



**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
9935 Auburn Folsom Road
Granite Bay, CA 95746**

**September 17, 2025
6:00 p.m.**

This Board meeting will be conducted both in-person at the District's Boardroom at the address above and via videoconference. When all Board members are in the Boardroom, the District's Board meetings are not required to be broadcast via videoconference and are done so as a convenience to the public; furthermore, if the transmission is interrupted for any reason, the meeting will continue in person as scheduled. Members of the public may participate in Board meetings via videoconference per the instructions below.

To attend via videoconference, please use the following link:

Please join the meeting from your computer, tablet or smartphone.

<https://meet.goto.com/245724141>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 245-724-141

Please mute your line.

Whether attending via videoconference or in person, the public is invited to listen, observe, and provide comments during the meeting. The Board President will call for public comment on each agenda item at the appropriate time – if you are attending via videoconference at that time, please unmute your line in order to speak.

*****Important Notice: For any meetings that include a Closed Session, the videoconference will be terminated when the Board adjourns into Closed Session. Members of the public who would like to receive the report out from Closed Session and time of adjournment from Closed Session into Open Session and adjournment of the meeting should provide a valid email address to the District's Board Secretary, Teri Grant, at: tgrant@sjwd.org, before or during the meeting. No other business will be conducted after the Board adjourns from Closed Session into Open Session. Promptly after the meeting, the Secretary will email the written report to all persons timely requesting this information.**

The Board may add an item to the agenda (1) upon a determination by at least three Board members that an emergency situation exists, or (2) upon a determination by at least four Board members (or by three Board members if there are only three Board members present) that the need to take action became apparent after the agenda was posted.

Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker. The order of agenda items may be changed to accommodate those in attendance wishing to address a particular item. Please inform the General Manager if you have such a request.

Documents and materials that are related to an open session agenda item that are provided to the District Board less than 72 hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours.

If you are an individual with a disability and need assistance or accommodation to participate in this Board meeting, please call Teri Grant, Board Secretary, at 916-791-0115, or email Ms. Grant at tgrant@sjwd.org.

Please silence cell phones and refrain from side conversations during the meeting.

I. ROLL CALL

II. PUBLIC FORUM AND COMMENTS

This is the opportunity for members of the public to comment on any item(s) that do not appear on the agenda. During the Public Forum, the Board may ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determination to add the matter to the agenda.

III. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item removed before the motion to approve the Consent Calendar.

1. Minutes of the Board of Directors Meeting, August 14, 2025 (W & R)
Recommendation: Approve draft minutes
2. Minutes of the Board of Directors Special Meeting, August 22, 2025 (W & R)
Recommendation: Approve draft minutes

IV. DISCUSSION AND ACTION ITEMS

1. Board of Directors Division 1 Vacancy (W & R)
Action: Consider a motion to appoint new Board member; if a motion is made and approved, administer the oath to the new appointee
2. Amendment to Minutes of the Board of Directors Meeting, June 12, 2025 (W & R)
Action: Consider a motion to amend the June 12, 2025, Board of Directors meeting minutes to reflect a change on page 9 under agenda item VI-1 pertaining to Director Tobin's motion related to retail rates
3. Water Services Replacement Project Construction Contract (R)
Action: Consider a motion to authorize the Director of Engineering Services to approve a construction contract with Flowline Contractors, Inc. for the Water Services Replacement Project, Hidden Lakes Subdivisions 1 & 2 and Granite Bay Shopping Center
4. Kokila Reservoir Replacement Project – Installment Sale Agreement (R)
Action: Consider approval of Resolution 25-11 authorizing the District to execute an Installment Sale Agreement with the California State Water Resources Control Board to provide funding for the Kokila Reservoir Replacement Project
5. Fees, Charges and Deposits – Results of the User Fee Study Update and Proposed Changes to Schedule of Fees, Charges and Deposits (W & R)
Action: Consider a motion to adopt Resolution 25-14 to update the Schedule of Fees, Charges and Deposits based on the 2025 User Fee Study

Action: Introduce and Consider a Motion to Waive First Reading of Ordinance No. 25-01 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinances 18000.01 and 18000.03
6. Big Impact on a Small Budget: Grant Strategies for Resource-Strapped Agencies (W & R)
Presentation

7. Employee Compensation (W & R)
Discussion and potential Board action
8. Board Committees, RWA Board Representatives and SGA Alternate Representative (W & R)
Discussion and potential Board action
9. Conjunctive Use and Groundwater Banking Activities Update (W & R)
 - 8.1 Discuss practicality of having a standard water contract for banking

V. INFORMATION ITEMS

1. General Manager's Report
 - 1.1 General Manager's Monthly Report (W & R)
Staff Report on District Operations
 - 1.2 Hydrology and Operations Update (W & R)
 - 1.3 Miscellaneous District Issues and Correspondence
2. Director of Finance and Human Resources' Report
 - 2.1 Miscellaneous District Issues and Correspondence
3. Director of Operations' Report
 - 3.1 Miscellaneous District Issues and Correspondence
4. Director of Engineering Services' Report
 - 4.1 Miscellaneous District Issues and Correspondence
5. Legal Counsel's Report
 - 5.1 Legal Matters

VI. DIRECTORS' REPORTS

1. Sacramento Groundwater Authority (SGA) – T. Costa
2. Regional Water Authority (RWA) – T. Costa
3. Association of California Water Agencies (ACWA)
 - 3.1 ACWA – P. Tobin
 - 3.2 Joint Powers Insurance Authority (JPIA) – P. Tobin
4. Other Reports, Correspondence, Comments, Ideas and Suggestions

VII. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items
2. Meeting Date Changes and Board Attendance

VIII. COMMITTEE MEETINGS

1. Finance Committee – September 9, 2025
<https://www.sjwd.org/2025-09-09-committees-meeting-finance>

IX. UPCOMING EVENTS

1. 2025 ACWA Fall Conference
December 2-4, 2025
San Diego, CA

X. ADJOURN

UPCOMING MEETING DATES

October 15, 2025
November 19, 2025

I declare under penalty of perjury that the foregoing agenda for the September 17, 2025, meeting of the Board of Directors of San Juan Water District was posted by September 12, 2025, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public. The agenda and the board packet is also posted on the District's website at sjwd.org.

Teri Grant, Board Secretary

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes
August 14, 2025 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Mike McRae	Vice President
Dan Rich	Director
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
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Zlotnick	Water Resources Manager
Mike Spencer	Water Treatment Plant Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Adam Larsen's Family	
Adam Vasquez	
Anonymous	
Ben V.	
Caller	
George Machado	
J	
Jay Boatwright	
Meera Deshmane	
Megan Burke	
Suzanne Jones	
Tom P.	
Mark Hildebrand	Hildebrand Consulting
Craig Locke	Sacramento Suburban Water District
Dan York	Sacramento Suburban Water District
Caleb Burch	SJWD Employee
Chris von Collenberg	SJWD Employee
Daniel Griego	SJWD Employee
Entela Fallstead	SJWD Employee
Jackie Foley	SJWD Employee
Jason Mayorga	SJWD Employee
Mark Hargrove	SJWD Employee
Mike Heasley	SJWD Employee

AGENDA ITEMS

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

President Costa informed the Board that Director Zamorano was not feeling well and would like to leave early. Therefore, he moved agenda items IV-1 through 4 to the beginning of the meeting – the minutes will remain in the original order. The agenda items were taken in this order – IV-4, IV-2, IV-1, IV-3, II, III then proceeded in order starting with IV-5. Mr. Helliker left the meeting after agenda item IV-1.

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, Pam Tobin, and Manuel Zamorano.

II. PUBLIC FORUM

There were no public comments.

III. 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, July 16, 2025 (W & R)

Recommendation: Approve draft minutes

2. Minutes of the Board of Directors Special Meeting, July 23, 2025 (W & R)

Recommendation: Approve draft minutes

3. Minutes of the Board of Directors Special Meeting, July 24, 2025 (W & R)

Recommendation: Approve draft minutes

4. Minutes of the Board of Directors Special Meeting, July 25, 2025 (W & R)

Recommendation: Approve draft minutes

5. Minutes of the Board of Directors Special Meeting 5:00 pm, July 29, 2025 (W & R)

Recommendation: Approve draft minutes

6. **Minutes of the Board of Directors Special Meeting 6:00 pm, July 29, 2025 (W & R)**
Recommendation: Approve draft minutes
7. **Minutes of the Board of Directors Special Meeting, August 1, 2025 (W & R)**
Recommendation: Approve draft minutes
8. **FIN-5.2 Capital Asset Policy – Proposed Change to Capitalization Threshold (W & R)**
Recommendation: Amend the Capital Asset Policy to increase the District’s capitalization threshold for fixed assets from \$5,000 to \$10,000, effective July 1, 2025
9. **Treasurer’s Report – Quarter ending June 30, 2025 (W & R)**
Recommendation: Receive and file

Director Tobin requested that Consent Calendar item 1 be removed for discussion. Vice President McRae requested that Consent Calendar item 8 be removed for discussion.

Vice President McRae moved to approve Consent Calendar items 2-7 and 9. President Costa seconded the motion and it carried with 4 Aye votes (Director Zamorano absent).

Director Tobin requested that the minutes reflect that the word “schedule” be changed to “study” in her motion; however, Board Secretary Grant pointed out that that motion was made at the June 12th Board meeting and the minutes from that meeting were approved at the July Board meeting. Therefore, Director Tobin requested that the September 17th Board meeting agenda include an item to amend the minutes of the Board of Directors meeting of June 12, 2025.

Director Tobin moved to approve Consent Calendar item 1 - Minutes of the Board of Directors Meeting, July 16, 2025. Vice President McRae seconded the motion and it carried with 4 Aye votes (Director Zamorano absent).

At the request of Vice President McRae, Ms. Silva provided a brief overview of the proposed changes to the Capital Asset Policy, which were outlined in the staff report that was included in the Board packet. She mentioned that Mr. Larsen pointed out that the District utilizes CityWorks for inventory tracking of District assets, separate from the financial accounting of assets.

Director Tobin moved to approve Consent Calendar item 8 - FIN-5.2 Capital Asset Policy – Proposed Change to Capitalization Threshold. Vice President McRae seconded the motion and it carried with 4 Aye votes (Director Zamorano absent).

