

Agenda

Sacramento Suburban Water District Special Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, April 25, 2016
10:00 a.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

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.

Items for Discussion and Action

1. Strategic Plan (PL - BOD 001)
Direct staff on any final edits and approve.
2. General Manager Employment Agreement
Approve revisions to the Agreement.
3. Status of the San Juan Water District Reorganization Discussion
Receive written staff report and direct staff as appropriate.

Information Items

- 4. 2016 Water Transfer Program Update

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

- 5. Conference with Legal Counsel – Existing Litigation, Government Code sections 54954.5(c) and 54956.9(d)(1). In re Municipal Derivatives Antitrust Litigation, Master Docket No. 08-02516 VM-GWG, MDL 1950 (Sacramento Suburban Water District, et al.)

Adjournment

Upcoming Meetings

Monday, May 16, 2016 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the April 25, 2016 special meeting of the Sacramento Suburban Water District Board of Directors was posted by April 22, 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: 1

Date: April 20, 2016

Subject: Strategic Plan (PL – BOD 001)

Staff Contact: Heather Hernandez, Executive Assistant to the General Manager

Recommended Board Action:

Approve the redline strikethrough version (Exhibit 1) showing all proposed changes from the February 19, 2016 Strategic Plan Workshop, additional changes received by Director Schild, and all proposed changes from the March 21, 2016 regular Board meeting.

Discussion:

Presented herein is the same item as presented at the April 18, 2016 regular Board meeting. At the April regular Board meeting, a request to table this item until the next meeting was made by Director Schild and seconded by Board President Thomas, then unanimously approved.

The Strategic Plan was originally adopted by the Board in October, 2005 and was last revised at the February 19, 2016 Strategic Planning Workshop, and again at the March 21, 2016 regular Board meeting. The Board reviewed in detail the District's Strategic Plan (PL - BOD 001) and directed staff to make specific changes to the Strategic Plan. Those proposed changes include:

Statement of Purpose, Mission Statement and Values:

- Proposed change to the Mission Statement to “the lowest responsible water rate” after “superior customer service at.”

Water Supply:

- No proposed changes.

Facilities and Operations:

- Proposed change to Principle A: “...and lifecycle cost analysis...”
- Proposed change to Principle D: remove “protective” after “implementing,” and, add “and analysis” after “predictive maintenance.”

Customer Service:

- No proposed changes.

Strategic Plan (PL – BOD 001)

April 20, 2016

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Finance:

- Proposed change to Principle B: remove the phrase “rates and connection fees that are fair” and replace it with “the lowest responsible rates and connection fees.”
- Proposed the addition of Principal J to read: “Produce a balanced budget.”

Leadership:

- No proposed changes.

The Board also received suggested edits from Director Schild. Those suggested edits are included in the exhibit 1 redline strikethrough. In addition to non-substantive edits recommended for acceptance, Director Schild’s proposed substantive edits include:

Water Supply:

- Proposed to remove Principle D.

Facilities and Operations:

- Proposed to edit Principle E to include “personal information, and communications” before “data.”

Customer Service:

- Proposed to add to Goal “and reliable” after “Assure superior.”
- Proposed to remove the statement from Principle B “to ensure safe, efficient and effective job performance” after “and professional development.”
- Proposed to remove the statement from Principle D “and physical system assets” after “sustainability of water resources.”

Lastly, at the March 21, 2016 regular Board meeting, the Board directed staff to combine the two redline strikethrough documents into one redline strikethrough document. In addition to non-substantive edits recommended for acceptance, the Board further suggested making the following edits in addition to the two originally edited versions:

Statement of Purpose, Mission Statement and Values:

- The Board agreed to keep the Mission Statement as originally suggested at the Strategic Plan Workshop as: “the lowest responsible water rate” after “superior customer service at.”

Water Supply:

- The Board agreed to keep letter D included in the final document.

Customer Service

- The Board agreed to keep letter D the way that the Board agreed upon at the Strategic Plan Workshop, in the final document.

Strategic Plan (PL – BOD 001)

April 20, 2016

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President Thomas requested that this redline strikethrough document containing all of the edits above be presented to the full Board as a Consent Item at the April 18, 2016 regular Board meeting.

Fiscal Impact:

No impact for the strategic plan itself. Implementation of the plan will have an impact of indeterminable amount as this plan guides staff activities on all levels, including making annual budget recommendations.

Strategic Plan Alignment:

Regular updating and refreshing of the District's Strategic Plan ensures District actions remain aligned with the Board's policy intent, and benefits District customers by identifying a clear and concise strategy for operation as a public agency providing drinking water for District customers.

EXHIBIT 1

Sacramento Suburban Water District

Strategic Plan

Adopted: October 17, 2005

Revised: May 18, 2009; March 21, 2011; April 16, 2012; April 15, 2013, April XX, 2016**Statement of Purpose**

The Sacramento Suburban Water District Board of Directors is committed to the long term development of the District and its ability to serve its customers now and into the future. To this end, the Board developed and routinely reviews the Strategic Plan that aligns the District's activities to its Mission Statement. The Strategic Plan is the District's vision and philosophy, ~~expressed as a plan~~. The plan takes the vision expressed as a mission statement and with values and translates it into ~~broad~~ goals that will guide the formulation of achievable objectives. The Strategic Plan focuses the resources of the District in a manner that strives to achieve the vision ~~and over time~~, increase value to ~~its~~ the customers.

Mission Statement

*To deliver a high quality, reliable supply of water and superior customer service
at ~~a reasonable price~~ the lowest responsible water rate.*

Values

- Respect customers ~~and~~ while conducting District business through open and transparent governance and communications.
- Practice the highest ethical standards and maintain integrity ~~at all levels of~~ throughout 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~~ Maintain sustainable resources ~~and District facilities~~ asset management through cost effective business practices.
- Emphasize internal and external collaboration in ~~pursuing~~ attaining objectives and resolving issues.

- Provide leadership and vision in water management issues.

