DRAFT

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes
July 15, 2026 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Pam Tobin	Vice President
George Machado	Director
Mike McRae	Director (via videoconference)
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Adam Larsen	General Manager
Donna Silva	Director of Finance
Andrew Pierson	Director of Engineering & Retail Operations
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

OTHER ATTENDEES

Bill Stroppe	
Elizabeth	
Guest	
Michael Miller	
Craig Locke	Sacramento Suburban Water District
Entela Fallstead	SJWD Employee
Jed Thorne	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, Pam Tobin and Manuel Zamorano. Director Mike McRae was present via videoconference.

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, June 17, 2026 (W & R)**
   Recommendation: Approve draft minutes

2. **Minutes of the Board of Directors Special Meeting, June 30, 2026 (W & R)**
   Recommendation: Approve draft minutes

3. **Water Forum FY 26/27 Funding Agreement (W)**
   Recommendation: Authorize the General Manager to sign the FY 26/27 Water Forum Interagency Cost-Sharing Agreement

4. **Air Release Valve Replacement Program 2024/2025 – Construction Contract (R)**
   Recommendation: Approve the Director of Engineering & Retail Operations to sign a construction contract with Navajo Pipelines, Inc. (Navajo) for the Air Release Valve Replacement Program 2024/2025

President Costa removed Consent Calendar item 4 for discussion.

Director Zamorano moved to approve Consent Calendar items 1-3. Vice President Tobin seconded the motion. The motion carried with the following roll call vote:

Ayes: Directors Costa, Machado, McRae, Tobin and Zamorano
Noes: None
Absent: None

President Costa voiced concern that the project's cost was approved by the Engineering Committee, not the Finance Committee, raising questions about its impact on the overall budget and other projects. In addition, he voiced concern regarding the priority of the project. Ms. Silva explained that the majority of the contract was included in the budget that the Board approved and voiced concern that if everything went to the Finance

Committee then what would go to the Engineering Committee. The Board and staff discussed the issues and decided that staff reports will start to contain the wording that projects are included and within the budget, or provide information regarding the variance.

President Costa moved to approve Consent Calendar item 4. Director Machado seconded the motion. The motion carried with the following roll call vote:

Ayes: ***Directors Costa, Machado, McRae, Tobin and Zamorano***
Noes: ***None***
Absent: ***None***

VI. DISCUSSION AND ACTION ITEMS

1. FY 2026-27 Liens for Delinquent Charges (R)
GM Larsen provided a staff report which was included in the Board packet. He explained that Director Zamorano requested that this item be brought back to the Board for discussion. Director Zamorano would like the Board to revisit the lien policy, due to concerns that the policy could be exploited by tenants who do not pay their water bills, leaving landlords with unrecoverable costs and no recourse to shut off water. Director Zamorano suggested that the Board amend the policy to allow owner-requested water shutoffs after a set period (e.g., 3 months) of non-payment. Legal Counsel Jones pointed out that the lien policy is an ordinance and would have to go through the proper noticing at a future Board meeting.

In response to Director McRae's question, Mr. Barrett informed the Board that there are probably only 300 accounts that are set up as tenant-paid accounts which equates to about 2% of the delinquencies. Director McRae pointed out that, as a landlord himself, he pays the water bill and passes the cost to the renter accordingly. In addition, the next time this issue is discussed, Director McRae would like feedback from staff regarding Director Zamorano's proposal and he would like staff to provide alternate suggestions/ideas for the Board to consider.

In response to President Costa's question, Legal Counsel Jones stated that state law has changed over the last couple of years which makes water shutoffs difficult and he voiced concern with following an owner's request to shut off water of a tenant. Vice President Tobin stated, and Legal Counsel Jones agreed, that it's the District's role to provide water, not mediate landlord-tenant disputes.

President Costa referred this topic to the Legal Affairs Ad Hoc Committee for further investigation and discussion regarding the feasibility and legal risks of owner-requested water shutoffs for delinquent tenant accounts.

