

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

May 21, 2025 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Mike McRae	Vice President
Dan Rich	Director (late)
Pam Tobin	Director
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Adam Larsen	Field Services Manager
Devon Barrett	Customer Service Manager
Greg Turner	Water Treatment Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel
Kristen Castanos	Water Counsel

OTHER ATTENDEES

Meera Deshmane	
Sandy Harris	
Tiffani Larsen	
George Machado	
Adam Vasquez	
Sophia Juarez	Jones Mayer Intern
Masha Stetsenko & Family	Poster Contest Winner
Katelyn Vo & Family	Poster Contest Winner
Natalie Matalkah & Family	Poster Contest Winner
Ken Kirkland	SJWD Employee
Mike Spencer	SJWD Employee

AGENDA ITEMS

- I. Roll Call**
- II. Presentation**
- III. Public Forum and Comments**
- IV. Consent Calendar**
- V. Budget Workshop**
- VI. New Business**
- VII. Old Business**
- VIII. Information Items**
- IX. Directors' Reports**

- X. **Future Agenda Items**
- XI. **Committee Meetings**
- XII. **Upcoming Events**
- XIII. **Closed Session**
- XIV. **Open Session**
- XV. **Adjourn**

President Costa called the meeting to order at 6:00 p.m.

I. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, Mike McRae, Dan Rich (arrived at 6:15 pm), Pam Tobin, and Manuel Zamorano.

President Costa delayed Agenda Item II to allow time for one of the recipients to arrive – he continued with Agenda Items III, IV and VII-2. The meeting minutes will remain in the original order.

II. PRESENTATION

President Costa and Mr. Ken Kirkland presented the Poster Contest awards to student winners in attendance: Masha Stetsenko, Katelyn Vo and Natalie Matakah. The Poster Contest winners for SJWD are as follows:

- 1st Place: Masha Stetsenko – Ms. Whitlow’s 5th grade class
- 2nd Place: Katelyn Vo – Mrs. Boyd’s 5th grade class
- 3rd Place: Natalie Matakah – Mrs. Tuttle’s 4th grade class

III. PUBLIC FORUM

There were no public comments.

IV. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine and are approved by one motion. There was no separate discussion of these items unless a member of the Board, audience, or staff requested a specific item removed. Consent Calendar item documents are available for review in the Board packet.

- 1. Minutes of the Board of Directors Meeting, April 16, 2025 (W & R)**
Recommendation: Approve draft minutes
- 2. Treasurer’s Report – Quarter Ending March 31, 2025 (W & R)**
Recommendation: Receive and file
- 3. Residential Meter Replacement Plan – Meter Purchase FY 2025-26 (R)**
Recommendation: Award a material purchase from Badger Meter, Inc. in the amount of \$84,481.70 with a tax of \$6,121.93 (7.25%) for an authorized total purchase budget of \$90,603.63

Director Tobin moved to approve the Consent Calendar. Director Zamorano seconded the motion and it carried with 4 Aye votes (Director Rich absent).

V. BUDGET WORKSHOP

1. Review FY 2025-26 Proposed Wholesale and Retail Budget (W & R)

Ms. Silva conducted a presentation on the FY 2025-26 Proposed Wholesale and Retail Budget. A copy of the presentation will be posted to the District website.

Ms. Silva reviewed the budgets for the four District funds – Wholesale Operations, Wholesale Capital, Retail Operations, and Retail Capital. She explained that the District, as a whole, has \$52.6 million budgeted in revenue and \$57.8 million in expenses, and should be ending the year with \$49.6 million in available reserves.

Ms. Silva reviewed the projected wholesale and retail water deliveries and water sales revenue. She explained that revenue from water sales to SSWD is not budgeted at this time. In addition, she reviewed the projected property tax revenue, the projected debt issuance, and the budgeted expenditures for Salaries and Benefits, Wholesale Water Supply Costs, and Capital Spending.

Ms. Silva explained that the budget includes expense costs for two temporary fulltime employees to help Field Services while regular staff work on the Lead and Copper Testing and the Cross Connection programs over the next year. She explained that the Salaries budget is based on the Board policy to utilize the CalPERS matrix for each employee. Director Rich asked how much of the salary increase is actual salary increases and temporary employee costs versus health benefit increases. Ms. Silva informed the Board that the 11% increase is comprised of approximately \$800,000 in salaries and \$400,000 in benefits, and she will need to look at the spreadsheets in order to provide more details to the Board.

Ms. Silva reviewed the District's Labor Allocation Schedule and informed the Board that there is one mistake on the schedule which is under Finance and Human Resources and it should show 5.12 positions not 4.12.