Goals and Principles

1. Water Supply

Goal¹: Assure a present and long-term safe and reliable supply of high quality water in an environmentally responsible and sustainable manner for District customers².

Principles³

- Protect public health and the environment through compliance with all applicable federal, state and local regulations.
- Provide for the long-term future water supply needs of the District customers through prudent planning that will ensure sufficient capacity to serve all customers system demands.
- Continue to implement and support demand management strategies and water conservation that comply with federal, state and regional⁴ programs; support Water Forum Agreement⁵ goals and efficiently meet the water supply needs of the District customers.
- Manage the District's water supplies to ensure their quality and quantity.
- Ensure the safety and security of the water supply system.

2. Facilities and Operations

Goal: Plan, construct, operate and maintain the District water system facilities embracing system embracing sustainable practices to provide reliable delivery of high quality water.

Principles

- The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.
- Monitor and improve the District's system efficiencies in operating and maintaining system infrastructure.

¹ Broadly conceived targets or ends that allow the organization to achieve its mission.

² A SSWD District customer is inclusive of the following: someone who receives a SSWD water statement, residents in the District's service area, internal and external stakeholders and owners of property connected to the water system.

³ Guidelines and approaches used in pursuing goals, i.e., the manner in which the District will pursue the goal; strategies.

⁴ Encompassing the general area of North Sacramento County.

⁵ An agreement reached in 2000 by the Water Forum (a group of business interests, agricultural leaders, citizens groups, environmentalists, water managers and local governments in Sacramento County), which formalized principles to guide development of a regional solution to water issues.

- C. Develop cost-effective strategies utilizing ~~appropriate~~ technology and other available resources to optimize delivery of water and enhance service.
- D. Manage assets by implementing ~~protective~~, preventive and predictive maintenance ~~and analysis~~ programs on all District assets to extend their life and reduce service interruptions.
- E. ~~Provide~~ Continue with information technology systems that will ~~facilitate~~ provide the availability of timely and accurate information allowing a ~~and enable~~ provision of superior service to our customers.
- F. Safeguard the District's electronic personal information, and communications data.
- G. Maintain up-to-date emergency response plans in conjunction with other public service organizations.
- H. Implement water conservation programs that efficiently ~~utilize~~ provide potable water supplies.
- I. Implement energy management initiatives that reduce energy costs while protecting critical operations from ~~energy or~~ water supply interruptions.

3. Customer Service

Goal: Assure superior and reliable customer service.

Principles

- A. Operate in an open ~~and public~~ manner including public ~~reporting~~ information to the Board of Directors.
- B. Attract and retain a well-qualified staff with ~~competitive~~ adequate compensation, effective training, and professional development, ~~to ensure safe, efficient and effective job performance.~~
- C. Assure appropriate staffing at all levels consistent with service goals.
- D. Provide ~~effective~~ customer and community relations by communicating, educating, and providing ~~information~~ updates on District operations, ~~drinking water~~ quality issues, water conservation, fiscal stability, environmental stewardship, sustainability of water resources and physical system assets.
- E. Solicit and respond to customer and community concerns and feedback.
- F. Monitor and benchmark⁶ customer service parameters to ensure that ~~District~~ the customers' needs are met.

4. Finance

Goal: Ensure effective and efficient management and public reporting of all District financial processes.

Principles

- A. Monitor District operations through internal control procedures, documentation and ~~such~~ other processes necessary to ensure effective financial performance.

⁶ Data is collected to develop a standard by which services may be measured, evaluated and compared to improve performance.

- B. Establish ~~rates and connection fees that are fair,~~ the lowest responsible rates and connection fees that reflect the cost of service, encourage conservation, are simple to understand, and meet the District's revenue requirements, including bond covenants.
- C. Combine sound and efficient business and financial procedures with regular, frequent reporting to the Board and oversight bodies that explain the District's financial status and activities.
- D. Pay authorized District financial obligations in a timely manner.
- E. Provide ~~responsible~~ cash and investment management and other prudent financial practices in order to meet the District's needs and maintain reserves within District policies.
- F. Manage the District's debt portfolio to minimize debt risk and costs.
- G. Produce annual financial statements and supporting documentation to allow outside auditors to provide the District with unqualified audit opinions.
- H. Produce and monitor an annual budget for ~~necessary~~ system operations, maintenance and ~~improvements~~ replacements.
- I. Pursue opportunities for grant funding and cost savings activities with collaborative entities.
- ~~I.J.~~ Produce a balanced budget.

5. Leadership

Goal: Provide leadership on regional, statewide and national water management issues that affect ~~impact the District~~ customers.

Principles

- A. Engage in legislative affairs on issues affecting the District.
- B. Engage in a ~~leadership~~ role with professional water industry groups to ~~enhance~~ provide proficiency in technical and policy matters.
- C. Participate in regional, statewide and national water management partnerships.
- D. Provide leadership within the community in a positive and ~~progressive~~ manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).



Agenda Item: 2

Date: April 21, 2016

Subject: General Manager Employment Agreement

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Authorize President Thomas to execute the amended Employment Agreement (Exhibit 2) with Robert Roscoe, General Manager.

Discussion:

Following completion of the General Manager's performance evaluation, the Board of Directors met in closed session to provide direction for labor negotiations. As a result of those negotiations, the attached amended Employment Contract is presented for Board consideration.

Proposed changes to the agreement include:

1. A cost-of-living adjustment (COLA) of 0.3%, as approved for other staff.
2. A merit adjustment of 1.2%. The Board authorized a merit pool of 4% for all staff in the 2016 budget. The total salary adjustment with COLA plus Merit is 1.5%.
3. A onetime cash payment of \$4,000.00.
4. Making the contract effective on January 1, 2016.
5. Extending the contract time by 10 months for an expiration date of December 31, 2018 (the contract will be 3 total years from 1/1/16 to 12/31/18.)
6. Several non-substantive clean-up items including:
 1. An update to the reference dates in paragraph 1 and 10;
 2. A new Board President in the Signature Block; and
 3. A grammatical edit in paragraph 6.d. Paragraph 6.d. listing the three areas where this contract provides benefits that differ from the Employment Handbook. The suggested language simply correctly lists the three areas, and in correct order. The benefits provided remain unchanged from previous employment contracts.