2. Potential Public Records Act Request Related to CHWD (W)
GM Larsen recommended, and President Costa agreed, to table this item until the August Board meeting.

3. **FY 2025-26 Operations Plan Report Card (W & R)**
GM Larsen presented the fourth-quarter progress report for the FY 2025-26 Operations Plan Report Card. He reported that the District successfully met its goals and objectives for the fiscal year. He highlighted several major accomplishments, including completion of the Urban Water Management Plan, the CO-OP Maintenance Program, the Cross Connection Control Program, and all water quality programs. He also noted that the Kokila Reservoir Replacement Project is underway and that Mr. Pierson would provide an update later in the meeting. GM Larsen further reported that the Leak Detection Program was delayed due to difficulty securing leak detection services, as the vendor previously used by the District did not respond to staff outreach.

4. **FY 2026-27 Operations Plan (W & R)**
GM Larsen reviewed the FY 2026-27 Operations Plan, which was included in the Board packet. He explained that the Operations Plan identifies the larger and more significant initiatives to be tracked during the current fiscal year and aligns with the approved budget. He further noted that progress on these initiatives is reported quarterly through the Operations Plan Report Card. GM Larsen informed the Board that this year's plan focuses on reliability, infrastructure investment, water supply security, grant funding opportunities, and regulatory compliance.

5. **General Manager Evaluation Process (W & R)**
GM Larsen provided a staff report that was included in the Board packet. Since this will be his first evaluation from the Board, he requested their input for the process and what they would like to receive from him to help prepare for the evaluation.

The Board discussed the process and would like an informal evaluation process for the General Manager, focusing on key metrics like cost savings and grant funding, and will meet in Closed Session at the August meeting to conduct it.

Director McRae would like to see an ongoing list of the amount of money that the General Manager has saved the District such as savings from in-house work vs. paying a contractor; value brought to the District (e.g., grant funding, developer negotiations); and top 5 achievements and top 3 areas for improvement. President Costa suggested that each Board member be prepared to ask questions, review a list of accomplishments and/or issues.

Legal Counsel Jones noted that it is not common for a board to use a 360-degree review, where subordinates are requested to provide feedback; however, the Board could offer an open door for confidential feedback from department heads. President Costa offered to the management staff the opportunity to contact him and provide confidential feedback which he would share with the Board but with no names.

Vice President Tobin requested that GM Larsen prepare a future vision plan, after the evaluation, which covers the next year or so.

6. **Conjunctive Use and Groundwater Banking Activities Update (W & R)**
Mr. Pierson reported that he received a proposal regarding conducting a preliminary assessment to see if it's possible to do some groundwater banking at the Baldwin Reservoir property. He is reviewing the proposal and will work with GM Larsen to possibly execute the contract.

Mr. Zlotnick reported that the Regional Water Bank meeting was cancelled today, and they were still working on the CEQA document.

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 June production was up 5.6%. He reported that the E&I position was filled on June 29. A written report for June was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence
GM Larsen clarified that at the last Board meeting it was mentioned that there was $3.8 million allocated for Admin Building improvements and, after staff review, that was the amount of a savings transfer. He reported that the budget contains $784,000 allocated for security improvements and evaluation of the current Admin building.

GM Larsen received an email from a customer regarding microplastics. He reached out to the WTP Manager and was informed that our facility has been selected as part of the first round of state testing and we are waiting for the testing parameters, protocols and reporting requirements.

GM Larsen reported that there were articles that came out regarding positive E. coli tests at Folsom Lake State Recreation Area; however, most of the samples were taken downstream near Lake Natoma. In addition, he verified with the WTP Manager that the District's testing has not detected any E. coli and the treatment process would take care of it. He stated that the District remains fully compliant with all water regulations and there are no current water quality concerns.

GM Larsen reported that he and Mr. Pierson met with Rio Linda to discuss future collaborations. In response to Vice President Tobin's question, GM Larsen informed the Board that Sacramento Suburban Water District was not merging with Rio Linda at this time; however, Rio Linda needs to identify potential sources of surface water to offset some of their well issues.

