretion to exercise that authority.
2. Regulatory Environment	“Regulatory Environment” means the relative stability of laws, regulations, court decisions and policies with respect to the Agreement and contracts.
3. System Reliability	“Reliability” refers to continued reliability of project infrastructure and operations necessary to deliver SSWD’s MFP water pursuant to the Agreement and contracts.
4. Cost	<p>“Cost” includes order-of-magnitude cost estimates for water acquisition, conveyance and treatment, contract negotiation and related environmental analysis.</p> <p>NOTE: Cost estimates are for comparative purposes only. The Assessment does not represent a formal cost estimate or formal benefit cost analysis.</p>
5. Impact of Not Executing the Contract(s)	This factor summarizes the potential impacts to SSWD’s conjunctive use strategy and program should the contract(s) be delayed or fail to be renewed or awarded altogether.

Disposition. SSWD management will brief the SSWD Facilities & Operations Committee on the draft and final Assessment Reports, and a proposed course of action, then coordinate with the SSWD Board of Directors (SSWD Board) accordingly.

Part I: PCWA Agreement

Overview

PCWA is authorized by Section 81-5.1 of the Placer County Water Agency Act (Cal. Stat. of 1957, ch. 1234, as amended)² to enter into contracts with any district, among other purposes, for “The sale, lease, or other disposition of water, a water supply, water rights, or water storage facilities or any interests in any thereof for any purpose by the agency to any district or by any district to the agency.” The PCWA Board of Supervisors (PCWA Board) exercises approval authority for such contracts.

On August 21, 1995, PCWA executed a 25-year Agreement with SSWD’s predecessor agency, Northridge Water District (Northridge)³ as a main component of Northridge’s groundwater stabilization project. Under the contract, PCWA agreed to supply Northridge with up to 29,000 AFA of MFP water to replace groundwater use by Northridge.

The 1995 contract was superseded on June 1, 2000, by the “Agreement between Placer County Water Agency and Northridge Water District for Water Supply for Ground Water Stabilization”, also for up to 29,000 AFA. The 2000 Agreement also memorializes commitment by the San Juan Water District (SJWD) to treat, then convey SSWD’s MFP supply through the Cooperative Treatment Pipeline (CTP) to SSWD’s designated place of delivery (C-Bar-C Park).

The 2000 Agreement was amended on October 2, 2008, to clarify the quantities of MFP water made available to SSWD and modify certain payment conditions related to those quantities. The current Agreement, as amended, expires on December 31, 2025.

Assessment Factor 1: Contractual Certainty.

a. Authority. There is no indication whatsoever that the Placer County Water Agency Act would be amended or rescinded prior to expiration of the existing Agreement, or any time thereafter. In the absence of such an amendment, it is highly improbable that legal discretion by the PCWA Board to renew the Agreement would be curtailed or revoked.

b. Obligation to renew. PCWA is under no legal or contractual obligation to renew the Agreement with SSWD. Article 3, Renewals of Term, stipulates (underscore added): “Renewals of this Agreement may be made for successive periods not to exceed twenty-five year each. The terms and conditions of each renewal shall be agreed upon by the parties not later than one year before the expiration of then current term of the Agreement.” Renewal is therefore subject to mutual agreement by the parties.

² https://www.pcwa.net/files/docs/public/PCWA_Act.pdf

³ Northridge Water District consolidated with Arcade Water District in February 2002 to form Sacramento Suburban Water District.

PCWA has consistently demonstrated its intent to renew the Agreement. PCWA accounted for the entire 29,000 AFA MFP supply through 2035 in their UWMP⁴ (Chapter 3, Section 3.7.6, Wholesale Water Supply Projections). SSWD's MFP supply is also included as a modeling assumption in the PCWA MFP Water Rights Extension which, if approved as expected by the State Water Resources Control Board (State Water Board) would extend through 2043.

By e-mail to the SSWD General Manager dated November 17, 2015, PCWA management confirmed their interest in renewing the Agreement. Coordination with SJWD management indicates that SJWD fully expects to continue treatment and conveyance of SSWD's MFP supply as part of any future renewal Agreement.

c. Summary. There is a very high degree of certainty that PCWA intends to renew the Agreement, assuming the parties can come to terms. To memorialize that intent, and to promote early discussion of contract terms, SSWD may consider proposing a Memorandum of Understanding (MOU) with PCWA this year with provision for annual or bi-annual meetings every year leading up to renewal.

In addition, SSWD should continue to coordinate with PCWA to ensure the Agreement is accounted for in future UWMPs and other agency planning and permitting processes.

Assessment Factor 2: Regulatory Environment.

a. MFP Water Rights. PCWA maintains Water Right Permits 13856 and 13858 which allow for the diversion, storage, and rediversion of water associated with the MFP for irrigation, domestic, recreational, municipal, and industrial uses within PCWA's Place of Use. PCWA also maintains companion permits 13855 and 13857 covering water diversion and storage for power generation purposes. PCWA is currently in the process of petitioning the State Water Resources Control Board (State Water Board) for an extension through 2043 to put the MFP consumptive water right permits (13856 and 13858) to full beneficial use. That process is expected to be completed in late 2017 or early 2018, but continues to progress on schedule with no major complications identified to date. PCWA has requested license on permits 13855 and 13857 (Power Generation).

b. Environmental. Water resource agencies are required by law to evaluate the impact of discretionary actions on State or Federally listed threatened or endangered species. Mitigation related to such impacts often affects water supply availability. Federal and State listed species influencing operations in the lower American River include, but are not limited to: Pacific Lamprey, River Lamprey, Fall Run Chinook Salmon, and Central Valley Steelhead. None of these species currently exist above Folsom Dam. However, reintroduction of steelhead into the upper watershed is prescribed by the National Marine Fisheries Service (NMFS) as a Reasonable and Prudent Alternative (RPA) in their 2009 Biological Opinion (BiOp) for long term operation of the CVP.

⁴<http://www.water.ca.gov/urbanwatermanagement/2010uwmps/Placer%20County%20Water%20Agency/Placer%20Co%20WA%20Final%202010%20UWMP%20-%20Main%20document.pdf>

c. Summary. Laws, regulations and policies governing renewal of the Agreement should remain relatively stable for the foreseeable future. There is a high probability the State Water Board will approve MFP water rights extension; potential reintroduction of threatened or endangered species into the upper American River watershed is a very long-term undertaking. Nevertheless, SSWD should continue to monitor and, as practicable, participate in any significant regulatory process that could affect timely renewal of the PCWA Agreement.

Assessment Factor 3: System Reliability.

a. Infrastructure. The MFP is located on the west slope of the Sierra Nevada range primarily in Placer County, California. The Project's major storage reservoirs, French Meadows and Hell Hole, have a combined capacity of 342,583 acre-feet (a/f). The Project has a generation capacity of approximately 224 megawatts (MW) and has produced an average of about 1 million megawatt-hours (MWh) per year. The Project includes recreation facilities near its storage reservoirs. In addition, its operations accommodate popular whitewater rafting opportunities in the Middle Fork American River below Oxbow Powerhouse. There appears to be no current or anticipated future infrastructure-related constraint on continued delivery of SSWD's MFP supply to Folsom Reservoir.

b. Operations. Article 4 of the PCWA Agreement, Water to be Furnished to Northridge, establishes a graduated scale for the quantity of MFP water supply available each year between 2000 and 2014. Beginning in 2014 and thereafter, SSWD is contractually entitled to up to 29,000 AFA. This entitlement is constrained by Northridge's (now SSWD's) PSA with the Sacramento Water Forum. Under terms of the PSA, SSWD may only take delivery of the MFP supply in years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 AF⁵. This condition effectively makes the PCWA Agreement a "wet-year only" contract.

The MFP has proven to be a very productive project hydrologically. SSWD has consistently received all MFP as scheduled, year in and year out. Although there are no guarantees, modeling by PCWA indicates SSWD's MFP supply will remain reliable in the future even under projected climate change conditions.

c. Summary. There is a high degree of certainty that the MFP will continue to produce and deliver all scheduled water up through expiration of the existing PCWA Agreement and thereafter.

Assessment Factor 4: Cost.

⁵ Under terms of the PSA, Northridge was authorized for an interim ten-year period (through 2010) to divert their MFP water in years when the projected March through November unimpaired inflow to Folsom Reservoir was greater than 950,000 acre feet. After the ten-year period, unless the State Water Board issues a subsequent order, Northridge would divert up to 29,000 AFA of their MFP supply from Folsom Reservoir subject to the 1.6 MAF inflow criteria.

a. Cost per a/f. The PCWA Agreement establishes criteria for determining the cost of MFP water in any particular year.⁶ According to that criteria, the cost of the MFP water to SSWD has consistently remained at \$35 a/f since 2000. In addition to the purchase cost of water, SSWD also pays storage and conveyance charges to Reclamation in accordance with successive Warren Act contracts; and water treatment and conveyance charges to SJWD under an agreement with that agency.

b. Total Cost. The total cost of the MFP water supply to SSWD – to include water acquisition, storage, conveyance and treatment - is summarized by year in enclosure 2. The total cost fluctuates annually for several reasons, but primarily because of differences in the quantity of water delivered under the Agreement. For example, the total cost to SSWD in 2007 was \$.397 million based upon 3,841.9 a/f total deliveries at \$103.31 per a/f. In comparison, total cost to SSWD in 2015 was \$1.657 million with deliveries of 15,516.8 a/f at \$106.78 per a/f.

c. “Take or Pay”. Article 4, Water to Be Furnished to Northridge states: “Each year Northridge shall be required to pay for its entitlement” Amendment 1 to the Agreement, dated October 1, 2008, capped the quantity subject to “take or pay” at 12,000 a/f. Altogether, this means that SSWD must pay for the first 12,000 a/f under the PCWA Agreement regardless of whether SSWD actually takes delivery of that water. The Agreement further states that if SSWD does not pay for the scheduled water deliveries, then SSWD’s future entitlements under the contract are reduced⁷.

d. Renewal costs. The renewal process itself will involve other types of costs including, but not limited to: staff and consultant costs associated with contract negotiations, general administration, and – in particular – modeling and analysis necessary to comply with the California Environmental Quality Act (CEQA), California Endangered Species Act (CESA), project water rights permits and other statutes and regulations.

e. Summary. Water acquisition, conveyance and treatment costs required by a renewal Agreement are difficult to quantify since these are all subject to future negotiations. However, based upon current and outyear projections, SSWD should anticipate there will be an upward trend in such costs between now and 2025. SSWD should further assume that the cost of renewing the contract may be significant, especially the cost modeling and environmental analysis. SSWD could manage the scale of future cost increases through regular communication and meetings with PCWA between now and 2025 as memorialized by an MOU.

⁶ Article 12, Rate and Method of Payment for the Water, Subparagraph 12(a) Rate for Payment of Water, states: “Each year Northridge shall pay [PCWA] for each acre-foot of Northridge Annual Entitlement made available in Northridge’s Service Area the highest of the following three rates: (1) Thirty-five dollars; (2) One hundred seventy-five percent (175%) of the acre-foot price [PCWA] charges the City of Roseville and San Juan [Water District] that year for water made available to them in Folsom Reservoir for use within Placer County; or (3) One hundred fifty percent (150%) of the total amount, per acre-foot, including any restoration and other fees and charges, [PCWA] is required to pay that year to Reclamation for water to be used within [PCWA] pursuant to [PCWA’s] September 18, 1970 contract as amended and supplemented or pursuant to any renewals of that contract.”

⁷ Article 4 states: “. . . if Northridge does not take or pay for the Northridge Annual Entitlement for any year, the Northridge Annual Entitlement for each year thereafter shall be reduced by the amount equal to 50% of the amount which Northridge did not take or pay for during that year.”

Factor 5: Impact of Not Renewing the Contract.

The SSWD UWMP, Section 4.6, District Conjunctive Use Strategy, states: “As part of the District’s 2009 Water System Master Plan, the District developed a conjunctive use strategy that consists of integrating the buildout water needs, groundwater pumping target, available surface water supplies, groundwater supply capacity, and frequency of occurrence of WFA climate year types to arrive at the optimum mix of water supplies. An objective of the conjunctive use strategy is for the District to not exceed the groundwater pumping target on average and utilize surface water as part of the supply in wet years when supplies are plentiful and less costly.”

The UWMP goes on to provide additional detail on SSWD’s conjunctive use strategy. In summary, the Sacramento Groundwater Authority (SGA), formerly the Sacramento North Area Groundwater Management Authority, was formed in 1999 to manage the groundwater basin north of the American River. One objective of SGA is to maintain the long-term sustainable yield of the groundwater basin north of the American River through conjunctive use practices. SGA adopted its groundwater management plan (GMP) in December 2003 and adopted a revised GMP in December 2008. SSWD is a participating agency in SGA.

The “sustainable yield” of the portion of the North American groundwater sub-basin within Sacramento County was defined as part of the Water Forum process and in the formation of the SGA. The estimated “average annual sustainable yield” defined by the Water Forum is 131,000 AFA (EDAW/SWRI, 1999). SSWD’s portion of this yield has been defined by the SGA as a sustainable pumping estimate of 35,035 AFA.

As illustrated in UWMP Table 4-5, SSWD’s two sources of surface water supply (MFP supply and City of Sacramento supply) are essential to meeting the long-term groundwater pumping target of 35,035 AFA.

	Wet	Average	Drier	Driest	Ave Use
2035 Demand	41,133	41,133	41,133	41,133	41,133
Surface Water Available					
PCWA	29,000	0	0	0	0
City of Sacramento	9,399	3,500	1,400	0	0
Total surface water available	38,399	3,500	1,400	0	0
Groundwater Use	31,241	41,133	41,133	41,133	35,000
Surface Water Use	9,892	0	0	0	6,133

Note: Water year types in this table refer to water year types as defined in the Water Forum Agreement.

Should the PCWA Agreement not be renewed, then SSWD would have to make up the shortfall through other sources. There are multiple variation of how this might be accomplished but in general, SSWD would most likely max out their available City of Sacramento supply first, then increase groundwater extraction to cover the remaining balance. This would present significant risk to SSWD’s conjunctive use strategy. For example, the total quantity of water available under the City of Sacramento contract is 26,064 AFA. However, in most years deliveries are constrained well below this amount by the “Hodge” provisions of the City of Sacramento’s water rights permit. Over time, this dynamic would make it very difficult for SSWD to remain within their sustainable yield allocation. Other considerations include:

Cost. As reflected in the following table, the City of Sacramento supply is historically much more expensive on an a/f basis than the MFP supply.

Year	MFP Supply	City Supply	Difference
2006	\$95.25	\$150	\$54.75
2007	\$103.31	\$178	\$74.69
2008	\$104.40	\$195	\$90.60
2009	\$104.74	\$195	\$90.26
2010	\$106.78	\$224	\$117.22
2011	\$111.26	\$257	\$145.74
2012	\$112.36	\$283	\$170.64
2013	\$114.36	\$311	\$196.64
2014	\$116.10	\$342	\$225.90
2015	\$119.00	\$428	\$309.00

- The California Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. The act provides substantial time – 20 years – for GSAs to implement plans and achieve long-term groundwater sustainability. It protects existing surface water and groundwater rights and does not impact current drought response measures. The outcome of this process could modify longstanding assumptions by the RGA and SSWD regarding a sustainable yield targets and groundwater management in general.

- Regional projects. Failure to renew the PCWA Agreement would almost certainly affect pending commitments by SSWD to participate in the evolving Regional Water Reliability Project. The long-term certainty of SSWD’s MFP supply is critical to planning and design for the Sacramento River Reliability Project (RiverArc), American River Watershed Basin Study, Regional Drought Planning and other Regional projects and initiatives.

d. Summary. Reference Assessment Factors 1 through 4 above: there appears to be a very high probability that the existing Agreement will be renewed upon expiration. Nevertheless, assessing the implications of not renewing, or renewing with less favorable terms and conditions, highlights the importance of the Agreement to SSWD's entire program. For that reason, it would appear to be to SSWD's best interests to engage with PCWA on a regular basis leading up to renewal negotiations. In addition:

- The SSWD General Manager should continue proactive involvement as a member of the Association of California Water Agencies (ACWA) Groundwater Committee in managing implementation of SGMA.
- SSWD should also continue to explore and support options for taking delivery of its City of Sacramento supply through diversions from the Sacramento River, rather than the Lower American River.
- SSWD should continue its commitment to participate with other local agencies on projects and initiatives to improve regional water supply reliability.

Part II: Temporary Warren Act Contracts

Overview

Reclamation is authorized to enter into contracts for use by other entities of excess capacity of Reclamation facilities to store or convey non-project water. The authorizing statutes are:

- The Act of February 21, 1911, Chapter 141 (36 Stat. 925, 926)⁸ and related federal rules (43 U.S.C. secs. 523, 524) authorize the Secretary of Interior, with certain provisos, to contract with irrigation systems, individuals, corporations, and irrigation districts for use of excess capacity in Reclamation projects in impoundment, storage or carriage of non-project water for irrigation purposes. The 1911 Act is commonly referred to as the Warren Act and pertains exclusively to non-project water for irrigation purposes.

- Section 305 of Public Law 102-250 Reclamation States Emergency Drought Relief Act of 1991⁹ as amended (106 Stat. 59; 43 U.S.C Ch 40)¹⁰ expanded the original Warren Act authority beyond irrigation to include contracts with municipalities, public water districts and agencies, other Federal agencies, State agencies, and private for the impounding, storage, and carriage of non-project water for domestic, municipal, fish and wildlife, industrial, and other beneficial purposes using any facilities associated with the Central Valley Project and other specified Reclamation projects.

- Section 3408(c) of Title 34, Public Law 102-575, Central Valley Project Improvement Act (106 Stat. 4604). Section 3408(c), Contracts for Additional Storage and Delivery of Water, states: “The Secretary is authorized to enter into contracts pursuant to Reclamation law and this title with any Federal agency, California water user or water agency, State agency, or private non-profit organization for the exchange, impoundment, storage, carriage, and delivery of Central Valley Project and non-project water for domestic, municipal, industrial, fish and wildlife, and any other beneficial purpose, except that nothing in this subsection shall be deemed to supersede the provisions of section 103 of Pub. L. 99-546 (100 Stat. 3051).”

Between 2000 and 2011, SSWD negotiated and executed temporary 1-year Warren Act contracts with Reclamation for use of excess capacity in the Folsom Facilities to store and convey the MFP water supply. In 2012, SSWD was successful in executing a temporary 5-year Warren Act contract through February 28, 2018 (Contract No. 12-WC-20-0020), subject to certain terms and conditions imposed by NMFS.

Assessment Factor 1: Contractual Certainty.

a. Authority. It is very unlikely that statutes governing temporary contracts for use of excess capacity in Reclamation facilities will be modified or rescinded in the future.

⁸ <https://www.law.cornell.edu/uscode/text/43/523>

⁹ <http://www.usbr.gov/drought/legislation/102-250.html>

¹⁰ <https://www.law.cornell.edu/uscode/text/43/chapter-40>

Reclamation Area Managers exercise delegated authority to approve temporary Warren Act contracts for up to 5-years in duration. No approved Basis of Negotiation (BON) is required prior to awarding these contracts since the form of contract is heavily standardized.

Discretion to exercise this delegated authority has never been constrained by any statute or court-order. All previous legal restrictions on CVP contracts have specifically pertained to award or renewal of CVP long-term water service and repayment contracts. Nevertheless, NMFS has typically been very cautious over the past several years with requests by Reclamation for consultation on temporary Warren Act contracts with terms exceeding 1-year. Requests by NMFS for additional analysis and delays in responding to such requests can have the effect of a de facto restriction.

b. Obligation. There is no provision for renewal in SSWD's existing temporary Warren Act contract. Accordingly, Reclamation is under no obligation to renew that contract. Any successor contracts would be new contracts subject to new terms and conditions.

c. Summary. There is no indication that any of the three authorizing statutes will be amended or rescinded any time in the future. However, discretion by Reclamation to exercise that authority – especially with respect to term of contract - could potentially be restricted either formally or informally based upon changing circumstances. Use of successive short-term contracts to meet a long term need generally increases the risk of this occurring.

Risk mitigation strategies could include pursuing a LTWAC as discussed in Part III of this Assessment; or, including at least an acknowledgement of the parties' intent to renew as a provision of future temporary Warren Act contracts, regardless of term.

Assessment Factor 2: Regulatory Environment.

a. Water Rights. On August 27, 2015, the Department of Water Resources (DWR) and Reclamation filed a petition with the State Water Board to change their respective water rights to add three additional Points of Diversion (PODs) in support of the California WaterFix Project (WaterFix Project), formerly part of the Bay Delta Conservation Plan or BDCP. Multiple parties have filed formal protests to the Reclamation/DWR change petition. Protest resolution could potentially result in amendments to Reclamation's permits concerning operation of the Folsom Facilities or CVP Delta operations.

Concurrent with their review of the WaterFix change petition, the State Water Board continues to develop and implement updates to the Bay-Delta Water Quality Control Plan (WQCP). Phase 4 of the WQCP process involves developing and implementing flow objectives for priority tributaries to the Delta to protect beneficial uses in the Bay-Delta watershed. Priority tributaries include the American River.

Conditions imposed by the State Water Board on Reclamation's water rights permits through either or both of these two processes could potentially modify Reclamation's operations at the Folsom Facilities and Lower American River. Such operational changes could conceivably affect the timing and availability of excess capacity at the Folsom Facilities. In addition,

litigation of State Water Board decisions on WaterFix or the Delta WQCP could once again result in court-ordered restrictions in awarding or renewing CVP water contracts.

b. Environmental.

(1) CVP Operations. Recent completion by Reclamation of the Record of Decision (ROD) for Long-Term Operation for the Central Valley Project in Coordination with the State Water Project (LTO). The LTO ROD culminates nearly 10 years of continuous litigation related to CVP operations¹¹. For most of that period, Reclamation was restricted either by court-order or uncertainty in future CVP operations from executing most long-term CVP contracts including most long-term Warren Act contracts. There is currently no legal constraint on award or renewal of CVP contracts.

This could potentially be only brief a respite. Any significant change in CVP operations resulting from the WaterFix or Phase IV processes, or any new listings, may well necessitate additional Endangered Species Act (ESA) Section 7 consultation by Reclamation with NMFS and the U.S. Fish and Wildlife Service (USFWS). Over the past 10 years such CVP-wide consultation has almost inevitably resulted in new operational requirements – either directly through new Biological Opinions (BiOps) or as a result of litigation. Significantly new or modified operations could affect the content and award of future Warren Act contracts.

(2) Annual CVP Temperature Plan. Because of their operations cycle, SSWD needs temporary Warren Act contracts fully approved and awarded by February or March each year. In the absence of fully executed contracts by that time, SSWD must necessarily rely upon groundwater resources to meet demands. Firing up the infrastructure necessary to extract, treat and distribute groundwater supplies is an expensive undertaking and difficult to reverse even if a Warren Act contract is later awarded.

Reclamation has historically experienced some difficulty in securing NMFS concurrence within the February – March timeframe. NMFS relies heavily upon Reclamation’s annual CVP temperature plan to make decisions for the upcoming summer season for protection and recovery of endangered species. Reclamation does not finalize the annual CVP temperature plan until May of each year. This time gap between SSWD’s need for an approved Warren Act contract in February - March, and publication of the final CVP temperature plan in May, introduces significant uncertainty in NFMS’ ability to evaluate impacts on listed species.

c. Reclamation policies. Reclamation-wide policies are subject to continuous update and revision. New or revised policies typically cannot supersede or amend existing water contracts. Consequently, as a standard practice Reclamation requires that new policy directives be incorporated prospectively into any new or successor contracts. For example, most of the original long-term CVP water service contracts charged a very low flat rate for CVP deliveries, in some cases only \$6 per a/f. In the late 1980’s and early 1990’s, Reclamation developed new water ratesetting policies based upon actual Cost of Service (COS) then incorporated these new policies as a condition of all renewal contracts.

