

Finance Committee Meeting Minutes
San Juan Water District
July 8, 2025
1:00 p.m.

Committee Members: Mike McRae, Director (Chair)
Manuel Zamorano, Director (Member)

District Staff: Paul Helliker, General Manager
Donna Silva, Director of Finance & Human Resources
Tony Barela, Director of Operations
Andrew Pierson, Director of Engineering Services
Devon Barrett, Customer Services Manager
Adam Larsen, Field Services Manager
Greg Zlotnick, Water Resources Manager
Teri Grant, Board Secretary/Administrative Assistant
Ryan Jones, Legal Counsel
Michael Colantuono, Special Legal Counsel

Members of the Public: Meera Deshmane
Lanie Paquin
Mark Hildebrand, Hildebrand Consulting
Ted Costa, SJWD Board Member
Pam Tobin, SJWD Board Member

1. Review General Manager Reimbursements (W & R)

The Committee reviewed the May credit card charges for the General Manager and found them to be in order and there was no reimbursement request from the General Manager.

2. Review Check Register from June 2025 (W & R)

The Committee reviewed the June 2025 check register and found it to be in order.

3. Review of Legal Bills (W & R)

The Committee reviewed the legal bills and found them to be in order.

4. Retail Rate Analysis Scope and Schedule (R)

GM Helliker reviewed a staff report which included a draft roadmap developed by staff, which included the points prepared by Director McRae. GM Helliker introduced Mr. Michael Colantuono who is a legal expert on water rates and Proposition 218, who has been retained to help with this process. Mr. Colantuono explained the Prop. 218 requirements that the District has to meet, and provided information on the legality of tiered rates. In addition, Mr. Colantuono suggested that the Board consider the following policy objectives during the ratemaking process:

1. Full cost recovery (or conscious subsidies)
2. Revenue stability
3. Administrability – transparency and understandability
4. Legal compliance
5. Fairness and equity
6. Other policy goals
 - a. conservation
 - b. economic development
 - c. avoiding rate shock

d. avoiding unnecessary or unjustified change

The committee and members of the public discussed the roadmap and recommended adding more detail into the document, to implement the February 19, 2025, Board action which stated:

“...to allow the Finance Committee to work with staff and Legal Counsel to develop a report/roadmap to bring back to the full Board for adoption a report that includes the following:

- Summarizes the problems as identified in this meeting
- Revisit the rate structure that has and is going to be proposed by staff with respect to these problems identified tonight
- To identify all legal and regulatory options that are available to San Juan Water District to accurately charge the cost of service to the customer base
- To suggest a starting framework for a new rate study that can resolve the stated issues
- Suggest an implementation plan for the new rates
- Bring to the full Board for adoption”

In addition, the committee wants to make sure that Ms. Deshmane’s presentation from February is reviewed and the items that she addressed are incorporated into the roadmap.

The committee decided to provide the Board with a progress update at the July 16 Board meeting and then set up a brainstorming meeting to identify and deliberate on the topics that will be recommended to the Board to be included in the analysis of various rate structures. Director McRae stated that a public announcement should be made at the Board meeting to invite members of the public to attend the committee meeting, which should be scheduled by the end of July.

5. Other Finance Matters (W & R)

There were no other matters discussed.

6. Public Comment

There were no public comments.

The meeting was adjourned at 1:55 p.m.

Director Pam Tobin Amended Motion Request

Pam Tobin

Board of Directors Meeting – July 16, 2025

Correction to July 8 Finance Committee Meeting Minutes – to be attached

I request the minutes reflect the following:

1. **Authority to Hire Legal Counsel:**

It was discussed that **staff claims authority to hire legal counsel**. I strongly dispute this. **Only the Board holds this authority**. This should be corrected in the record to protect against future administrative overreach.

2. **Staff Actions Contrary to Board Direction:**

The modified rate proposal presented is **inconsistent with the Board's previous direction**. Hiring outside counsel, expending district funds, and advancing a proposal not aligned with Board guidance is a clear case of **staff operating outside their proper role**. This raises serious questions about governance, accountability, and transparency.

3. **Purpose of Continuing This Study:**

I again ask: **Why is this flawed report still being entertained?** It wastes both staff and Board time and squanders District resources. Does this Board intend to allow such behavior to continue unchecked? **Who is the attorney representing — this Board, or staff advancing its own position?** These questions require clear, unambiguous answers.

Petition for Amendment of Meeting Minutes and Inclusion of Documentation for June 11.

To the Esteemed Board Members of the San Juan Water District,

July 16, 2025

Please accept my petition requesting specific amendments to the minutes of the June 11th, June 12th, and July 8th meetings, as well as the inclusion of my June 11th presentation as part of the official record.

Proposed Note for June 11th Meeting Minutes

- The method of using weighted averages to merge multiple meter sizes into a single rate group is not endorsed by the American Water Works Association (AWWA) and is specific to SJWD.
- Ms. Deshmane's analysis suggested that, in SJWD specific case, 1-inch meters are charged less than their equitable fees, while all other meter sizes are overcharged. She formally requested that San Juan Water District (SJWD) provides credits to meters that have been overcharged since 2017. She urged SJWD not to use the merged rate methodology and separate the charges for all size meters for fairness to all meter rates.
- Furthermore, she stated that replacing smaller meters with a 1-inch meter and charging a 1-inch rate does not benefit the parcel or homeowner if the main line from the meter to the house is smaller than 1 inch. In such instances, she urged that SJWD not charge for the 1-inch meter and charge for the real capacity.

Proposed Note for June 12th Meeting Minutes

Please add the following note to the June 12th meeting minutes:

- Ms. Deshmane submitted a page containing data from 11 districts, specifically selected by Mr. Helliker, to demonstrate that charging for all meter sizes separately is a standard, accepted practice consistent with AWWA guidelines. It was evident from the 11 districts in the sample chosen by Mr. Helliker that each has a separate rate for all sizes without merging any sizes except SJWD. This was to illustrate that all the districts sampled by Mr. Helliker in argument for the bucket rate had separate rates for 1 inch and ¾ inch, against his argument.

Proposed Amendment for July 8th Meeting Minutes

Ms. Deshmane requested an amendment to the July 8th meeting minutes, stating that the current record of "no public comments" is inaccurate.

In the July 8th meeting, I suggested that the Rate Review Committee should collaboratively identify the problem space by incorporating input from all team members without judgment. This process should then lead to the identification of multiple solutions, an evaluation of their impact,

and ultimately, the presentation of these identified solutions to the board, rather than unilaterally advancing an inadequate solution to the rate structure.

Sincerely,

Meera Deshmare

Meera Deshmane