IV. DISCUSSION AND ACTION ITEMS

1. Establishment of Executive Advisor Position (W & R)

Ms. Silva provided a staff report which was included in the Board packet. She explained that Mr. Helliker's contract states that when the new General Manager is hired, Mr. Helliker will become an Executive Advisor – President Costa pointed out that that contract states Advisor, not Executive Advisor. She explained that the purpose of this item is to protect Mr. Helliker's pensionable compensation for the remainder of his employment with the District, since CalPERS requires Board approval of positions and salary schedules via resolution.

In response to Director Tobin's question, Ms. Silva explained that, should the Board terminate Mr. Helliker's contract, his severance payment would not be pensionable compensation. In addition, Ms. Silva explained that the income that Mr. Helliker would receive as an advisor would not be considered pension spiking since he would be providing a service, there is no increase in compensation, and he would continue to make contributions to CalPERS. However, Ms. Silva explained that should he be compensated through March 6, 2026, and he is not performing services for the District, then it could be considered pension spiking since he would continue to accrue service credit during that period. Legal Counsel Jones commented that pension spiking is usually done at the end of employment where the pay is increased to help the employee receive a bigger pension.

Director Rich commented that Mr. Helliker works for the Board and the Board should maximize his knowledge for the next six months. Director Tobin commented that should happen only if the new General Manager seeks his consult. The Board discussed Mr. Helliker working for the Board but be directed by the Board to work under the new General Manager. Director Tobin voiced concern that she has received feedback regarding the respect for the new General Manager and explained that she's been told that Mr. Helliker has been reporting that the Board hired the most unqualified candidate.

Director Tobin moved to instigate provision 8 of the contract and terminate Mr. Helliker's contract.

Director Zamorano stated that he has heard the same thing and it's important if Mr. Helliker were to be the advisor that his services are under the direction of the new General Manager and only at the new General Manager's request. In response to Director Zamorano's question, Legal Counsel Jones informed the Board that they could have a motion to establish the position and pay scale via resolution with the motion including that Mr. Helliker contract would be amended to say that Mr. Helliker would work under the direction of the new General Manager.

Vice President McRae stated that he watches the budget closely and does not like the idea of creating a second position and gave an example of companies hiring the next manager while the existing manager takes vacation time. President Costa voiced concern that the Board made an agreement with Mr. Helliker to act as an advisor once the new General Manager was hired. Legal Counsel Jones informed

the Board that if they do not like the way that Mr. Helliker performs his duties as an advisor, then the Board does have the right to terminate his contract and pay the severance payment. In response to President Costa's comment about Director Tobin voicing hearsay, Vice President McRae stated that he has directly worked with Mr. Helliker and Mr. Helliker has repeatedly tried to frustrate everything that he has done, including the work with the consultant on the Kokila Reservoir analysis.

Vice President McRae seconded the motion.

Vice President McRae stated that he feels that Mr. Helliker will continue to frustrate everything, ruin relationships, and irritate the new General Manager. In response to Director Zamorano's question, Mr. Helliker stated that if the contract was terminated immediately, then there would be a lump sum payment which is non-pensionable and the negative impact would be reduced pension compensation.

Ms. Suzanne Jones addressed the Board and stated that if the Board were to establish a position as Executive Advisor, then they would be promoting Mr. Helliker as an advisor to the executive officer. She recommends paying the severance and bringing on the new General Manager.

Ms. Meera Deshmane addressed the Board and provided them a handout in support of working with the new General Manager on the retail water rates, and she does not want an advisor who will conflict with the new General Manager.

Vice President McRae provided examples of how Mr. Helliker has frustrated everything that he has tried to do and recommends terminating the contract in order to give the new General Manager his best opportunity for success.

Mr. George Machado addressed the Board and voiced his support of Mr. Larsen, commended Mr. Helliker for his service with the District, and stated that since Mr. Helliker is part of the conflict with the Board it makes sense to remove the conflict.

Director Rich made a point that the Board made a commitment to Mr. Helliker to make him whole in June and suggested that the Board advise Mr. Helliker to stay home and not be actively involved. He explained that this way Mr. Helliker would receive compensation that is pensionable and would keep him whole.

Mr. Larsen addressed the Board and informed them that he had received similar information from internal and external people regarding what Mr. Helliker said about him and the Board's decision. Mr. Larsen stated that there was concern regarding who would be in charge and there is confusion regarding Mr. Helliker's role and involvement with the District. In addition, Mr. Larsen has been told that people do not want to work with the District until Mr. Helliker is no longer with the District. Mr. Larsen stated that his concern is that it affects other districts' trust to work with San Juan and his number one priority is to rebuild relationships and work with other districts, and he is worried that it undermines their trust in the Board.

The motion carried with the following roll call vote:

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

2. General Manager Employment Contract (W & R)

President Costa noted that the Board has the employment agreement before them. Legal Counsel Jones informed the Board that he received a request from Director Tobin to amend the agreement, and he noted that the amended agreement was also before them. Legal Counsel Jones explained that the amended agreement is the same as discussed in Closed Session with the addition of language pertaining to the Brown Act and transparency under item 7 - Other Terms and Conditions of Employment. In response to Legal Counsel Jones' comment, Mr. Adam Larsen confirmed that he had no issues with the amendments to the agreement.

Director Rich commented that since this is the first time that the public is seeing this item, he would like to make it known that the Board has made many iterations to the agreement and met in Closed Session regarding this topic.

Director Tobin moved to approve the amended employment agreement with Adam Larsen as the new General Manager. Director Zamorano seconded the motion, and it carried unanimously.

The Board congratulated Mr. Larsen. Mr. Larsen thanked the Board and voiced excitement to help set the vision and direction for the District for the next decade.

Director Zamorano left the meeting at 7:09 pm due to not feeling well.

3. Admin Building Deck Replacement Project (W & R)

Mr. Barela reviewed the staff report which was included in the Board packet. He explained that nine contractors came to the mandatory pre-bid meeting, and nine contractors submitted bids, which does not usually happen. Mr. Barela informed the Board that insurance paid \$201,029.92 to replace the deck; therefore, he is requesting the Board to approve a construction contract with Kingsley Builders, Inc. for \$288,750 with a construction contingency of \$28,900 (10%) for a total authorized budget of \$317,700, which will be split between wholesale and retail evenly.

Director Tobin moved to authorize the Director of Operations to sign a construction contract with Kingsley Builders, Inc. for the Admin Building Deck. President Costa seconded the motion, and it carried with 4 Aye votes (Director Zamorano absent).

4. Kokila Reservoir Benefit Analysis (R)

GM Helliker provided a staff report which was included in the Board packet. He explained that Vice President McRae had advocated for the allocation of San Juan retail capital project costs to subsets of retail customers who could be defined as benefitting from those capital projects and requested that San Juan's engineering consultant, who created and operates the system hydraulic model, be requested to

develop a proposed scope of work for this project. GM Helliker voiced concern that if this route was pursued then, as the rate consultant pointed out, all District infrastructure and projects funded by debt would need to be evaluated. In addition, he pointed out that customer bills would be very complicated due to multiple line items and the Prop. 218 process would need to be completed every year.

Mr. Barela explained how the consultant will trace where the water goes from Kokila Reservoir into the system by running a simulated model for one month. The modeling will include a couple of different scenarios but no emergency-type scenarios. In addition, he informed the Board that the Cavitt-Stallman project would be analyzed as well.

President Costa reminded the Board that when the District was formed, Citrus Heights and Fair Oaks Water Districts did not want to serve the Granite Bay area and choose to have San Juan Water District provide water to that area. He voiced concern that the cost could be substantial if the District took this route and suggested that the Board look at using Property Tax revenue, with a higher percentage toward retail, to help fund this.

Director Tobin commented that in 2020 the Retail Master Plan was completed, and the study was done on the Kokila Reservoir. GM Helliker stated that the Kokila Reservoir Project was a project that was included in the master plan and, after design was complete, the project is ready for construction. He commented that a modeling study such as this has never been performed. Ms. Silva pointed out that when using this type of allocation for setting rates, the District would need to evaluate assets such as the Cooperative Transmission Pipeline and the Fair Oaks Pipeline since they do not benefit customers to the north and she questions when the evaluations would stop, what would determine that.

Vice President McRae pointed out that this request came about because customers were challenging the District stating that they were being over-charged. He commented that earlier this year the Board decided to do a rate study analysis roadmap, which has not been made yet, and feels this task may be premature. He would like to move closer to charging the cost of service to each parcel, as there is a history of having a lot of capital work in the upper pressure zones that are charged to everyone. He suggested that everything is looked at before determining the rate structure/cost allocations.

Vice President McRae voiced disappointment in the staff report stating that he had repeatedly stated the evaluation that needs to be done is to determine why was Kokila Reservoir installed – what subset of customers need that facility. He stated that the discussion with GM Helliker concluded with obtaining a consultant, that Vice President McRae would edit the scope of work, and the consultant would report to the Board of Directors during the rate study process – and none of that is in the scope of work that was attached to the staff report. Vice President McRae recommends saving this effort for the rate study roadmap and discussing this with the new General Manager. Director Zamorano recommended that the rate impact be included in the study. Ms. Meera Deshmane addressed the Board and encouraged the Board to

review the rate structure and then decide what is the best for the customers and the District.

Vice President McRae moved to defer the Kokila Reservoir study, sometime in the future, to be part of the rate study roadmap. Director Zamorano seconded the motion, and it carried unanimously.

5. Bay-Delta Water Quality Control Plan (W)

Mr. Greg Zlotnick conducted a presentation which was included in the Board packet. He explained what the Healthy Rivers & Landscapes Program (HR&LP) is, the flow commitment, the surface water supply commitment, and the agreements that are in place between RWA/DWR and RWA/nine SGA members. In addition, he reviewed the fees that the District would need to pay (which are also paid by all water agencies statewide) and the agreements that the District will need to sign. Furthermore, he reviewed HR&LP structure and the Pluses and Concerns regarding the program.

Mr. Zlotnick reported that the most recent versions of the documents are at least two years old. He expects the timeline to be by the end of the year. Legal Counsel Ewens noted that this should go before the State Water Board in September. Mr. Zlotnick informed the Board that there will be a workshop on September 8-9, but he is unable to attend.

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

Mr. Zlotnick reported that the last meeting with Citrus Heights and Fair Oaks Water Districts was cancelled. He reported that he attended the Sacramento Groundwater Authority meeting today and President Costa made some nice points about some of the accounting questions. In addition, there is still a question of the need for an Environmental Impact Report (EIR) and he feels that the majority is going to favor an EIR even though San Juan believes it is unnecessary. Mr. Zlotnick mentioned that there is some concern about loss of federal funding for the program, which is unclear at this time. In response to Director Tobin's question, Legal Counsel Ewens informed the Board that an EIR could be in excess of \$1 million. Legal Counsel Ewens also commented that she believes that SGA needs a more accurate project description in place upon which to determine the need for an EIR.