Exhibit 1 shows a redline version of all proposed changes to the Employment Agreement.

Exhibit 2 is a clean version of the proposed agreement for Board consideration. There are no proposed changes to the job description for the General Manager; the March 1, 2015 version is proposed to remain as attached.

Fiscal Impact:

Included in the approved labor budget.

Strategic Plan Alignment:

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.

EXHIBIT 1

Sacramento Suburban Water District Employment Agreement with General Manager

This Agreement is entered into as of the ~~20th-25TH of July, 2015~~^{April 2016}, by and between Sacramento Suburban Water District, a public agency ("District"), and Robert S. Roscoe, an individual ("Mr. Roscoe"), who agree as follows:

Formatted: Superscript

1. Recitals. The District selected Mr. Roscoe as the General Manager of the District, commencing on March 10, 2003. The District and Mr. Roscoe now desire to amend Mr. Roscoe's employment by executing a new employment agreement to supersede in full the agreement dated ~~May 19, 2014~~^{July 20, 2015}.

2. Employment. The District hereby continues Mr. Roscoe's employment as General Manager (and including the duties of District Secretary) of the District for the term specified in Section 3, subject to the terms and conditions of this Agreement. Mr. Roscoe hereby accepts such employment on the terms and conditions of this Agreement. In accordance with the provisions of section 53262 of the Government Code, this Agreement is subject to ratification in an open session of a meeting of the Board of Directors of the District. Mr. Roscoe understands and agrees that he serves at the Board of Directors' will and pleasure.

3. Term. This Agreement will remain in effect for a fixed term that began on ~~March~~^{January 1, 2016} and terminates on ~~February 28~~^{December 31, 2018}, unless terminated sooner as provided in Section 8 below. The term of this Agreement is subject to extension beyond its term upon agreement of the District and Mr. Roscoe in accordance with Section 13 hereof.

4. Duties. Mr. Roscoe's duties under this Agreement will be those assigned to the office of the General Manager and District Secretary, as described in the job description for the General Manager position adopted and amended from time to time by the District Board of Directors, including the duties specified in sections 30579, 30580 and 30581 of the California Water Code, and such other duties and responsibilities as may be assigned by the District Board of Directors. The current job description for the General Manager is attached as Exhibit A to this Agreement. Mr. Roscoe is the chief executive officer of the District and works under the direction of the District Board of Directors.

5. Work Hours. Mr. Roscoe will devote his full time, attention and energies to his duties, and will be available to work at such times as necessary to fully and competently perform the duties of General Manager, regardless of the number of hours involved. Mr. Roscoe acknowledges that the duties of General Manager may require an average of more than forty hours per week, and that some day-to-day work hours may vary significantly (e.g., on a Board meeting day). Mr. Roscoe will not be compensated for overtime hours worked or otherwise earned, or be entitled to compensatory time off for hours worked in excess of eight hours per day or forty hours per week. Mr. Roscoe will not engage in any conduct or other employment or business that would interfere with his responsibilities and duties to the District or that would reflect unfavorably on the interests of the District. So that the Board of Directors may be assured of the extent of any other demands upon Mr. Roscoe's time and attention, Mr. Roscoe will disclose in confidence to the Board of Directors the nature and scope of any other business activities during the term of this Agreement.

6. Compensation. For all services to be rendered by Mr. Roscoe under this Agreement, the District will provide to Mr. Roscoe the following salary and benefits:

a. During the term of this Agreement, Mr. Roscoe will be paid a salary in the amount of ~~\$46,156~~16,398 per month (i.e., ~~\$493,872~~196,776 per year; "Base Salary"), beginning on ~~March~~January 1, 2016~~5~~, provided that, the Base Salary will be subject to increase, as of March 1 each year during the term of this Agreement by (1) the amount of any cost-of-living increase approved by the Board of Directors for the General Manager; and/or (2) the amount of any merit salary increase approved by the Board of Directors for the General Manager. Mr. Roscoe will further be paid a one-time cash amount of \$4,000 payable on execution of this contract.

b. The District Board of Directors may, at any time during the term of this Agreement, increase Mr. Roscoe's Base Salary. The Board of Directors will conduct an annual review each year of Mr. Roscoe's job performance, and consider a merit salary increase.

c. During the term of this Agreement, the District will pay Mr. Roscoe an amount of \$350 each month in addition to Base Salary as a vehicle allowance to compensate Mr. Roscoe for use of his personal vehicle for District purposes.

d. Mr. Roscoe will be entitled to receive all other employee benefits (including sick leave, accrual of sick leave, retirement system membership and employer contributions, deferred compensation investment opportunities, and employee and dependent coverage on health, dental and other group insurance programs) as provided in the District's Human Resources Policies (as amended from time to time by the Board of Directors) and Employee Handbook (together the "Employment Policies") as otherwise provided to other regular full-time District employees, but ~~not including vacation, administrative leave or post-retirement health benefits. In lieu of vacation, administrative leave or post-retirement health benefits provided in the Employment Policies, not including vacation, overtime or compensatory time off benefits. In lieu of vacation and overtime or compensatory time off benefits provided in the Employment Policies, Mr. Roscoe will be entitled to; (1) twenty four days per year of vacation; and (2) thirteen days per year of administrative leave, provided that, any amount of accrued vacation in excess of forty days and any amount of accrued administrative leave in excess of twenty six days will be purchased by the District in accordance with the provisions of the Personnel Manual Employment Policies; and (3) Mr. Roscoe is fully vested in District paid post-retirement health benefits (health, dental, vision, etc.) for himself, his spouse and any eligible dependents. The amount of vacation time provided to Mr. Roscoe may be increased from time to time by the Board of Directors.~~

e. Mr. Roscoe will be entitled to be reimbursed for the reasonable amount of his actual and necessary expenses incurred in carrying out his duties as General Manager to the extent that his expenses are properly documented in conformance with the Employment Policies and the Internal Revenue Service's requirements for an Accountable Plan. Reimbursement for travel-related expenses incurred by Mr. Roscoe as General Manager for travel outside of the State of California will require the approval of the Board of Directors.

