DRAFT

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes
August 19, 2026 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Pam Tobin	Vice President
George Machado	Director
Mike McRae	Director
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Adam Larsen	General Manager
Andrew Pierson	Assistant General Manager
Donna Silva	Director of Finance
Greg Zlotnick	Director of Water Resources & Strategic Affairs
Devon Barrett	Customer Service Manager
Daniel Griego	Field Services Manager
Mike Spencer	Water Treatment Plant Manager
Teri Grant	Clerk of the Board/Executive Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Person 1	
Michael Miller	
Entela Fallstead	SJWD Employee
Mark Hargrove	SJWD Employee

AGENDA ITEMS

I. Call to Order
II. Roll Call
III. Pledge of Allegiance
IV. Public Forum and Comments
V. Consent Calendar
VI. Discussion and Action Items
VII. Information Items
VIII. Directors' Reports
IX. Future Agenda Items
X. Committee Meetings
XI. Upcoming Events
XII. Closed Session
XIII. Open Session
XIV. Adjourn

I. CALL TO ORDER

II. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, George Machado, Mike McRae, Pam Tobin and Manuel Zamorano.

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC FORUM AND COMMENTS

There were no public comments.

V. 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 or staff requested a specific item be removed. Consent Calendar item documents are available for review in the Board packet.

1. **Minutes of the Board of Directors Meeting, July 15, 2026 (W & R)**
   Recommendation: Approve draft minutes

2. **Treasurer's Report – Quarter ending June 30, 2025 (W & R)**
   Recommendation: Receive and file

3. **WTP Electrical Panels Rehabilitation Project – Construction Contract (W)**
   Recommendation: To authorize the Engineering Manager to sign a construction contract with Brooke Electrical LLC for the construction of the Water Treatment Plant Electrical Panels Rehabilitation Project (Project)

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

VI. DISCUSSION AND ACTION ITEMS

1. **Potential Public Records Act Request Related to CHWD (W)**
   GM Larsen reminded the Board that this item had remained tabled since the May Board meeting. By consensus, the Board directed staff and Legal Counsel Jones to submit a Public Records Act (PRA) request to the Citrus Heights Water District for records including, but not limited to, the following:

   - Grant applications
   - Legal fees
   - Customer Advisory Committee expenses

   President Costa requested that the initial PRA request be submitted first, with a subsequent request for additional records to be developed in consultation with GM Larsen.

2. Customer Confidence Initiative (W & R)

GM Larsen reviewed the written staff report included in the Board packet. He explained that staff proposes a four-month pilot program designed to increase public awareness of District services and strengthen customer outreach. He further confirmed that the program's messaging would be coordinated with the Public Information Committee and aligned with the District's website and social media content.

In response to Director McRae's question, GM Larsen advised the Board that the initiative would be funded within the existing budget through the District's current contract with Prosio Communications and the use of internal staff resources.

Vice President Tobin moved to approve the Customer Confidence Initiative and authorize staff to proceed with implementation. Director McRae seconded the motion, and it carried unanimously.

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

Mr. Pierson reported that a draft contract had been prepared for submission to a consultant to conduct a preliminary evaluation of the Baldwin Reservoir site and other properties for potential use as settling ponds. President Costa advised the Board that Sacramento Suburban Water District's study of water banking through injection wells estimated a cost of approximately $750 per acre-foot, compared with a sale price of $650 per acre-foot, indicating that a holding pond may provide a more cost-effective method of banking water. President Costa also expressed his desire to meet the March 2027 deadline for submitting a grant application for the project.

Mr. Zlotnick reported that the Water Bank Program Committee held a productive meeting with Reclamation, advancing efforts to obtain federal acknowledgment.

VII. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

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

GM Larsen reported that operations are going well with zero failed water quality samples and turbidity is exceptionally low. He reviewed the written report for July which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Larsen reported that the District hosted several events during the previous month, including Kids Day, the family barbecue, and Water Treatment Plant tours for the Citrus Heights Historical Society and Citrus Heights Water District staff. He also informed the Board that an RWA tour of the Water Treatment Plant is planned and that an event at Kokila Reservoir with Kevin Kiley has been scheduled. Mr. Pierson added that representatives from the City of Roseville will also attend a tour of the Water Treatment Plant.

Vice President Tobin reported that she was coordinating a meeting with Supervisor Suzanne Jones, Director Machado, and GM Larsen. President Costa recommended inviting local emergency response personnel to tour the District and stated that he would provide his contact with GM Larsen's information to coordinate a date.

Vice President Tobin noted that data centers have received increased attention because of their significant water use. She stated that she would email the Board a related handout.

2. Assistant General Manager's Report

2.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that the initial recruitment for the Senior Engineer position did not yield any qualified candidates; accordingly, the position will remain open until filled. He also reminded the Board that the District's reorganization added a position to the Engineering Department. Mike Heasley was selected internally to fill the Engineering Operations Specialist position. This new role is expected to reduce District costs by enabling staff to manage in-house projects that would otherwise require consultant services, including the Hinkle Reservoir Dam Erosion Project and the North Basin Backwash Hoods Project. Estimated savings for these projects are between $200,000 and $300,000.