In response to President Costa's comment, Mr. Zlotnick explained that there are discussions in the Program Committee about previously banked water and a starting water balance for the water bank. Mr. Zlotnick informed the Board that the consultant has a technical number which reduces the previously banked water by 47% as unavailable in the starting water balance. In addition, there has been discussion about a stream flow depletion factor which the State wants to set at 25%, which means, in a water transfer, the amount of water actually accounted for as transferred would actually be 25% less than the amount of water bypassed to flow downstream to the buyer.

7. 2025 Hydrology and Operations Update (W & R)

No report.

V. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

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

A written report for July was included in the Board packet. Vice President McRae congratulated GM Larsen and welcomed him to his new position. Vice President McRae is looking forward to a positive future and is asking staff to rally behind the new General Manager to help him be successful. Mr. Machado voiced his support for GM Larsen. In response to Director Tobin's request that staff submit GM Larsen's information for the ACWA Newsletter, Board Secretary Grant informed the Board that a press release would be going out and will include submission to the ACWA Newsletter.

1.2 Miscellaneous District Issues and Correspondence

No report.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that the adopted FY 2025-26 Budget is now on the website and if any of the Board members want a hardcopy of the budget to let staff know.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela informed the Board that Placer County Water Agency (PCWA) and the City of Roseville (Roseville) are contemplating installing a raw water pipeline that will run from PCWA's Foothill water treatment plant to Roseville's water treatment plant. Mr. Barela and Mr. Pierson contacted PCWA and Roseville to obtain more information and to discuss the possibility of including the District in this project. Mr. Barela informed the Board that PCWA and Roseville are interested in working with the District. Mr. Barela reported that he reached out to their consultant, Brown & Caldwell, to obtain a proposal to prepare a supplemental report to their master feasibility report to show what it would look like if the District participated in the project. Mr. Barela reported that about 75% might be paid under the Army Corps of Engineers' Section 219 funding. Mr. Barela will report back once he receives more information.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

4.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that the next round of service replacements is out to bid for the Hidden Lakes Subdivisions 1 & 2 and Granite Bay Shopping Center (Ace Hardware) and he anticipates bringing the contract to the September Board meeting.

Mr. Pierson reported that the pre-construction meeting for Kokila Reservoir Replacement Project is scheduled and he discussed with staff the possibility of having a groundbreaking ceremony for the project, similar to Citrus Heights Water District's ceremony for their wells and since there was federal funding, he will reach out to Kevin Kiley's office for their support.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

No report.

VI. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

This topic was discussed under Agenda Item IV-6.

2. REGIONAL WATER AUTHORITY (RWA)

No report.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reported that ACWA sent out a legislative alert urging members to support the spending plan for Proposition 4. Mr. Zlotnick informed the Board that staff is waiting for ACWA's letter and plans to support it and possibly draft a District letter. President Costa suggested that Mr. Zlotnick have a seat at the table at future Board meetings.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

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

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

There were no other matters discussed.

VII. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items

There were no requests for agenda items other than amendments to the June 12th Board minutes.

2. Meeting Date Changes and Board Attendance

There were no requests to consider.

VIII. COMMITTEE MEETINGS

1. Finance Committee – August 12, 2025

The committee meeting minutes were included in the Board packet.

IX. UPCOMING EVENTS

1. 2025 ACWA Fall Conference

December 2-4, 2025
San Diego, CA

At 8:14 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

X. 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 – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2) (one case)

XI. OPEN SESSION

There was no reportable action.

XII. ADJOURN

The meeting was adjourned at 9:02 p.m.

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

ATTEST: _____
TERI GRANT, Board Secretary

SAN JUAN WATER DISTRICT

Board of Director's Special Minutes
August 22, 2025 – 10:00 a.m.

BOARD OF DIRECTORS

Ted Costa	President
Mike McRae	Vice President (teleconference)
Pam Tobin	Director
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Adam Larsen	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	Legal Counsel

OTHER ATTENDEES

George Machado	
James McCabe	
Craig Locke	Sacramento Suburban Water District

AGENDA ITEMS

- I. **Roll Call**
- II. **Vacant Position - Board of Directors**
- III. **Closed Session**
- IV. **Open Session**
- V. **Adjourn**

President Costa called the meeting to order at 10:12 a.m.

I. ROLL CALL

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

II. VACANT POSITION - BOARD OF DIRECTORS

GM Larsen provided the Board with a staff report which was included in the Board packet. In response to President Costa's question, Legal Counsel Jones explained that the Board can do one of three things to fill the vacancy as written in the staff report; however, the notice of vacancy would need to be posted at least 15 days prior to any appointment. The Board discussed the process of filling the Board vacancy for Division 1 which was created when Director Rich resigned.

Director Tobin moved to appoint George Machado to fill the vacant seat of the Board.

Legal Counsel Jones explained that an appointment could not be made at this meeting and only a decision on the process to use to fill the vacancy could be made at this time.

He explained that the appointment could be made at the September Board meeting. Vice President McRae suggested that the Board put out a Notice of Vacancy, for the 15 days, then the Board could either make a direct appointment or conduct interviews at their discretion.

Director Tobin moved to amend her motion to post the Notice of Vacancy for 15 days or more prior to the September 17th Board meeting and open the vacancy to interested parties and the Board will decide at the September Board meeting whether to appoint a candidate at that time or conduct interviews. Vice President McRae seconded the motion, and it carried with the following roll call vote:

Ayes: Directors Costa, McRae, Tobin and Zamorano

Noes: None

Absent: None

Directors Zamorano and Costa requested that the September Board meeting agenda include an item to consider increasing Ms. Donna Silva and Ms. Teri Grant's compensation. President Costa requested that the September Board meeting agenda under the standing groundwater item include an item to discuss the practicality of having a standard water contract for banking. Director Tobin requested that the September Board meeting agenda include an item regarding Small Agencies, Big Dollars and she will provide information to GM Larsen for the agenda.

President Costa announced that there will be an online discussion that the Sacramento Groundwater Authority is conducting on August 28th regarding water banking and that information will be sent to the Board.

At 10:26 a.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

III. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2) (one case)

IV. OPEN SESSION

There was no reportable action.

V. ADJOURN

The meeting was adjourned at 10:47 a.m.

ATTEST:

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

TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors
From: Adam Larsen, General Manager
Date: September 17, 2025
Subject: Board of Directors Division 1 Vacancy

RECOMMENDED ACTION

Consider a motion to appoint a new Board member for the Division 1 vacancy.

BACKGROUND

Dan Rich resigned from his position as a member of the District's Board of Directors on August 14, 2025. On August 22, the Board decided to solicit applicants to succeed Director Rich, establishing a deadline of September 10, 2025, for submittal of cover letters and resumes. The Board vacancy notice was posted in the Sacramento Bee and on the District's website on August 26, 2025. The Board has until October 13, 2025, to make a selection, after which time the decision becomes the responsibility of the Sacramento County Board of Supervisors.

The District received one application for the position prior to the deadline, which met the minimum qualifications of the position – being a registered voter residing within the Division 1 of the District. The applicant is Mr. George Machado.

Attachment:
Cover Letter & Resume of George Machado

George Machado
Retired Field Services Manager, San Juan Water District
8325 Keyesport Way
Citrus Heights, Ca. 95610
September 4, 2025

Board Secretary

San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746
Email: tgrant@sjwd.org

RE: Letter of Interest – Division 1 Board Vacancy

Dear Board of Directors,

I am writing to express my strong interest in being appointed to the San Juan Water District Board of Directors for Division 1. As a registered voter residing within Division 1 and a retired water professional with over 25 years of hands-on experience in nearly every operational, supervisory, and strategic role within San Juan Water District's Field Services, I believe I offer a deep understanding of the systems, policies, and responsibilities required of this role.

During my tenure with the District from 1994 to 2020, I served in progressive capacities, ranging from Distribution Operator to Distribution Lead Worker, ultimately retiring as Field Services Manager. I directly oversaw the maintenance, construction, cross-connection control, and regulatory compliance programs across both wholesale and retail systems. I led teams, collaborated on capital improvement projects, responded to water quality concerns, and played a pivotal role in budget development and emergency response.

My background includes a strong knowledge of California water regulations (Title 17, Title 22), safety standards (Cal/OSHA, IIPP), and effective utility management practices. I understand the responsibilities of governance, having supported board-level reporting, public engagement, and interagency coordination throughout my career.

I am passionate about sustainable water management and public service. If appointed, I will bring institutional knowledge, integrity, and a collaborative spirit to the board. I am confident in my ability to contribute immediately and effectively to the oversight of the District's mission.

Thank you for your consideration. I welcome the opportunity to serve the residents of Division 1 and contribute to the continued success of San Juan Water District.

Sincerely,



George Machado

George Machado

8325 Keyesport Way Citrus Heights, Ca. 95610 | (916) 804-7244

Registered Voter, San Juan Water District – Division 1

Retired Field Services Manager, San Juan Water District

OBJECTIVE

To contribute proven leadership, operational insight, and regulatory expertise to the San Juan Water District Board of Directors as the appointed representative for Division 1.

PROFESSIONAL EXPERIENCE

San Juan Water District – Granite Bay, CA

July 1994 – March 11, 2020

Final Position: Field Services Manager

(Progressed from Distribution Operator to Lead Worker and Management Roles)

- Directed the construction, maintenance, and operation of the District's wholesale transmission and retail distribution systems, pump stations, and storage facilities.
- Supervised technical and field personnel; responsible for training, safety enforcement, and performance evaluations.
- Ensured regulatory compliance with CA Title 17 and Title 22, NPDES, and Central Valley RWQCB permits.
- Coordinated cross-connection control, USA locates, and leak detection programs.
- Played a key role in emergency response operations using ICS and NIMS protocols.
- Developed operating and capital budgets; managed expenditures and procurement processes.
- Represented operations in interdepartmental and public meetings; collaborated with engineering on system designs and master planning.
- Oversaw project bidding, contractor coordination, and quality control.
- Acted as Competent Person on safety programs including Confined Space, Heat Stress, and Lockout/Tagout.
- Maintained strong working relationships with other local agencies and the community.