¹¹ A summary of CVP litigation is enclosed (enclosure 1).

Consecutive short-term (1-year, 5-year) contracts such as SSWD's temporary Warren Act contracts are particularly vulnerable to this dynamic. The most recent example is a proposed new policy by Reclamation that would significantly increase rates associated with new Warren Act contracts. If finalized and implemented, Reclamation would require the new rates to be incorporated as a provision of all new Warren Act contracts.

d. Summary. The regulatory environment for the CVP is expected to remain highly uncertain, even volatile, for the foreseeable future. The process of negotiating and awarding consecutive temporary Warren Act contracts over an extended period increases SSWD's exposure to periodic court-ordered contracting restrictions, new Reclamation policies, and complicated and often inconclusive ESA consultation with NMFS and the USFWS. Potential mitigation strategies are the same as Assessment Factor 1 above.

Assessment Factor 3: System Reliability.

a. Infrastructure. SSWD's MFP supply is diverted by Reclamation at Folsom Dam through the Municipal and Industrial (M&I) water intake, and conveyed by way of the Folsom pump plant and North Fork Pipeline to the Hinkle Wye. SJWD then treats and conveys the MFP water to SSWD's point of delivery at C-Bar-C Park.

The only real risk in terms of infrastructure reliability would be in situations where the reservoir level dropped below the operational capability of the M&I intake – approximately elevation 360'. The chances of that affecting SSWD's MFP supply are generally very minimal. The M&I intake operations have never been interrupted since Folsom Dam went into service in 1956. In any case, the SSWD Warren Act contract is a "wet-year" contract that applies only when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 a/f. The risk of the reservoir dropping below elevation 360' in those wet years is highly improbable.

SJWD continues to reserve sufficient capacity in their Water Treatment Plant and pipeline to accommodate the MFP supply beyond expiration of the current PCWA Agreement.

b. Operations. The primary operational constraint associated with the Warren Act contract is SSWD's PSA with the Water Forum. In addition, the NMFS Letter of Concurrence for SSWD's existing temporary Warren Act requires Reclamation to reconsult based upon any of the following conditions:

- (1) If the preliminary and annual temperature data indicates mean daily water temperature at Watt Avenue cannot be maintained below or at actual mean daily temperatures exceeding 65 F;
- (2) If releases of the transfer water result in LAR flow fluctuation above or below the threshold flow of 4,000 cubic feet per second;
- (3) Operation outlooks indicate below average Folsom Reservoir storage condition by the end of May;

- (4) Historical storage in Folsom Reservoir is at or below average for the month of March-May;
- (5) Snowpack water content in the American River Basin is below the historical average for the month of March; or
- (6) Water conditions deviate from 2005 conditions, which is the benchmark used to determine if water temperature conditions are likely to be met.

NMFS and Reclamation are likely to require continuation of these conditions in future Warren Act contracts.

c. Summary. The project infrastructure and related operational rules necessary to store and convey SSWD's MFP supply through the Folsom Facilities to the SJWD Treatment Plant is expected to remain consistently reliable in the future. Although infrastructure-related risks are relatively low, the Folsom Facilities remain the only option for taking delivery of the MFP supply. Accordingly, SSWD may consider partnering with other local agencies to explore options for redundant conveyance capability at the Folsom Facilities in the event the M&I intake ever becomes inoperable.

Assessment Factor 4: Cost.

a. Contract costs. The following tables illustrate the range of costs involved with executing consecutive temporary 1-year and 5-year Warren Act contracts over a 25 year period. Reclamation policy requires applicants to cover the cost of Reclamation staff in negotiating, reviewing and otherwise completing award of each Warren Act contract; and in reviewing and approving environmental documents. The tables therefore reflect both Reclamation staff costs and SSWD consultant costs. SSWD staff costs are assumed be absorbed by the organization and are not included. Costs reflected in the tables are for comparison only and do not represent a disciplined cost estimate. General assumptions are as follows:

- (1) Level of effort (work hours) are based very roughly upon experience with previous SSWD Warren Act contracts;
- (2) The Reclamation labor rate is based upon a fully burdened hourly rate for GS-12 Step 4 (\$40.13 x 1.30 indirect cost factor).
- (3) Cost escalation for Reclamation staff costs is based upon 1% per year; cost escalation for consultant costs is calculated at 1.5% annually.
- (4) The frequency of consecutive 1-year contracts over a 25 year period is estimated at 60% probability (15 individual contracts) based upon previous historical record.

Costs estimates in the tables generally assume rote stability in all required tasks from one year to the next; and do not consider any of the many variables that could occur in any specific contract cycle. Variables that could significantly increase costs in any given year include, but are not limited to: requirement by Reclamation to prepare a separate stand-alone Biological Assessment

(BA) rather than a combined EA/BA; updated modeling required by NMFS to reflect new or modified BiOps; and the like.

(5) Definitions. For references purposes:

- ‘Contract Actions’ generally includes technical evaluation of proposed contract provisions by both SSWD consultants and Reclamation staff, related policy and regulatory research, actual negotiations meetings, legal and technical review of completed contracts, and final processing and approval.

- ‘Environmental Analysis’ generally includes (a) consultant time in conducting modeling, analyzing impacts, identifying mitigation actions, preparing EAs, BAs and other actions in compliance with the National Environmental Policy Act (NEPA) and Endangered Species Act (ESA), and additional specialized modeling and analysis in response to NMFS or FWS questions; and (b) Reclamation staff time performing technical review and commenting on draft documents, performing comparative modeling and related analysis, and conducting ESA consultation activities by Reclamation staff.

- ‘Administration’ generally includes scoping and coordination meetings, project management scheduling, project-related accounting, records search, copying, distribution and other general support tasks in support of contract actions and environmental analysis.

25 Consecutive 1-Year WACs					
Task	Hours	Rate PH	Total	25 Year Total (Straight Line)	25 Year Total (Cost Esc)
Contract Actions					
Recl Staff	12	\$ 52.17	\$ 626.04	\$ 9,390.60	\$ 14,074.38
Consultant	8	\$ 150.00	\$ 1,200.00	\$ 18,000.00	\$ 28,644.07
Environmental Analysis					
Recl Staff	40	\$ 52.17	\$ 2,086.80	\$ 31,302.00	\$ 46,914.59
Consultant	8	\$ 300.00	\$ 2,400.00	\$ 36,000.00	\$ 57,288.15
Administration					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 18,781.20	\$ 28,148.75
Consultant	8	\$ 150.00	\$ 1,200.00	\$ 18,000.00	\$ 28,644.07
TOTAL	100		\$ 8,764.92	\$ 131,473.80	\$ 203,714.01

* 15 individual contracts over a 25 year period based upon historical experience.

5 Consecutive 5-Year WACs					
Task	Hours	Rate PH	Total	25 Year Total (Straight Line)	25 Year Total (Cost Esc)
Contract Actions					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 6,260.40	\$ 6,932.51
Consultant	16	\$ 150.00	\$ 2,400.00	\$ 12,000.00	\$ 14,003.79
Environmental Analysis					
Recl Staff	48	\$ 52.17	\$ 2,504.16	\$ 12,520.80	\$ 13,865.01
Consultant	80	\$ 300.00	\$ 24,000.00	\$ 120,000.00	\$ 140,037.89
Administration					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 6,260.40	\$ 6,932.51
Consultant	24	\$ 150.00	\$ 3,600.00	\$ 18,000.00	\$ 21,005.68
TOTAL	216		\$ 35,008.32	\$ 175,041.60	\$ 202,777.38

Actual hours will vary within a general range from the estimated level of effort reflected in the tables. From a trend perspective, costs associated with Environmental Analysis-related tasks can be expected to increase proportionately with the term of contract. The main reason is the progressive uncertainty in the impact of the contract on federally listed species. Because of this uncertainty, NMFS and USFWS tend to require a greater degree of modeling and analysis in conjunction with the ESA consultation process. By extension, additional environmental analysis can also be expected to increase contract-related costs since Reclamation will typically propose contract language to reflect required ESA mitigation measures.

b. Rates. Consistent with Department of the Interior policy, Warren Act rates are determined in accordance with the “then-existing CVP Ratesetting Policies”. Reference enclosure 2, rates for SSWD Warren Act contracts have historically averaged somewhere in the \$18.00 - \$20.00 per a/f range. Reclamation is currently proposing new policies that could significantly increase historical rates. However, disposition of those policies is still pending the outcome of intensive review by Reclamation water contractors West-wide.

c. Summary. The most significant risk concerning Warren Act costs is variability from one award period to the next. The most likely variable is the level of NEPA analysis and ESA consultation required to complete the contract. Reducing the number of award cycles for Warren Act contracts tends to reduce variability, and therefore costs. For example: the level of environmental analysis associated with a 5-year contract, particularly modeling effort, is typically greater per event than a 1-year contract. However, these and other costs tend to be

offset over the long term since the parties don't have to negotiate, evaluate and process contracts as often.

Assessment Factor 5: Impact of Not Executing the Contract(s).

a. Failure to execute each consecutive temporary Warren Act contract means SSWD cannot take delivery of its MFP supply. The impact is basically a microcosm of not renewing the MFP Agreement, as discussed in Part I. In summary, SSWD would have to rely on either the City of Sacramento supply or SSWD groundwater resources, or both, to make up the difference. The City of Sacramento supply is significantly more expensive than the MFP supply and has a limitation on availability; relying on groundwater to make up the shortfall for any extended time risks exceeding SSWD's sustainable yield commitment.

b. Failure by Reclamation to timely execute a temporary Warren Act contract does not relieve SSWD of the take or pay provisions of the PCWA Agreement, as modified. According to those provisions, SSWD would still have to pay for the first 12,000 a/f of scheduled MFP supply even though they were unable to take delivery.

c. Failure to execute any particular temporary Warren Act contract could introduce uncertainty into SSWD's capability to meet conjunctive use commitments for other potential projects under joint consideration to improve Regional water supply reliability. Such projects and initiatives include, but are not limited to: the Sacramento River Diversion (RiverArc) Project, infrastructure improvement projects, a potential American River Basin Study, and Regional Drought Planning.

d. Summary. Not executing consecutive Warren Act contracts presents a significant risk to SSWD's MFP supply. Absent a Warren Act contract in any year, there will be quantifiable impacts to cost and water supply reliability.

Part III: Long Term Warren Act Contract

Overview

In 2005, SSWD requested Reclamation negotiate a long-term, 25-year Warren Act Contract (LTWAC) for use of excess capacity at the Folsom Facilities to store and convey SSWD's MFP supply. The primary strategy in requesting a LTWAC was to ensure SSWD's use of excess capacity was considered as a continuing assumption in Reclamation's current and out-year planning for CVP operations. SSWD also assumed the proposed LTWAC would more appropriately align with the term of the PCWA Agreement, reduce regulatory, logistical and financial uncertainties of executing temporary 1-Year Warren Act contracts each year.

The Reclamation Mid-Pacific Region concurred with the request and submitted a BON for approval by the Office of the Commissioner. Reclamation policy requires a BON as a first step in negotiating all types of long-term water contracts. A final approved BON represents a delegation of authority to the Regional Director (Contracting Officer) for negotiating and awarding the proposed contract subject to specified parameters.

The BON was approved by the Commissioner on June 1, 2005. SSWD and Reclamation successfully concluded negotiations for the LTWAC in 2006 (Contract No. 05-WC-20-3279) and made very significant progress in completing the corresponding environmental analyses. However, further work on the environmental analysis was suspended in 2007 due to then-ongoing litigation on CVP-wide operations. Since 2007, Reclamation has been restricted by a succession of court-orders and internal agency determinations from executing any long-term water service contracts pending completion by Reclamation, the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS) of additional CVP-wide environmental documentation.

The legal restrictions on long-term water service contracts did not specifically include LTWACs. However, because the additional environmental documentation encompassed CVP-wide operations in coordination with the State Water Project (SWP), Reclamation generally extended the prohibition as a matter of policy to all types of long-term water contracts and agreements.

Reclamation's LTO ROD was the last court-ordered environmental document. There is currently no legal restriction on renewing CVP water service contracts, or in resuming the environmental analysis and completing negotiations for SSWD's LTWAC. SSWD has requested an independent assessment prior to a final decision on re-initiating the LTWAC process.

In conjunction with the Assessment process, SSWD has initiated several meetings with Reclamation to exchange information, clarify tasks necessary to complete the LTWAC and develop a preliminary completion schedule.

Assessment Factor 1: Contractual Certainty.

a. Authority. Reclamation is authorized to execute LTWACs according to the same statutes as temporary WACs. Specifically: The Act of February 21, 1911, Chapter 141 (36 Stat. 925, 926) and related federal rules (43 U.S.C. secs. 523, 524); Section 305 of Public Law 102-250 Reclamation States Emergency Drought Relief Act of 12 1991 as amended (106 Stat. 59; 43 U.S.C Ch 40); and Section 3408(c) of Title 34, Public Law 102-575, Central Valley Project Improvement Act (106 Stat. 4604).

Now that the LTO ROD has been signed, Reclamation ostensibly has discretion to exercise that authority constrained only by terms and conditions defined in the 2005 BON. However, Reclamation staff has informed SSWD that they expect the Office of the Commissioner to issue additional policy guidelines in the near future concerning long-term CVP contracts. Among other subjects, staff infers such guidance may provide direction to Reclamation offices on length of term for different types of water contracts.

According to Reclamation staff, there is a limited window of opportunity for executing the LTWAC. Staff advises that major decisions by Reclamation on CVP-wide operations are usually followed by litigation. Such litigation has historically resulted in court orders constraining award of long term CVP contracts. In that regard, staff emphasizes the importance of expediting main tasks necessary to complete the LTWAC.

b. Obligation. Neither the existing nor the proposed contract includes any obligation to renew.

c. Summary. There is no indication that any of the authorizing acts will be amended or rescinded; and there is currently no constraint on Reclamation's ability execute long term CVP contracts, including the SSWD LTWAC other than the 2005 BON. There is some uncertainty regarding the nature of additional guidelines forthcoming from the Office of the Commissioner. Otherwise, the primary risk at this point is that any litigation challenging the LTO ROD could once again lead to restrictions in awarding long-term CVP contracts, including the SSWD LTWAC.

The main mitigation strategy should be timely decision by SSWD on whether to proceed with completing the LTWAC; or instead rely on consecutive, short-term Warren Act contracts indefinitely.

SSWD should also consider proposing a renewal clause of some type in all future Warren Act contracts. The following example was excerpted from Reclamation's LTWAC with El Dorado Irrigation District (EID) for EID's 'Ditch Right' entitlement:

"WHEREAS, the United States will consider, in good faith, the Contractor's requests for future renewal of this Contract, to the extent that Excess Capacity in Project Facilities exists at the time of renewal, and to the extent that renewal of this Contract would not contravene then-applicable law, including but not limited to the Federal Reclamation laws and 43 U.S.C. Sections 523-525"

Assessment Factor 2: Regulatory Environment.

The regulatory environment for the CVP will continue to be highly uncertain, even volatile indefinitely, for the same reasons discussed in Part II, Temporary Warren Act Contracts. The most effective strategy for mitigating that uncertainty may be to secure a LTWAC.

Assessment Factor 3: System Reliability.

As summarized in Part II, Temporary Warren Act Contracts, the project infrastructure necessary to store and convey SSWD’s MFP supply through the Folsom Facilities to the SJWD Treatment Plant is expected to remain consistently reliable in the future. Although the infrastructure-related risks are relatively low, the Folsom Facilities remain the only option for taking delivery of the MFP supply. Accordingly, SSWD may consider partnering with other local agencies to explore options for redundant capability in the future.

Also as discussed in Part II, Reclamation is likely to require that operational conditions imposed by NMFS in the existing, temporary Warren Act contract be carried forward and included in any future LTWAC.

Assessment Factor 4: Cost.

The following table provides a preliminary estimate of costs for completing the LTWAC. A more detailed, final estimate will be developed depending on whether or not SSWD elects to proceed with the LTWAC.

Task	Estimate
Contract Actions - Negotiate updated LTWAC - Release updated LTWAC for public review - Evaluate comments, update and finalize LTWAC	\$20,000
Environmental Analysis - Update 2006 Draft EA - Complete additional modeling to conform with Reclamation’s LTO* model assumptions - Prepare stand-alone BA - ESA Consultation - Complete additional analysis and prepare a Final EA	\$175,000
Administration	\$5,000
Total	\$200,000

* “LTO” is an acronym for “Long-Term Operation”. Long-Term Operation in this context refers to the modeling performed by Reclamation in completing the court-ordered Environmental Impact Statement and Record of Decision for the “Coordinated Long-Term Operation of the Central Valley Project and State Water Project”.

Summary. There is some risk that new constraints on executing long term contracts could be imposed on Reclamation for one reason or another prior to completion of the LTWAC. Basically, negotiation for a LTWAC could be shut down before SSWD and Reclamation are able to complete negotiations and award the contract. In that event, SSWD would have to decide whether to complete the additional work in anticipation of some future opportunity to award the LTWAC, or to revert to consecutive temporary Warren Act contracts.

Factor 5: Impact of Not Executing the Contract(s)

Failure to award the LTWAC places SSWD in the position of pursuing successive temporary Warren Act contracts indefinitely, in order to take delivery of its MFP supply. The risks of frequent negotiations in either 1-year or 5-year intervals to continued, reliable delivery of the MFP supply could potentially be significant, especially considering expected long term volatility in the regulatory environment.

Failure to award a LTWAC also potentially influences Reclamation assumptions in modeling and analysis for future CVP operations. For example, SSWD's continuing need for Warren Act contracts to store and convey MFP water through the Folsom Facilities was not recognized as an assumption in Reclamation's LTO modeling. The reasons given was that "no long term Warren Act contract was in place or being negotiated".

Finally, failure to award a LTWAC potentially introduces uncertainty in SSWD's ability to commit to other Regional conjunctive use projects and initiatives.

OCAP Litigation Summary

On June 30, 2004, Reclamation completed a new long-term CVP OCAP and OCAP BA. The main purpose for preparing the 2004 OCAP and OCAP BA was to consult with NMFS and FWS on a long-term BiOp covering CVP contract renewals, additional species listed under ESA since the previous (1992) OCAP, integration of the proposed Freeport Water Facility and SWP/CVP intertie into CVP/SWP operations; and to consolidate consultation on all the listed species to a common point. The 2004 CVP OCAP and OCAP BA further incorporated new operational requirements mandated by CVPIA and State Water Board Decision D-1641.

On July 30, 2004, the FWS issued a BiOp for the 2004 CVP OCAP. On February 16, 2005, the FWS issued an amended BiOp which superseded the 2004 OCAP BiOp. The 2005 FWS OCAP BiOp concluded that the coordinated operation of the SWP and CVP, including the proposed future actions, would not jeopardize the Delta Smelt's continued existence. Although the BiOp recognized that existing protective measures may be inadequate, the FWS concluded that certain proposed protective measures, including the Environmental Water Account (EWA) and a proposed "adaptive management" protocol would provide adequate protection.

On October 22, 2004, the NMFS Southwest Regional Office issued a BiOp on the effects of the proposed long-term CVP OCAP on federally listed, endangered and threatened salmon and steelhead and their designated habitat in accordance with Section 7 of the ESA. The BiOp concluded that the project, as proposed, was not likely to jeopardize the continued existence of endangered and threatened salmon and steelhead or result in the destruction or adverse modification of designated habitat for the endangered and threatened salmon and steelhead.

Both the 2004 NMFS Salmon/Steelhead BiOp and the 2005 FWS Smelt BiOp were litigated.

On May 25, 2007, the District Court issued an order remanding the 2005 FWS BiOp. The court held that the 2005 FWS BiOp's conclusion that Delta Smelt were not in jeopardy was arbitrary and capricious and remanded to the agency. The court found that the take limits authorized by the BiOp were based on inadequate historical data that did not reasonably estimate the Delta Smelt's population. The court also found that FWS did not consider available data on climate change and the possible impacts on the smelt's critical habitat. Finally, the court was not convinced mitigation efforts were reasonably certain to occur.

May 20, 2008, the District Court issued an order remanding the 2004 NMFS BiOp. The court held that the 2004 NMFS BiOp conclusion that salmon and steelhead were not in jeopardy was arbitrary and capricious and remanded to the agency. According to the decision, the BiOp failed to analyze the impact of global climate change and the damage to salmon and steelhead critical habitats.

In compliance with court ordered dates, Reclamation prepared and submitted a revised BA to NFMS and FWS in August 2008.

On December 15, 2008, the FWS issued a BiOp pertaining to the effect of CVP/SWP on Delta Smelt. FWS found the operations could jeopardize the continued existence of the species; and required certain Reasonable and Prudent Alternatives (RPAs) to avoid a jeopardy opinion.

On June 4, 2009, NMFS issued a BiOp pertaining to the effect of CVP and SWP on Chinook salmon, steelhead trout, green sturgeon, and southern resident killer whales. NMFS found the CVP/SWP operations could jeopardize the continued existence of the species. NMFS required numerous major RPAs in order to avoid a jeopardy opinion.

Reclamation provisionally accepted both BiOps and initiated implementation of the required RPAs. Both BiOps were subsequently litigated.

On March 13, 2014, the Ninth Circuit Court of Appeals issued an opinion that reversed in part and affirmed in part the district court's judgment invalidating the 2008 FWS BiOp that concluded that the CVP and SWP jeopardized the continued existence of the delta smelt and its habitat. The Ninth Circuit affirmed the district court's order remanding to Reclamation so that it can complete an EIS evaluating the effects of its adoption and implementation of the BiOp.

On December 22, 2014, the Ninth Circuit upheld the NMFS BiOp in its entirety and affirmed Reclamation must conduct NEPA analysis of BiOp RPAs.

January 12, 2016. Current court-ordered date for Reclamation to issue the Record of Decision for their NEPA analysis.

**Historical Deliveries
PCWA Middle Fork Project Supply**

Year	A/F	Acq Cost (A/F)	WAC Charge (A/F)	Treat/Conv Charge (A/F)	Other Charge (A/F)	Total Charge Per A/F	TOTAL COST (Mil)
2001	0	*	*	*	N/A		\$.000
2002	16,930.9	*	*	*	N/A		
2003	15,071.8	\$35	\$21.29	\$44.45	N/A	\$100.79	\$1.519
2004	15,337.3	\$35	\$23.47	\$44.45	N/A	\$102.97	\$1.579
2005	14,362.5	\$35	\$15.71	\$44.45	N/A	\$95.21	\$1.368
2006	13,073.0	\$35	\$20.44	\$44.45	N/A	\$95.25	\$1.245
2007	0	\$35	\$19.47	\$47.87	N/A	\$103.31	\$.000
2008	0	\$35	\$17.71	\$49.93	N/A	\$104.40	\$.000
2009	8,210.7	\$35	\$16.29	\$52.03	N/A	\$104.74	\$.860
2010	15,516.8	\$35	\$17.65	\$55.49	N/A	\$106.78	\$1.657
2011	12,625.5	\$35	\$17.65	\$58.61	N/A	\$111.26	\$1.405
2012	0	\$35	\$21.29	\$59.71	N/A	\$112.36	\$.000
2013	0	\$35	\$18.36	\$61.00	N/A	\$114.36	\$.000
2014	0	\$35	\$19.00	\$62.10	N/A	\$116.10	\$.000
2015	0	\$35	\$19.00	\$65.00	N/A	\$119.00	\$.000
TOTAL	111,128.5						\$9.633
AVE	7,408.57	\$35	\$19.03	\$53.04		\$106.66	

*Looking for additional data

**Historical Deliveries
City of Sacramento Supply**

Year	A/F	Acq Cost (A/F)*	WAC Charge (A/F)**	Treat/Conv Charge (A/F)*	Other Charge (A/F)*	Total Charge Per A/F*	TOTAL COST (Mil)
2001	N/A	N/A	N/A	N/A	N/A	\$150	
2002	N/A	N/A	N/A	N/A	N/A	\$150	
2003	N/A	N/A	N/A	N/A	N/A	\$150	
2004	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2005	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2006	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2007	3,701.2	N/A	N/A	N/A	N/A	\$178	\$.659
2008	2,742.5	N/A	N/A	N/A	N/A	\$195	\$.535
2009	3,872.1	N/A	N/A	N/A	N/A	\$195	\$.755
2010	2,289.3	N/A	N/A	N/A	N/A	\$224	\$.513
2011	4,083.6	N/A	N/A	N/A	N/A	\$257	\$ 1.050
2012	6,463.0	N/A	N/A	N/A	N/A	\$283	\$ 1.829
2013	0.0	N/A	N/A	N/A	N/A	\$311	\$ 0.000
2014	0.0	N/A	N/A	N/A	N/A	\$342	\$ 0.000
2015	0.0	N/A	N/A	N/A	N/A	\$428	\$ 0.000
TOTAL	23,151.7		N/A				
AVE	1,929.3		N/A				

* City of Sacramento historically charges SSWD and other wholesale customers a flat rate covering labor, operations, administration/overhead, and CIP.