7. Other Terms and Conditions of Employment. Subject to the terms of this Agreement, Mr. Roscoe's employment also will be governed by all applicable provisions of the Employment Policies. If any term or condition of this Agreement is inconsistent or in conflict with a term or condition of the Employment Policies, the provisions of this Agreement will govern. If any term or condition of this Agreement is inconsistent or in conflict with a federal or state law, the law will govern. Mr. Roscoe acknowledges that the position of General Manager is one requiring frequent and highly-visible contact and involvement with members of the public and the community, and that in many respects the General Manager is the spokesperson and representative of the District. Mr. Roscoe will not engage in any conduct within or outside the scope of his employment with the District that reflects unfavorably on or discredits the District, its Board of Directors, or other employees.

8. Termination. This Agreement may be terminated in any one of the following ways:

a. By mutual agreement of the parties, expressed in writing.

b. By Mr. Roscoe, upon giving to the District not less than 30 days' prior written notice of his election to terminate.

c. By the District, for cause, upon giving to Mr. Roscoe written notice of immediate termination. The written notice of termination will specify (1) the particular cause(s) and the facts and circumstances justifying the termination of the Agreement for cause, and (2) the opportunity of Mr. Roscoe to meet with the District Board of Directors on the reasons for his termination. If Mr. Roscoe requests a meeting, the meeting will be held at the Board's earliest convenience in a closed session, unless Mr. Roscoe requests an open session meeting. After the meeting, the Board may affirm, modify or reverse its decision to terminate for cause. For purposes of this Agreement, the following will justify termination for cause: willful breach of duty; habitual neglect of duty; gross insubordination; conviction of a crime involving moral turpitude; conduct that makes it impossible or impracticable to perform the duties under this Agreement, or that seriously impedes District operations; conduct that tends to bring discredit to the District, or conduct unbecoming an employee in public service; mishandling of District funds; any intentional misrepresentation or fraud in connection with the performance of his duties; theft of District property; violation of law; or, violation of the applicable provisions of the Employment Policies.

d. By the District, without cause, upon giving to Mr. Roscoe written notice of immediate termination and payment of severance pay in an amount equal to Mr. Roscoe's then monthly salary multiplied by either (1) six months; or (2) the number of months or portions thereof between the effective date of termination of employment and the end of the term of this Agreement, whichever is less, consistent with the provisions of Government Code sections 53260 through 53264.

e. Mr. Roscoe's service or disability retirement, death or inability to perform the essential functions of the General Manager's position due to illness or other disability as medically determined by the Board in accordance with federal and state laws protecting persons with disabilities, and applicable provisions of the Employment Policies. If at any time the District determines that a question exists as Mr. Roscoe's ability to perform the essential functions of his position, the District may require him to undergo a comprehensive fitness for duty medical examination at the District's expense.

Notwithstanding the provisions of any District rule, regulation, policy, procedure or practice to the contrary, upon termination of Mr. Roscoe's employment, whether as a result of refusal to renew/extend the term or of mid-term termination, and whether with or without cause, Mr. Roscoe will not be entitled to any compensation, damages or other monetary award except as specifically authorized by this Agreement.

9. Indemnification and Defense. To the full extent and manner provided for public employees by applicable law, the District shall indemnify, defend, and hold Mr. Roscoe harmless from any against all demands, claims, suits, actions and legal proceedings brought against him in his official or personal capacity and arising out of events within the scope of his employment with the District.

10. Entire Agreement. This Agreement constitutes the sole, entire, integrated and exclusive contract between the parties respecting Mr. Roscoe's employment by the District, and any other contracts, contract terms, understandings, promises or representations not expressly set forth or referenced in this writing are null and void, and of no force and effect. This Agreement terminates and supersedes in full the Employment Agreement with General Manager between Mr. Roscoe and the District, as last amended ~~May 19, 2014~~ July 20, 2015.

11. Notices. Any notice to be given to Mr. Roscoe will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

12. Successors and Assigns. This Agreement is personal to Mr. Roscoe. He may not transfer or assign the Agreement or any part of it. Subject to this restriction on transfer and assignment, this Agreement will bind, and inure to the benefit of, the successors, assigns, heirs and legal representatives of the parties.

13. Amendments. This Agreement may be amended only by a subsequent writing approved and signed by both parties. Any amendment by the District must be approved by the District Board of Directors at a public meeting. Individual Board members do not have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions of Mr. Roscoe's employment.

14. Waiver. The waiver at any time by either party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default or matter.

15. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

Sacramento Suburban Water District

General Manager

By:

Neil W. SchildKevin Thomas
President, Board of Directors

Robert S. Roscoe

Exhibit A

Sacramento Suburban Water District Classification Specification

Job Class: General Manager
FLSA Status: Exempt
Supervisor: Board of Directors
Effective Date: March 1, 2015

Definition/Distinguishing Characteristics

Under broad policy and general administrative direction from the Board of Directors ("the Board"), the General Manager plans, organizes, directs, and reviews the overall administrative activities and operations of the District; advises and assists the Board; and represents the District's interests at local, regional, State and Federal levels. The position is employed under contract as the Chief Administrative or Executive Officer for the District, which is the highest-level position in the organization, and also currently serves as the District Secretary.

Broad Duties

The broad duties of the General Manager are set forth in the California Water Code as follows:

Section 30580

The General Manager shall:

- (a) Have full charge and control of the maintenance, operation, and construction of the water works or water-works system of the District.
- (b) Have full power and authority to employ and discharge all employees and assistants at pleasure.
- (c) Prescribe the duties of employees and assistants.
- (d) Fix and alter the compensation of employees and assistants subject to approval by the Board.