Ms. Silva reviewed the Water Supply Costs and explained that the cost has increased due to the purchase of CVP water to create historical use, thus preserving our access to this water in drought years, and due to a contract for environmental documentation for the new long term Warrant Act contract.

Ms. Silva explained that Capital spending will be the largest expenditure for the District next year. Overall, there are 21 wholesale projects slated for next year and 30 retail projects.

Ms. Silva explained that the proposed Operations Plan is included in the budget and is updated each year based on the Strategic Plan. In addition, she mentioned that the Quarterly Report Card, which shows the District's performance measures, is driven by the Operations Plan and will be included in the annual budget.

Ms. Silva reviewed the Wholesale Operating Fund budget which shows revenues of \$10.8 million and expenses of \$12.2 million. She explained some of the increased costs for certain items, which includes the Hinkle 2 Property & Environmental Evaluation. Vice President McRae inquired if the District's Water Treatment Plant and the Hinkle Reservoir are oversized for the needs of the San Juan Wholesale Customer Agencies and wondered why the District would make it even bigger. Mr. Barela explained that if something were to go wrong during summer demands then there would be about half a day of water available in the reservoir; therefore, the reservoir is not oversized. In addition, Mr. Barela explained that a second reservoir would serve a couple of purposes such as being able to take the Hinkle Reservoir offline to conduct maintenance, and for having a second reservoir available for use during the next time that the Hinkle Reservoir cover and liner are replaced. Mr. Barela explained that this is investigatory in nature to see if this is even possible with the Bureau and to find out what steps the District would need to take to make this happen.

Ms. Silva explained that the Wholesale Operating fund is getting a transfer in of \$1.6 million from its capital fund which is needed to bring the operating reserve to 20% of operating expenses per the reserve policy, and that this was anticipated in the wholesale financial plan.

Ms. Silva reviewed the Retail Operating Fund budget which shows revenues of \$18.5 million and expenses of \$16.1 million. She explained some of the increased costs for certain items. In addition, she explained that the Retail Operating fund is doing a transfer out of \$1.7 million to its capital fund.

Ms. Silva reviewed the budget for the wholesale and retail capital outlay funds. She pointed out that there are several pages in the budget document which contain the wholesale and retail projects in detail that are in the budget for FY 2025-26.

Vice President McRae questioned the allocation between wholesale and retail for the General Manager, Water Resource Manager and Legal Counsel that is shown on the Organization Chart. GM Helliker informed the Board that there was a very thorough review, and a cost allocation plan was conducted about two years ago. GM Helliker will forward a link to the cost allocation plan to Vice President McRae.

Ms. Silva informed the Board that she will modify the budget based on any feedback that she received from this workshop. She informed the Board that the public hearing on the budget is scheduled for June 12th and she will highlight the changes that were made, then the Board will consider adoption of the budget at that time.

VI. NEW BUSINESS

1. Water Forum Agreement (W & R)

GM Helliker reviewed a written report which was included in the Board packet. He explained the District's cost share for the Water Forum and the Water Forum's mission and the District's commitment to the regional Healthy Rivers and

Landscapes Program, in which the Water Forum is an essential component. The Board discussed the District's participation in the Water Forum.

Vice President McRae stated his opposition regarding the District using rate payer revenue to participate in the Water Forum and feels that it is beyond the Board's authority to allocate rate payer funds for this program. Legal Counsel Jones informed the Board that the case law interpretation shows there is a legal purpose for the use of rate payer revenue to support programs such as the Water Forum and there is enough broad interpretation to allow for use of rate payer revenue in this manner. GM Helliker explained that the District is subject to the Community Services District code and the Municipal Water District code and they both clearly state that the cost of operating the District includes these types of costs. Director Tobin explained the need to participate in the Water Forum.

Water Counsel Castanos commented that the Water Forum's purpose is directly related to the District's role, power and obligations under the Water Code, especially with respect to preserving and providing a reliable and safe water supply for customers. In addition, she pointed out that the Water Code does directly authorize the District to enter into these types of agreements and collaborate with other agencies to further the district's purposes, and to apportion the costs of those activities among the agencies. She stated that the District's purposes, under the law, are to be interpreted broadly to encompass all of the aspects of the District's service to their customers.

Director Rich moved to authorize the General Manager to sign an Interagency Cost-Sharing Agreement for Water Forum FY 2025-26 Expenses. President Costa seconded the motion and it carried with 4 Aye votes and 1 No vote (Vice President McRae).