** No Warren Act contract is required since the City supply is not stored or conveyed through any Reclamation facilities.



Agenda Item: 13

Date: February 10, 2016

Subject: Water Statement Modifications

Staff Contact: Annette O’Leary, Administrative Services Manager

As the Board will remember, staff modified the bill statement in 2014 when the District went live with the TruePoint utility billing software. In a continuing effort to provide our customers with a bill statement that is clear and concise, staff has made a slight modification to the bill.

A copy of the new modified bill is attached as Exhibit 1. The modification moved credit adjustments to a section called Adjustments found in the Account Summary Section between Previous Charges and Current Charges.



3701 Marconi Avenue, Suite 100
 Sacramento, CA 95821
 (916) 972-7171
 sswd.org
 feedback@sswd.org

YOUR WATER STATEMENT

Account Number:
 Service For:
 Statement Date: 01/21/2016
 Service Address:

ACCOUNT SUMMARY

Previous Charges:		
Previous Balance	\$	93.04
Payment Received 01/04/2016	\$	88.47
Balance	\$	4.57
Adjustments:		
Reverse Penalty Adjustment	(\$)	4.57
Current Charges:		
Billing Period - 01/01/2016-01/31/2016		\$42.81

Total Amount Due by 02/08/2016 \$42.81

ACCOUNT DETAIL

Current Charges Detail:

Meter 30122963		
3/4" Meter Service	\$	5.68
3/4" Capital Facilities	\$	31.04
Usage (Tier1 7 ccf @ 0.87)	\$	6.09

Total Current Charge \$42.81

Meter Number	Reading Dates		Readings		Units
	Prev	Curr	Prev	Curr	
30122963	12/17/2015	01/15/2016	2029	2036	7

One billing unit = 100 cubic feet (ccf) of water or 748 gallons

History	Read Date	Total Units	Days	Units/day	Gal/day	Total Gallons
This Period	01/01/2016	7	29	0.24	179.52	5,206.08
Last Year	01/01/2015	7	35	0.20	149.60	5,236.00

Comparative statistics will be provided after a year of metered water usage.

IMPORTANT MESSAGE

Happy New Year from SSWD! The January billing reflects the 4% rate increase adopted by the Board of Directors on August 27, 2013. There are a number of factors pointing to the need for increased rates, which had not seen a rise since 2009. Among them are the inflationary increases in operational and maintenance costs such as groundwater treatment, electricity, materials and labor.

Questions about your bill?

Phone: 916.972.7171 or email feedback@sswd.org

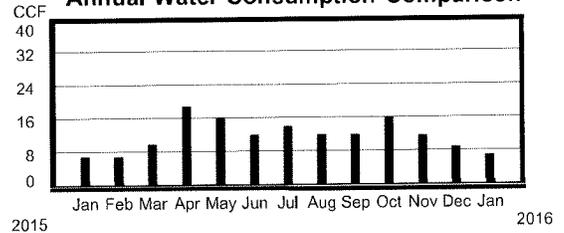
Customer Service Hours: 8 a.m. to 4:30 p.m. (M-F)

Or write to: SSWD, Customer Service
 3701 Marconi Avenue, Suite 100
 Sacramento, CA 95821



Please scan here to visit our webpage.

Annual Water Consumption Comparison



◆ PLEASE DETACH AND RETURN WITH YOUR PAYMENT ◆



Include your Account # on your check.
 Make check or money order payable to:
Sacramento Suburban Water District or SSWD

Date Due: 02/08/2016
Account #: 046103-00
Amount Due: \$42.81

Amount Enclosed:
 \$

Sacramento Suburban Water District
 PO BOX 398239
 San Francisco, CA 94139-8239



Agenda Item: 14

Date: February 16, 2016

Subject: Update on the Emergency Conservation Regulations State Water Resources Control Board

Staff Contact: Robert Roscoe, General Manager

Following the Governor's extension of the drought emergency statewide, the State Water Resources Control Board (SWRCB) requested comments on its draft Proposed Text of Emergency Regulation by January 28, 2016. The District submitted written comments and provided oral testimony to the SWRCB at the February 2, 2016 public hearing.

Attached as Exhibit 1 is a copy of the District's comment letter. The District's letter references similar comments letters from the Association of California Water Agencies (Exhibit 2) and the Regional Water Authority (Exhibit 3). A press release outlining the changes to the Emergency Regulations as adopted by the SWRCB is attached as Exhibit 4. The SWRCB is expected to revisit the need for continuing the Emergency Regulations following the spring snow survey results.

General Manager

Robert S. Roscoe, P. E.



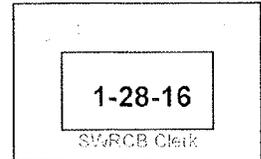
Board of Directors

President - Kevin M. Thomas
Vice President - Robert P. Wichert
Frederick A. Gayle
Craig M. Locke
Neil W. Schild

January 28, 2016

(2/2/16) Board Meeting- Item 7
Conservation Extended Emergency Reg
Deadline: 1/28/16 by 12:00 noon

Felicia Marcus, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



Transmitted by email to commentletters@waterboards.ca.gov.

Dear Chair Marcus and Board Members D'Adamo, Doduc, Moore and Spivey-Weber:

Thank you for the opportunity to comment on the proposed Emergency Regulation for February through October 2016. We appreciate the State Water Resources Control Board (SWRCB)'s efforts to increase the equity of the current Emergency Regulation by providing various adjustments to the conservation targets. The addition of the climate adjustment to account for varying climate zones throughout the state shows a direct response to our region's request for assistance to help protect our valued urban forests from more permanent damage. Trees provide a plethora of benefits for our communities including contributing to energy savings, stormwater capture, dust control, wildlife habitat, improved air quality, and carbon sequestration.

In calendar year 2015, the Sacramento region reduced water use by 30% or 50 billion gallons compared to 2013. As of December 2015, several suppliers in the region have already exceeded their conservation targets for the current Emergency Regulation. However, this level of savings did not come without a cost. From January to September 2015, Sacramento Suburban Water District (SSWD) experienced a \$1.2 million dollar decrease in revenues in addition to an increase of conservation program costs of 80% compared to 2013. This story is not unique to the SSWD. It was experienced throughout the state and was documented by the Association of California Water Agencies (ACWA)'s November 2015 member survey. Our local communities, residents and businesses have significant additional costs of replacing landscapes and removing dead and dying trees.

We acknowledge the SWRCB's intent to respond to this drought emergency with a modified Emergency Regulation due to the uncertainty of 2016 water supply conditions. However, we urge the SWRCB to go further in providing adjustments for equity among the state. Climate, water supply situations, previous investments to "drought-proof" local supplies and many other factors make one-size-fits-all regulations patently inequitable. We believe the SWRCB needs to consider additional factors that were not incorporated into the proposed Emergency Regulation, and to clarify the hydrologic conditions under which the Emergency Regulation may be relaxed in the future. The actions the SWRCB takes now and later this year will have significant implications for local suppliers' credibility and level of trust with their customers, which will be important to achieving longer term water efficiency improvements and

responding to future droughts. The SWRCB's actions should more fully recognize water suppliers' investments in drought resilient supplies, or risk disincentivizing long term planning and preparation for future droughts.

Consistent with these important considerations, we offer the following recommendations for modifying the proposed Emergency Regulation prior to adoption:

1. Fully recognize water suppliers' investments in drought resilient supplies and expand the definition of local drought resilient supplies that are eligible for an adjustment. By only recognizing local drought resilient investments developed after 2013, the Emergency Regulation completely discounts the value of long term planning and implementation, and the billions of dollars water suppliers have already invested to be prepared for the current drought. SSWD has increased over \$100 million of ratepayer funds for infrastructure to sustainably bank groundwater in a conjunctive system that has banked well over 5 years of total supply under an approved groundwater management plan. ACWA included SSWD's conjunctive-use water supply in their Real World examples of local drought-resistant supplies that should be recognized in California's drought response in 2016. Presently proposed regulations ignore this significant investment as our District had the foresight to complete the investment before the SWRCB's completely arbitrary 2013 date. The clear message sent is to disincentivize advance drought planning as those who made the prior investments are cast in the same lot as those who did not plan and construct facilities for drought resistance.
2. Raise the cap on the climate adjustment to 8%. Other adjustments were expanded to allow for an 8% decrease in a supplier's conservation target, either individually or in total. Similar treatment should be afforded to those suppliers whose water demand is driven by a hot, dry summer climate. The proposed tiers should be adjusted as follows to account for an 8% cap:

>20% Deviation from State ET	8% Reduction
>15% Deviation from State ET	6% Reduction
>10% Deviation from State ET	4% Reduction
>5% Deviation from State ET	2% Reduction

3. Measure surface water deliveries at the point of diversion, not at the point where water leaves the surface water treatment plant. In times of drought, emergency measures are needed as there is not enough water for both human and environmental needs. To ignore transmission losses and treatment losses does not provide incentive for agencies to address significant quantities taken from the rivers and lakes that don't make it to the end of the surface water treatment plant. Gallons per capita per day for groundwater supplies are measured at the wellhead. Surface water supplies should similarly be measured at the point the water is no longer available for environmental needs, at the point of diversion.

4. Provide clear criteria for how hydrologic and water supply information will be used to consider modifying the Emergency Regulation as 2016 proceeds. Water suppliers need more certainty to adequately plan for water supplies, conservation programs, and revenues throughout 2016.

5. Consider mechanisms by which the Emergency Regulation may be modified to recognize significant regional water supply differences that will develop through 2016 and beyond. To continue onerous emergency regulations on the entire state when local regions may no longer have drought issues imposes unnecessary costs, threatens urban forests and may provide no benefit to the environment or other regions. Relaxing conservation targets in areas of the state where water supply conditions have significantly improved from 2015 is an appropriate approach to managing the ongoing drought. Prolonging the Emergency Regulation without demonstrated local need violates customers' trust and risks customer compliance with future drought regulations.

The District concurs commentes submitted by Regional Water Authority and ACWA comments.

Thank you for the opportunity to provide our comments. If you have any questions, or would like to discuss our comments in further detail, I can be reached at (916)679-3994 or thru emial at rroscoe@sswd.org .

Sincerely,

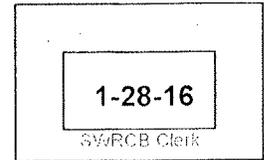


Robert S. Roscoe
General Manager

cc: John Woodling, RWA
David Bolland, ACWA



**Association of
California Water Agencies**
Since 1910



January 28, 2016

Delivered by e-mail to: commentletters@waterboards.ca.gov

The Honorable Felicia Marcus, Chair
and Members of the State Water Resources Control Board
c/o Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Subject: "Comments on Proposed Extended Emergency Water Conservation Regulation"

Dear Chair Marcus and Members of the Board:

The Association of California Water Agencies (ACWA) appreciates this opportunity to provide comments to the State Water Resources Control Board (State Water Board) on the proposed "Extended Emergency Water Conservation Regulation" (Proposed Extended Regulation), released for public review on January 15, 2016. ACWA represents over 430 public water agencies which are responsible for delivery of over 90% of the water used for residential, commercial and agricultural purposes in California. Water agencies statewide are continuing to play a key role in the successful implementation of the 2015 Emergency Water Conservation Regulation (Emergency Regulation) to address the ongoing drought. ACWA understands that the February 13 expiration of the existing Emergency Regulation is driving consideration of the Proposed Extended Regulation at this time, despite uncertainty about how this winter's precipitation may mitigate the severity or duration of the ongoing drought. We recognize that the State Water Board is proposing to extend the Emergency Regulation in a modified form, effective for another 270 days through October 2016, and intended to incorporate "insights gained," as authorized by the Governor's most recent Executive Order B-36-15.

ACWA appreciates the State Water Board's acknowledgement in the Proposed Extended Regulation of the importance of climate and growth adjustments to address acute equity issues associated with the existing Emergency Regulation and the importance of providing credits for drought-resilient supplies. Past investments in local drought-resilient water supplies such as ocean and brackish groundwater desalination, surface and groundwater storage and conjunctive use projects, and indirect potable and direct non-potable recycled water supply projects have secured California's ability to meet the challenges of this drought so successfully. We are thankful that staff has proposed some "modest" adjustments (as the State Water Board staff itself characterizes them) to recognize climate and growth issues and the need for some credit for drought-resilient supplies. However, ACWA believes that key changes to the

Proposed Extended Regulation are still required to make these adjustments meaningful in practice.

The required key changes are:

- Remove the caps of 4% for the climate adjustment, and 8% on drought-resilient supplies, and the overall cap of 8% to fully address the current equity issues and the disincentive for further investment in drought-resilient supplies.
- Remove the 2013 project start-date as qualifying criteria for drought-resilient supplies as it cuts off significant pre-drought investments and does not recognize the funding and planning cycle that has positioned California to meet the challenge of this drought.
- Expand the definition of “drought-resilient supplies” to clearly include brackish groundwater desalination, surface and groundwater storage and conjunctive use projects, and direct non-potable recycled water supply projects.

Needed refinements:

- Modify the climate adjustment method as more fair and effective in recognizing the variation in water demand associated with climate difference across the state.
- Modify the growth adjustment method so that it is easier to calculate and is more effective.
- Preserve the Commercial Agricultural Exemption without adding the unnecessary additional administrative burden of imposing and verifying the proposed \$1000 agricultural sales threshold.

Additional considerations:

- Add a Regional Compliance Option, develop measurable objective to assess if the Emergency Regulation should be subject to further adjustments or should be rescinded in May.

We appreciate efforts to improve this Emergency Regulation, but it should not be considered for any future use beyond the current emergency and we look forward to working pro-actively in collaboration with the Administration, State Water Board, and the Department of Water Resources (DWR) on a long-term water use efficiency policy and drought contingency approach that will be effective, less costly for water agencies and water users, and will require less ongoing administrative burden for the State Water Board.

Remaining Fundamental Concerns

ACWA believes that the State Water Board should not adopt the Proposed Extended Regulation without modifying it to address the remaining fundamental concerns described below.

1. Remove the Caps on Adjustments and Credits

ACWA appreciates the staff's recognition of the need for a climate adjustment and credits for drought resilient sources of supply and appreciates the movement from an initial staff proposal of a total cap of 4 percentage points up to 8 percentage points and the cap for drought-resilient supply credits from 4 percentage points up to 8 percentage points. We still believe that this cap will severely restrict the benefits received from investments in drought-resilient sources of supply and that these caps will undermine the momentum that has built over decades in California in local and regional water supply planning and development. The caps should be removed to help better align with the comprehensive policy approach of the Governor's California Water Action Plan (The Plan). In The Plan the administration has recognized that a comprehensive set of actions is needed to improve water supply reliability.

ACWA continues to believe water agencies should receive *both* climate and growth adjustments *and* full drought-resilient supply credits where local climate conditions and past supply investment actions warrant, allowing the climate adjustments and supply credit mechanisms to operate independently and achieve their separate policy objectives.

2. Expand Qualifying Drought Resilient Sources of Supply Credit

Although the Proposed Extended Regulation acknowledges the need to provide credits for drought resilient supplies, qualifying projects are too narrow in scope and limited in benefit to be meaningful in practice statewide. We believe the three proposed limitations for qualifying drought-resilient sources of "potable water production," "developed since 2013," and "which does not reduce water available to another legal user or the environment", will together effectively preclude credit for most locally significant water supply reliability investments. ACWA opposes using the 2013 project start-date as qualifying criteria on projects as it cuts off credit for most drought contingency investments and does not recognize the funding and planning cycle that has positioned California to meet the challenge of this drought. This approach to severely limit qualifying drought resilient sources of supply is also in direct contradiction with the "all-of-the-above" comprehensive approach advocated in the Governor's California Water Action Plan. The Proposed Extended Regulation should be revised to remove these qualifiers and explicitly include other drought-resilient supplies that are available, such as brackish groundwater desalination, surface and groundwater storage and conjunctive use projects, and direct non-potable recycled water supply projects (see the attached *Examples of Local Drought-Resilient Supplies That Should be Recognized in California's Drought Response Strategy in 2016*, which includes further rationale to support an expanded approach to defining qualifying drought resilient sources of supply).

Areas That Need Refinement

1. Modify the Climate Equity Adjustment

ACWA appreciates the inclusion of the climate equity adjustment factor. However, but limiting this adjustment as proposed does not justly recognize the influence of climate on outdoor water use because it does not adequately incorporate population density considerations. This is especially true for the summer months that were used to set the Conservation Standards. In the Workgroup a technically sound method for adjusting Conservation Standards was presented. Examples were provided that demonstrated the need for the adjustment and the improvement in equity the proposed adjustment provided. The Emergency Regulation should include a climate adjustment that fully accounts for the impact of climate as presented to State Water Board through the Workgroup process and during the December 7 workshop.

The Emergency Regulation should also avoid using an “average” of statewide evapotranspiration (ET) (which includes unpopulated areas that have little population or applied water) for setting urban water Conservation Standards. We recommend that the population-weighted statewide average ET be used as baseline to compare against an agency’s ET. We also recommend agencies with a range of climates across their service area be allowed to use population weighting to calculate the agency’s ET. This will more equitably reflect the climate deviation across the populated the urbanized areas of the state where the conservation regulations are actually being applied. This methodology was reflected in one of the Workgroup recommendations presented to State Water Board.

Finally, although we appreciate the option for water suppliers to “customize” their local ET using CIMIS station data, this proposal imposes a burdensome practical limitation in that it requires 5 years of CIMIS stations data. CIMIS station ET readings can commonly experience periods of inactivity for various reasons such as maintenance requirements or inadequate recording conditions. To illustrate this point, CIMIS website currently shows that 96 of the total 244 (39 percent) CIMIS stations are inactive. This highlights the need to decrease continuous period of record in order to not unfairly disqualify a large percentage of water suppliers from utilizing accurate historical CIMIS station data to calculate their adjustment. A 3 year continuous period of record will address this significant inequity concern, while still maintaining SWRCB’s objective to ensure robust and reliable data is used for the adjustment.

2. Modify the Growth Adjustment

ACWA appreciates the staff’s recognition of the need to adjust the Conservation Standard to account for growth experienced by some water suppliers since 2013. But as mentioned in our previous letter on the Proposed Framework, the staff’s proposed method of calculating a growth adjustment and does not properly recognize or adjust for the impacts of growth on an agency’s ability to meet its Conservation Standard. Additionally, the proposed method is

dependent on residential landscaped area information that is not readily available for many water agencies. Even for those agencies that have landscaped area data or estimates, the methods used to acquire this information vary significantly so the resulting growth adjustment could vary somewhat between water agencies. Finally, using the state standard irrigation application rate of 55% of local ET (which was adopted in 2015) does not correctly reflect the state landscape standards or ordinances that were in place when the growth actually occurred. Development from 2013 to 2015 was required to comply with a standard that allowed 70% of local ET. All of this significantly reduces the effectiveness of the growth adjustment. We recommend using a more equitable method of applying the growth adjustment as proposed in one of the Workgroup recommendations presented to State Water Board.

We also recommend that both the growth and climate equity adjustments be applied to a water supplier's current Conservation Standard before any adjustments for sustainable supplies are made. Equity adjustments account for various conditions that impact residential water use across the state.

3. Preserve the Commercial Agricultural Exemption

ACWA continues to support preserving the Commercial Agricultural Exemption as contained in the existing regulation to protect commercial agricultural activity that is dependent on potable water supplies. In absence of any evidence of abuse, imposition of a \$1,000 threshold as proposed by staff adds a new and unnecessary administrative burden on farmers, water suppliers and the State Water Board.

Other Comments

1. Regional Compliance

ACWA continues to support development of a Regional Compliance Option as has been consistently advocated by water agencies to allow participating water suppliers to achieve significant administrative and public outreach efficiencies. The State Water Board should incorporate this compliance option into the Extended Regulation and then empower the resulting voluntary regional alliances to deliver the compliance results that they believe they can produce.

2. Develop Measurable Objectives to Inform Action to Address Above-Normal Precipitation

ACWA supports development of specific measurable objectives to inform reconsideration of the Emergency Regulation in May in response to expected above-normal precipitation in February and March. ACWA supports the State Water Board's Proposed Resolution, Item 5 directing staff to "monitor and evaluate available data on precipitation, snowpack, reservoir storage levels, and other factors and report back to the Board in March and April, 2016 and, if

The Honorable Felicia Marcus, Chair
Page 6 of 7
January 28, 2016

conditions warrant, bring a proposal for rescission or adjustment of this regulation to the Board no later than the second regularly-scheduled May 2016 Board meeting.” We believe such a proposal needs to be firmly based on measurable objectives to support proposed adjustments to scale back mandatory Conservation Standards for water agencies, or support rescission of the Emergency Regulation statewide or in areas of the state where conditions call for an end to the mandatory water use restrictions. Continuing to ask Californians to sustain heroic water conservation efforts that are disproportionate to the actual need or immediate water supply conditions will undermine the credibility of the Administration and California’s public water agencies and may make it much harder to generate the required response should emergency conditions re-emerge in the future.

Transition to Long-Term Water Use Efficiency and Drought Preparation and Response Approach

We appreciate the State Water Board’s acknowledgement that the original Emergency Regulation was developed quickly to implement an emergency Executive Order. Although the 2016 Emergency Regulation may be adjusted marginally (as proposed by the State Water Board), or more extensively (as proposed by ACWA and many water agencies), it cannot fully address all of the factors that impact efficient water use across the state. Urban water suppliers are engaged in a long-term effort to improve water use efficiency and will continue to implement plans and programs at significant cost in coming years to achieve water use reduction targets which they have set in their Urban Water Management Plans. Rather than trying to continue to use the emergency regulation process further, ACWA looks forward to collaboration with the Administration, the State Water Board, and the Department of Water Resources on a long-term water use efficiency policy and drought preparation response approach. Such an approach must fully consider existing and future investments in sustainable and emergency supplies, and long-term water use efficiency efforts. We look forward to the discussions on the long-term approach.

Thank you for considering these comments. ACWA continues to appreciate the significant attention the State Water Board has been giving to the proposed extension of the Emergency Conservation Regulation. I am available to discuss these comments at daveb@acwa.com or (916) 441-4545.