Section 30581

The General Manager shall also:

- (a) Perform other duties imposed by the Board.
- (b) Report to the Board in accordance with the rules and regulations as it adopts.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the position 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. The Board retains the right to add, remove, or change duties at any time.

- Serves as the Chief Administrative or Executive Officer of the District.
- Directs the development and implementation of District goals, objectives, policies and procedures; approves new or modified programs, systems and administrative/personnel actions.
- Coordinates District activities between divisions and with outside agencies and organizations.

- Provides consultation, advice and recommendations for the Board's consideration and adoption; provides staff assistance to the Board.
- Represents the District by engaging in a high level of involvement and interaction with federal, state and local agencies and elected officials, other special districts, and professional groups and committees.
- Monitors and provides direction for media and public relations; insures the District's interests are represented with customers, stakeholders, governmental agencies, the financial community and the general public.
- Directs and oversees the development of Board agendas.
- Directs and oversees the development, presentation and administration of the District budget; makes recommendations to the Board on final expenditure levels; reviews budget requests for approval or disapproval.
- Confers with and directs the management team and individual managers concerning administrative and operational issues.
- Confers with District legal counsel and outside counsel on legal issues affecting the District.
- Maintains awareness of operations practices and recommends changes which increase the efficiency and economy of District operations.
- Reviews and authorizes District contracts, leases, agreements with other agencies, and other legal and financial documents.
- Insures the District's human resource administration function is properly executed in a fair and equitable manner.
- Researches, prepares and presents technical and administrative reports and studies to the Board and a variety of committees.
- Establishes and maintains cooperative working relationships with co-workers, the Board, outside agencies, and the public.

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 by airplane and automobile in conducting District business.
- Communicates frequently with the Board of Directors, Assistant General Manager, staff, representatives from other agencies and the public in one-to-one and group settings.
- Regularly uses telephone for communications.
- Regularly uses computer, keyboard and mouse.
- Uses office equipment such as copier and fax machines.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.

Qualifications

Knowledge of:

- Public water system operations.
- Principles and practices of public administration, including administrative analysis, fiscal planning, and control, and policy and program development.

- Laws, rules, ordinances, and legislative processes controlling District functions, programs, and operations.
- Organization, operations, and problems of special districts.
- Research and evaluation methods.
- Budgeting principles and practices.
- Cost estimating and contract administration.
- Public personnel administration and employer-employee relations.
- Principles and practices of personnel administration.

Ability to:

- Plan, organize, coordinate, and direct the work of staff to achieve efficient operations and meet program goals.
- Prepare and administer a District budgeting and fiscal control process.
- Collect, organize, and analyze data on a variety of topics.
- Prepare concise and comprehensive reports.
- Oversee the preparation of Board agendas.
- Communicate well during public presentations.
- Exercise leadership, authority, and supervision tactfully and effectively.
- Evaluate and make recommendations on improvements to existing District operations, programs, and services.
- Provide advice and consultation to the Board of Directors on the development of ordinances, regulations, programs, and policies.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

- A Bachelor's Degree in Business Administration, Public Administration, Civil Engineering or a related field from an accredited college or university.
- 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 insurance rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.

Desirable:

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

- Eight (8) or more years of broad and extensive experience in a management or administrative position responsible for the formulation and implementation of programs, budgets and administrative operations with at least six (6) years in a management or supervisory capacity.

- Eight (8) or more years of progressively responsible technical, supervisory and administrative duties in the design, construction, operation and maintenance of a modern urban water and/or wastewater system.
- Eight (8) or more years of professional civil engineering experience in the planning, design, construction and inspection of water supply projects, including at least four (4) years in a supervisory or lead capacity.
- Possession of a Certificate of Registration as a professional engineer in the State of California and a Masters Degree in Public Administration, Business, Civil Engineering or a related field.
- Possession of State of California Water Distribution Operator Certificate Grade D3 or higher.
- Possession of State of California Water Treatment Operator Certificate Grade T2 or higher.

EXHIBIT 2

Sacramento Suburban Water District Employment Agreement with General Manager

This Agreement is entered into as of the 25TH of April 2016, by and between Sacramento Suburban Water District, a public agency (“District”), and Robert S. Roscoe, an individual (“Mr. Roscoe”), who agree as follows:

- 1. Recitals.** The District selected Mr. Roscoe as the General Manager of the District, commencing on March 10, 2003. The District and Mr. Roscoe now desire to amend Mr. Roscoe’s employment by executing a new employment agreement to supersede in full the agreement dated July 20, 2015.
- 2. Employment.** The District hereby continues Mr. Roscoe’s employment as General Manager (and including the duties of District Secretary) of the District for the term specified in Section 3, subject to the terms and conditions of this Agreement. Mr. Roscoe hereby accepts such employment on the terms and conditions of this Agreement. In accordance with the provisions of section 53262 of the Government Code, this Agreement is subject to ratification in an open session of a meeting of the Board of Directors of the District. Mr. Roscoe understands and agrees that he serves at the Board of Directors’ will and pleasure.
- 3. Term.** This Agreement will remain in effect for a fixed term that began on January 1, 2016 and terminates on December 31, 2018, unless terminated sooner as provided in Section 8 below. The term of this Agreement is subject to extension beyond its term upon agreement of the District and Mr. Roscoe in accordance with Section 13 hereof.
- 4. Duties.** Mr. Roscoe’s duties under this Agreement will be those assigned to the office of the General Manager and District Secretary, as described in the job description for the General Manager position adopted and amended from time to time by the District Board of Directors, including the duties specified in sections 30579, 30580 and 30581 of the California Water Code, and such other duties and responsibilities as may be assigned by the District Board of Directors. The current job description for the General Manager is attached as Exhibit A to this Agreement. Mr. Roscoe is the chief executive officer of the District and works under the direction of the District Board of Directors.
- 5. Work Hours.** Mr. Roscoe will devote his full time, attention and energies to his duties, and will be available to work at such times as necessary to fully and competently perform the duties of General Manager, regardless of the number of hours involved. Mr. Roscoe acknowledges that the duties of General Manager may require an average of more than forty hours per week, and that some day-to-day work hours may vary significantly (e.g., on a Board meeting day). Mr. Roscoe will not be compensated for overtime hours worked or otherwise earned, or be entitled to compensatory time off for hours worked in excess of eight hours per day or forty hours per week. Mr. Roscoe will not engage in any conduct or other employment or business that would interfere with his responsibilities and duties to the District or that would reflect unfavorably on the interests of the District. So that the Board of Directors may be assured of the extent of any other demands upon Mr. Roscoe’s time and attention, Mr. Roscoe will disclose in confidence to the Board of Directors the nature and scope of any other business activities during the term of this Agreement.
- 6. Compensation.** For all services to be rendered by Mr. Roscoe under this Agreement, the District will provide to Mr. Roscoe the following salary and benefits:

a. During the term of this Agreement, Mr. Roscoe will be paid a salary in the amount of \$16,398 per month (i.e., \$196,776 per year; "Base Salary"), beginning on January 1, 2016, provided that, the Base Salary will be subject to increase, as of March 1 each year during the term of this Agreement by (1) the amount of any cost-of-living increase approved by the Board of Directors for the General Manager; and/or (2) the amount of any merit salary increase approved by the Board of Directors for the General Manager. Mr. Roscoe will further be paid a one-time cash amount of \$4,000 payable on execution of this contract.

b. The District Board of Directors may, at any time during the term of this Agreement, increase Mr. Roscoe's Base Salary. The Board of Directors will conduct an annual review each year of Mr. Roscoe's job performance, and consider a merit salary increase.

c. During the term of this Agreement, the District will pay Mr. Roscoe an amount of \$350 each month in addition to Base Salary as a vehicle allowance to compensate Mr. Roscoe for use of his personal vehicle for District purposes.

d. Mr. Roscoe will be entitled to receive all other employee benefits (including sick leave, accrual of sick leave, retirement system membership and employer contributions, deferred compensation investment opportunities, and employee and dependent coverage on health, dental and other group insurance programs) as provided in the District's Human Resources Policies (as amended from time to time by the Board of Directors) and Employee Handbook (together the "Employment Policies") as otherwise provided to other regular full-time District employees, but not including vacation, administrative leave or post-retirement health benefits. In lieu of vacation, administrative leave or post-retirement health benefits provided in the Employment Policies, Mr. Roscoe will be entitled to: (1) twenty four days per year of vacation; and (2) thirteen days per year of administrative leave, provided that, any amount of accrued vacation in excess of forty days and any amount of accrued administrative leave in excess of twenty six days will be purchased by the District in accordance with the provisions of the Employment Policies; and (3) Mr. Roscoe is fully vested in District paid post-retirement health benefits (health, dental, vision, etc.) for himself, his spouse and any eligible dependents. The amount of vacation time provided to Mr. Roscoe may be increased from time to time by the Board of Directors.

e. Mr. Roscoe will be entitled to be reimbursed for the reasonable amount of his actual and necessary expenses incurred in carrying out his duties as General Manager to the extent that his expenses are properly documented in conformance with the Employment Policies and the Internal Revenue Service's requirements for an Accountable Plan. Reimbursement for travel-related expenses incurred by Mr. Roscoe as General Manager for travel outside of the State of California will require the approval of the Board of Directors.

7. Other Terms and Conditions of Employment. Subject to the terms of this Agreement, Mr. Roscoe's employment also will be governed by all applicable provisions of the Employment Policies. If any term or condition of this Agreement is inconsistent or in conflict with a term or condition of the Employment Policies, the provisions of this Agreement will govern. If any term or condition of this Agreement is inconsistent or in conflict with a federal or state law, the law will govern. Mr. Roscoe acknowledges that the position of General Manager is one requiring frequent and highly-visible contact and involvement with members of the public and the community, and that in many respects the General Manager is the spokesperson and representative of the District. Mr. Roscoe will not engage in any conduct within or outside the scope of his employment with the District that reflects unfavorably on or discredits the District, its Board of Directors, or other employees.

8. Termination. This Agreement may be terminated in any one of the following ways:

a. By mutual agreement of the parties, expressed in writing.

b. By Mr. Roscoe, upon giving to the District not less than 30 days' prior written notice of his election to terminate.

c. By the District, for cause, upon giving to Mr. Roscoe written notice of immediate termination. The written notice of termination will specify (1) the particular cause(s) and the facts and circumstances justifying the termination of the Agreement for cause, and (2) the opportunity of Mr. Roscoe to meet with the District Board of Directors on the reasons for his termination. If Mr. Roscoe requests a meeting, the meeting will be held at the Board's earliest convenience in a closed session, unless Mr. Roscoe requests an open session meeting. After the meeting, the Board may affirm, modify or reverse its decision to terminate for cause. For purposes of this Agreement, the following will justify termination for cause: willful breach of duty; habitual neglect of duty; gross insubordination; conviction of a crime involving moral turpitude; conduct that makes it impossible or impracticable to perform the duties under this Agreement, or that seriously impedes District operations; conduct that tends to bring discredit to the District, or conduct unbecoming an employee in public service; mishandling of District funds; any intentional misrepresentation or fraud in connection with the performance of his duties; theft of District property; violation of law; or, violation of the applicable provisions of the Employment Policies.

d. By the District, without cause, upon giving to Mr. Roscoe written notice of immediate termination and payment of severance pay in an amount equal to Mr. Roscoe's then monthly salary multiplied by either (1) six months; or (2) the number of months or portions thereof between the effective date of termination of employment and the end of the term of this Agreement, whichever is less, consistent with the provisions of Government Code sections 53260 through 53264.

e. Mr. Roscoe's service or disability retirement, death or inability to perform the essential functions of the General Manager's position due to illness or other disability as medically determined by the Board in accordance with federal and state laws protecting persons with disabilities, and applicable provisions of the Employment Policies. If at any time the District determines that a question exists as Mr. Roscoe's ability to perform the essential functions of his position, the District may require him to undergo a comprehensive fitness for duty medical examination at the District's expense.