Key Contributions:

- Spearheaded numerous system upgrade projects across retail and wholesale systems.
 - Implemented and improved SOPs, asset management protocols, and water efficiency practices.
 - Championed internal succession planning and staff development.
-

EDUCATION & CERTIFICATIONS

- **High School Diploma** – Procter R Hug High School, 1980
 - **Advanced Coursework** – Water Distribution, Supervision, and Management
 - **California State Water Resources Control Board** – Grade D4 Water Distribution Certification
-

PROFESSIONAL SKILLS

- Regulatory Compliance (Title 17, Title 22, Cal/OSHA, NPDES)
 - Water Distribution & Efficiency
 - Capital Planning & Budget Management
 - Staff Leadership & Training
 - Safety & Emergency Program Management
 - Public Relations & Interagency Coordination
 - Construction Oversight & System Design Review
 - Asset Management & SOP Development
 - Strategic Planning & Policy Implementation
-

COMMUNITY & PUBLIC SERVICE

- Lifelong resident of San Juan Water District service area
- Committed to transparent, sustainable, and equitable water resource management
- Supporter of water conservation, infrastructure investment, and long-term planning

STAFF REPORT

To: Board of Directors
From: Adam Larsen, General Manager
Date: September 17, 2025
Subject: Amendment to Minutes of the Board of Directors Meeting,
June 12, 2025 (W & R)

RECOMMENDED ACTION

Consider a motion to amend the June 12, 2025, Board of Directors meeting minutes to reflect a change on page 9 under agenda item VI-1 pertaining to Director Tobin's motion related to retail rates.

BACKGROUND

At the August 14, 2025, Board meeting, Director Tobin requested an amendment to the June 12, 2025, Board of Directors meeting minutes. She requested that her motion regarding retail rates reflect the word "study" and not "schedule". The Board Secretary re-listened to the recording of the meeting and confirmed that Director Tobin indeed said "study". Therefore, staff recommends the amendment to the Board meeting minutes of June 12, 2025, as seen in the attached red-line version of page 9.

Attachment:
June 12, 2025, Board Meeting Minutes – Page 9 red-line

In response to Director Tobin's comment about never reducing rates, GM Helliker explained that removal of the project would result in a lower revenue requirement which would result in a lower rate. Ms. Silva commented that the consultant would also need to analyze and incorporate an amount into the rates to cover anticipated costs of any groundwater partnership agreement that may occur.

Director Rich moved to adopt Resolution No. 25-10 adopting a four-year schedule of retail water rates. President Costa seconded the motion.

Director Tobin voiced concern regarding the District's rate setting process as it relates to fairness, transparency, and compliance with the Prop. 218 requirements. She pointed out a member of the public's comments regarding the current rate structure and encourages the Board to hold off adopting the proposed rates until a rate structure analysis is completed.

Director Tobin moved for a substitute motion to delay adopting Resolution No. 25-10, which adopts a four-year schedule of retail water rates, until after a retail rate schedule-study analysis is performed. Vice President McRae seconded the motion.

Ms. Deshmane addressed the Board and stated that she received information from GM Helliker which showed eleven different agencies that have different rates for ¾", 5/8" and 1" meters so if that was against the law then how can they have those rates. GM Helliker responded that he never said that those rates were against the law, and instead had explained that the District has 95% single family residential customers who are similarly situated and it is arbitrary whether they have a ¾" or a 1" meter, and they are receiving the same service. GM Helliker pointed out that the rate consultant structured the rates in a way that is legally supportable.

In response to Mr. Larsen's question, Legal Counsel Jones informed the Board that if any changes are made that increase any rate, then the Prop. 218 process will have to be implemented again. Ms. Silva added that the current rate structure is legal, allowed and reasonable according to our rate consultant. She commented that Ms. Deshmane's proposal regarding the weighted average of actual meter sizes, based on the data that she was provided (which is not accurate at this time), would result in a higher factor which would also be acceptable. However, the ramification of utilizing the factor that Ms. Deshmane proposed would result in an approximate rate increase of 3.5% for 97% of the District's customers, while there would be a rate decrease of 7-10% for the other customers. Ms. Silva informed the Board that an additional Prop. 218 notice would need to be issued at a cost of approximately \$10,000 and it would be very confusing for the District's customer base. Ms. Silva pointed out that Ms. Deshmane's methodology is not incorrect and it is logically sound; however, the methodology that the rate consultant has done is legal and defensible.

GM Helliker pointed out that the rate structure will be reviewed as part of the rate review and the rate consultant did note that the amount of water that is being used

STAFF REPORT

To: Board of Directors
From: Andrew Pierson, Director of Engineering Services
Date: September 17, 2025
Subject: Construction Contract for Water Services Replacement Project;
Hidden Lakes Subdivisions 1 & 2 and Granite Bay Shopping Center

RECOMMENDED ACTION

Staff requests a Board motion to authorize the Director of Engineering Services to approve a construction contract with Flowline Contractors, Inc. for the amount of \$1,340,797.10 with a construction contingency of \$134,079.71 (10%) for a total authorized budget of \$1,474,876.81.

BACKGROUND

This Project is part of the District’s annual CIP water services replacement program identified in the 2020 Retail Master Plan. The purpose of the program is to replace water services, fire hydrants, air release valves, and blow-offs in areas with a recent history of leaking and/or deficient water facilities.

This Project includes two areas in Granite Bay, the Hidden Lakes Subdivisions 1 & 2 and the Granite Bay Shopping Center. In the Hidden Lakes Subdivisions 1 & 2, the Project replaces 82 water services, 6 fire hydrants, 1 air release valve, and a blowoff. In the Granite Bay Shopping Center, the Project modifies or replaces 27 water services.

The design for the Project was completed in-house, and the Engineer’s construction estimate is approximately \$1.9 million.

CURRENT STATUS

Ten (10) contractors attended the mandatory pre-bid conference, and six (6) bids were received on September 8, 2025. The Bid outcomes are summarized as follows:

Bidder	Bid Amount
Flowline Contractor’s, Inc.	\$1,340,797.10
LaFleur Engineering, Inc.	\$1,632,687.00
TAK Broadband Ca, LLC	\$1,743,567.45
Mountain Cascade, Inc.	\$1,749,148.00
Navajo Pipelines, Inc.	\$1,760,200.00
McGuire and Hester	\$1,804,545.00

Flowline was the lowest responsive, responsible bidder. Flowline’s bid documents were reviewed and found to be complete and in order, including license, insurance, and bonds.

FINANCIAL CONSIDERATIONS

The Project is included in FY 2025/2026 Retail CIP Budget.

STAFF REPORT

To: Board of Directors

From: Donna Silva, Director of Finance

Date: September 17, 2025

Subject: Kokila Reservoir Replacement – Installment Sale Agreement

RECOMMENDED ACTION

Approve Resolution 25-11 authorizing the District to execute an Installment Sale Agreement with the California State Water Resources Control Board (SWRCB) to provide funding for the Kokila Reservoir Replacement Project.

BACKGROUND

This project replaces the Kokila Reservoir. The Kokila Reservoir is a 4.56 million-gallon (MG) Hypalon lined and covered earthen reservoir. The reservoir serves as an operational and emergency storage facility at a high elevation point in the District's Bacon pressure zone in the retail service area. The liner and cover were installed in 1984 with an estimated life of 25 years, however, due to regular maintenance, its life was extended an additional 15 years. The liner and cover are in critical need of replacement. This project replaces the liner and cover with a pre-stressed, partially buried 4.0 MG concrete tank.

While most of the District's capital projects are funded from accumulated reserves (pay-go), the Retail Financial Plan recommended financing this project. The District has been working for the past few years to secure a low-interest rate loan from the State Drinking Water Revolving Fund administered by the State Water Resources Control Board. Utilizing this funding source secures a lower interest rate than can be obtained through the traditional bond market, saving rate payers approximately \$6.2 million over the life of the debt. In addition to this loan, the District secured a federal grant from the Environmental Protection Agency in the net amount of \$1.25 million. Assuming complete compliance with the terms of the grant agreement, those funds do not need to be repaid.

On March 19, 2025, the Board of Directors approved Resolution 25-03 stating the Districts' intent and reasonable expectation to be reimbursed for expenditures paid prior to the issuance of funds from the Drinking Water State Revolving Fund or the approval by the State Water Board of the project. This preserved the District's ability to be reimbursed from these loan proceeds for expenses incurred prior to the execution of the loan agreement. Resolution 25-04, also approved on March 19, 2025, named the Director of Finance as the authorized representative for signing applications, certifications and agreement related to the financing.

CURRENT STATUS

The final action needed to secure this low-interest rate financing is adoption of Resolution 25-11 approving the form of the Installment Sale Agreement (the loan document) and the terms of the financing, which are as follows.

Term: 30 years

Interest Rate: 1.9%

Maximum Loan Amount: \$12,110,000

Restricted Reserve Fund: equal to one year of debt service

Required Debt Coverage Ratio: net revenues must be equal to the sum of at least 120% of the maximum annual debt service with respect to all outstanding obligations.

Attachments:

Good Faith Estimate

Resolution 25-11 Closing Resolution

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Installment Sale Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by Urban Futures, Inc. (the “Municipal Advisor”).

Principal Amount. The Municipal Advisor has informed the District that, based on the District’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Installment Sale Agreement is \$12,110,000 (the “Estimated Principal Amount”).

True Interest Cost of the Installment Sale Agreement. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount of the Installment Sale Agreement, its good faith estimate of the true interest cost of the Installment Sale Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Sale Agreement, is 1.9%.

Finance Charge of the Installment Sale Agreement. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount of the Installment Sale Agreement, its good faith estimate of the finance charge for the Installment Sale Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Sale Agreement), is \$0.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount of the Installment Sale Agreement, its good faith estimate of the amount of proceeds expected to be received by the District for the Installment Sale Agreement, less the finance charge of the Installment Sale Agreement, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Installment Sale Agreement, is \$12,110,000.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount of the Installment Sale Agreement, its good faith estimate of the total payment amount, which means the sum total of all installment payments the District will make under the Installment Sale Agreement, plus the finance charge for the Installment Sale Agreement, as described above, not paid with the proceeds of the Installment Sale Agreement, calculated to the final maturity of the Installment Sale Agreement, is \$16,023,540.