Sincerely,



David Bolland
Special Projects Manager

The Honorable Felicia Marcus, Chair
Page 7 of 7
January 28, 2016

cc: Mr. Wade Crowfoot, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown Jr.
Mr. Tom Howard, Executive Director, State Water Board
Mr. Eric Oppenheimer, Chief Deputy Director, State Water Board
Mr. Max Gomberg, Climate Change Mitigation Strategist, State Water Board
Mr. Timothy H. Quinn, Executive Director, ACWA
Ms. Cindy Tuck, Deputy Executive Director for Government Relations, ACWA



Last revised Jan. 28, 2016

Examples of Local Drought-Resilient Supplies That Should be Recognized in California's Drought Response Strategy in 2016

Since the state's last major drought ended in the early 1990s, local public water agencies and their ratepayers have invested billions of dollars in projects designed to buffer the effects of drought. These projects—ranging from water recycling to desalination to local and regional water storage – have been a key factor in keeping the state's economy largely unscathed through four years of severe drought.

ACWA believes these locally developed drought-resilient supplies must be allowed to play a more significant role in the state's drought response strategy in 2016. The State Water Resources Control Board's current regulatory approach, which focuses almost exclusively on mandatory conservation, fails to recognize the importance of these investments, thereby denying communities the benefit of water supplies developed specifically for use in times of drought.

Here are some examples of local water drought-resilient supplies that deserve a larger role in the state's drought strategy in 2016:

Camrosa Water District (*southeastern Ventura County*): In early 2015, Camrosa Water District completed a \$6.5 million brackish groundwater desalination facility known as the Round Mountain Water Treatment Plant (RMWTP). The facility uses reverse osmosis technology to treat brackish groundwater to create 1 million gallons a day of "new" water supply from a resource that would otherwise be unavailable for use. The new supply is designed to reduce the district's dependence on the State Water Project. Seeing the value of the project, the state provided \$2.3 million in funding through a Proposition 84 grant to help construct it. The district also has invested in recycled water facilities and a local stormwater diversion project that took decades to complete. All told, the district has reduced its dependence on imported water from 65% of its total supply in 2005 to just 35% today. Although the district's investments directly reduce the strain on current and future state water supplies, the current emergency conservation regulation does not recognize these efforts and the district's ratepayers have been subject to a 32% mandatory water use reduction as if the additional supply did not exist. As a result, the state is requiring the district to reduce all production, including the RMWTP. As expressed by the Camrosa Board of Directors and district customers, the state's failure to recognize the importance of this project and others like it prevents the realization of return on investments specifically meant to reduce demand on State Water Project water and provide a drought-resilient supply.

Contra Costa Water District (*Contra Costa County*): Contra Costa Water District's 100,000 acre-foot Los Vaqueros Reservoir came on line in 1998. In 2012, the district completed a \$109 million project that expanded Los Vaqueros Reservoir's capacity to 160,000 acre-feet with a key objective of adding storage

to provide for drought resiliency and protection. The expansion project was funded primarily by CCWD ratepayers, with the expectation that they would realize the benefits from this project in times of drought. The current regulatory approach, however, does not recognize the value of this investment or give the district credit for this drought-resilient supply in the district's conservation standard.

Irvine Ranch Water District (Orange County): Irvine Ranch Water District has planned specifically for and invested in emergency water storage supplies to improve reliability during shortages. These emergency storage supplies were funded by the agency's ratepayers with the understanding that the investment will provide increased reliability during multiyear droughts. Key projects are the district's Strand Ranch and Stockdale West Water Banking Projects located in Kern County. Groundwater banking improves IRWD's water supply reliability by capturing and storing excess water available during wet years for recovery later during periods of drought or critical need. Using a system of constructed groundwater recharge ponds, IRWD can recharge approximately 45,000 acre-feet per year and store up to 76,000 acre-feet in the water bank. When needed, constructed recovery facilities can recover 17,500 acre-feet in any single year and IRWD has plans to construct new facilities to recover an additional 11,250 acre-feet per year. Despite this \$27 million capital investment and the expectation of IRWD customers, the district was not able to use this drought-proof resource in 2015 because of the emergency conservation regulation.

San Juan Water District (Placer County): In June 2014, San Juan Water District and Sacramento Suburban Water District entered an agreement on a \$3.5 million "groundwater pump back" project intended to improve water supply reliability for their customers during surface water shortage conditions. The project received about \$265,000 in funding from a Proposition 84 implementation grant as well as over \$700,000 in emergency drought funding from the Department of Water Resources. Though constructed largely to provide reliability during surface water shortages such as that experienced this year, San Juan WD was unable to utilize it at all in 2015 due to the state-imposed 36% conservation standard under the emergency regulation. District board members have stated they would not have approved the investment if they had known the emergency regulation would negate their ability to use the pump back project. In addition, San Juan Water District expects to enter into a contract in January 2016 for a formal water management and reliability study that will look at various additional options to increase reliability, including additional groundwater and surface water storage and other projects such as facility improvements, operational agreements and new institutional arrangements. District board members have expressed reluctance to invest in any of the options if they will not result in a higher level of water service during drought due to state-mandated water use reductions.

San Juan Water District (Placer County): As a wholesale agency that relies entirely on surface water from Folsom Lake, San Juan Water District has worked collaboratively with its wholesale customers for nearly a decade to develop a water shortage / drought contingency plan that includes utilizing groundwater within the service areas of Fair Oaks Water District and Citrus Heights Water District. Fair Oaks WD and Citrus Heights WD have constructed several wells over the years, some funded with grants from Proposition 50, Proposition 84 and emergency drought funds. The wells could not be used as intended in 2015, however, because of the emergency conservation regulation. The districts have

questioned why they invested in the wells, and likely will have second thoughts about supporting future regional conjunctive use efforts to more effectively manage surface water and groundwater resources.

Mesa Water District (*Orange County*): Mesa Water District invested in the Mesa Water Reliability Facility (MWRF), which eliminated the district's need to buy imported water by tapping into the unused amber-colored aquifer deep below its service area. The water reliability benefit of this \$23 million project has been greatly diminished by the current regulatory approach. If the district had not been required to reduce water use by 20%, it could have utilized the asset created through this investment and likely would have provided water to assist neighboring agencies through an intertie system. The current regulatory approach prevented the district from fully realizing the benefit of the investment in 2015.

Sacramento Suburban Water District (*Sacramento County*): Sacramento Suburban Water District has invested more than \$100 million to convert from a groundwater-only water supply to a conjunctive-use water supply. That investment also involved state money through Propositions 26 and 50. The project was aimed at 1) arresting a long-term decline in groundwater levels, 2) increasing long-term water supply reliability, and 3) drought-proofing the district's water supply. It was designed to allow the SSWD to put more expensive surface water into groundwater storage so it could be withdrawn and used during a drought, while maintaining a sustainable groundwater basin and avoiding the need to impose water-use restrictions on customers. The emergency conservation regulation, however, denied the district access to the groundwater bank it developed and forced customers who had paid for that investment to endure water use restrictions in 2015 as if the investment had never been made. If the district's board had known customers would not benefit from the groundwater bank in 2015, it's unlikely it would have made the decision to invest in the conjunctive-use water supply. SSWD currently has more than 180,000 acre-feet banked in excess of its obligations to the groundwater basin. That is more than a six-year supply for SSWD, based on 2014 demands.

Padre Dam Water District (*San Diego County*): Padre Dam Water District is in the advanced planning stages of its Advanced Water Purification Project, a large-scale, cutting-edge potable reuse project to add up to 20,000 acre-feet per year of drought-proof supplies to both Padre Dam and the adjoining Helix Water District. The \$240 million potable reuse project will serve 370,000 customers in the region and by 2020 will produce 30% of the local water supply. It will reduce demand for imported supplies from the State Water Project and also eliminate discharge of up to 17 MGD of wastewater from the Point Loma Ocean Outfall. Padre Dam WD is preparing to ask its ratepayers to invest significantly in these new supplies, but there are concerns the emergency conservation regulation is sending the message that this ratepayer investment may be ignored. Without the full benefit of these supplies in times of shortage, local ratepayers are unlikely to support investments in new supplies created by the potable reuse project.

Regional Water Authority
Building Alliances in Northern California

5620 Birdcage Street
 Suite 180
 Citrus Heights, CA 95610

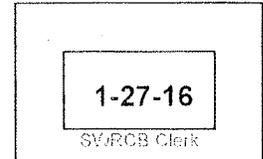
Tel: (916) 967-7692
 Fax: (916) 967-7322
 www.rwah2o.org



(2/2/16) Board Meeting- Item 7
 Conservation Extended Emergency Reg
 Deadline: 1/28/16 by 12:00 noon

January 27, 2016

Felicia Marcus, Chair
 State Water Resources Control Board
 1001 I Street
 Sacramento, CA 95814



Spencer Short, Chair
 Jim Peifer, Vice Chair

Transmitted by email to commentletters@waterboards.ca.gov.

Members

- California American Water
- Carmichael Water District
- Citrus Heights Water District
- Del Paso Manor Water District
- El Dorado Irrigation District
- Elk Grove Water District
- Fair Oaks Water District
- Folsom, City of
- Golden State Water Company
- Lincoln, City of
- Orange Vale Water Company
- Placer County Water Agency
- Rancho Marieta Community Services District
- Roseville, City of
- Rio Linda / Elverta Community Water District
- Sacramento, City of
- Sacramento County Water Agency
- Sacramento Suburban Water District
- San Juan Water District
- West Sacramento, City of
- Woodland-Davis Clean Water Agency
- Yuba City, City of

Dear Chair Marcus and Board Members D'Adamo, Doduc, Moore and Spivey-Weber:

Thank you for the opportunity to comment on the proposed Emergency Regulation for February through October 2016. We appreciate the State Water Resources Control Board (State Water Board)'s efforts to increase the equity of the current Emergency Regulation by providing various adjustments to the conservation targets. The addition of the climate adjustment to account for varying climate zones throughout the state shows a direct response to our region's request for assistance to help protect our valued urban forests from more permanent damage. Trees provide a plethora of benefits for our communities including contributing to energy savings, stormwater capture, dust control, wildlife habitat and improved air quality through carbon sequestration.

In calendar year 2015, the Sacramento region reduced water use by 30% or 50 billion gallons compared to 2013. As of December 2015, several suppliers in the region have already exceeded their conservation targets for the current Emergency Regulation. However, this level of savings did not come without a cost. From January to September 2015, the region experienced a \$25 million decrease in revenues in addition to doubling conservation program costs compared to 2013. This story is not unique to the Sacramento region. It was experienced throughout the state and was documented by the Association of California Water Agencies (ACWA)'s November 2015 member survey. Our local communities, residents and businesses have significant additional costs of replacing landscapes and removing dead and dying trees.

We acknowledge the State Water Board's intent to respond to this drought emergency with a modified Emergency Regulation due to the uncertainty of 2016 water supply conditions. However, we urge the State Water Board to go further in providing equitable adjustments, to continue to consider additional factors that were not incorporated into the proposed Emergency Regulation, and to clarify the hydrologic conditions under which the Emergency Regulation may be relaxed in the future. The actions the State Water Board takes now and later this year will have

Associates

- El Dorado County Water Agency
- Sacramento Municipal Utility District
- Sacramento Regional County Sanitation District
- Sacramento Area Flood Control Agency

significant implications for local suppliers' credibility and level of trust with their customers, which will be important to achieving longer term water efficiency improvements and responding to future droughts. The State Water Board's actions should more fully recognize water suppliers' investments in drought resilient supplies, or risk disincentivizing long term planning and preparation for future droughts.

Consistent with these important considerations, we offer the following recommendations for modifying the proposed Emergency Regulation prior to adoption.

- Raise the cap on the climate adjustment to 8%. Other adjustments were expanded to allow for an 8% decrease in a supplier's conservation target, either individually or in total. Similar treatment should be afforded to those suppliers whose water demand is driven by a hot, dry summer climate. The proposed tiers should be adjusted as follows to account for an 8% cap.

>20% Deviation from State ET	8% Reduction
>15% Deviation from State ET	6% Reduction
>10% Deviation from State ET	4% Reduction
>5% Deviation from State ET	2% Reduction

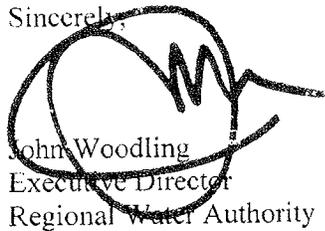
- Fully recognize water suppliers' investments in drought resilient supplies. By only recognizing local drought resilient investments developed after 2013, the Emergency Regulation completely discounts the value of long term planning and implementation, and the billions of dollars water suppliers have already invested to be prepared for the current drought.
- Expand the definition of local drought resilient supplies that are eligible for an adjustment to the conservation targets. Sustainable groundwater supplies, recycled water used for non-potable purposes, and other strategies have served to mitigate some of the effects of drought throughout the state and will be important for the future. Although the State Water Board staff did not include consideration of these additional local drought resilient supplies in the proposed Emergency Regulation, we urge the State Water Board to continue to consider how these might be included. Support for investment in reliable water supplies is critical to implementation of the State's Water Action Plan.
- Provide clear criteria for how hydrologic and water supply information will be used to consider modifying the Emergency Regulation as 2016 proceeds. Water suppliers need more certainty to adequately plan for water supplies, conservation programs, and revenues throughout 2016.

Letter to State Water Resources Control Board
Comments on Proposed Emergency Regulations
January 27, 2016
Page three of three

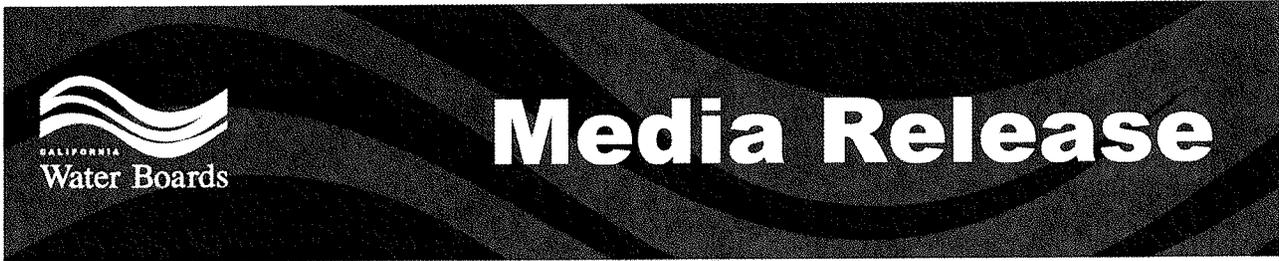
- Consider mechanisms by which the Emergency Regulation may be modified to recognize significant regional water supply differences that may develop in the “statewide” drought in 2016. Relaxing conservation targets in areas of the state where water supply conditions have significantly improved from 2015 is an appropriate approach to managing the ongoing drought. The large majority of suppliers have already proven they can achieve water savings when needed, largely through customer actions. Prolonging the Emergency Regulation without demonstrated need violates customers’ trust and risks customer compliance with future drought regulations.

Thank you for the opportunity to provide our comments. We look forward to continuing this important and timely discussion.

Sincerely,



John Woodling
Executive Director
Regional Water Authority



State Water Board Adopts Extended Emergency Water Conservation Regulation

Extended Regulation Gives More Flexibility to Water Suppliers to Meet Conservation Targets

FOR IMMEDIATE RELEASE
Feb. 2, 2016

Contact: George Kostyrko
gkostyrko@waterboards.ca.gov

SACRAMENTO – With California still experiencing severe drought despite recent rains, the State Water Resources Control Board (State Water Board) today adopted an extended and revised emergency regulation to ensure that urban water conservation continues in 2016.

The regulation extends restrictions on urban water use through October 2016 while providing urban water suppliers more flexibility in meeting their conservation requirements. It also directs staff to report back on additional flexibility once more complete water supply information is known in April. The action follows Governor Edmund G. Brown Jr.'s Nov. 13, 2015, Executive Order directing the State Water Board to extend the emergency water conservation regulation should drought conditions persist through January 2016.

“After four years of extreme drought, there is still a need for Californians to keep up their stellar conservation practices,” said Felicia Marcus, chair of the State Water Resources Control Board. “This updated regulation acknowledges that need, while making adjustments in response to feedback from water suppliers and others. If we continue to receive a lot of rain and snow in February and March, we may scale back the conservation requirements further, drop them, or move to another approach.”

Under the revised regulation, statewide water conservation is expected to exceed 20 percent compared to 2013 water use. The revised regulation responds to calls for greater consideration of certain factors that influence water use in different parts of the state, including hotter-than-average climate, population growth, and significant investments in new local, drought resilient water sources such as wastewater reuse and desalination.

Due to the severity of the water deficits over the past four years, many of California's reservoirs and groundwater basins remain depleted, and the need for continued water conservation persists. Today's action serves as the fourth iteration of the emergency regulation since the State Water Board first instituted statewide conservation requirements in July 2014.

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



STATE WATER RESOURCES CONTROL BOARD
1001 I Street, Sacramento, CA 95814 • Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 • www.waterboards.ca.gov





The State Water Board will continue to track water conservation efforts for each of the state's urban water suppliers (those with more than 3,000 connections) on a monthly basis. Compliance with individual water supplier conservation requirements will continue to be based on cumulative savings since June 2015. Cumulative tracking means that conservation savings will be added together from one month to the next, including conservation achieved under the Board's May 5, 2015, emergency regulation, and compared to the amount of water used during the same months in 2013.

Summary of Conservation Regulation Adjustments

The updated emergency regulation continues to specify how much water communities must conserve based on their residential gallons per capita per day (R-GPCD) data (from July through September 2014), and provides recognition for certain factors affecting water use, along with other changes detailed below:

- Credits and adjustments to urban water suppliers' conservation standards are now available. They range from 2 percentage points to a maximum of 8 percentage points. In some cases, water suppliers are automatically credited based on conditions in their service areas. In other cases, water suppliers must supply specific information to support and determine the size of an adjustment.
- The regulation provides credits in three ways:
 - 1) Considering the differences in climate affecting different parts of the state;
 - 2) Providing a mechanism to reflect water-efficient growth experienced by urban areas; and
 - 3) Recognizing significant investments made by suppliers toward creating new, local, drought-resilient sources of potable water supply.
- The regulation creates penalties for homeowners' associations or community service organizations that block, stifle or threaten homeowners from reducing or eliminating the watering of vegetation or lawns during a declared drought emergency in violation of existing law.

This regulation extends the original framework that has resulted in a statewide water conservation rate of 25.5 percent over a seven-month period, according to December conservation data released earlier today. Even assuming all of the 400-plus water agencies receive the applicable credits offered in this regulation, the statewide cumulative conservation rate is still projected to exceed 20 percent.

"We expect a savings rate greater than 20 percent, but perhaps not quite achieving the prior call for 25 percent," said Marcus. "We anticipated this might occur with any tweaks to our existing regulation. This regulation should still allow this state to save more than 1 million acre-feet of water through October 2016 – which is enough water to serve an average of two million California families. While we are hopeful that we are turning the corner on this drought, the



Media Release

truth is that it's just too soon tell. Any additional water we can conserve to today will serve us well tomorrow if the drought continues.”

For additional information and examples of how the credits would be calculated and applied, please see the fact [sheet](#).

Next Steps

The regulation will now be submitted to the Office of Administrative Law, which will review and approve or deny the regulation. If approved by the Office of Administrative Law, the regulation will take effect immediately and remain in effect for 270 days from the approval date.

For more information, please visit the [Emergency Water Conservation](#) website.

To learn more about the state's drought response, visit [Drought.CA.Gov](#).

Every Californian should take steps to conserve water. Find out how at [SaveOurWater.com](#).

###



Report Item: 15

Date: February 16, 2016

Subject: Succession Plan Report

Staff Contact: Robert S. Roscoe, P.E., General Manager
Dan York, Assistant General Manager
Lynne Yost, Human Resources Coordinator

This report was provided to the Facilities & Operations Committee at their meeting on February 12, 2016. The Committee determined no Committee or Board action was required since the General Manager has full power and authority to hire all employees and set the duties for those employees within the labor budget approved by the Board of Directors. Staff was directed to provide this report to the full Board at the February Board meeting.

Discussion:

As indicated in prior succession plan reports provided to the full Board, the General Manager and Assistant General Manager have focused on filling the current vacancy in the Engineering department given the likely retirement of management staff within the next one to two years. After reviewing the District's needs, staff believes the current Assistant/Associate Engineer vacancy should be filled with an Engineering Director as key to the District's long-term success. Recruiting at this level will not only attract senior executive management candidates who can be considered in future succession plan efforts for the General Manager and Assistant General Manager positions, but it will also provide an opportunity for the transfer of institutional knowledge pending the actual retirement of the current department manager. Pending his retirement, the current department manager would transition to high level project management. When he chooses to retire, a further review of the District's needs would be conducted; at this time, staff believes hiring a Senior Engineer with supervisory responsibilities might best serve the District's needs at that time.

Copies of the proposed Class Specification (Exhibit 1) and recruitment brochure (Exhibit 2) for an Engineering Director position are attached. A full compensation study is expected to be conducted later this year. In the interim, the consultant who undertakes this study for the District recommended setting the Engineering Director on the same salary band as the Finance Director for internal equity; this amount is reflected in the recruitment brochure. A copy of the proposed Class Specification for the transition to Engineering Special Projects Manager (Exhibit 3) is also attached; the salary level for this position will remain the same given the management-level duties the current incumbent will continue to perform pending his retirement.

Three organizational charts are also attached to illustrate succession planning efforts to date: the first (Exhibit 4) shows current staffing levels and positions, the second (Exhibit 5) shows recommended succession planning changes in the Engineering department as discussed in this report, and the third (Exhibit 6) shows additional potential retirements within the next 3 years (as of today; subject to change at any time). These potential retirements may result in internal and/or external recruitments depending on the position and the level of education and experience presented by internal candidates. To prepare for future executive-level vacancies, cross-training of current management staff will be a priority.

Fiscal Impact:

The Finance Director has confirmed the 2016 labor budget includes sufficient funds to pay the additional costs associated with the higher salary for the Engineering Director given the length of time the Assistant/Associate Engineer position has been vacant (three months in 2015; estimated four months in 2016 pending the recruitment and hire of a new Director).

Strategic Plan Alignment:

Customer Service – 3.A. Operate in an open and public manner.

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

Succession planning is instrumental in meeting the needs of the District and its customers in filling high-level management vacancies and providing an overlap to facilitate the exchange of institutional knowledge. Hiring at the Director level is not only key to the success of the District, but will also allow the District to recruit senior executive management candidates that could be considered in future succession planning efforts following the retirement of top executive staff.

EXHIBIT 1

Sacramento Suburban Water District Classification Specification

Job Class: Engineering Director
FLSA Status: Exempt
Supervisor: Assistant General Manager
Effective Date: February 2016

Definition/ Distinguishing Characteristics

Under general/administrative direction, this management level position plans, organizes, manages, directs and supervises the implementation of the District's Capital Improvement Program (CIP), including projects involving supply, transmission, storage and distribution components of the water system; and all other engineering activities associated with water system planning, design, permitting, construction and inspection.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the employee may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices. Management retains the right to add, remove, or change duties at any time.