Notwithstanding the provisions of any District rule, regulation, policy, procedure or practice to the contrary, upon termination of Mr. Roscoe's employment, whether as a result of refusal to renew/extend the term or of mid-term termination, and whether with or without cause, Mr. Roscoe will not be entitled to any compensation, damages or other monetary award except as specifically authorized by this Agreement.

9. Indemnification and Defense. To the full extent and manner provided for public employees by applicable law, the District shall indemnify, defend, and hold Mr. Roscoe harmless from any against all demands, claims, suits, actions and legal proceedings brought against him in his official or personal capacity and arising out of events within the scope of his employment with the District.

10. Entire Agreement. This Agreement constitutes the sole, entire, integrated and exclusive contract between the parties respecting Mr. Roscoe's employment by the District, and any other contracts, contract terms, understandings, promises or representations not expressly set forth or referenced in this writing are null and void, and of no force and effect. This Agreement terminates and supersedes in full the Employment Agreement with General Manager between Mr. Roscoe and the District, as last amended July 20, 2015.

11. Notices. Any notice to be given to Mr. Roscoe will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

12. Successors and Assigns. This Agreement is personal to Mr. Roscoe. He may not transfer or assign the Agreement or any part of it. Subject to this restriction on transfer and assignment, this Agreement will bind, and inure to the benefit of, the successors, assigns, heirs and legal representatives of the parties.

13. Amendments. This Agreement may be amended only by a subsequent writing approved and signed by both parties. Any amendment by the District must be approved by the District Board of Directors at a public meeting. Individual Board members do not have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions of Mr. Roscoe's employment.

14. Waiver. The waiver at any time by either party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default or matter.

15. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

Sacramento Suburban Water District

General Manager

By:

Kevin Thomas
President, Board of Directors

Robert S. Roscoe

Exhibit A

Sacramento Suburban Water District Classification Specification

Job Class: General Manager
FLSA Status: Exempt
Supervisor: Board of Directors
Effective Date: March 1, 2015

Definition/Distinguishing Characteristics

Under broad policy and general administrative direction from the Board of Directors (“the Board”), the General Manager plans, organizes, directs, and reviews the overall administrative activities and operations of the District; advises and assists the Board; and represents the District’s interests at local, regional, State and Federal levels. The position is employed under contract as the Chief Administrative or Executive Officer for the District, which is the highest-level position in the organization, and also currently serves as the District Secretary.

Broad Duties

The broad duties of the General Manager are set forth in the California Water Code as follows:

Section 30580

The General Manager shall:

- (a) Have full charge and control of the maintenance, operation, and construction of the water works or water-works system of the District.
- (b) Have full power and authority to employ and discharge all employees and assistants at pleasure.
- (c) Prescribe the duties of employees and assistants.
- (d) Fix and alter the compensation of employees and assistants subject to approval by the Board.

Section 30581

The General Manager shall also:

- (a) Perform other duties imposed by the Board.
- (b) Report to the Board in accordance with the rules and regulations as it adopts.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the position 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. The Board retains the right to add, remove, or change duties at any time.

- Serves as the Chief Administrative or Executive Officer of the District.
- Directs the development and implementation of District goals, objectives, policies and procedures; approves new or modified programs, systems and administrative/personnel actions.
- Coordinates District activities between divisions and with outside agencies and organizations.

- Provides consultation, advice and recommendations for the Board's consideration and adoption; provides staff assistance to the Board.
- Represents the District by engaging in a high level of involvement and interaction with federal, state and local agencies and elected officials, other special districts, and professional groups and committees.
- Monitors and provides direction for media and public relations; insures the District's interests are represented with customers, stakeholders, governmental agencies, the financial community and the general public.
- Directs and oversees the development of Board agendas.
- Directs and oversees the development, presentation and administration of the District budget; makes recommendations to the Board on final expenditure levels; reviews budget requests for approval or disapproval.
- Confers with and directs the management team and individual managers concerning administrative and operational issues.
- Confers with District legal counsel and outside counsel on legal issues affecting the District.
- Maintains awareness of operations practices and recommends changes which increase the efficiency and economy of District operations.
- Reviews and authorizes District contracts, leases, agreements with other agencies, and other legal and financial documents.
- Insures the District's human resource administration function is properly executed in a fair and equitable manner.
- Researches, prepares and presents technical and administrative reports and studies to the Board and a variety of committees.
- Establishes and maintains cooperative working relationships with co-workers, the Board, outside agencies, and the public.

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 by airplane and automobile in conducting District business.
- Communicates frequently with the Board of Directors, Assistant General Manager, staff, representatives from other agencies and the public in one-to-one and group settings.
- Regularly uses telephone for communications.
- Regularly uses computer, keyboard and mouse.
- Uses office equipment such as copier and fax machines.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.

Qualifications

Knowledge of:

- Public water system operations.
- Principles and practices of public administration, including administrative analysis, fiscal planning, and control, and policy and program development.

- Laws, rules, ordinances, and legislative processes controlling District functions, programs, and operations.
- Organization, operations, and problems of special districts.
- Research and evaluation methods.
- Budgeting principles and practices.
- Cost estimating and contract administration.
- Public personnel administration and employer-employee relations.
- Principles and practices of personnel administration.

Ability to:

- Plan, organize, coordinate, and direct the work of staff to achieve efficient operations and meet program goals.
- Prepare and administer a District budgeting and fiscal control process.
- Collect, organize, and analyze data on a variety of topics.
- Prepare concise and comprehensive reports.
- Oversee the preparation of Board agendas.
- Communicate well during public presentations.
- Exercise leadership, authority, and supervision tactfully and effectively.
- Evaluate and make recommendations on improvements to existing District operations, programs, and services.
- Provide advice and consultation to the Board of Directors on the development of ordinances, regulations, programs, and policies.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

- A Bachelor's Degree in Business Administration, Public Administration, Civil Engineering or a related field from an accredited college or university.
- 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 insurance rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.