RESOLUTION NO. 25-11

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT AUTHORIZING AN INSTALLMENT
SALE AGREEMENT WITH THE CALIFORNIA STATE WATER RESOURCES
CONTROL BOARD FOR THE KOKILA RESERVOIR REPLACEMENT
PROJECT**

WHEREAS, the Kokila Reservoir is a critical facility of the districts' water delivery system; and

WHEREAS, it has been determined that the existing reservoir cover and liner are at the end of their useful life; and

WHEREAS, the District needs financing to fund the approximate \$13.36 million project; and

WHEREAS, the District has submitted applications to the State Water Resources Control Board for financial assistance from the Drinking Water State Revolving Fund (SRF); and

WHEREAS, it is in the best interest of the ratepayers of the San Juan Water District to obtain a low interest rate loan through the SRF; and

WHEREAS, the San Juan Water District Board of Directors previously passed Resolution 25-03 stating the District's intention to spend monies on the project prior to approval of the loan agreement, preserving the District's ability to get reimbursed for monies expended prior to loan execution; and

WHEREAS, the San Juan Water District Board of Directors also passed Resolution 25-04 naming the Director of Finance as the authorized representative for signing applications, certifications and agreements related to the financing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT (the "Entity"), AS FOLLOWS:

Section 1. Approval of the Installment Sale Agreement: The Director of Finance (or their designee) of the San Juan Water District is authorized to enter into the Installment Sale Agreement, the form of which is attached to this Resolution as Attachment A, with the State Water Resources Control Board. The state loan evidenced by the Installment Sale Agreement shall be payable from a pledge of the Revenues, as described in the agreement) of the district on a parity lien with the payment of other parity obligations of the District.

The Board of Directors hereby approves the terms of the Installment Sale Agreement as follows:

- a) Interest rate not to exceed 1.9%
- b) Term not to exceed 30 years
- c) Loan amount not to exceed \$12,110,000
- d) Establishment of a restricted reserve fund equal to one year of debt service
- e) Debt coverage ratio requirement: net revenues must be equal to the sum of at least 120% of the maximum annual debt service with respect to all outstanding obligations of the District.

The final agreement may be modified as approved by the General Manager or the Director of Finance, in consultation with the District’s legal counsel, provided such changes or modifications do not materially increase the financial risk to the District.

Section 2. SB 450 Compliance. The District acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 22nd day of February 2023, by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST

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

TERI GRANT
Board Secretary

STAFF REPORT

To: Board of Directors

From: Donna Silva, Director of Finance & Human Resources
Entela Fallstead, Senior Accountant

Date: September 17, 2025

Subject: Fees, Charges and Deposits – Results of Updated User Fee Study and Recommended User Fee Changes

RECOMMENDED ACTION

Staff request a Board motion to adopt Resolution 25-14 approving changes to the District's various user fees as described and recommended in the 2025 User Fee Study. The staff recommendation was reviewed by the Finance Committee, which recommends approval by the Board of Directors.

BACKGROUND

The District conducts periodic Financial Plan and Rate Studies to guide the overall financial health of the District and to set retail and wholesale water rates. In addition to these studies, the District assesses a variety of fees, charges, and deposits that are outside the scope of the Financial Plan and Rate Study. These user fees relate to activities that provide specific benefit to a single entity or are penalties intended to dissuade undesirable and costly activities, such as unauthorized hydrant use or water theft.

In 2019, the District contracted with MGT Impact Solutions (MGT) to perform a User Fee Study. That study resulted in the adjustment of fees to achieve full cost recovery. The Board also directed staff to adjust the fees annually based on the November over November Consumer Price Index (CPI).

In 2025, the District engaged MGT again to update the study using the fiscal year 2024-2025 operating budget, staffing, and operational processes. The consultant collaborated with staff from the Finance, Customer Service, Engineering, and Field Services departments to develop the study's findings. The 2025 User Fee Study conducted by MGT Impact Solutions utilized a cost-of-service approach based on fully burdened hourly rates and estimated staff time to deliver each service. This methodology ensures that fees reflect the actual cost of providing services, including direct labor, indirect costs, and administrative overhead.

In alignment with California Government Code Section 66014(a) and Proposition 26, the proposed fees are designed to recover no more than the reasonable cost of service. The District also considered economic equity, community benefit, and fairness in fee setting. Where services primarily benefit individual users, fees should be set at full cost recovery.

Where broader community benefits exist, fees could be set lower than cost recovery, subsidized by general revenues and structured to encourage compliance.

The study concludes that existing fees and charges are currently recovering 87% of the fully burdened costs associated with the various activities, leaving a 13% subsidy of approximately \$39,328 to be covered by general non-rate revenues. While the law prohibits the District from charging more than the actual cost of service, charging less results in an unintended subsidy funded by all customers through their water rates.

The updated study recommends revising existing fees, introducing new ones, and eliminating outdated charges to better align the fees with the District’s operating processes and costs.

Recommended Revisions to Existing Fees, Penalties and Deposits

FEES:

The following fees are charged to recover the cost of providing specific services that benefit only the recipient, as opposed to the customer base in general. Unless otherwise discussed below, the proposed fee increases listed below are driven by the time it takes for staff to provide the service, multiplied by the applicable hourly rate of the staff involved.

FEE NAME	CURRENT FEE	PROPOSED FEE
Returned Payment Fee	\$35	\$52
Disconnection for Non-Payment	\$112	\$155
Voluntary Disconnection	\$72	\$141
Reconnection	\$72	\$141
After Hours Reconnection	\$324	\$846
Unauthorized Connection	\$609	\$625
Meter Lock Replacement	\$62	\$73
Meter Box Clearance – per hour	\$179	\$204
Meter Testing – customer requested	\$418	\$615
Water Conservation Reconnection:		
1 st (cost recovery)	\$227	\$335
2 nd (cost recovery + penalty)	\$410	\$485
3 rd (cost recovery + penalty)	\$593	\$635
4 th (cost recovery + penalty)	\$958	\$935
Hydrant Meter Permit	\$327	\$431
Hydrant Meter Daily Rental	\$5	\$6
Backflow Device Test (SJWD Personnel)	\$197	\$238
Backflow Devit Test (SJWD Personnel, After Hours)	\$436	\$771

FEE NAME	CURRENT FEE	PROPOSED FEE
Back Device Test (SJWD Contractor)	\$64	\$68
New Service Inspection & Activation (includes 1-inch meter)	\$1,277	\$1,510
Inspection, Larger than 1" (no meter)	\$734	\$855
New Service Reinspection – 2 nd & 3 rd	\$249	\$312
Custom Flow/Pressure Analysis & Letter	\$289	\$594
Standard Flow/Pressure Analysis & Letter	\$131	\$357
Administrative Overhead	20% of cost	\$181 contracts/other direct costs
		\$115 use of District parts

Administrative Overhead – The District occasionally allows developers or customers to utilize existing District contracts for work on their specific projects or properties. When that happens, they need to reimburse the District for their share of the administrative costs involved in creating the contract and paying the invoice. Additionally, staff will occasionally allow a developer or customer to use an item out of the District’s inventory. In these instances, the beneficiary should pay not only for the cost of the part, but for the administrative costs of procuring the part and disbursing it from inventory.

Industry practice used to be to charge a percentage overhead markup to the invoices. Following a comprehensive review and consultation with both internal staff and the District’s consultant, it was determined that the existing percentage-based overhead model is inequitable because it changes the overhead fee based on the dollar amount of the invoice, rather than the work involved to process and pay it. The recommended fees are based upon the average time it takes for each step of the process, as described below.

Each external transaction involves a series of steps, which may include procurement by purchasing staff, inventory receipting and disbursement, issuing and evaluating Requests for Proposals (RFPs), vendor selection, contract execution, ongoing administration, and payment processing. These activities demand staff time and resources, which incur real costs.

To comply with legal requirements prohibiting charges that exceed the actual cost of service, staff developed two flat administrative fees:

- The *Contract Management Fee* reflects the average staff time and indirect costs associated with managing externally contracted services. Staff recommend setting this fee at the full cost recovery amount of \$181 per transaction.
- The *Purchase of Supplies Fee* recovers the indirect costs related to purchasing, managing, and processing District inventory, particularly when inventory is used by external contractors or customers on billable projects. Staff recommend setting this fee at the full cost recovery amount of \$115.

This change enhances transparency and ensures that administrative costs are equitably distributed based on actual staff effort rather than contract value.

PENALTIES:

The following penalties are assessed to discourage unauthorized connections to the system and late payment of amounts due:

PENALTY NAME	CURRENT PENALTY	PROPOSED PENTALTY
Unauthorized Connection Fee	\$609	\$625
Damages from Unauthorized Connection	T&M	T&M
Unauthorized Hydrant Connection	\$2,804	\$3,000
Late Payment	Retail: \$28 Wholesale: 10% + 1% of monthly balance	10% + 1% of monthly balance

Unauthorized Connection Fee – A penalty imposed for each unauthorized connection to a private or District-owned pipeline or ancillary water system. Due to the ineffectiveness of a cost-recovery model for enforcement, staff recommend a fixed fine of \$625. The fee amount reflects a deterrent principle, as recommended in the MGT report, to discourage unauthorized use and protect District resources.

Unauthorized Connection Fee (Hydrant) – This fee serves as a penalty to deter unauthorized connections to the District’s hydrants, as such actions result in unmetered water use that cannot be quantified or reimbursed. Since the District cannot determine the volume of water taken during these illegal connections, the fee must be significant enough to discourage the behavior and help recover potential losses, making a cost-based approach ineffective for enforcement. Staff recommend a fine of \$3,000.

Late Payment Fee – Staff recommends consolidating the retail and wholesale late payment fees into a single penalty of 10% of the past due balance plus 1% per month on the delinquent balance, as allowed by California Government Code Section 61115(a)(3)(c). The code states the following. *“To provide for a basic penalty for the nonpayment of charges of not more than 10 percent, plus an additional penalty of not more than 1 percent per month for the nonpayment of the charges and the basic*

penalty. The board of directors may provide for the collection of these penalties". This change replaces the previous flat retail fee of \$28.00 which was based on the costs associated with the previous shut-off process and is intended to discourage late payments.

Since the District no longer performs water shutoffs for non-payment, there has been a noticeable increase in delinquent accounts and a growing balance of past due amounts. While the implementation of property tax lien roll collections has proven effective in efficiently recovering these balances, without disrupting water service, the District does not earn interest on the outstanding amounts. As a result, timely-paying ratepayers are effectively subsidizing delinquent accounts.