- Oversees the implementation of a comprehensive engineering program, including District's CIP and other engineering activities.
- Directs, supervises, plans, organizes, coordinates, monitors and evaluates the work of professional and technical engineering staff, other departments and consultants.
- Reviews and assesses resources and workflow and effectively assigns work activities, programs and projects.
- Provides general guidance on the development of bids, contracts and other matters related to the District's CIP and water system design; oversees bidding processes and makes recommendations to the General Manager on the award of contracts and approval of plans and specifications developed by consultants.
- Prepares and administers the department budget for major construction projects and facility development; reviews budget expenditure requests and recommends expenditure levels.
- Recommends new staff hires and oversees training; conducts performance evaluations; maintains discipline and implements discipline procedures as needed; maintains high performance and discipline standards necessary for the efficient and professional operation of the department.
- Represents the department and District in coordination with other utilities, regulatory agencies, governmental bodies, planning agencies, trade and professional associations, and technical groups.
- Develops, plans and implements department goals, objectives, policies, regulations, procedures and work standards.

- Establishes schedules and methods for the design and construction of District projects and initiates and oversees engineering studies.
- Participates in the development of CIP and master plans.
- Researches and prepares technical and administrative reports and prepares written correspondence.
- Responds to emergency situations, difficult customer inquiries and complaints.
- Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-through, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- Coordinates land and right-of-way/easement acquisition.

Mental and Physical Requirements

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

- Travels occasionally by airplane and frequently by automobile in conducting District business.
- Communicates frequently with District management staff, co-workers and the public in one-to-one and group settings.
- Regularly uses a telephone for communication.
- Regularly uses office equipment such as computers, copiers and fax machines.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.

Qualifications

Knowledge of:

- Principles and practices of engineering planning, design, construction and project management.
- Rules, regulations and codes applicable to District planning, design and construction functions.
- Principles and practices of leadership, motivation, team building and conflict resolution.
- District policies, rules, regulations and procedures.
- Work safety standards and requirements.
- Principles of budget development and expenditure control.
- Principles of supervision, training and management.
- Principles and practices of engineering program management.
- Urban water agency statutes, codes and regulations affecting the District.
- Materials, tools, equipment, methods, and techniques used in the planning, design and construction of water development, distribution and hydraulic projects and facilities.
- Engineering fundamentals including computers and software programs involving engineering design, calculations, technical drawings, hydraulics and hydrology.

- Common office computer software and database programs, including the Microsoft Suite of Programs (Word, Excel, Outlook, Access and PowerPoint) and Crystal Reports.
- Current practices and sources of information relative to water industry engineering, research projects, operations and maintenance.
- Principles and practices of modern methods of management, organization and personnel administration.
- Contract development, administration and construction management of public works projects.
- Permitting and environmental aspects of public works projects.

Ability To:

- Plan, organize and direct the work of staff and consultants to achieve efficient operations and meet District and CIP goals.
- Effectively manage and oversee a comprehensive engineering program.
- Develop and implement department policies and procedures.
- Read, understand and interpret documents, including engineering studies and reports, construction plans and specifications, operating and maintenance procedure manuals, and engineering drawings associated with civil construction projects.
- Effectively review plans and specifications, blueprints and diagrams to verify completeness, accuracy and constructability.
- Effectively represent District CIP projects in meetings, presentations and discussions with the public, contractors and other organizations.
- Make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects.
- Handle negotiations with consultants and contractors.
- Detect flaws in design, construction methods and materials to insure compliance with contract plans and specifications, permits, codes, regulations and laws.
- Develop recommendations and implications of different alternatives to resolving problems; interpret laws, legislative ordinances, administrative policies and procedures.
- Prepare concise and comprehensive reports, internal memoranda, letters, agreements and responses to contractor claims, and maintain detailed records related to capital projects.
- Use computer systems and software packages related to hydraulic analysis, design, computer-aided drafting (CAD), construction analysis and specifications.
- Effectively supervise and train staff in areas related to capital projects.
- Establish and maintain cooperative working relationships with coworkers, outside agencies, vendors, consultants/contractors, local community groups, public officials and the general public.
- Operate a computer for word processing, database, spreadsheet and presentation applications, and department specific software.
- Communicate effectively both orally and in writing.
- Initiate and maintain effective safety practices that relate to the nature of the work.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

- A Bachelor's Degree from an accredited college or university with major course work in Civil Engineering.
- A valid and current Certificate of Registration as a Civil Engineer issued by the State of California.
- Valid California Driver's License issued by the California Department of Motor Vehicles.
- Proof of good driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two (2) years duration. The driving record will not contribute to an increase in the District's automobile rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.
- Ten (10) years of progressively responsible professional engineering project management experience in the design, construction, operation and maintenance of a modern urban water system, including five (5) years in a management or supervisory capacity.

Desirable:

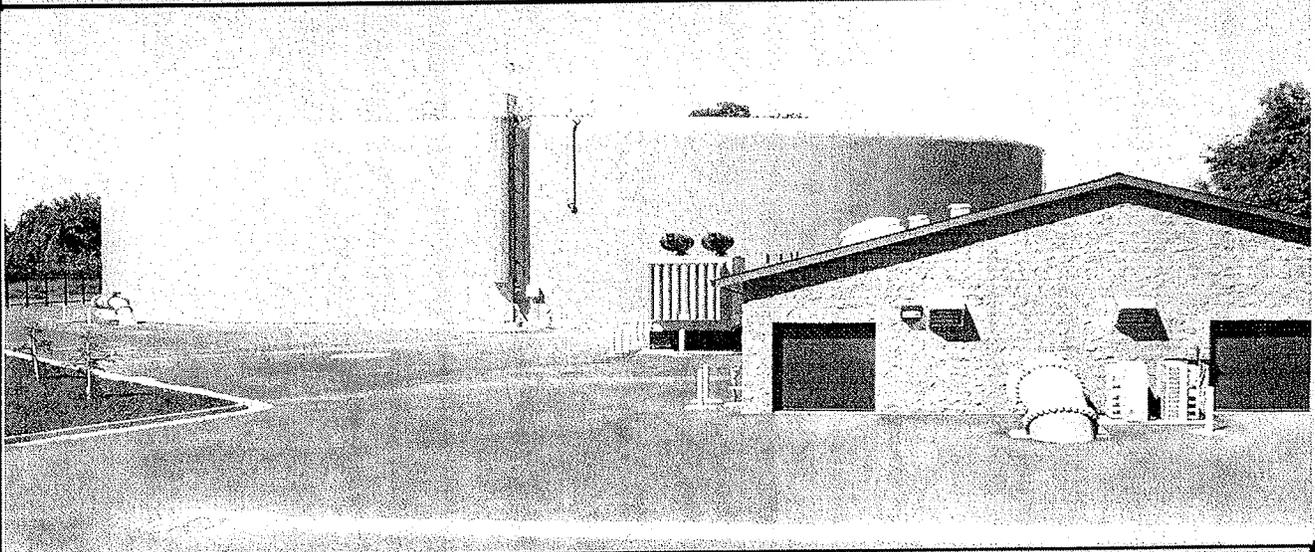
Any combination of education and experience which would likely provide the necessary knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- Broad and extensive work experience in an engineering or related management position which included responsibility for the formulation and implementation of programs, budgets and administrative operations is highly desirable.
- Additional technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system is highly desirable.
- Additional experience in a management and/or supervisory position is highly desirable.

EXHIBIT 2



**Sacramento Suburban Water District
Invites Applications for
*Engineering Director***



Annual Salary

\$98,009—\$132,579 DOQ

Final Filing Date is Monday, February 22, 2016

The District

Sacramento Suburban Water District is a publicly owned and operated water utility regulated by the State of California Water Resources Control Board, Division of Drinking Water, and State Water Code laws. The District is governed by a five member Board of Directors.

The District provides water to its customers from 85 active groundwater wells. In addition, the District has contractual rights to 26,064 acre-feet from the City of Sacramento water entitlement and a contract to purchase up to 29,000 acre-feet of surface water per year from Placer County Water Agency. The District has a robust conjunctive use program and is a leader in regional groundwater banking and storage.

The District's service area consists of 36 square miles with 695 miles of distribution/transmission system and over 46,000 connections. The District's current Capital Improvement Program budget is approximately \$20 million with an \$18 million Operations and Maintenance budget.

District Mission

The District's mission is to deliver a high quality, reliable supply of water and superior customer service at a reasonable price.

District Values

- ◆ Respect customers and conduct District business through open and transparent governance and communications.
- ◆ Practice the highest ethical standards and maintain integrity at all levels of the organization.
- ◆ Ensure public health and safety by conducting operations in strict accordance with all statutory and regulatory requirements.
- ◆ Achieve high levels of staff professionalism through career development, including training opportunities, and retention of skilled staff with competitive compensation.
- ◆ Support sustainable resource and District asset management through cost effective business practices.
- ◆ Emphasize internal and external collaboration in pursuing objectives and resolving issues.
- ◆ Provide leadership and vision in water management issues.

The Position

The Engineering Director reports to the Assistant General Manager and is responsible for managing, directing and supervising a dynamic Engineering Department. Responsibilities include the implementation of the District's Capital Improvement Program including projects involving supply, transmission, storage, and distribution components of the water system, as well as all other District engineering activities including planning, design, permitting, construction and inspection.

Essential Duties

- ◆ Oversees the implementation of a comprehensive engineering program.
- ◆ Supervises, plans, organizes, coordinates, directs, monitors and evaluates the work of professional and technical engineering staff, department staff, and consultants.
- ◆ Reviews and assesses resources and workflow and effectively assigns work activities, programs and projects.
- ◆ Prepares and administers department budget.
- ◆ Represents the District in coordination with other utilities, regulatory agencies, governmental bodies, planning agencies, trade and professional associations, and technical groups.
- ◆ Develops and implements department goals, objectives, policies, regulations, procedures and work standards.
- ◆ Establishes schedules and methods for the design and construction of District projects and initiates and oversees engineering studies.
- ◆ Participates in the development of CIP and master plans.
- ◆ Researches and prepares technical and administrative reports and prepares written correspondence.
- ◆ Responds to emergency situations, difficult customer inquiries and complaints.
- ◆ Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- ◆ Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-throughs, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- ◆ Coordinates land and right-of-way/easement acquisition.

The Ideal Candidate

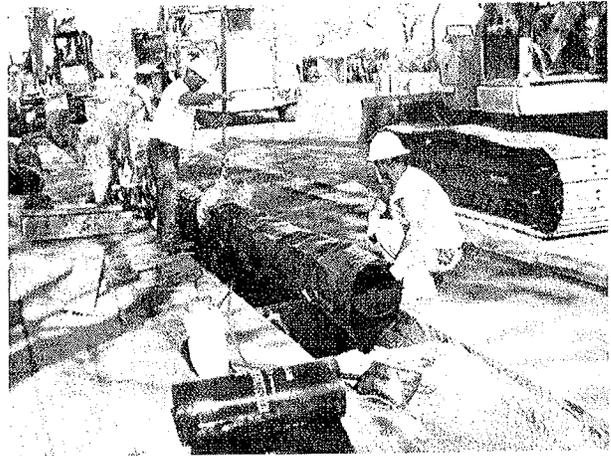
To be considered, candidates must have:

- ◆ Knowledge of principles and practices of engineering planning, design, construction and project management.
- ◆ Experience with engineering program management.
- ◆ Knowledge of urban water agency statutes, codes, and regulations affecting the District.
- ◆ Knowledge of engineering fundamentals including engineering designs and calculations, technical drawings, hydraulics and hydrology.
- ◆ Knowledge of contract development, administration and construction management of public works projects.
- ◆ Knowledge of permitting and environmental aspects of public works projects.
- ◆ Knowledge of principles and practices of management, organization and personnel administration.
- ◆ Ability to plan, organize and direct the work of staff and consultants to achieve efficient operations and meet District and CIP goals.
- ◆ Ability to make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects.

Education: A Bachelor's Degree from an accredited college or university with major course work in Civil Engineering.

Experience: Ten years of progressively responsible professional engineering project management experience in the design, construction, operation and maintenance of a modern urban water system, including five years in a management or supervisory capacity.

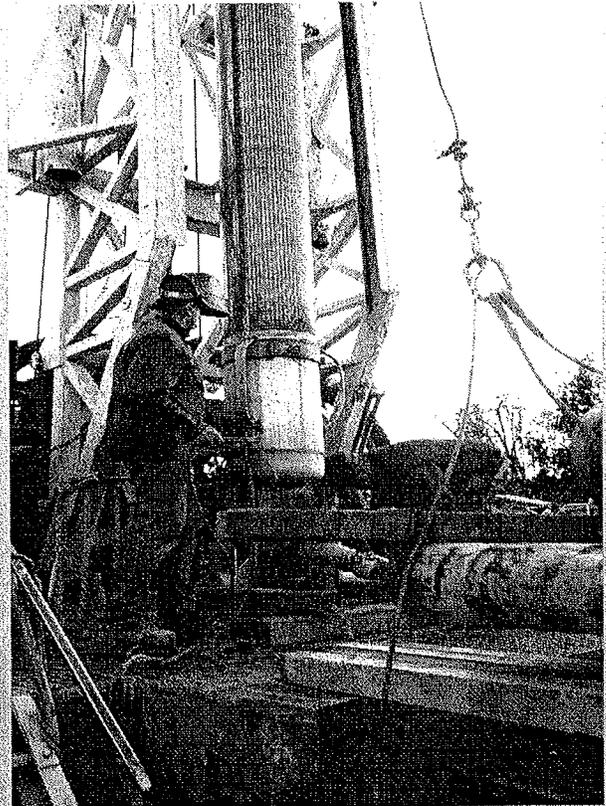
A valid and current Certificate of Registration as a Civil Engineer issued by the State of California is required.

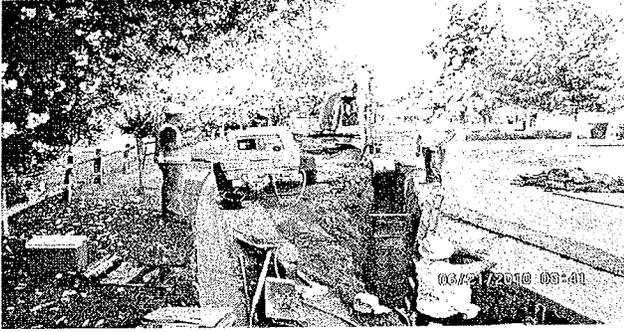


Immediate Priorities

The new Engineering Manager will:

- ◆ Assess and optimize engineering program and CIP activities with the use of in-house and outside resources in a manner that best meets the needs of the District.
- ◆ Develop and maintain asset management plans and funding to support an aging infrastructure.
- ◆ Represent the District on regional water planning efforts, including implementation of the Sustainable Groundwater Management Act (SGMA).
- ◆ Optimize conjunctive use strategies.
- ◆ Develop and implement a long-term well rehabilitation/replacement plan.





Compensation and Benefits

The Sacramento Suburban Water District offers a comprehensive and competitive benefit package that includes:

Retirement – 2% at age 55 for CalPERS Classic members; 2% @ 62 for PEPPRA covered employees.

Health – District paid benefit (depending on plan selected) covering employee and dependents.

Dental – District contributes 100% of employee and dependent cost.

Vision Plans – District contributes 100% of employee and dependent cost.

Post Employment Health – District pays 50% of the premium with 10 years of CalPERS service, increasing 5% with each year up to 100% with 20 years of CalPERS service.

Life Insurance /Short-Term Disability/Long-Term Disability – Fully-paid life and accidental death insurance benefits equal to 2 times annual salary. Spouse and unmarried dependents from 6 months to age 26 are insured for \$10,000. Short-Term Disability is 66.67% of basic weekly income up to a maximum benefit of \$2,000. Long-Term Disability is 66.67% of basic monthly income up to a maximum benefit of \$10,000.

Vacation – 12 to 25 days per calendar year depending on total years of District service.

Administrative Leave – 5 days per calendar year.

Sick Leave – 12 days per calendar year.

Paid Holidays – 13 days per calendar year.

Deferred Compensation – Voluntary participation in CalPERS and/or Valic plans.

Application and Selection Process

To be considered for this position, please submit a District application, detailed resume, compelling cover letter, answers to the supplemental questions shown below, and three professional references by **Monday February 22, 2016** to:

Sacramento Suburban Water District
Attn. Lynne Yost, Human Resources Coordinator
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
(916) 679-3972

Following the filing date, application packets will be screened in relation to the criteria outlined in this brochure and the class specification. Candidates deemed to have the most relevant qualifications will continue in the selection process which may include a written examination, oral presentation, oral interviews, or a combination.

Supplemental Questions

1. Describe the methodology you have found to be the most successful in resolving issues of excess workload, tight deadlines, and insufficient staff.
2. Describe your engineering program management experience including tracking and overseeing projects and budgets and managing the work of both in-house staff and outside consultants.

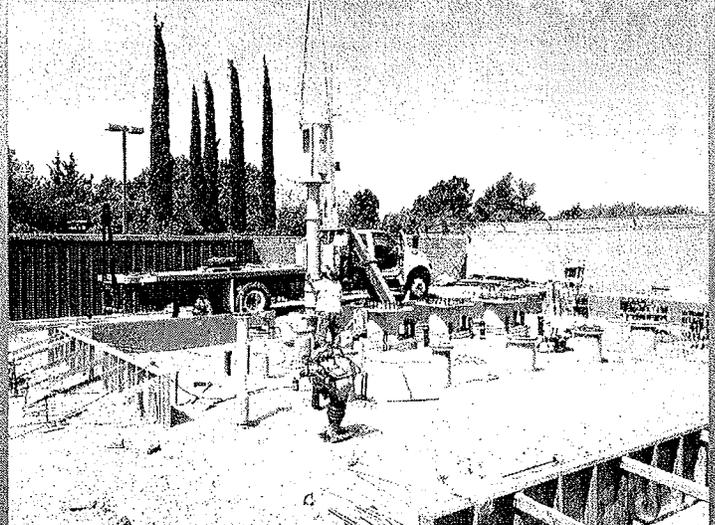


EXHIBIT 3

Sacramento Suburban Water District Classification Specification

Job Class: Engineering Special Projects Manager
FLSA Status: Exempt
Supervisor: Assistant General Manager
Effective Date: February 2016

Definition/ Distinguishing Characteristics

Under general/administrative direction, this management level position plans, organizes, manages, directs and supervises the implementation of the District's Capital Improvement Program (CIP), including projects involving supply, transmission, storage and distribution components of the water system; and other engineering activities associated with water system planning, design, permitting, construction and inspection.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the employee may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices. Management retains the right to add, remove, or change duties at any time.

- Manages and coordinates implementation of the District's CIP and other engineering activities.
- Coordinates the work of professional and technical engineering staff, other department staff and consultants.
- Provides general guidance on the development of bids, contracts and other matters related to the District's CIP and water system design; oversees bidding processes and makes recommendations to the Engineering Director, Assistant General Manager and General Manager on the award of contracts and approval of plans and specifications developed by consultants.
- Assists in preparing the department budget for major construction projects and facility development.
- Represents the District regarding CIP projects in meetings, presentations and discussions with the Board of Directors, public, contractors and other organizations.
- Participates in the development of CIP and master plans.
- Responds to emergency situations, difficult customer inquiries and complaints.
- Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-through, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- Coordinates land and right-of-way/easement acquisition.

Mental and Physical Requirements

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

- Travels occasionally by airplane and frequently by automobile in conducting District business.
- Communicates frequently with District management staff, co-workers and the public in one-to-one and group settings.
- Regularly uses a telephone for communication.
- Regularly uses office equipment such as computers, copiers and fax machines.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.

Qualifications

Knowledge of:

- Rules, regulations and codes applicable to District planning, design and construction functions.
- District policies, rules, regulations and procedures.
- Work safety standards and requirements.
- Principles of budget development and expenditure control.
- A thorough knowledge of urban water agency statutes, codes, and regulations with an emphasis on water quality issues.
- Materials, tools, equipment, methods, and techniques used in the planning, design and construction of water development, distribution and hydraulic projects and facilities.
- Computers and software programs involving designs, calculations, technical drawings and hydraulics.
- Common office computer software and database programs, including the Microsoft Suite of Programs (Word, Excel, Outlook, Access and PowerPoint) and Crystal Reports.
- Current practices and sources of information relative to water industry engineering, research projects, operations and maintenance.
- Fundamentals of water system hydraulics, electrical theory and electronics.
- Contract development, administration and construction management of public works projects.
- Permitting and environmental aspects of public works projects.

Ability To:

- Read, understand and interpret documents, including engineering studies and reports, construction plans and specifications, operating and maintenance procedure manuals, and engineering drawings associated with civil construction projects.
- Effectively review plans and specifications, blueprints and diagrams to verify completeness, accuracy and constructability.
- Effectively represent District CIP projects in meetings, presentations and discussions with the Board of Directors, public, contractors and other organizations.

- Make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects; handle negotiations with consultants and contractors.
- Detect flaws in design, construction methods and materials to insure compliance with contract plans and specifications, permits, codes, regulations and laws.
- Develop recommendations and implications of different alternatives to resolving problems; interpret laws, legislative ordinances, administrative policies and procedures.
- Prepare concise and comprehensive reports, internal memoranda, letters, agreements and responses to contractor claims, and maintain detailed records related to capital projects.
- Use computer systems and software packages related to hydraulic analysis, design, computer-aided drafting (CAD), construction analysis and specifications.
- Establish and maintain cooperative working relationships with coworkers, outside agencies, vendors, consultants/contractors, local community groups, public officials and the general public.
- Operate a computer for word processing, database, spreadsheet and presentation applications, and department specific software.
- Communicate effectively both orally and in writing.
- Initiate and maintain effective safety practices that relate to the nature of the work.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

- A Bachelor's Degree in Civil Engineering from an accredited college or university.
- A valid and current Certificate of Registration as a Civil Engineer issued by the State of California.
- Valid California Driver's License issued by the California Department of Motor Vehicles.
- Proof of good driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two (2) years duration. The driving record will not contribute to an increase in the District's automobile rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.
- Five (5) years of progressively responsible technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system, including two (2) years in a management, supervisory or lead capacity.

Desirable:

Any combination of education and experience which would likely provide the necessary knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- Broad and extensive work experience in an engineering or related management position which included responsibility for the formulation and implementation of programs, budgets and administrative operations is highly desirable.

- Additional technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system is highly desirable.
- Additional experience in a management and/or supervisory position is highly desirable.