GM Larsen announced some upcoming events – a Celebration of Life for SSWD Director Jones, the Citrus Heights Chamber Best of Citrus Heights, and the Citrus Heights Historical Society WTP Tour.

2. Director of Water Resources & Strategic Affairs' Report (W & R)

2.1 Hydrology Report (W & R)

Mr. Zlotnick presented graphs depicting Folsom Reservoir levels and noted that current storage is above average. The graphs are available in the online Board packet.

2.2 Miscellaneous District Issues and Correspondence

Mr. Zlotnick noted that the Office of Management and Budget (OMB) proposed some significant regulations related to the management and administration of Federal grants. He explained that the proposed changes could allow the OMB to insert themselves after the grants have been awarded and potentially pull the grants or demand more reporting. He reported that he worked with the District's Federal lobbyists to draft comments which were submitted on behalf of the District, and ACWA had also submitted comments.

Mr. Zlotnick reported that the District signed onto an ACWA coalition letter supporting legislation dealing with water utility worker access at fire zones and police lines. In addition, he reviewed documents describing State conservation mandates and particularly the outdoor standard that were included in the Board packet. President Costa voiced concern regarding being able to show beneficial use of the District's water supply when these regulations go into effect and require substantial water use reduction, and noted that water transfers will be a good way to demonstrate beneficial use. Mr. Zlotnick will schedule a detailed presentation on the new conservation mandates at a later date.

3. Director of Finance's Report

3.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that the District received the Government Finance Office Association's Excellence in Financial Reporting award for the 2024-25 audited financial statements, with only two minor comments – the lowest ever. She commended Ms. Entela Fallstead for her work on the year-end accounting work and for leading the audit.

4. Director of Engineering and Retail Operations' Report

4.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that he received an email from a customer who complemented District employees (Jason, Thomas, Matt and Scott) who performed meter box maintenance work and excellent customer service.

Mr. Pierson conducted a brief presentation on the progress at the Kokila Reservoir Replacement Project and noted that it has been one year since he first presented the project to the Board. He noted that the anticipated completion date is May 1, 2027.

Mr. Pierson informed the Board that there are 2 projects which were completed in-house - Solar Panel Cleaning and Hinkle Cover Cleaning. Staff began the annual cleaning of the Hinkle Reservoir cover, saving significant contractor costs, and he commended the WTP staff for performing the work of cleaning

13 acres in the hot July weather. In addition, he reported that staff performed the Solar Panel Cleaning which consists of cleaning 2,496 panels, saving the District $18,000 annually compared to the lowest contractor quote.

5. **LEGAL COUNSEL'S REPORT**

5.1 Legal Matters
No report.

VIII. DIRECTORS' REPORTS

1. **SACRAMENTO GROUNDWATER AUTHORITY (SGA)**
President Costa reported that SGA meets next month.

2. **REGIONAL WATER AUTHORITY (RWA)**
President Costa reported that he attended the RWA meeting where they discussed water conservation and the Executive Director's evaluation.

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

3.1 ACWA - Pam Tobin
Vice President Tobin reviewed a written report which is included in the Board packet.

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**
Vice President Tobin reported that the Board's resolution regarding Ernie Avila's wife is on the July 30th ACWA Board meeting agenda.

IX. FUTURE AGENDA ITEMS

1. **Requests by Board Members for Agenda Items**
There were no requests for agenda items.

2. **Meeting Date Changes and Board Attendance**

2.1. October Board Meeting Date
GM Larsen reminded the Board that Director Machado would like to move the October 21st Board meeting. The Board discussed and agreed to cancel the October Board meeting and if a special Board meeting is needed that month, then one will be scheduled.

X. COMMITTEE MEETINGS

1. **Engineering Committee – July 7, 2026**
The committee meeting minutes were included in the Board packet.

2. **Finance Committee – June 7, 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 7:42 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. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
   Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2) (two cases)

XIII. OPEN SESSION

There was no reportable action.

XIV. ADJOURN

The meeting was adjourned at 8:05 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