Peer agency comparisons (see MGT’s Exhibit 2 – Late Payment Fee Comparisons below) support the proposed late fee structure. Agencies such as Fair Oaks, Orange Vale, and Sacramento Suburban Water Districts apply similar penalties, reinforcing the fairness and reasonableness of the District’s approach. The additional 1% monthly charge serves as a modest but effective deterrent to late payments, supporting the District’s cash flow needs without placing an undue burden on customers.

Exhibit 2 – Late Payment Fee Comparisons

Agency	Late Fee	Lien Process In Place
San Juan Water District	10% of past due balance + 1% per month on delinquent balance	Yes
Carmichael Water District	\$10 per occurrence	No
Citrus Heights Water District	5% of past due balance	Yes
City of Folsom	1.5% per month on delinquent balance (not currently charging)	Yes
Fair Oaks Water District	10% of past due balance	In process
Orange Vale Water Company	10% of past due balance	No
Placer County Water Agency	6% of past due balance	No
Sacramento Suburban Water District	10% of past due balance	Yes

The proposed late fee structure is a necessary step to promote timely payments and reduce the financial burden on compliant customers.

DEPOSITS:

The following Deposits are collected when the cost of providing a service is unknown. Actual time and materials are charged against the deposit. When the work is complete

any remaining deposit is returned to the customer. If the deposit is not sufficient to cover costs, additional monies are requested.

DEPOSIT NAME	CURRENT DEPOSIT	PROPOSED DEPOSIT
Hydrant Meter – Standard Size	\$3,263	\$3,000
Single Unit Plan Review	\$767	\$1,055
Minor Subdivision Plan Review (2-4, no meter)	\$3,763	\$5,088
Major Subdivision Plan Review (5+, no meters)	\$7,092	\$9,547
Construction Inspection	Varies – set by Dir. of Eng. Services	Varies – set by Dir. of Eng. Services
New Service Connection (Tapping)	Varies – set by Dir. of Eng. Services	Varies – set by Dir. of Eng. Services

Hydrant Meter Deposit - Standard Size – The proposed deposit amount of \$3,000 is not a fee for service, but a refundable security deposit intended to cover the potential replacement cost of a standard hydrant meter. While the current market value of the meter may be less than the deposit amount, prices are subject to fluctuation due to supply chain variability and inflation. The deposit ensures that the District can recover its costs if a meter is lost or damaged. Because this is a refundable deposit, not a charge for a specific service, it is not subject to the fee limitations outlined in California Government Code Section 66014(a), which applies to service fees. Upon return of the meter in usable condition, the full deposit is refunded, ensuring fairness and compliance with applicable law.

Plan Review Deposits – The District collects deposits for three types of development plan review - Single Unit Plan Review, Minor Subdivision (2 to 4 units) and Major Subdivisions (5+ units). The deposit is set at the approximate amount needed to cover staff time spent reviewing the plan, which obviously varies with the size of the development. The current deposit amount reflects the costs from the previous study, as inflated by CPI each year. The proposed deposit amounts reflect the estimated time, multiplied by staff’s current fully burdened hourly rate, rounded up to the nearest \$100. If the actual costs incurred are less than the deposit collected, the excess is returned to the owner. If actual costs look to be higher than the deposit, additional deposit monies will be requested.

Staff are proposing the addition of 3 new fees as follows:

FEE NAME	PROPOSED FEE
Lien Process:	
1 st Notice	\$12
2 nd Notice	\$12
Filing Fee	\$78

Updated Lien Process: Lien Notice, 1st – Under California Government Code §43008 and Water Code §25806, the District must notify customers that a lien will be filed with the county for unpaid water bills. A lien typically follows 30–60 days of non-payment, after which a final demand notice is issued. This notice establishes the District’s legal claim against the property, enforceable through the property tax roll. Staff recommend a fee of \$12.00 to cover staff’s time to process and deliver this notice.

Updated Lien Process: Lien Notice, 2nd – This fee recovers the cost of providing the customer with the second and final intent to lien notice, as required by law. As mentioned above, staff recommend a fee of \$12.00.

Updated Lien Process: Lien Filing Fee – To recover the full cost of processing and recording property liens for unpaid water bills, including staff time for preparing documentation and coordinating with the county, staff recommends a fee of \$78, which reflects both administrative labor and the typical county recorder’s filing charges.

Staff are proposing the deletion of 8 fees as follows:

Water Account Deposit – SB 998 significantly reshaped how water agencies manage delinquent accounts by limiting the use of water shutoffs as a collection tool. In response, many agencies, including San Juan Water District, have transitioned to alternative methods such as property tax lien roll collections. With the successful implementation of this process, and the District’s move away from service shutoffs, the need for requiring water account deposits, particularly from tenants or customers with poor payment history, has been eliminated.

Property Lien Fee – In accordance with SB 998, which limits the use of water shutoffs for nonpayment, the District has adopted the property tax lien roll process as a primary tool for recovering long-term unpaid balances. Initially, a Property Lien Fee was proposed to recover staff time associated with preparing and filing these liens. However, this fee has since been superseded by the Lien Filing Fee, which is now directly assessed to the customer when their delinquent account is transferred to the county’s tax lien roll.

Hydrant Meter Deposit < 2-inch Fee – The District no longer rents out hydrant meters smaller than 2 inches. As a result, the associated fee is no longer applicable and has been removed from the fee schedule.

Single Unit Construction Inspection Minimum Fee – Originally established to cover the inspection costs associated with a single residential unit. Over time, however, the District began collecting the New Service Inspection & Activation Fee, which already includes both the inspection and meter activation time.

In the past five years, there have been no projects where the original Single Unit Construction Inspection Minimum Fee would have applied. This is because all development projects are now required to submit a time and materials deposit to cover

engineering and inspection costs. As a result, the use of a standard, flat inspection fee has become obsolete. Based on this determination, staff recommend deleting this fee.

Fire System Design Review Fee – This fee was originally implemented to compensate the Engineering Department for reviewing fire sprinkler system designs. However, it was later determined that the District does not have the authority to approve these designs, as that responsibility lies with the jurisdictional fire department. As a result, the fee was deemed inappropriate and should be removed from the District’s fee schedule.

Hydrant Flow Test Fee – The original fee was established to cover the cost of SJWD personnel conducting on-site hydrant flow and pressure tests. These tests are no longer performed, as the District now provides Flow and Pressure Reports generated from its hydraulic model, eliminating the need for field testing. Given this operational change, the fee should be removed from the District’s schedule.

Hydrostatic Testing Minimum Fee – This fee was originally established to cover the time spent by District operations staff to perform hydrostatic (pressure) tests on pipelines. However, pressure testing is the responsibility of the developer or their contractor, not the District. As such, the District does not anticipate any scenario in which it would be responsible for conducting these tests. This fee is no longer applicable and should be removed.

Bacteriological Testing Minimum Fee – This fee was originally established to cover District Operations staff time for performing bacteriological testing. However, as with the Hydrostatic Testing Minimum Fee, this type of testing is the responsibility of the developer or their contractor, not the District. The District does not anticipate any scenario in which it would be responsible for conducting these tests. The fee should be removed.

Conclusion:

These adjustments will result in increases to 26 fees, penalties or deposits, the addition of 6 fees and the elimination of 10 fees. The proposed fee adjustments are not intended to generate profit but to ensure that costs associated with specific services are borne by the users of those services, rather than subsidized by the general ratepayer base. By aligning fees with actual service costs, the District reduces hidden subsidies and protects ratepayers from future rate increases. This approach promotes fiscal responsibility, fairness, and transparency.

Staff recommend continuing to adjust the fee schedule annually based on the Consumer Price Index (CPI) and conducting a comprehensive fee study at least once every five years.

Attachments:

Resolution 25-14

User Fee Study – San Juan Water District, prepared by MGT Consulting Group

RESOLUTION NO. 25-14

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT
APPROVING CHANGES TO THE SCHEDULE OF FEES, CHARGES, AND DEPOSITS
BASED ON THE 2025 USER FEE STUDY**

WHEREAS, the District also assesses a variety of user fees, charges, and deposits outside the scope of the Financial Plan and Rate Study to recover costs associated with services that benefit individual users or deter undesirable activities; and

WHEREAS, the District engaged MGT Impact Solutions to update the User Fee Study in 2025 using the fiscal year 2024–2025 operating budget, staffing, and operational processes; and

WHEREAS, the Board has received and considered the 2025 User Fee Study Report prepared by MGT Impact Solutions dated September 4, 2025 (the “User Fee Study”); and

WHEREAS, the updated User Fee Study utilized a cost-of-service methodology to ensure fees reflect the cost of providing services, in compliance with California Government Code Section 66014(a) and Proposition 26; and

WHEREAS, the updated study recommends revising existing fees, introducing new fees, and eliminating outdated fees to better align with the District’s cost recovery objectives and operational needs; and

WHEREAS, the Board of Directors finds that the proposed Schedule of Fees, Charges, and Deposits is fair, reasonable, and necessary to ensure fiscal responsibility and equity among ratepayers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Juan Water District as follows:

1. The Board hereby approves and adopts the Schedule of Fees, Charges, and Deposits as presented in the 2025 User Fee Study prepared by MGT Impact Solutions.
2. Staff are hereby directed to inflate the fees each year by the November over November Consumer Price Index West Cities B, except those fees limited by statute.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 17th day of September 2025, by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:

EDWARD J. “TED” COSTA
President, Board of Directors

ATTEST

TERI GRANT
Secretary, Board of Directors



S I N C E 1 8 5 4

User Fee Study Report of Findings

San Juan Water District

SEPTEMBER 4, 2025

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Executive Summary

Introduction

MGT Impact Solutions (MGT) is pleased to present the San Juan Water District (District) with this summary of findings for the recently completed user fee study.

In 2019 the District contracted with MGT to perform a user fee study using fiscal year 2019-2020 budget, staffing and operational information. This study is an update of the 2019 study using the District's fiscal year 2024-2025 budget, staffing, and updated operational processes. As part of this study, the District has made changes to its fee schedule to more accurately reflect its processes and improve transparency.

This report is the culmination of an extensive study conducted by MGT in collaboration with the District's management and staff. MGT would like to take this opportunity to gratefully acknowledge all staff who participated in this project for their efforts and coordination. Their responsiveness and continued interest in the outcome of this study contributed greatly to its success.

Study Scope and Objectives

The study was performed under the general direction of the Director of Finance and Human Resources with significant participation from the Senior Accountant and representatives from operations staff from the Customer Services, Field Services, and Engineering groups.