Organization Chart

BOARD OF DIRECTORS

General Manager
Robert Roscoe

Legal Counsel
Joshua Horowitz

EXHIBIT 5

Date: 02/08/2016

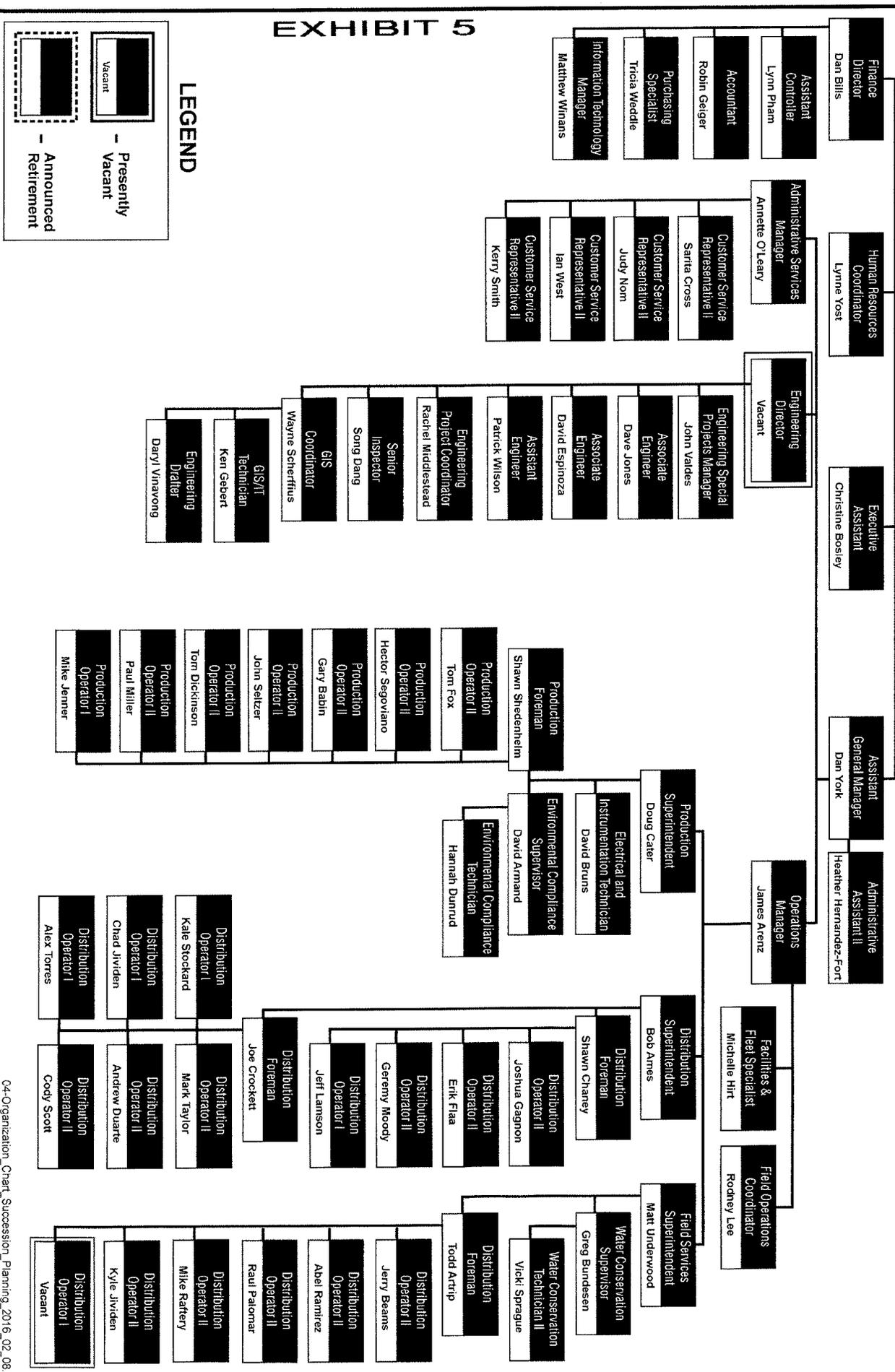


EXHIBIT 5

LEGEND

Presently Vacant

Announced Retirement



Organization Chart

EXHIBIT 6

Date: 02/08/2016

BOARD OF DIRECTORS

General Manager
Robert Roscoe

Legal Counsel
Joshua Horowitz

Finance Director
Dan Bills

Human Resources Coordinator
Lynne Yost

Executive Assistant
Christine Bosley

Assistant General Manager
Darr York

Administrative Assistant II
Heather Hernandez-Fort

Operations Manager
James Arenz

Facilities & Fleet Specialist
Michelle Hirt

Field Operations Coordinator
Rodney Lee

Administrative Services Manager
Annette O'Leary

Customer Service Representative II
Santia Cross

Customer Service Representative II
Judy Nom

Customer Service Representative II
Ian West

Customer Service Representative II
Kerry Smith

Engineering Director
Vacant

Engineering Special Projects Manager
John Valdes

Associate Engineer
Dave Jones

Associate Engineer
David Espinoza

Assistant Engineer
Patrick Wilson

Engineering Project Coordinator
Rachel Middlestead

Senior Inspector
Song Dang

GIS Coordinator
Wayne Scherrfus

GIS/IT Technician
Ken Gebert

Engineering Drafter
Daryl Vinavong

Assistant Controller
Lynn Pham

Accountant
Robin Geiger

Purchasing Specialist
Tricia Weadde

Information Technology Manager
Matthew Whmans

Possible retirement within the next three years

LEGEND

Presently Vacant

Announced Retirement

Production Foreman
Shawn Shedenheim

Production Operator II
Tom Fox

Production Operator II
Hector Segoviano

Production Operator II
Gary Babin

Production Operator II
John Seltzer

Production Operator II
Tom Dickinson

Production Operator II
Paul Miller

Production Operator I
Mike Jenner

Production Superintendent
Doug Cater

Electrical and Instrumentation Technician
David Bruns

Environmental Compliance Supervisor
David Armand

Environmental Compliance Technician
Hannah Dundud

Distribution Superintendent
Bob Ames

Distribution Foreman
Shawn Chaney

Distribution Operator II
Joshua Gagnon

Distribution Operator II
Erik Flaa

Distribution Operator II
Geremy Moody

Distribution Operator I
Jeff Lamson

Distribution Foreman
Joe Crockett

Distribution Operator II
Kale Stockard

Distribution Operator I
Chad Jividen

Distribution Operator I
Alex Torres

Field Services Superintendent
Matt Underwood

Water Conservation Supervisor
Greg Bundessen

Water Conservation Technician II
Vicki Sprague

Distribution Foreman
Todd Artrip

Distribution Operator II
Jerry Beams

Distribution Operator II
Abel Ramirez

Distribution Operator II
Raul Palomar

Distribution Operator II
Mike Ratney

Distribution Operator II
Kyle Jividen

Distribution Operator I
Vacant



Agenda Item: 16

Date: February 16, 2016

Subject: Fulton/El Camino Recreation and Park District Easement Update

Staff Contact: John Valdes, Engineering Manager

Note: A similar report was presented to the Facilities and Operations (F&O) Committee at their meeting on February 12, 2016. The committee was unanimously in favor of Option 3 for the required easements at Santa Anita Park. The committee recommended that this item be brought to the full Board as a report item.

Over the past year, District staff has been working with management staff and Board members of FECRPD regarding the acquisition of various pipeline easements that will support main replacement projects. There are three separate park sites where the District identified the need to obtain easements from the FECRPD. One site has already been completed with the acquisition of two easements (access and pipeline) at the Howe Park site. These easements were previously approved by the Board and have been recorded at the County Clerk/Recorder's Office. The remaining park sites where easements are being pursued are described below:

- Site 1 pertains to the Santa Anita Well site within the boundaries of the Santa Anita Park (See Exhibit 1).
- Site 2 is an easement for a proposed pipeline linking the District's Morse/Cottage Park Well #37 to the existing distribution system in the public Right of Way (See Exhibit 2).

These sites and the required easements are described in more detail below:

Site 1 – Santa Anita Park

Site 1 is for both a new pipeline easement and ingress/egress access easement to the District's Well #12, located in Santa Anita Park. There is an existing 15-foot wide dedicated easement for the District's use acquired in the 1950's along the back property line between the Santa Anita Park and the homeowners on the south side of Hernando Road that has not been used for District purposes. The easement area is currently landscaped with young to mature trees and lawn. There are also other utilities within this easement. Due to its location, configuration and width, and the difficulty in installing new water facilities, the existing easement does not meet the District's needs for the recently completed Santa Anita Main Replacement Project.

Two proposed easements are necessary for access and the construction of a new waterline supporting the existing well at Santa Anita Park. One proposed easement is a 10-foot wide ingress/egress easement over an existing 10-foot wide concrete walkway that extends from Hernando Road to the District's well site. In addition to the ingress/egress easement, there is also a separate proposed 10-foot water pipeline easement for pipeline installation combined with two proposed temporary 5-foot wide construction easements on each side of the pipeline easement. This allows for a 20-foot wide area to install the proposed water pipeline. Staff requested a 20 wide easement from the Park District, however their Board only agreed to the 10 foot wide easement with the construction easement addition. The ingress/egress easement across the concrete walkway will be heard by the FECRPD's Board at their February 18, 2016 meeting. With the FECRPD's Board approval the easement will be provided to the District's Board for approval in March 2016.

Currently there are several unresolved issues pertaining to the acquisition of these proposed easements at the Santa Anita Park site, including the alignment of the required easements. FECRPD has proposed three different options to District staff for the acquisition of the easements:

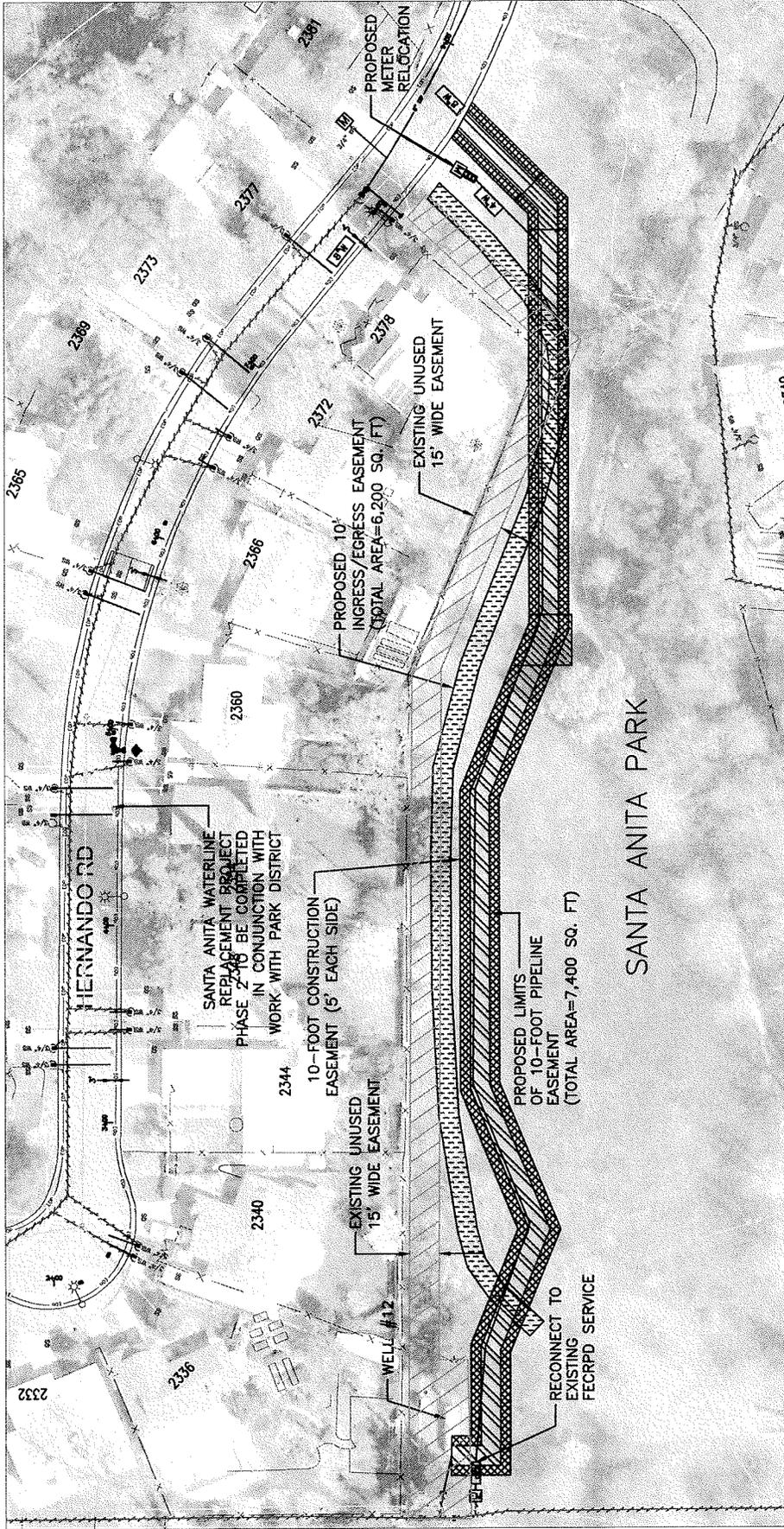
- Option 1 – The FECRPD would provide the District with a new well site at another FECRPD park and also the required easement(s) at Santa Anita Park. In exchange for the new property, the District would deed the existing well at Santa Anita Park to FECRPD, which would be used for irrigation purposes. While the District has depreciated this asset to no value due to age, the replacement value of this well is estimated to be approximately \$2.5 million. The land value for the 2,500 sf well lot is valued, using values from the recently purchased Rutland well site value of \$4.00/sf, is estimated at approximately \$10,000. The well site consists of fencing, pump and motor, pneumatic tank, valves, electrical panel, chlorination equipment and shed, meter, and aboveground piping.
- Option 2 – The FECRPD would like to obtain water directly from the existing well. Any water provided to FECRPD would be 100% metered. However, there is a Facility Development Charge (FDC) for the installation of a new water service. The FECRPD suggested the value of the easements offset the FDC fees. For example, if the value of the easement was \$10,000 and the FDC was \$20,000, the FECRPD would owe the District \$10,000.
- Option 3 – The FECRPD would like to partner with the District to build a Drought Demonstration Garden (Garden) at Howe Avenue Park. The FECRPD has committed to maintain the Garden after it is constructed in exchange for the value of the easements. The amount of funding needed for this option is unknown as the concept details for the partnership or the scope of the Garden have not been determined. The monetary value of the easements would be used to determine the District's commitment to the Garden partnership.

FECRPD's Board of Directors and General Manager have expressed a willingness to work with the District on the easement acquisition and to reach an agreement satisfactory to both agencies. Staff does not recommend Option 1 due to the large difference in the cost to drill a new well in exchange for a piece of property from FECRPD. Staff recommends further discussions between the District and FECRPD regarding Options 2 & 3 to determine the value of the easements and what size irrigation service FECRPD is requesting.

Site 2 – Cottage Park

Site 2 is part of the 2016 Drayton Heights Phase 2 Water Main Replacement Project that is now underway. Currently, the District's Morse/Cottage Park Well #37 delivers water to the existing distribution system through backyard outside diameter steel water mains. The Drayton Heights Phase 2 project will install new ductile iron water mains in the street right-of-way. However, since Well #37 does not front any right of ways, have any easements available for infrastructure, or access to the well, it is necessary to acquire two easements through the existing parking lot owned by FECRPD. The proposed easements, 10-foot pipeline and 10-foot construction, provide for a 20-foot width for construction of the water system facilities. Staff requested a 20-foot wide easement; however, members of the FECRPD Board are only willing to provide the District with a 10-foot pipeline easement at the end of construction. Staff recommends accepting the 10-foot pipeline easement.

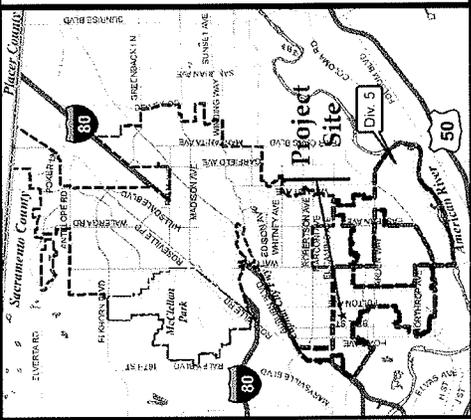
The proposed easements are being brought to the FERPD board on February 18, 2016 for review and approval. If these easements are approved by the FECRPD Board, they will be brought forward to the District's Board on March 21, 2016, for consideration and subsequent approval.



MAP NOT TO SCALE

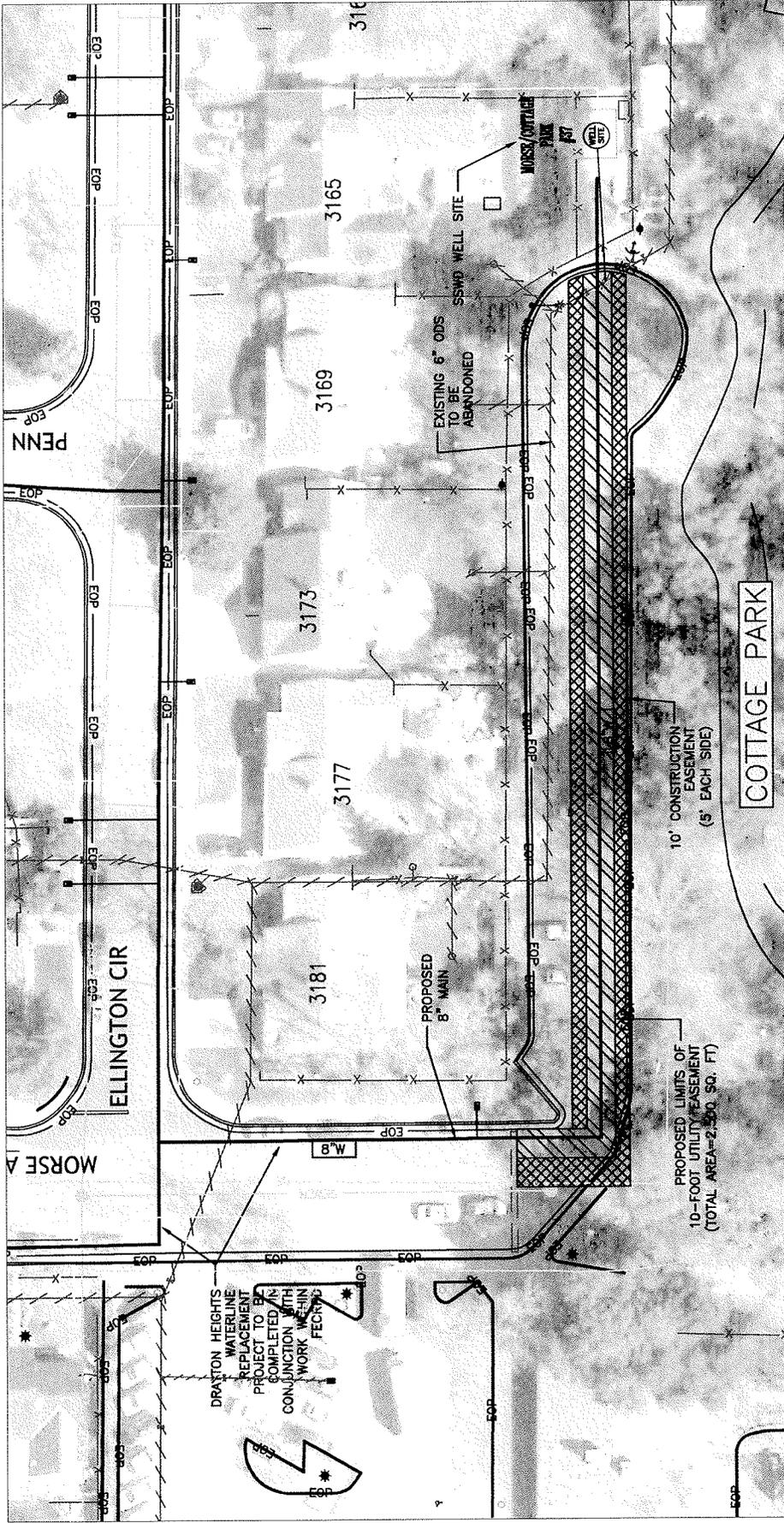
Portion of Sacramento Suburban Water District

Exhibit 1
NOT FOR RECORDING
2015 Santa Anita Waterline Replacement
Project Phase 2
Proposed Easement for Well #12
 (Voting Division 5)



Base Data: Sacramento County GIS Base Map
 Projection: CA State Plane 2, NAD83
 Scale: As Shown
 Prepared by: DAV SSWD
 Sacramento, Ca. May, 2015
 Well-12-Esmt.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS

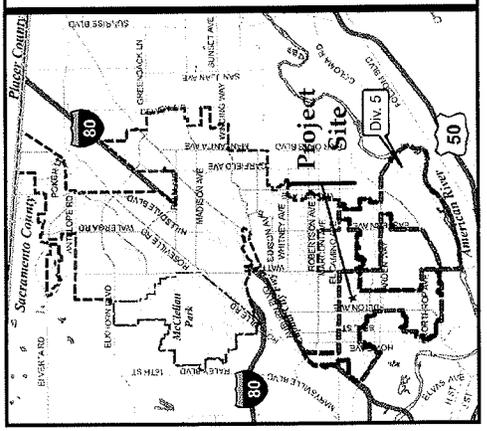


MAP NOT TO SCALE

Portion of Sacramento Suburban Water District

Exhibit 2

NOT FOR RECORDING
2016 Drayton Heights Water Main Replacement
Project Phase 2
Proposed Easement for Well #37
 (Voting Division 5)



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: As Shown
 Prepared by: DAV/SSWD
 Sacramento, Ca., May, 2015
 Well-37-Esmr1.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS



Agenda Item: 17

Date: February 17, 2016

Subject: Regional Water Transfer

Staff Contact: Robert Roscoe, General Manager

Dry conditions in 2014 and 2015 have resulted in limited surface water supplies available to many water users. As a result, there is currently a healthy transfer market. San Juan Water District (SJWD) has been working to identify a transfer partner that desires to benefit both agencies customers.

Santa Clara Valley Water District (SCVWD) has a desire for supplemental surface water supplies in 2016 to meet customer water demands to reduce groundwater pumping and allow in-lieu recharge to its groundwater basin to reduce the possibility of land subsidence.

SJWD and SCVWD attempted to obtain approval for the transfer of conserved water in 2015, and will be continuing in this effort. Transferring conserved municipal water has not been done before in California and requires the development of an approved process. This process is ongoing. SCVWD is interested in working on this transfer as well as a groundwater substitution transfer. Both transfers are being pursued as separate projects.

Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Sacramento Suburban Water District (SSWD), and SJWD have recently been discussing the possibility of conducting a groundwater substitution transfer in 2016. Staff level discussions show a desire by all agencies to proceed with further investigations of a potential transfer.

CHWD, FOWD and SSWD have identified the amount of groundwater they could potentially pump during each month between June and September, the period during which water transfers are currently allowed. CHWD and FOWD would use groundwater to offset their use of surface water. SSWD would pump groundwater via the Antelope Pump Back after meeting demands of SSWD customers. The additional groundwater that would be pumped into the Cooperative Transmission Pipeline would be used by SJWD in place of surface water. The combined amount of surface water that is replaced with groundwater use would be transferred to SCVWD.

SJWD has an existing agreement with SCVWD for transfer of conserved or conjunctive use water that has a term through December 2016. SCVWD has first right of refusal for any transfer water available from SJWD this year. If a groundwater substitution transfer is to be completed

this year, it will require signed agreements between SJWD and each of the participating groundwater pumping agencies prior to the initiation of any transfer. The terms of any agreement between SJWD and SCVWD, and between SJWD and groundwater pumping agencies are still under negotiation. The intent of all agencies' staff is to develop terms of agreement in a consensus based approach and to provide benefits to all agencies' customers.

Each of the groundwater pumping agencies are responsible for obtaining approval from Department of Water Resources (DWR), Sacramento Groundwater Authority and the County of Sacramento for the pumping of groundwater to conduct a groundwater substitution water transfer.

The SJWD is taking the lead in the approval through Bureau of Reclamation and DWR for the overall surface water transfer to SCVWD, as well as all discussions with SCVWD. The terms of the agreement with SCVWD for transfer of water in 2015 are summarized below.

- SJWD will coordinate the schedule of the transfer with SCVWD to ensure there is transfer capacity in the Delta.
- SCVWD has responsibility for all losses through the Delta.
- SJWD's point of delivery is in Folsom Lake.
- Once SCVWD schedules delivery of water, and failure to take the water is at the risk of SCVWD. SJWD gets paid once water is available in Folsom.
- Once all approval for transfer is obtained, SCVWD will pay \$50 per AF as a deposit, based on the amount of water included in contract, and will go against the total cost of water. SJWD reimburses the \$50 per AF for any water it does not deliver.
- SCVWD has first right of refusal for any transfer water available in 2016.

The actual terms for an agreement in 2016 are anticipated to be similar, though the price for water has not yet been determined.