Mr. Pierson presented an update on the progress of the Kokila Reservoir project and reported that construction remains on schedule for completion by May 1, 2027.

3. Director of Water Resources & Strategic Affairs' Report

3.1 Hydrology Report (W & R)

Mr. Zlotnick presented graphs illustrating Folsom Reservoir levels and reported that current storage had declined significantly due to releases supporting Delta water quality. He noted, however, that storage was projected to end December near the regional target of 300,000 acre-feet. In response to Vice President Tobin's question, Mr. Zlotnick explained that traditional El Niño conditions generally bring greater precipitation to Southern California, whereas the anticipated "Super El Niño" is expected to increase the likelihood of above-average rain and snowfall in Northern California this winter.

3.2 Miscellaneous District Issues and Correspondence

Mr. Zlotnick reported that the State Water Board released its final draft Bay-Delta Water Quality Control Plan, with a 30-day comment period. He expects RWA and ACWA to submit comments; the District will review those comments and then decide if the District should comment as well. He expects the plan to be reviewed for adoption at the October State Board meeting.

4. Director of Finance's Report

4.1 Miscellaneous District Issues and Correspondence

In response to President Costa's request, Ms. Silva reviewed the Quarterly Treasurer's Report for the quarter ending June 30. 2026. She explained that this was presented at the Finance Committee meeting. She reported that the overall portfolio decreased by $499,905 for an ending balance of $64.56 million as of June 30, 2026. She explained that this was a planned decline, as the District is using cash reserves to fund projects, such as the Kokila Reservoir Project, and avoid debt.

Ms. Silva reviewed the investment strategy and reminded the Board that she will be increasing the duration of the PFM-managed portfolio to capture higher returns.

She explained that the goal is to increase the average duration from the current 2.12 years to approximately 4 years which will capitalize on currently favorable interest rates.

Ms. Silva reported that the final draw on the EPA grant for the Kokila Reservoir Project was submitted.

5. **LEGAL COUNSEL'S REPORT**

5.1 Legal Matters

No report.

VIII. DIRECTORS' REPORTS

1. **SACRAMENTO GROUNDWATER AUTHORITY (SGA)**

President Costa reported that he attended the SGA meeting and voted against the governance program approved by the agency. He expressed concern that SGA's Joint Powers Authority (JPA) structure gives the cities and Sacramento County control over Board appointments, thereby limiting the District's ability to select its own representative. Mr. Zlotnick explained that, under the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSAs) possess police powers to manage groundwater basins. He noted that this authority raises the question of whether a JPA is still necessary to manage the SGA groundwater basin.

Mr. Zlotnick suggested that the Board might want to consider whether to evaluate SGA's ability to operate as a GSA without its current JPA structure, which limits the District's authority over Board appointments. President Costa requested that Legal Counsel first determine whether the District's status as a Community Services District provides sufficient police powers for direct GSA membership. The Board directed Legal Counsel to complete that analysis before any additional research is undertaken.

2. **REGIONAL WATER AUTHORITY (RWA)**

President Costa reported that RWA meets in September.

3. **ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

3.1 ACWA - Pam Tobin

Vice President Tobin reviewed the written report included in the Board packet. The report addressed a Proposition 13 measure that, as President Costa clarified, is distinct from the original Proposition 13 but seeks to reaffirm its intent to limit the size of government. In response to Director McRae's question, Director Zamorano stated that President Costa had played a significant role in advancing the original Proposition 13 while working for Paul Gann.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Vice President Tobin reviewed a written report which is included in the Board packet.

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

There were no other matters discussed.

IX. FUTURE AGENDA ITEMS

1. **Requests by Board Members for Agenda Items**
   Vice President Tobin would like to include some information on data centers in the next Board packet.

2. **Meeting Date Changes and Board Attendance**
   Vice President Tobin requested that the September Board meeting be changed due to a conflict on her calendar. The Board discussed and agreed to a date.

   Vice President Tobin moved to reschedule the September 16, 2026, Board meeting to September 23, 2026, as a regular Board meeting. President Costa seconded the motion, and it carried unanimously.

X. COMMITTEE MEETINGS

1. **Personnel Committee – August 4, 2026**
   The committee meeting minutes were included in the Board packet.

2. **Finance Committee – August 11, 2026**
   The committee meeting minutes were included in the Board packet.

3. **Engineering Committee – August 12, 2026**
   The committee meeting minutes were included in the Board packet.

XI. UPCOMING EVENTS

1. **2026 ACWA Fall Conference**
   December 1-3, 2026
   Anaheim, CA

At 7:08 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

XII. CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 23WM000064, Sacramento County Superior Court

2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 26WM000117, Sacramento County Superior Court

3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
   Pursuant to Government Code § 54957
   Title: General Manager

4. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code § 54957.6
Agency designated representatives: TBD
Employee group: Unrepresented employee (General Manager)

XIII. OPEN SESSION

There was no reportable action.

XIV. ADJOURN

The meeting was adjourned at 8:40 p.m.

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

ATTEST:________________________________
TERI GRANT, Clerk of the Board