This study included the review of user fees services within the District's Retail Water function.

The primary goals of the study were to:

- ◆ Determine the District's costs to provide specific fee-related services.
- ◆ Determine whether there are any opportunities to consolidate and simplify the fee structure or implement new fees as appropriate.
- ◆ Identify service areas where the District might adjust fees to better reflect the full cost of services or to subsidize fees with non-rate revenues to reflect other economic or policy considerations.
- ◆ Develop revenue projections based on recommended cost recovery.

The information summarized in this report addresses each of these issues and provides the District with the tools necessary to make informed decisions about any proposed fee adjustments and the resulting impact on District's revenues.

In addition to the primary objectives of this study, MGT also reviewed two other areas of the District's fees. MGT performed a comparison analysis of the District's Wholesale Late Fee Charge and reviewed the District's External Overhead Rate of 20%.

Summary of Findings

User Fee Financial Overview

The study's primary objective was to provide the District's decision-makers with the basic data needed to make informed user fee pricing decisions. This report details the full cost of each service for which a user fee is charged and presents proposed fees at 100% cost recovery levels.

At 100% cost recovery, the fees would cover all labor and indirect costs associated with providing each service. If a fee is set below 100% full cost recovery the cost to provide the service would be subsidized through other funding sources such as cell tower lease revenue, interest income, or property tax revenues.

The exhibit below shows the annual costs and revenues for the District's user fees that were part of this analysis. MGT based the annual cost on the full cost for each fee analyzed multiplied by the annual volume statistics provided. The results are shown in **Exhibit 1** below:

Exhibit 1 User Fee Study Results
San Juan Water District
User Fee Cost, Current Revenue & Current Subsidy Analysis
FY 2025

User Fee Department	Current				
	(A) Full Cost User Fee Services	(B) Current Revenue		(C) Current Subsidy	
Retail User Fees	\$ 308,702	\$ 269,374	87%	\$ 39,328	13%

The data in each column includes:

- ◆ **Column A, User Fee Costs** – This column represents what it costs to provide the annual user fee services. In total, this study identified \$308,702 total costs to provide retail user fee services. It is this amount that is the focus of this study and represents the total potential for user fee-related revenues for the District.
- ◆ **Column B, Current Revenues** – This column represents what the District is currently recovering in revenue for these same services based on the average volumes. Based on current fees, the District receives fee-related cost recovery revenue equals \$269,374 which is an overall 87% cost recovery level. The cost recovery details of individual fees may be found in **Appendix A** of this report.
- ◆ **Column C, Current Subsidy** – This column shows the difference between what it costs the District to provide services versus what is being recovered in revenue for these same services. Current fee levels recover 87% of full cost, leaving 13% or \$39,328 as unrecovered cost. This difference is being subsidized by other funding sources such as the retail customers' water billings. This subsidy represents an opportunity for an updated and more focused cost recovery effort by the District for fee-related services.

Methodology

A cost-of-service (user fee) study comprises two basic elements:

- ◆ Hourly rates of staff providing the service.
- ◆ Time spent providing the service.

The product of the hourly rate calculation multiplied by the time spent yields the cost of providing the service.

In California Government Code Section 66014(a), local agencies may charge a fee for certain services that is determined to be an “estimated reasonable cost of providing a service.” The term “reasonable” in this context implies that the cost estimate should be based on objective, supportable, official agency financial data. MGT’s methodology is in line with this legislation and is explained in further detail below.

Hourly Rates

The hourly rate methodology used in this study builds indirect costs into District staff hourly salary and benefit rates to arrive at fully burdened hourly rates. Fully burdened hourly rates are a mechanism used to calculate the total cost of providing services. Total cost is generally recognized as the sum of the direct cost together with a proportionate share of allowable indirect costs. The proper identification of all costs (including labor, operating expense, department administration and districtwide support) as “direct” or “indirect” is crucial to the determination of the total cost of providing services.

Direct costs are typically defined as those that can be identified specifically to a particular function or activity, including the labor of people working directly on the specific service for which the fee is charged, and possibly materials or supplies those people use for the task. Indirect costs are those that support more than one program area and are not easily identifiable to specific activities. Examples of indirect costs are: 1) departmental administrative and support staff, 2) training and education time, 3) public counter and telephone time, and 4) some service and supply costs.

MGT’s hourly rate calculation methodology includes the following:

Personnel Services Analysis – each staff classification within the District is analyzed in the study. The first burden factor is comprised of compensated absences such as vacation/holidays/sick leave days taken in a year’s time. Staff classifications are then categorized as either direct (operational) or indirect (administrative or supervisory) labor. In some cases, a classification will have both direct and indirect duties. The total indirect portion of staff cost is incorporated into hourly overhead rates.

Indirect Cost Rate – a ratio of indirect cost to direct labor (salaries plus benefits) is established. There are three elements of indirect cost incorporated, including:

- ◆ **Indirect Labor** – includes compensated absences, administrative and supervisory staff costs.
- ◆ **Other Operating Expenses** – most services and supplies are included as a second layer of indirect cost and are prorated across all fees and services. There are some service and supply expenses classified as “allowable direct.” Some examples of these are

professional services expenses, or supplies. These allowable direct expenses would be directly associated with specific fees or programs, as opposed to being allocated across all activities through the indirect overhead.

Fully Burdened Hourly Rates – incorporates all the elements that comprise the hourly rates used in this cost analysis.

- ◆ Each direct or operational staff classification is listed, together with the average annual salary and benefits.
- ◆ The hourly salary and benefit rate is calculated by taking the annual salary and benefits of an employee and dividing by available hours in a year.
- ◆ The overhead rate is derived by multiplying the internal and external indirect cost rates against the salary and benefit rates.

The total combines the salary, benefits, and overhead rates. This is the fully burdened rate for each staff classification. MGT prepared indirect overhead rates and corresponding hourly rate calculations using fiscal year 2025 budgeted expenditures.

Time Spent

Once fully burdened hourly rates were developed for District staff, the next step was to identify staff time spent directly on each user fee activity. Each staff person involved in the user fee services identified estimated time spent to complete each task associated with each user fee service.

Fee Calculations and Revenue Projections

Given this information, MGT was able to calculate the cost of providing each service, both on a per-unit and total annual basis (per-unit cost multiplied by annual volume equals total annual cost). As mentioned above, costs were calculated by multiplying per-unit time estimates by the hourly labor rates; additional operating expenses directly associated with certain services were also added in. Finally, if other departments or divisions provided support to certain user fee activities, this time was accounted for and added into the analysis as a crossover support activity. Full costs are then compared to current fees/revenues collected, and subsidies (or over-recoveries) are identified.

User fee cost details and summary by department are provided in **Appendix A**.

Economic & Policy Considerations

Calculating the true cost of providing District services is a critical step in establishing user fees and corresponding cost recovery levels. Although it is a principal factor, other factors must also be given consideration. Decision-makers must also consider the effects that establishing fees for services will have on the individuals purchasing those services, and the community.

The following economic and policy issues help illustrate these considerations.

- ◆ **Legal Restrictions** – In California, user fees are limited to the “estimated reasonable cost of providing a service” by Government Code Section 66014(a) and other supplementary legislation. California voters approved Proposition 26 in November of 2010, which defined “taxes” as “a levy, charge, or exaction of any kind imposed by a local government” subject to seven exceptions. Most of the exceptions require that the District charge a fee which does not exceed the reasonable cost to the District to provide the service for which the fee is charged. Thus, if the fee exceeds the reasonable cost of service, it may be considered a “tax” which must be approved by the voters. MGT has calculated each fee to recover no more than the reasonable cost of each service so that none of the fee adjustments recommended herein will be considered taxes under Proposition 26. Additionally, it should be noted that some fees might be capped by state law and might not change, regardless of any cost analysis carried out.
- ◆ **Economic barriers** - It may be a desired policy to establish fees at a level that permits lower income groups to use services that they might not otherwise be able to afford.
- ◆ **Community benefit** – The District Management may wish to subsidize some user fees to reflect policy considerations which supersede cost recovery. For example, many Community Services fees have very moderate cost recovery levels. Some programs are provided free of charge or for a minimal fee regardless of cost. Youth and senior programs tend to have the lowest recovery levels. Miscellaneous classes tend to have a moderate cost recovery level and adult sports programs typically have higher cost recovery level.
- ◆ **Private benefit** - If a user fee primarily benefits the fee payer, the fee is typically set at, or close to 100% full cost recovery. Retail related fees generally fall into this category; however, exceptions are sometimes made for some services such as appeal fees or fees charges exclusively to residential applicants.
- ◆ **Managing demand** – For those fees which are not subject to pure cost recovery limitations, other market considerations may inform recommended fee levels. Elasticity of demand is a factor in pricing certain District services as increasing the price of some services may result in a reduction of demand for those services.
- ◆ **Competition** – Certain services, such as recreation classes, may be provided by neighboring communities or the private sector, and therefore demand for these services can be highly dependent on what else may be available at lower prices. Furthermore, if the District’s fees are too low, demand enjoyed by private-sector competitors could be adversely affected.
- ◆ **Incentives** - Fees can be set low to encourage participation in a service, such as obtaining proper inspections.
- ◆ **Disincentives** - Penalties can be instituted to discourage undesirable behavior. Examples include late payment fees and fines for water efficiency violations or unauthorized connections.

Analysis Highlights

Below is a brief discussion of the findings for the District's analysis. Please see the user fee summary sheets in **Appendix A** of this report for the details on each fee calculation and cost analysis.

Fees are charged in a variety of ways including fixed fee, per square foot or linear foot, hourly or time and materials, actual costs, and other increments. This study primarily focused on fixed fee services. This District has two fees that are set using time and materials and commercial rates which are the "Damages Pertaining to Unauthorized Connections" and "Hydrant Water Use," respectively.

Also, the District's fee schedule has several deposits for services. MGT used the fixed fee methodology when calculating the costs related to these deposits; however, the District can set its deposits at a reasonable level in order to cover all potential costs related to the services; therefore, deposits can be set at a level that is higher or lower than what was calculated during the analysis.

Retail User Fees

The District is a community services district established by a vote of citizens in 1954, formed under Section 61000 et seq., Title 6, Division 3 of the California Government Code Water Code, Section 3000. The District provides reliable, high-quality water service to both retail and wholesale customers in eastern Sacramento and southern Placer counties.