Staff will keep the Board apprised of the ongoing discussions between the District and the participating agencies. There is a possibility staff will bring this water transfer back as an Action Item at a regular Board meeting later this spring.

SSWD staff will also be investigating an independent groundwater substitution transfer similar to those successfully performed in 2009, 2010 and 2013. With the current reservoir situation, SSWD now has access to PCWA contract water from the Middle Fork Project. See attached Exhibit 1, the letter from PCWA. We further expect Hodge Flow triggers will be met in the Lower American River on a more consistent basis through the summer months providing the potential to affect a groundwater substitution transfer with the City of Sacramento Area D water supplies.

A copy of the February 2016 Monthly Runoff Report is also attached as Exhibit 2.

EXHIBIT 1



RECEIVED
2-16-16

PLACER COUNTY WATER AGENCY
SINCE 1957

BOARD OF DIRECTORS BUSINESS CENTER

Gray Allen, District 1

144 Ferguson Road

Primo Santini, District 2

MAIL

Mike Lee, District 3

P.O. Box 6570

Robert Dugan, District 4

Auburn, CA 95604

Joshua Alpine, District 5

PHONE

(530) 823-4850

Einar Maisch, General Manager

(800) 464-0030

WWW.PCWA.NET

February 10, 2016

Sent via email and U.S. Mail

Rob Roscoe
General Manager
Sacramento Suburban Water District
3701 Marconi Avenue, Suite #100
Sacramento, CA 95821-5346

SUBJECT: 2016 Resumption of Placer County Water Agency Deliveries to
 Sacramento Suburban Water District

Dear Mr. Roscoe:

The ability of Placer County Water Agency (Agency) to deliver water to Sacramento Suburban Water District (SSWD) is limited by various hydrologic factors enacted by the State Water Resources Control Board (SWRCB) in its Order approving the expansion of the Agency's Middle Fork American River Project (MFP) Water Rights Place of Use in 2000 to include the SSWD service area encompassing northern Sacramento County.

As stipulated in the Settlement Agreement dated March 19, 1999, annual diversions of Agency water under the SSWD-PCWA 2000 Water Supply Agreement (as amended in 2008), for SSWD's own use or delivery to other purveyors, will be subject to the following restrictions, within and following the year 2010:

(1) Agency water can be diverted only in years when the projected March to November unimpaired inflow to Folsom Reservoir is greater than 1,600,000 acre-feet, or

(2) Notwithstanding subparagraph (1) above, in a December, January, and February following a March through November period when the unimpaired inflow into Folsom Reservoir (UIFR) was less than 1,600,000 acre-feet, when and after water is being released from Folsom Reservoir for flood protection, or

(3) As otherwise permitted by the Board pursuant to an Order releasing or modifying the provisions of c(1) and c(2): Provided, That such Order is issued after a hearing before the SWRCB in which Reclamation is afforded the opportunity to participate; and Provided further, That this subparagraph is not interpreted as constituting a waiver by Reclamation of any rights it may have to contest the subject Board Order in a court of competent jurisdiction.

Whereas on February 5, 2016, the United States Bureau of Reclamation (Reclamation) initiated releases from Folsom Reservoir in order to prevent storage from further encroaching into the required flood storage reservation; and the current March through November UIFR calculated via the State of California's Department of Water Resources February 2016 Bulletin 120 survey shows an exceedance of the 1,600,000 acre-feet of UIFR, which would otherwise suspend deliveries to SSWD, absent such flood control releases, the Agency finds that the conditions which required cessation of Agency water deliveries to SSWD are no longer in effect.

As a result of this information, the Agency **will** make water available to your District per the SSWD-PCWA 2000 Water Supply Agreement (as amended in 2008). Should these hydrologic conditions change, we will notify SSWD immediately.

Please feel free to contact Benjamin Barker for any follow-up questions at bbarker@pcwa.net or via phone at (530) 823-1742.

Sincerely,

PLACER COUNTY WATER AGENCY



Andrew Fecko
Director of Resource Development

c: PCWA Board of Directors
Einar Maisch, General Manager, PCWA

Monthly Runoff Report -February 2016-



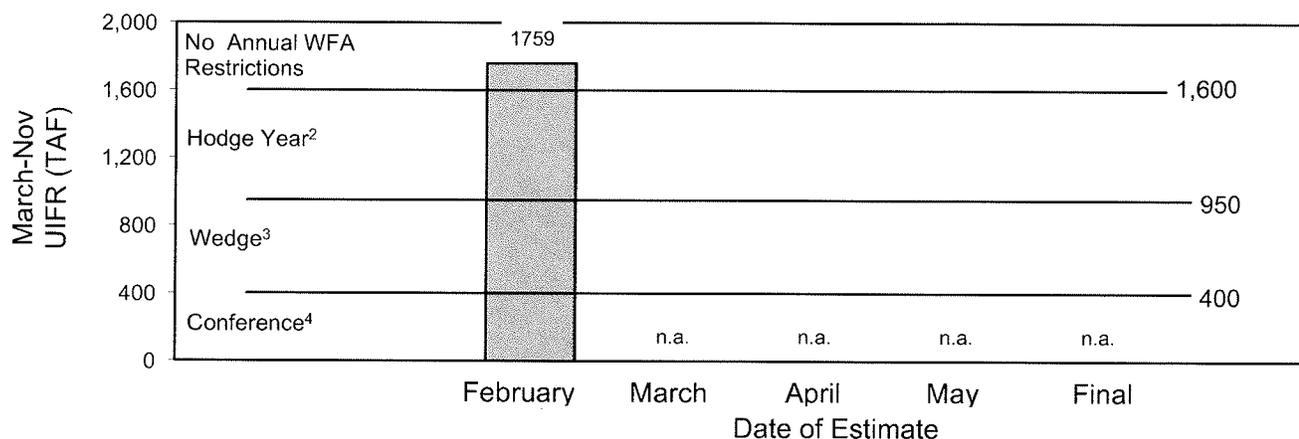
Water Forum
Successor Effort

Issuance Date: February 11, 2016

Purpose: This monthly report is issued for each of four months (i.e., February, March, April, and May) every year by the Water Forum Successor Effort to provide the status of the March through November Unimpaired Inflow into Folsom Reservoir (March-Nov UIFR). Per the Water Forum Agreement of 2000, this hydrologic index is used to determine the type of water year and may be used by American River water purveyors and water right holders to determine the extent of their dry-year procedures. For more information on these topics, visit <http://www.WaterForum.org/Dry Year Procedures>.

Projected Mar-Nov UIFR for February 2016 is 1759 TAF. For this year type there are no annual restrictions in the Water Forum Agreement.

Figure 1. UIFR Projections and American River Water Allocation¹



¹Several factors can affect the allocation of water supply from the American River. When Mar-Nov UIFR is greater than 1.6 MAF then no annual WF restrictions are applied. However, other restrictions could be in effect such as the CVP shortage criteria.

²A "Hodge Year" occurs when the Mar-Nov UIFR is less than 1,600 TAF. This affects the allocation of American River water for Sacramento Suburban WD (after 2010) and South County Agriculture (see footnote #9 on page 11 of the 2000 Water Forum Agreement). This is different than the instantaneous "Hodge Flow trigger" which affects diversions at the Fairbairn treatment plant when the LAR flow is less than 3,000 cfs during Mar-Jun; 2) Less than 2,000 cfs from October 16-Feb; and 3) Less than 1,750 cfs from July-Oct15.

³A "Wedge" occurs when the Mar-Nov UIFR is less than 950 TAF. This may affect the allocation of American River water for the City of Folsom, Placer County Water Agency, City of Roseville, San Juan Water District, Sacramento Suburban WD (prior to 2010) and SMUD (see footnote #3 on page 11 of the 2000 Water Forum Agreement).

⁴"Conference" years occur when Mar-Nov UIFR is less than 400 TAF. In those years diverters and others are required to meet and confer on how best to meet demands and protect the American River (footnote #2 on page 11 of the 2000 Water Forum Agreement).

Table 1. Monthly Runoff Values

Month	UIFR Monthly and Total Volumes in TAF				
	February Publication	March Publication	April Publication	May Publication	Final Values
March ¹	372	n.a.	n.a.	n.a.	n.a.
April ¹	450	n.a.	n.a.	n.a.	n.a.
May ¹	530	n.a.	n.a.	n.a.	n.a.
June ¹	270	n.a.	n.a.	n.a.	n.a.
July ¹	50	n.a.	n.a.	n.a.	n.a.
August ¹	15	n.a.	n.a.	n.a.	n.a.
September ¹	12	n.a.	n.a.	n.a.	n.a.
October ²	30	n.a.	n.a.	n.a.	n.a.
November ²	30	n.a.	n.a.	n.a.	n.a.
Total	1759	n.a.	n.a.	n.a.	n.a.

¹ Values are from *Bulletin 120, Water Conditions in California*, California Department of Water Resources (DWR) for the given publication month (<http://cdec.water.ca.gov/snow/bulletin120/>). DWR publishes Bulletin 120 four times a year (February through May), providing forecasts of unimpaired flow for several watersheds in California for the given water year.

² Values are from *Technical Memorandum No. 1, Computing March through November Unimpaired Inflow into Folsom Reservoir*, Water Forum, May 2007.



Agenda Item: 18

Date: February 8, 2016

Subject: Upcoming Policy Review – Reasonable Accommodation and Interactive Process Policy (PL – HR 014)

Staff Contact: Lynne Yost, Human Resources Coordinator

The Reasonable Accommodation and Interactive Process Policy (PL – HR 014) was adopted by the Board in April 2014 and included language recommended by ACWA/JPIA and their legal counsel as well as additional language recommended by the District’s legal counsel.

The policy was submitted to District legal counsel for review and one change is being recommended as shown in the first paragraph under Section 200.00.

The policy is scheduled for Board consideration and adoption at the March Board meeting. If a Director wishes to have his comments included in hard copy for Board review and consideration, please provide those comments to staff by Monday, March 7, 2016.

Reasonable Accommodation and Interactive Process Policy

Adopted: April 21, 2014
Revised: February XX, 2016

100.00 Purpose of the Policy

The purpose of this policy is to confirm the District's commitment to comply with state and federal laws to insure equal employment opportunities for qualified individuals with a disability by making reasonable accommodations for known physical or mental limitations of applicants or employees unless undue hardship would result.

200.00 Policy

An interactive good faith communication process between the District and a disabled applicant or employee is required to select appropriate reasonable accommodation(s), if any exist. This is a timely individual process where management and the individual discuss the request and possible effective reasonable accommodation(s) that would be required in order for the employee or applicant to perform the essential functions of the job.

An applicant or employee who requires an accommodation can initiate the interactive process by contacting the District's Human Resources Coordinator. The District will engage in an interactive process with the employee or applicant to identify possible accommodations, if any, that will help him/her perform the job. Both the District and the applicant or employee must actively participate in the interactive process in good faith. If the applicant or employee refuses to participate in the process, the District is not obligated to continue it.

The District will initiate an interactive process when: 1) an applicant or employee with a known disability requests a reasonable accommodation; 2) the District otherwise becomes aware of the need for an accommodation through a third party or by observation; or 3) the District becomes aware of the possible need for an accommodation because an employee has a disability and has exhausted leave under the Workers' Compensation Act, the California Family Rights Act (CFRA), the Family Medical Leave Act (FMLA), and/or other federal, state or employer leave provisions, if applicable.

Whether the applicant, employee or District initiates the interactive process, the following is a non-exclusive list of management considerations when reviewing a request for accommodation:

- a. Confirm the essential functions of the job.
- b. Determine how the disability limits performance of the essential functions.
- c. Identify accommodation options that overcome limitations and determine the reasonableness of the proposed accommodation(s).
- d. Select the most appropriate reasonable accommodation(s), if any exist.

If an accommodation request is made by an applicant, employee or the District, the District will initiate the interactive process and confer with the individual applicant or employee until the interactive process is complete. The process will be deemed complete when the District and the applicant or employee agree on and implement a reasonable accommodation, the District determines there are no reasonable accommodations that would permit the applicant or employee to perform the essential functions of the job, or the applicant or employee fails to engage in the interactive process.

300.00 Policy Review

This Policy shall be reviewed at least biennially.

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee
Friday, February 12, 2016

Call to Order

Director Locke called the meeting to order at 2:30 p.m.

Roll Call

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: Assistant General Manager Dan York, David Espinoza, Heather Hernandez-Fort, Dave Jones, John Valdes, James Arenz, Lynne Yost, Annette O’Leary and Mitch Dion.

Public Present: William Eubanks and Mike Finnegan

Public Comment

None.

Consent Items

1. Minutes of the January 8, 2016 Facilities and Operations Committee Meeting

Director Schild requested clarification on the phrase “drill down into the maps” from page 2, paragraph 13 of the Minutes of the January 8, 2016 meeting.

Director Schild also requested clarification of the statement “Director Locke stated that the metric used to determine what point an asset becomes a liability” on page 3, paragraph 4. He requested to have the word metric changed to measurement.

Director Schild also requested to have the word constituents changed to contaminants on page 3, paragraph 5.

Director Locke moved to approve the minutes with the suggested changes; Director Schild seconded. The motion carried by unanimous vote.

AYES:	Schild and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and Action

2. Fulton/El Camino Recreation and Park District Easement Update

Assistant General Manager Dan York (AGM York) introduced the staff report.

John Valdes (Mr. Valdes) presented the PowerPoint presentation.

Director Schild expressed concerns about the easement, stating that if the property changed in the future, the easement may not be large enough. He suggested to have a recording put on the deed that if there is ever a change in ownership, that the easement could be enlarged.

Mr. Valdes expressed that he can suggest this recommendation.

Regarding the Santa Anita Park, Director Schild expressed his support for option 3, expressing that the District needs a demonstration garden at Howe Avenue Park. Option 3 states “The Fulton/El Camino Recreation and Park District (FECRPD) would like to partner with the District to build a Drought Demonstration Garden at Howe Avenue Park.” The FECRPD has committed to maintain the Garden after it is constructed in exchange for the value of the easements. The amount of funding needed for this option is unknown as the concept details for the partnership or the scope of the Garden have not been determined. The monetary value of the easements would be used to determine the District’s commitment to the Garden partnership.

Director Locke recommended proceeding with option 3 and presenting the information to the full Board.

Director Schild expressed his support for option 3, however requested further information regarding the easement.

Mr. Valdes clarified the easement information.

Director Locke expressed his support for Option 3.

AGM York informed the Committee that the District and FECRPD have been working together for the past 2 years on a possible exchange of property for the District’s well at Santa Anita Park. AGM York stated that staff does not recommend pursuing that option.

Both Director Locke and Director Schild agreed that they were not willing to give a District well to the FECRPD in exchange of property.

Mr. Valdes explained to the Committee that this particular well was listed in the top 10 of well scheduled to be abandoned.

AGM York informed the Committee the FECRPD has requested that the District determine if it could wheel groundwater through its water well infrastructure and they would pay for electricity, O&M and CIP.

Director Locke noted that if the District agreed to something like that, it would be setting the precedence for future similar agreements. He further expressed that he is not interested in wheeling other people’s water through the District’s pipes.

Director Schild expressed that he is not in favor of either joint use nor giving up the District’s well, expressing that it is not a benefit to the ratepayers.

Director Locke expressed that he is interested in working with FECRPD to reach an agreement.

AGM York clarified that the Committee is recommending for staff to bring option 3 to the full Board for approval.

Director Locke recommended supporting option 3, and suggested including a cost estimate.

Director Schild recommended requesting a statement from FECRPD expressing that they are willing to agree on a joint effort in developing a Garden in conjunction with the District.

Director Locke requested information on the FECRPD Board meeting.

3. Easements and Improvements at McClellan Business Park

AGM York presented the staff report explaining that staff will discuss the easements and will be postponing the discussion on the improvements for a future meeting. He informed the Committee that a meeting has already been scheduled for February 26, 2016.

Director Schild stated that he didn't agree with the current contract that the District had with McClellan Business Park (MBP).

AGM York stated that MBP and the District have been discussing the opportunity to place an end date to the current contract.

David Espinoza (Mr. Espinoza) presented the discussion on the easements. He further explained that staff is requesting for the District's legal counsel to review and approve the added language for the acquisition of the new easement.

Director Schild inquired what the estimated cost was to do that. AGM York answered it would cost roughly \$500-\$700 dollars.

Director Locke clarified what the added language meant.

Mr. Espinoza further clarified the easement language.

Director Locke inquired if MBP will be responsible for all the construction. Mr. Espinoza explained that they will.

Director Locke agreed to have District legal counsel review the added language.

The Committee requested for legal counsel to review the documents, then bring back the updated report to the full Board for approval.

4. Long Term Warren Act Contract Update

AGM York presented the staff report and PowerPoint presentation. He introduced the District's consultant Mike Finnegan (Mr. Finnegan).

Discussion ensued regarding the history of the attempts to obtain a Long Term Warren Act Contract and the current 5 year contract.

Discussion ensued regarding the rates and charges portion of the contract.

Director Locke inquired if all contracts are negotiated equally among districts. Mr. Finnegan explained that there is a standard form of contract.

Director Locke inquired about the risks. Mr. Finnegan explained that a potential risk is that the District could put money into this contract, and not get it done before the window closes. Further explaining that it's all speculative and that there is no assurance but that there are benefits to it as well. AGM York informed the Committee that there are significantly more risks by opening 1 year and 5 year contracts.

Director Schild noted that there could be other alternatives as well.

Director Schild inquired how much has been spent to date on this project.

AGM York expressed that the District has spent approximately \$15,000 dollars so far and that staff expects to spend roughly \$200,000 dollars all together with the majority being spent on the environmental analysis.

AGM York requested direction on if staff should continue moving forward with this project.

Director Schild conveyed his support with moving forward, explaining that he is concerned about the cost of supplemental analysis such as the environmental study.

Director Locke inquired if the District could partner with other agencies on the environmental study.

Mr. Finnegan further explained PCWA modeling.

Discussion ensued regarding middle fork water.

William Eubanks (Mr. Eubanks) commented.

Director Locke expressed his support declaring that he did however, have some concerns with it.

Director Schild expressed his concerns about committing without any assurance.

Director Locke inquired when the District will have to spend a significant amount of money on this project.

AGM York expressed that there is a meeting scheduled with the Bureau of Reclamation, and that staff will have more answers after that meeting.

Director Schild recommended bringing the information back to the March Board meeting.

The Committee recommended staff continue to pursue the Long Term Warren Act Contract as long as not a significant amount of money is being spent, and directed staff to find out what the cost benefit is.

5. Groundwater Monitoring Wells Project

Mr. Valdes presented the staff report.

He explained that staff is recommending approval to the full Board to award a contract to Roadrunner Drilling & Pump Company for the construction of two groundwater monitoring wells consistent with the project definition and the District's Local Groundwater Assistance grant.

Director Locke inquired if it's possible to sample at different levels. Mr. Valdes expressed that samples are gathered at different levels.

Mr. Eubanks commented.

Mr. Valdes expressed that Aerojet has monitoring wells; however, they are guarded with their data. He expressed that if the District drills its own wells, staff will have better access to the data to monitor the plume.

Discussion ensued regarding the grant funding, proposition 1 funding, and the District's portion of the cost.

Director Locke requested for staff to find out how much additional funding the District could possibly get from proposition 1. He also requested for staff to find out what the grant application will cost.

Director Locke additionally requested if the grant money would be reduced if the District decided to only drill one groundwater monitoring well.

The Committee recommended bringing this item to the full Board for discussion and consideration to approve.

6. Succession Plan Recommendation to Fill Current Vacancy in Engineering Department

AGM York presented the staff report.

Director Schild stated that Succession Planning is a goal of the General Manager and that this is a decision of the General Manger, not a Board level decision.

AGM York explained that staff wanted to bring the item to the Committee for comments as the position is at a higher level.

Director Schild stated that the staff report sounds reasonable but reiterated that the decision is up to the General Manager.

Mr. Eubanks commented.

Director Schild stated that he wouldn't elevate this to the full Board as it is the General Managers responsibility.

Director Locke commented that it is up to the General Manager if he wants to bring this item before the full Board.

Adjournment

Chair Locke adjourned the meeting at 3:58 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**January 27, 2016; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
Minutes of the December 9, 2015 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. 2016 RWA EXECUTIVE COMMITTEE MEETING SCHEDULE**
Action: Adopt proposed schedule of Executive Committee meetings for 2016
- 5. DEVELOPMENT OF FISCAL YEAR 2016 – 2017 BUDGET**
Information Presentation and Discussion of FY 2016 – 2017 Budget
- 6. LEGISLATIVE UPDATE**
Information Presentation: John Woodling, Executive Director
- 7. EXECUTIVE DIRECTOR'S REPORT**
- 8. DIRECTOR'S COMMENTS**
- 9. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – February 17, 2016 and March 23, 2016 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, March 10, 2016, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**February 17, 2016; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
Minutes of the January 27, 2016 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. DEVELOPMENT OF FISCAL YEAR 2016 – 2017 BUDGET**
Information Presentation and Discussion of FY 2016 – 2017 Budget
- 5. WATER EFFICIENCY UPDATE**
Information Presentation: John Woodling, Executive Director
- 6. MARCH 10, 2016 RWA BOARD MEETING AGENDA**
Action: Approve March 10, 2016 proposed RWA Board meeting agenda
- 7. EXECUTIVE DIRECTOR'S REPORT**
- 8. DIRECTOR'S COMMENTS**
- 9. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – March 23, 2016 and April 27, 2016
at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, March 10, 2016, at 9:00
a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus
Heights, CA 95610

ITEM 20.b

SACRAMENTO GROUNDWATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, February 11, 2016; 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

Agenda

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT: Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

3. CONSENT CALENDAR

Minutes of December 10, 2015 meeting

Action: Approve Consent Calendar items

4. APPOINT A BUDGET SUBCOMMITTEE FOR FISCAL YEAR 2016 - 2017

Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2016 - 2017

5. GROUNDWATER PROGRAM UPDATE

Information Update: Rob Swartz, Manager of Technical Services

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION UPDATE

Information Update: John Woodling, Executive Director

7. EXECUTIVE DIRECTOR'S REPORT

a. Government Affairs Update

b. Drought Update

8. DIRECTORS' COMMENTS

9. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS AUDIT OF RWA AND CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES

ADJOURNMENT

Next SGA Board of Director's Meeting – April 14, 2016, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

DIV 4

From: Greg Bundesen
Sent: Thursday, January 28, 2016 8:28 AM
To: @msn.com
Cc: Annette O'Leary
Subject: RE: Daniel R. York

Dear Mr.

Thank you for contacting the District. I understand your frustration with the drainage around your property, but Sacramento Suburban Water District is a special water district and has is not a land use authority agency, nor do we have any authority regarding changes to the drainage in or around your neighborhood. If you have a neighbor that is flooding you from their irrigation/sprinkler system, we can notify your neighbor of the situation and require that any water used for irrigation purposes remain on their property only; but SSWD does not have the authority to require any homeowner to make alterations to their property unless the customer's property infringes onto a District easement. Sacramento County is the land use authority agency and they will have to be contacted in regards to your question. I apologize that I could not be of more assistance. Please let me know if you have any questions.

Regards,

Greg Bundesen
Sacramento Suburban Water District
Water Conservation Supervisor
916-679-2890

Greg Bundesen
Sacramento Suburban Water District
Water Conservation Supervisor
916-679-2890

-----Original Message-----

From: lori [<mailto:@msn.com>]
Sent: Wednesday, January 27, 2016 3:12 PM
To: feedback
Subject: Daniel R. York

Mr Daniel R york, I've contacted SSWD once before on a drainage issue concerning my backyard neighbors on Mohamed Oaks Ct. Their backyard drains into my backyard and by county covenants their backyard is required to drain into Mohamed Oaks Ct. In heavy rains there is a river from their yard that drains through mine at Old Kent Ln. I would greatly appreciate someone to check this out. Thankyou for looking into this matter, Ross, Old Kent Ln. acct. #

DIV 4

Director Kevin M. Thomas

Bill <@surewest.net>

You forwarded this message on 2/1/2016 8:21 AM.