Desirable:

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

- Eight (8) or more years of broad and extensive experience in a management or administrative position responsible for the formulation and implementation of programs, budgets and administrative operations with at least six (6) years in a management or supervisory capacity.

- Eight (8) or more years of progressively responsible technical, supervisory and administrative duties in the design, construction, operation and maintenance of a modern urban water and/or wastewater system.
- Eight (8) or more years of professional civil engineering experience in the planning, design, construction and inspection of water supply projects, including at least four (4) years in a supervisory or lead capacity.
- Possession of a Certificate of Registration as a professional engineer in the State of California and a Masters Degree in Public Administration, Business, Civil Engineering or a related field.
- Possession of State of California Water Distribution Operator Certificate Grade D3 or higher.
- Possession of State of California Water Treatment Operator Certificate Grade T2 or higher.



Agenda Item: 3

Date: April 20, 2016

Subject: Status of the San Juan Water District Reorganization Discussion

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Appoint Board members to a 2X2 Committee to reinitiate discussions with San Juan Water District (SJWD).

Discussion:

This item was presented at the April 18, 2016 regular Board meeting. At the April Board meeting, Director Gayle made a motion to table this item which was seconded by Director Locke. The item was tabled on a 3-1-1 vote with Director Wichert absent and Director Schild abstaining.

Background:

At the June 25, 2015 Joint Board Meeting between Sacramento Suburban Water District (SSWD) and SJWD, two motions by SSWD Directors passed. Paraphrasing, the first was to pay the Phase 2A Consultant, but not accept the Phase 2A report. The second motion was to suspend all work on consolidation with SJWD until SSWD coordinates with SJWD Wholesale Agencies and SSWD can evaluate the independent legal research SSWD commissioned.

Staff met with management personnel of Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Orangevale Water District (OVWD) and the City of Folsom (Folsom). All confirmed that the questions and concerns they had were represented in the written comments they provided prior to the June 25, 2015 Joint Board Meeting. Orangevale Water Company represented that they had no issues.

At the January 25, 2016 Board meeting, the independent legal review of SJWD's water rights and contracts were summarized for the Board by the Brenda Davis Law Group. Therefore, the conditions placed to suspend work on consolidations were met.

During preparation of the 2016 Budget for SSWD, the board discussed whether or not to budget money to continue to Phase 2B. The decision was made to place a \$100,000 item on the budget, title that item "special projects," and direct the General Manager not to spend that money without prior Board approval.

In December 2015 when President Thomas was making Committee appointments, assignments to the previous 2x2 Committee with SJWD were specifically postponed. A 2x2 Committee does not exist today.

Staff was directed to place the subject topic as an Action Item at the February 22, 2016 regular Board meeting. Upon conclusion of Board discussion a motion passed, by a 3/2 vote, that directed staff to report to SJWD that the District is not interested in pursuing additional consolidation discussions at this time. Staff completed that notification.

At the March 21, 2016 regular Board meeting agenda, Director Gayle requested to bring back the merger discussion to the April 18, 2016 regular Board meeting.

Staff is now seeking direction from the Board. Options include at least the following:

1. Direct staff to report to SJWD that SSWD is not interested in pursuing additional consolidation discussions at this time.
2. Direct staff to reinitiate consolidation discussions with SJWD and develop a scope and budget for Phase 2B.
3. Appoint Directors to a 2x2 Committee and reinitiate discussions with SJWD.

Staff has consistently maintained that merging the assets of SSWD and SJWD offers significant potential for benefits to both Districts. However, staff has also consistently maintained that a decision to consolidate public agencies is a policy decision to be made by the officials elected to represent District customers.

As SJWD has embarked on a separate planning process to address future needs for their Districts, it is presently unknown whether SJWD wishes to continue merger discussions with SSWD or not. To determine if there remains an interest in pursuing subsequent merger discussions including a potential Phase 2B study, staff suggests appointing a 2X2 committee to initially gauge interest on the part of SJWD and report back to the full SSWD Board.

Fiscal Impact:

Unknown at this time.

Strategic Plan Alignment:

Consolidation with a neighboring water utility would touch all aspects of the goals and principals in SSWD's Strategic Plan; Water Supply, Facilities and Operations, Customer Service, Finance and Leadership.

The benefit to District customers is not reported, as there is no staff recommendation.



Agenda Item: 4

Date: April 21, 2016
Subject: 2016 Water Transfer Program Update
Staff Contact: Robert S. Roscoe, General Manager

At the Special Board meeting held on April 1, 2016, the Board authorized the General Manager to enter into agreements for water transfers with Placer County Water Agency (PCWA) and the City of Sacramento (City). The other two transfer options presented by staff at the March 25, 2016 meeting of the Ad-Hoc Water Banking and Transfer Committee were not presented to the Board at the direction of the Ad-Hoc Committee.

At the April 1, 2016 Special Board meeting, staff informed the Board that the San Luis & Delta-Mendota Water Authority, the entity negotiation transfers for federal CVP contractors through the Jones pumping plant, provided notice that it elected not to pursue water transfers involving groundwater substitution and reservoir releases. The State Water Contractors (SWC) had potential buyers, but they were fearful that there wouldn't be delta export capacity. The SWC were trying to position themselves to be ready for transferring water if Department of Water Resources found some delta export capacity. Eric Chapman, SWC, informed staff that the delta export capacity picture at the Banks pumping plant should become clear after the next allocation analysis in mid-April.

Staff was in the process of entering into the agreements with the two agencies when it received the following email from Mr. Chapman on April 21, 2016:

The SWP Contractors met yesterday with DWR staff to discuss the updated allocation studies and potential SWP capacity to move water transfers in 2016. With the updated hydrology assessment, the studies show that there will not be any capacity to export water transfers in 2016. Therefore, the buyers and I have decided to conclude the 2016 SWC DYTP.

We appreciate all of the sellers' willingness to participate and make water available to the 2016 DYTP.

*Sincerely,
Eric*

Staff has notified PCWA and the City that there will be no water transfer agreements in 2016.