VII. OLD BUSINESS

1. Conjunctive Use and Groundwater Banking Activities Update (W & R)

GM Helliker informed the Board that he and Director Zamorano will be meeting with the Orange Vale Water Company board on June 3rd regarding a partnership. In response to Director Tobin's statement that OVWC falls within her division, Director Zamorano stated that he requested the meeting and GM Helliker stated that OVWC falls within both divisions and invited her to attend as well. GM Helliker reported that staff has met with Fair Oaks and Citrus Heights Water Districts and they are proposing a partnership and he will report on that at the next Board meeting. In addition, he expects to see a financial proposal from Sacramento Suburban Water District in the near future.

2. 2025 Hydrology and Operations Update (W & R)

GM Helliker reviewed data which included the current reservoir storage levels across the state, data on releases, temperature and precipitation outlooks, and storage levels and projections at Folsom Reservoir.

VIII. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 General Manager's Monthly Report (W & R)

GM Helliker provided the Board with a written report for April which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that five protests have been received on the proposed rate increase.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Miscellaneous District Issues and Correspondence

No report.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela informed the Board that the Bureau of Reclamation is working on the Dam Raising Project which will raise the entire levee system about 3.5 feet. He explained that they will be installing a top seal on the gates so when water is above the top of the gates it will not spill over. In addition, they are reinforcing all the gates to withstand the extra load from the 3.5 feet of extra pressure. He informed the Board that the Bureau expects the wall construction to be completed by October 1st and the gates will probably take longer than that.

Mr. Barela informed the Board that when the Folsom Dam was being built, the delivery of water from the old Reservoir to the new Reservoir was completed by the use of three 60-inch pipelines that went under the levee system. Just recently, the Bureau discovered that those pipelines are still in the ground. Therefore, the Bureau will need to determine how to deal with the pipelines so that they do not cause a problem. Mr. Barela noted that this is where the North Fork ditch channel was located.

Mr. Barela reported that there is a big project kicking off on the auxiliary spillway. He explained that there are some problems with the piston-controlled gates, and they will be replacing them.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

4.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that the mandatory pre-bid meeting with the contractors and the mandatory pre-proposal meeting with the consultants for the Construction Management and Inspection Services for the Kokila Reservoir Replacement Project is scheduled for May 22, 2025.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

Legal Counsel Jones reported that there was a meeting on May 20th with CHWD and FOWD regarding the litigation and an update will be provided in Closed Session at another Board meeting.

IX. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

President Costa reported that SGA meets on June 12, 2025.

2. REGIONAL WATER AUTHORITY (RWA)

Mr. Zlotnick reported that RWA met and the approved budget does not include a dues increase. In addition, he reported that there was a proposal to change the job description and salary of the Board Clerk to make that person a project manager and to make the current finance person a Finance Director. He explained that there was quite a bit of pushback from the board primarily because of the lack of detailed information, so the proposal will be brought back to the board at a future meeting. In addition, the budget included approval of funds for an update to the strategic plan, which will be getting underway later this year.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reviewed a written report which will be added to the Board packet.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin reviewed a written report which will be added to the Board packet.

4. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS

President Costa inquired if he could add to the agenda an item that Director Tobin requested be on this agenda regarding nomination to ACWA Region 4. Legal Counsel Jones explained that if it was an emergency then the Board could vote to add the item to the agenda, but it would require a 4/5 vote to add the item to the agenda. GM Helliker pointed out that the nomination has to be done via resolution, and there is no resolution to consider. In addition, GM Helliker stated that there are two Board meetings scheduled prior to the June 20th nomination deadline that this item could be added to.

Director Tobin thanked those who were able to attend the Celebration of Life and she and her family appreciated the support from the District.

X. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items

President Costa requested that the ACWA Region 4 nomination be added to the June 11, 2025, Board meeting agenda. The Board Secretary inquired if there were two items for the agenda, since the ACWA Committee nominations were discussed at the May 20th Board Workshop and requested to be placed on the June 11th Board meeting agenda. GM Helliker stated that the committee nomination form has not been released yet and it is only the ACWA Region 4 Board nomination that needs to be placed on the agenda.

2. Meeting Date Changes and Board Attendance

There were no meeting date change requests. Vice President McRae informed the Board that he will be unavailable the first two weeks of June; however, there is a small chance that he might be able to attend remotely on June 12, 2025.

XI. COMMITTEE MEETINGS

1. Finance Committee – May 13, 2025

The committee meeting minutes were included in the Board packet.

XII. UPCOMING EVENTS

1. 2025 ACWA Spring Conference

May 13-15, 2025
Monterey, CA

At 8:32 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

XIII. CLOSED SESSION

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957
Title: General Manager

XIV. OPEN SESSION

There was no reportable action. The Board scheduled a special Board meeting for June 2, 2025, at 6:00 pm.

XV. ADJOURN

The meeting was adjourned at 9:18 p.m.

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

ATTEST: _____
TERI GRANT, Board Secretary