Sent: Sat 1/30/2016 5:05 PM

To: feedback

Message: Kevin ACWA doc.docx (16 KB)

Monday night's Board meeting was one of the worst I have ever attended.

What is the procedure for obtaining a recording of the meeting?

It is now clear to me that you and your General Manager are on a mission to destroy the credibility of the Board.

The attendees at the Monday night Board meeting were treated to the spectacle of your General Manager hunched over a copy of the California Government Code interpreting the statutes for the Board that he thinks justify his rules for the operation of the Board. This was done with your own lawyer sitting right beside him. All you had to do was ask him if the general manager's way was the only way. I was appalled by the presentation made by ACWA/JPIA. Sandra Smith could have made that presentation in fifteen minutes with five minutes for questions. You and your General Manager allowed the presentation to go on for a solid mind numbing sixty minutes. You allowed an insurance salesman to high jack the meeting. Nothing qualitative, quantitative or specific to the SSWD was included in the forty five minute gibberish filled rant? The forty five minute rant included derisive remarks about the current President of the United States and the Affordable Care Act. The insurance salesman repeatedly asked you how he was doing on time. You and your General Manager just sat there with disinterested looks on your faces. Rate payers and interest parties come to the meetings to be informed about water issues by an elected Board supported by a professional staff. In my opinion the rate payers are being short changed. I recently begged to have all comments made by me stricken from the official minutes of meetings. I just got tired seeing words in print that were attributed to me that I never uttered. An attendee at the Monday meeting that was sitting behind me summed up my observations when he said "this is one of the poorest examples of a public Board meeting I have ever witnessed".

In my opinion, after you and your General Manager allowed the insurance salesman to take over the meeting a pall was cast over the rest of the meeting. Unfortunately the long awaited Davis Report followed the ACWA/JPIA. The report was of interest to everyone that has been following the issues encompassed in the report except you and your General Manager. A number of neighboring water district board members and staff were present at the meeting. Ted Costa had to leave the meeting at 8:30. I am sure that he assumed, after looking at the agenda, that two hours into the meeting was ample time to present the report and listen to any discussion that followed. Instead he had to leave twenty minutes into the presentation. After the ACWA/JPIA performance, the attendees were looking at the clock and the rest of the agenda. They collectively realized that your meeting was going to drag on until 10:30 or 11:00pm. The meeting lasted three hours and forty minutes.

In my opinion your monthly Board meetings have gone the way of your web site. When you put minimal time and effort into a web site or a meeting agenda and content, the results speak for themselves. The Monday night meeting spoke loud and clear.

The Sacramento Suburban Water District has many accomplishments that you can point to with pride. Unfortunately your board meetings and your web site are an embarrassment.

NO DIV



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Region
Central California Area Office
7794 Folsom Dam Road
Folsom, CA 95630-1799

RECEIVED
2-10-16

IN REPLY REFER TO:

CC-415
WTR-4.00

FEB 05 2016

Mr. Kevin Thomas
President
Board of Directors
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821-5303

Subject: 2016 Water Rates – Sacramento Suburban Water District Warren Act Contract Number
12-WC-20-0020 (Contract) – Central Valley Project, California

Dear Mr. Thomas:

This letter provides notice of the updated water rates applicable to your Contract with the Bureau of Reclamation. The enclosed exhibit amends the water rate exhibit in the Contract effective March 1, 2016.

For questions concerning the 2016 water rates or Contract exhibit, please contact Ms. Georgiana Gregory at 916-989-7172 or e-mail ggregory@usbr.gov.

Sincerely,

Drew F. Lessard
Area Manager

Enclosure

cc: Mr. Dan York
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303 (w/encl)

**EXHIBIT B
 SACRAMENTO SUBURBAN WATER DISTRICT
 WARREN ACT CONTRACT RATES
 WATER YEAR 2016
 (Per Acre-Foot)**

Cost Component	M&I Cost of Service ¹
Water Marketing	\$7.35
Conveyance O&M ²	\$18.92
Conveyance O&M Sub-Total	\$26.27
Other Cost	\$0.32
Conveyance Construction ²	\$0.45
Conveyance Construction Sub-Total	\$0.77
Total Water Marketing, and Conveyance:	\$27.04
Storage O&M	\$0.00
Storage Construction	\$0.00
Storage Sub-Total:	\$0.00
TOTAL Marketing, Conveyance & Storage	\$27.04

¹ The M&I Cost of Service Rate is applicable to Non-Project Water delivered for municipal and industrial purposes. See definition of "Municipal and Industrial Water" in subdivision (j) of Article 1 of this Contract.

² The Folsom pipeline is tied to the storage unit for recovery purposes; therefore, the storage rate is used for conveyance purposes.

Additional details of the rate components are available on the Internet at www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html

NO DIV

1/14/16

Backflow Direct
3290 Monier Cir. #300
Rancho Cordova, Ca. 95742



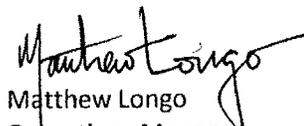
Board of Directors Sacramento Suburban Water District
C/O Rob Roscoe
3701 Marconi Ave #100
Sacramento, Ca. 95821

Backflow Direct, manufacturer of backflow prevention devices, would like to recognize and thank the Production Department of SSWD for their involvement in the University of Southern California's, USC Foundation for Cross Connection Control and Hydraulic Research's Field Site Testing Program.

It is the cooperation and forward thinking of water agencies like SSWD that assist in the development of higher quality, lower cost and safer backflow prevention devices. Without this cooperation backflow valve advancement and development could not continue. Invaluable in this partnership have been, Doug Cater, James Arenz, Shawn Shedenhelm, Tom Dickinson, Dave Armand and Hannah Dunrud. It should be further noted that all SSWD employees that have been involved at any level along the way have always been extremely helpful and professional. Their efforts are greatly appreciated.

General Manager Rob Roscoe has assembled an excellent team working diligently for the betterment of SSWD, its rate payers and should be commended.

Thank you again,


Matthew Longo
Operations Manager
Backflow Direct.

Dear Greg,

Heartfelt thanks for taking time out of your busy schedule to share your passion, wisdom, and experience with our students.

I believe you are planting seeds of compassionate change and awareness --- something not easily found

in a text book. We look forward to staying in touch and getting updated on all of your tremendous works.

With Sincere
Gratitude,
Gina & the JHS
Community

IN GRATITUDE

FOR SHARING YOUR PASSION AND EXPERTISE
WITH THE COMMUNITY AT
JESUIT HIGH SCHOOL DURING OUR

NINTH ANNUAL
SOCIAL JUSTICE SUMMIT
JANUARY 19-22, 2016



GREG BUNDESEN

Gina Anderson
GINA ANDERSON

Kelly Barnes
KELLY BARNES

CHAPEL OF THE NORTH AMERICAN MARTYRS AT JESUIT HIGH SCHOOL

January 15, 2016

Personnel
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento CA 95821-5346

**RE: Broken pipe at Berkshire Way
Work order no.**

Dear Madam or Sir:

The above-referenced event occurred at my home in December – it was impressive.

This is to commend Andy, Cody, Kyle, Alex, Todd, Chad, and many others for their calm, committed, and competent handling of the disaster. They put in long hours in the cold, digging down 6 feet to repair the gusher. At all times, they were polite, helpful, and reassuring. To repair the damage, it was necessary to come back three times (2 crews). Everyone of them stressed their efforts to provide excellent customer service.

When spring comes, I doubt there will be any sign of damage. Good Job!

Sincerely,



Elizabeth

em

p.s. I'd like to highlight Cody especially for his exemplary leadership and demeanor.

DIV 4



Page 1 of 2

Knoll Top Court
Carmichael, CA 95608
(916)

@macnexus.org

27 January, 2016

Mr. Robert Roscoe, P.E.
General Manager
Sacramento Suburban Water District
3701 Marconi Ave. Suite 100
Sacramento, CA 95821

Customer: William
Account Number:

My water meter reads don't seem to coincide with the days I am in town and my usage.

I would expect to have higher usage in months when I am town most days, and less usage when I am out of town most days. That, however, isn't always the case.

The chart on page 2 shows by month the days I am in town and the gallons of usage I am being charge. Even compensating for seasonal variations you will note that some months when I am out of town I am shown with usage considerably higher than when I am in town, and vice versa.

For example, I am charged more than twice as much in September, (3137 gallons), when I am in town only 11 days, than in January and December, (1571 & 1526 gallons) when I am in town 31 days in each of those months.

Also, it seems statistically unlikely, (but possible), that May and June would have exactly the same usage, (1466 gallons), and October and December exactly the same usage, (1526 gallons).

Month	Days in Town	Gallons Billed	Gallons/Day
January	31	1571	44.9
February	15	2169	74.8
March	19	0 (Charged \$23.26)	0
April	16	2356	67.3
May	13	1466	52.4
June	15	1466	52.4
July	11	2962	82.3
August	23	1414	52.3
September	11	3137	104.7
October	28	1526	44.9
November	14	2169	74.8
December	31	1526	44.9

Is usage estimated?

If not, how do you explain the lack of correlation between days in town and gallons billed.

Why is March shown with no usage, when I am billed \$23.26?
(I'm sure there was usage, but how was the bill calculated.)

William

General Manager

Robert S. Roscoe, P. E.



Board of Directors

President - Kevin M. Thomas
 Vice President - Robert P. Wichert
 Frederick A. Gayle
 Craig M. Locke
 Neil W. Schild

February 16, 2016

Mr. William
 Knoll Top Court
 Carmichael, CA 95608

RE: Account # Knoll Top Court

Dear Mr.

Thank you for your letter dated January 27, 2016 regarding the fluctuation in water usage for your property at Knoll Top Court.

First, let me begin by stating that your meter was first installed in March 2013. Your Homeowner's Association (HOA) paid all water bills until November of 2014 at which time your HOA directed us to bill individual accounts to each property owner. There are three components to each of your water bills: 1) 5/8-inch Meter Service Charge; 2) 5/8" Capital Facilities Charge; and 3) Usage charge. If there is no usage in the month, and the water is on and available, you will still receive a water bill for the Meter Service Charge and Capital Facilities Charge. This is why for the months that you have zero usage you received a water bill.

Second, I understand your statement about the monthly usage not correlating to your time away from home. This may be because your meter reads are not from the 1st to the 30th, but actually part of one month and part of another. I've attached a copy of your meter reads showing start and end dates for each reading period. You'll see that we read your meter usually around the 10th of each month. This could fluctuate based on the number of weeks in the month. I believe this is why you don't see a drastic reduction in water usage. From your history it appears your typically monthly usage is 3-4 ccf or 2,244 – 2,992 gallons of water, which is fairly typical usage for a condominium. In addition, SSWD doesn't typically estimate meters unless there is a problem with reading equipment which would result in no read being received. When we estimate a read it is based on same time as the prior year. In reviewing your reads, I find no instance of estimated meter reading.

I hope this clears up any confusion regarding the billing and usage for your account. If you have additional questions, feel free to contact our Administrative Services Manager, Annette O'Leary at 916.679.3975.

Sincerely,

Robert R. Roscoe, PE
 General Manager

**CONSUMPTION
 HISTORY REDACTED**

DIV 3

From: Sarita Cross
Sent: Thursday, January 14, 2016 3:27 PM
To: Doug Cater; David Armand
Cc: Annette O'Leary
Subject: Date Ave--account

Fector and Tom are awesome. they flushed my lines so I could drink the water. I am an older lady who lives alone. I just wanted you people to know how much I appreciated the great job they did. They were very kind

Sarita Cross
Customer Service Rep II
3701 Marconi Ave, #100
Sacramento, CA 95821
916-972-7171
scross@sswd.org
Bewatersmart.info * saveourwater.com * drought.ca.gov



Agenda Item: 22

Table of Contents

Reservoirs Slowly Filling, Sierra Snowpack Above Normal 2
State Water Board Issues Draft Emergency Conservation Regulation for 2016..... 4
DWR Increases 2016 State Water Project Allocation from 10% to 15%.....6
El Nino Bolsters California Snowpack, But Drought Still On..... 7
LAO Report Recommends Legislature Adopt Governor’s Drought Proposals 8

Reservoirs Slowly Filling, Sierra Snowpack Above Normal

The second Sierra snowpack measurement of the winter is Tuesday. January has brought much needed snow, but February may start a bit more slowly.

It was the best month for snowpack in January since 2011.

And the statewide snowpack is above normal.

"We've not had a snowpack for the last four years, anything worth writing home about, so this is obviously very significant for this time of year," says Meteorologist Michelle Mead, with the National Weather Service in Sacramento.

She says the recent pattern of storms every 1-to-3 days in California has shifted to the typical 3-to-5 days in-between weather systems.

And the outlook shows the first part of February will be drier than normal.

"El Niño, is still with us, so keep in mind the sea surface temperatures are going to remain in the strong category all the way into the March, April, May time frame, so there is still time to see more of those systems line up for us," Mead says.

Mead says more snowpack is needed in the northern Sierra, where the state's largest reservoirs are located, to provide water supply in the spring and summer.

Last April, the Sierra snowpack was minimal to non-existent.

The snowpack at the start of February and March 2015 was only 23 percent and 19 percent of average respectively on those dates, according to the DWR.

By April 1, 2015, "when the snowpack normally is at its peak, electronic readings showed the snowpack's water content was only 5 percent of normal for that date, the lowest on record," the state agency reported. "The scant snowpack and subsequent drop in snowmelt runoff were large contributors to confirming California's fourth consecutive year of drought."

The first Sierra snow survey of the winter in December 2015 by the California Department of Water Resources showed snowpack at 136 percent of the long-term January average.

Snowpack supplies about 30 percent of California's water.

The second snow survey of the winter will be conducted by the Department of Water Resources Feb. 2 at Phillips Station off Highway 50 near Sierra-at-Tahoe Road.

Reservoir storage and snowpack have benefited from storms in January, but DWR officials say it's far too soon to know whether enough precipitation will have fallen by the end of winter's wet season to significantly impact the drought.

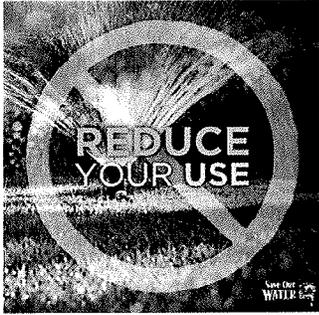
The U.S. Drought Monitor is optimistic but cautious about drought recovery.

"Many of the larger reservoirs in northern California and southern Oregon are still below half of capacity," the Drought Center noted in its January 28 report. "That is the reason for the long-term hydrological "L" label remaining well entrenched over the region at this time. Relative to last year, though, the trend is going in the right direction for now with a good chunk of the snow season still left to play out over the next two months."

<http://www.cpradio.org/articles/2016/02/01/reservoirs-slowly-filling,-sierra-snowpack-above-normal/>

State Water Board Issues Draft Emergency Conservation Regulation for 2016

Submitted by Lisa Lien-Mager on Fri, 01/15/2016 - 5:55pm



The State Water Resources Control Board released a draft emergency conservation regulation late Friday that would extend the requirements of the existing regulation through October and offer “modest adjustments” to reflect climate, growth and significant investments in new, locally developed drought-resilient potable water supplies.

Public comment on the draft regulation is due by noon Thursday, Jan. 28. The State Water Board is expected to consider the regulation at its meeting Feb. 2.

As proposed, the draft regulation would allow urban water suppliers to apply for an adjustment of no more than 8% to their individual state-imposed conservation target. The climate adjustment, where applicable, could reduce a supplier’s target by up to 4% for suppliers located in warmer regions of the state.

The growth adjustment, as proposed, would provide a mechanism to account for water-efficient growth since 2013. To qualify for the adjustment, suppliers would have to provide specific data to the State Water Board by March 15.

The new local drought-resilient supply credit, as proposed, would allow urban water suppliers that obtain at least 4% of their total potable water production from a qualifying new local, drought-resilient water supply to apply for a 4% to 8% reduction to their target. The credit would be equal to a supplier’s actual percentage of total potable water production that comes from a qualifying source up to a maximum of 8%. The source of supply must have been developed since 2013, and the use of that supply must “not reduce the water available to another legal user of water or the environment.” In order to qualify for the credit, water suppliers would have to submit required certification to the State Water Board by March 15.

The draft regulation also clarifies the provision for receiving an exemption for commercial agriculture. Total monthly water production and specific reporting on residential use and enforcement would remain in effect.

ACWA's Position

ACWA is reviewing the draft regulation, which builds on a draft framework released by the State Water Board staff on Dec. 21. In general, ACWA has been calling on the State Water Board to allow locally developed drought-resilient water supplies to play a much more significant role in the state's drought response in 2016. In comments submitted Jan. 6, ACWA said the framework failed to recognize the importance of local water supply investments and could compel Californians to sustain extraordinary conservation efforts that are disproportionate to the actual need or immediate water supply conditions on the ground.

ACWA believes the current approach – and heavy focus on mandatory conservation – is denying communities the benefit of significant investment in local water projects and could provide a disincentive for water suppliers to make additional investments in the future.

Background

In May 2015, the State Water Board adopted an emergency regulation for implementing the required 25% reduction in urban water use outlined in the April 1 executive order issued by Gov. Jerry Brown. The regulation requires urban water suppliers to meet mandatory conservation targets ranging from 4% to 36%, as compared to 2013 water use, through February 2016.

On Nov. 13, 2015, Gov. Jerry Brown issued an executive order directing the State Water Board to extend the emergency conservation regulation through October 2016 if the drought persists through January 2016. As a result, the State Water Board on Dec. 7 held a public workshop to gather input on what modifications, if any, should be made if the existing regulation needs to be extended. The regulatory framework released Dec. 21 by the State Water Board staff outlined proposed some modifications to the existing regulation but called for a credits and adjustments to be capped at no more than 4%.

Next Steps and Questions

ACWA will review the draft regulation and submit comments to the State Water Board by the Jan. 28 deadline. ACWA appreciates that State Water Board staff has recognized the need for adjustments and proposed some key modifications. However, ACWA and water agencies will continue to advocate that the State Water Board make further adjustments to recognize the importance of water supply tools and address concerns raised by ACWA and water agencies throughout the state.

<http://www.acwa.com/news/state-water-board-draft-emergency-conservation-regulation-2016>

DWR Increases 2016 State Water Project Allocation from 10% to 15%

Submitted by Emily Allshouse on Tue, 01/26/2016 - 12:31pm

Crediting recent storms for improved water supply conditions, the California Department of Water Resources Tuesday announced a small increase to its initial supply allocation for the State Water Project – from 10% to 15%.

For 2016, the 29 contractors that receive SWP water requested more than 4.1 million acre-feet of water. With Tuesday’s allocation increase, they will receive 631,115 acre-feet of requested supplies. State Water Project contractors serve approximately 25 million Californians and just under a million acres of irrigated farmland.

“Our modest increase underscores the fact that we still have a critical water shortage after four-plus years of drought that we don’t know when will end,” said DWR Director Mark Cowin in a statement, while noting that statewide reservoirs remain critically low.

DWR also reported that despite improved reservoir conditions in some areas, San Luis Reservoir, a critical south-of-Delta pool for both the SWP and the Central Valley Project, reflects the same trend of lower reservoir storage this year. San Luis Reservoir is currently at 31% of capacity – or 41% of average for the date.

According to DWR, the SWP allocation may be further increased as winter storms warrant and reservoir conditions improve but approximately 150% of average rain and snow would be needed for statewide conditions – with the exception of depleted groundwater – to significantly improve.

Last year, DWR’s SWP allocation was 20% - the second lowest since 1991. In 2014, SWP deliveries were just 5%.

<http://www.acwa.com/news/ca-drought-update/dwr-increases-2016-state-water-project-allocation-10-15-0>

El Niño Bolsters California Snowpack, But Drought Still On

Submitted by Pamela Martineau on Tue, 02/02/2016 - 2:17pm

Snowpack water content in mountains throughout California is hovering well above historical averages – thanks to El Niño winter storms – but officials caution that the encouraging water readings do not indicate the state has pulled out of drought and continued water conservation is needed.

That was the overarching message from the California Department of Water Resources today as it released both manual and electronic snow survey readings. The manual snowpack reading at Phillips Station off Highway 50 in the Sierras revealed a snow water equivalent of 25.4 inches, which is 130% of the February average of 19.5 inches at Phillips since 1966. Phillips Station is where DWR opens its manual snowpack reading process to the press each month during the winter.

Rainfall and the Sierra Nevada snowpack water content are both markedly improved this water year, as is storage in the state's major reservoirs. Rainfall in the three regions tracked continuously by DWR was 123% of the historical average between Oct. 1 and Jan. 31. But while storage has increased in the state's major reservoirs, they still hold much less than their historical averages for early February, officials said. Therefore, Californians are encouraged to continue their water conservation.

Last year, Frank Gehrke, chief of the California Cooperative Snow Surveys Program, recorded a water content of just 2.5 inches in the February Phillips Station survey. Both the depth and water content at Phillips today were the highest since 2005, when a depth of 77.1 inches and water content of 29.9 inches were recorded.

Electronic readings from 102 stations scattered throughout the Sierra Nevada indicate the water content in the mountains is 20.4 inches, 114% of normal for Feb. 2. Other readings indicate: the water content of the northern Sierra Nevada snowpack is 22.7 inches, 120% of average for the date; the central and southern Sierra readings are 21.6 inches (116% of average) and 16.6 inches (106%) respectively. One year ago, the statewide, north, central and south readings respectively were 4.1 inches (22% of the Feb. 2 average), 4.1 inches (21%), 4.3 inches (22%) and 3.9 inches (25%). In normal years, the snowpack supplies about 30% of California's water needs as it melts in the spring and early summer. The greater the snowpack water content, the greater the likelihood California's reservoirs will receive ample runoff in the summer and fall.

<http://www.acwa.com/news/water-supply-challenges/el-ni%C3%B1o-bolsters-california-snowpack-drought-still>

LAO Report Recommends Legislature Adopt Governor’s Drought Proposals

Submitted by Pamela Martineau on Mon, 02/08/2016 - 12:25pm

The Legislative Analyst’s Office released a report Feb. 5 that recommends the Legislature adopt Gov. Jerry Brown’s drought-related budget proposals, saying their focus on the “most urgent human and environmental drought–related needs makes sense.”

“The severity of enduring drought conditions supports the continued need for these response activities,” the report read. “As such, we recommend the Legislature adopt the components of the governor’s drought package that meet essential human and environmental needs and that are likely to result in immediate water conservation.”

The report went on to state that more information is needed regarding Brown’s four cap-and-trade-funded drought proposals, so the Legislature should delay a decision on that aspect of the governor’s proposals.

The report added that the Legislature should continue to plan now for future droughts and water supply problems. That planning should include:

- Learning from the state’s response to the current drought;
- Identifying and sustaining short–term drought–response activities and policy changes that should be continued even after the current drought dissipates; and
- Identifying and enacting new policy changes that can help improve the state’s response to droughts in the future.

“We recommend the Legislature spend the coming months and years vetting various drought–related budget and policy proposals for their potential benefits and trade–offs, and enacting changes around which there is widespread and/or scientific consensus,” the report stated.

<http://www.acwa.com/news/water-supply-challenges/lao-report-recommends-legislature-adopt-governor%E2%80%99s-drought-proposals>