To consolidate and streamline the District's fee schedule, and in collaboration with District management, MGT is recommending several fees be removed from the District's retail fee schedule. These changes are due to the services no longer being provided or due to an alternative method for assessing the fee being proposed. This is highlighted by the District's property lien fee. Previously, the District's fee schedule had one fee related to property liens; however, an updated fee structure has been proposed separating one fee into three separate fees, providing the customer an opportunity to pay less fees should they pay their delinquent bill before the District submits it to the county for inclusion on their property tax bill. Also, the District is removing the separate charges for retail and wholesale late payment fees and consolidating these fees into one. This topic will be discussed further in the **Late Payment Fee** section below. The identification of proposed changes being made to the District's fee schedule can be found in **Appendix A**.

MGT recommends a full cost of service study be performed every three years, but no longer than every 5 years. Between these cost studies, MGT recommends for agencies to have minor adjustments in the non-study years to keep pace with economic impacts. The District is already performing an annual CPI adjustment for certain fees and should continue this practice.

Late Payment Fee

Historically, the District has had two different late payment fees, one for retail customers and one for wholesale customers. Within the District’s Schedule of Rates, Fees, Charges and Deposits for calendar year 2025, the retail late payment is set to \$28 per occurrence while the wholesale is set to 10% of past due balance plus 1% per month on delinquent balance until paid in full. The \$28 charge for retail accounts incorporates the delivery fee for impending disconnection due to non-payment determined by external shipping vendors and the administrative time needed to issue late payment notifications while the wholesale fee was set based on California Government Code 61115 (a)(3)(c). This code states the following, “To provide for a basic penalty for the nonpayment of charges of not more than 10 percent, plus an additional penalty of not more than 1 percent per month for the nonpayment of the charges and the basic penalty. The board of directors may provide for the collection of these penalties.”

Since the District is no longer utilizing disconnection to collect unpaid utility bills on a regular basis, the \$28 per occurrence late fee is no longer supported. Utilization of the lien process to collect unpaid utility bills results in a longer time lag between billing and collection and a lost opportunity to collect interest income on utility bill revenues. Therefore, to incentivize timely payment, and offset lost interest revenue, it would be appropriate to consolidate the retail and wholesale fees and use the current wholesale penalty of 10% of past due balance plus 1% per month on delinquent balance until paid in full.

This unified approach simplifies administration, aligns with legal requirements, ensures that ratepayers who pay their bills on time are not injured by those that do not, and ensures consistent treatment across all customer classes.

MGT also compared the penalty to other local agencies that provide water services. The table below displays MGT’s findings.

Exhibit 2 – Late Payment Fee Comparisons

Agency	Late Fee	Lien Process In Place
San Juan Water District	10% of past due balance + 1% per month on delinquent balance	Yes
Carmichael Water District	\$10 per occurrence	No
Citrus Heights Water District	5% of past due balance	Yes
City of Folsom	1.5% per month on delinquent balance (not currently charging)	Yes
Fair Oaks Water District	10% of past due balance	In process
Orange Vale Water Company	10% of past due balance	No
Placer County Water Agency	6% of past due balance	No
Sacramento Suburban Water District	10% of past due balance	Yes

As shown above, the District’s current wholesale late payment penalty is directly comparable to three of the seven peers, except for an additional 1% per month. Orange Vale and Citrus Heights

Water Districts are a few percent lower while Carmichael Water District and City of Folsom are outliers. MGT recommends the District set its late payment penalty to 10% of past due balance plus 1% per month on delinquent balance. Maintaining this fee keeps the District within the legal limit and will continue to provide a valuable deterrent from late payments as the District heavily relies on timely payments for maintaining appropriate cash flow for all operations.

External Overhead Rate

During the study MGT was asked to evaluate the District's 20% overhead rate that is charged on all external work such as use of an outside contractor or purchasing materials for a third-party. The goal of this evaluation was to determine if 20% is still an appropriate rate. Upon review of the staff efforts involved with external contracts, it was determined that the current 20% charge covers more than just the portion of staff effort associated with the request and obtaining the contracts. In an effort for simplifying and create a more transparent fee, it was determined that changing from a percentage base fee to a flat fee would be the most appropriate option.

MGT, with the guidance of District management, determined that establishing two different administrative fees, one for "Purchase of Supplies" and one for "Contract Management" would be the most appropriate for the District's needs. These two administrative fees were calculated using the same methodology as described above for the retail user fees. With management's assistance, MGT determined that staff efforts associated with the Administrative Fee – Purchase of Supplies equate to approximately \$115 per transaction and efforts associated with the Administrative Fee – Contract Management equate to approximately \$181 per transaction. MGT recommends the District apply these flat rates for each applicable transaction for all external requests.

Appendix A - User Fee Study Results

San Juan Water District
Water
2025

Ord	Service Name	Fee Description	Current						Recommendations				
			Per Unit			Annual			Per Unit		Annual		
			Current Fee	Full Cost	Current Recovery %	Annual Cost	Annual Revenue	Annual Subsidy	Recovery Level	Fee @ Policy Level	Annual Revenue ₂	Increased Revenue	Recommended Subsidy
1	Water-Account-Deposit	Delete Fee	\$ 215	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
2	Late-Fee	Delete Fee	\$ 28	\$ -	0%	\$ -	\$ 10,416	\$ (10,416)	100%	\$ -	\$ -	\$ (10,416)	\$ -
2.5	Returned Payment Fee, 1st Offense	Fee - New	\$ 25	\$ 52	48%	\$ -	\$ -	\$ -	100%	\$ 52	\$ -	\$ -	\$ -
3	Returned Payment Fee, Subsequent Offenses	Fee	\$ 35	\$ 52	68%	\$ 3,419	\$ 2,310	\$ 1,109	100%	\$ 52	\$ 3,419	\$ 1,109	\$ -
4	Disconnection Fee for Non-Payment	Fee	\$ 112	\$ 155	72%	\$ 5,746	\$ 4,144	\$ 1,602	100%	\$ 155	\$ 5,746	\$ 1,602	\$ -
5	Voluntary Disconnection Fee	Fee	\$ 72	\$ 141	51%	\$ 846	\$ 432	\$ 414	100%	\$ 141	\$ 846	\$ 414	\$ -
6	Reconnection Fee	Fee	\$ 72	\$ 141	51%	\$ 2,396	\$ 1,224	\$ 1,172	100%	\$ 141	\$ 2,396	\$ 1,172	\$ -
7	After Hours Reconnection Fee	Fee	\$ 324	\$ 846	38%	\$ -	\$ -	\$ -	100%	\$ 846	\$ -	\$ -	\$ -
8	Unauthorized Connection Fee	Penalty	\$ 609	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 625	\$ -	\$ -	\$ -
9	Damages Pertaining to Unauthorized Connections	Time and Materials	\$ -	\$ -	0%	\$ -	\$ -	\$ -	100%	Time and Materials	\$ -	\$ -	\$ -
10	Unauthorized Removal)	Fee	\$ 62	\$ 73	85%	\$ 73	\$ 62	\$ 11	100%	\$ 73	\$ 73	\$ 11	\$ -
11	Meter Service Box Clearance Fee (minimum) - Per Hour	Fee	\$ 179	\$ 204	88%	\$ 1,840	\$ 1,611	\$ 229	100%	\$ 204	\$ 1,840	\$ 229	\$ -
12	Meter Testing Fee	Fee	\$ 418	\$ 615	68%	\$ -	\$ -	\$ -	100%	\$ 615	\$ -	\$ -	\$ -
13	Water Efficiency Violation - Progressive Reconnect Fees:												
14	Water Cons Reconnect, 1st	Fee	\$ 227	\$ 335	68%	\$ -	\$ -	\$ -	100%	\$ 335	\$ -	\$ -	\$ -
15	Water Cons Reconnect, 2nd (Penalty)	Penalty	\$ 410	\$ 518	79%	\$ -	\$ -	\$ -	100%	\$ 518	\$ -	\$ -	\$ -
16	Water Cons Reconnect, 3rd (Penalty)	Penalty	\$ 593	\$ 701	85%	\$ -	\$ -	\$ -	100%	\$ 701	\$ -	\$ -	\$ -
17	Water Cons Reconnect, 4+ (Penalty)	Penalty	\$ 958	\$ 1,066	90%	\$ -	\$ -	\$ -	100%	\$ 1,066	\$ -	\$ -	\$ -
18	Lien Process:												
19	Lien Property - Property Lien Fee	Delete Fee	\$ 68	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
20	Updated Lien Process: Lien Notice, 1st	New Fee	\$ -	\$ 12	0%	\$ -	\$ -	\$ -	100%	\$ 12	\$ -	\$ -	\$ -
21	Updated Lien Process: Lien Notice, 2nd	New Fee	\$ -	\$ 12	0%	\$ -	\$ -	\$ -	100%	\$ 12	\$ -	\$ -	\$ -
21.1	Updated Lien Process: Lien Filing Fee	New Fee	\$ -	\$ 78	0%	\$ -	\$ -	\$ -	100%	\$ 78	\$ -	\$ -	\$ -
22	Authorized Hydrant Use:												
23	Hydrant Meter Deposit - Standard Size	Deposit	\$ 3,263	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 3,000	\$ -	\$ -	\$ -
24	Hydrant Meter Deposit - <2-inch Hydrant Meter	Delete Fee	\$ 1,580	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
25	Hydrant Meter Permit Fee (Hydrant User Permit)	Fee	\$ 327	\$ 431	76%	\$ 5,177	\$ 3,924	\$ 1,253	100%	\$ 431	\$ 5,177	\$ 1,253	\$ -
26	Hydrant Meter Rental Fee	Per Day	\$ 5	\$ 6	78%	\$ 31,570	\$ 24,725	\$ 6,845	100%	\$ 6	\$ 31,570	\$ 6,845	\$ -
27	Hydrant Water Use	Commercial Rate	\$ -	\$ -	0%	\$ -	\$ -	\$ -	100%	Commercial Rate	\$ -	\$ -	\$ -

San Juan Water District
Water
2025

Ord	Service Name	Fee Description	Current						Recommendations				
			Per Unit			Annual			Per Unit		Annual		
			Current Fee	Full Cost	Current Recovery %	Annual Cost	Annual Revenue	Annual Subsidy	Recovery Level	Fee @ Policy Level	Annual Revenue	Increased Revenue	Recommended Subsidy
28	Unauthorized Connection Fee (Hydrant)	Penalty	\$ 2,804	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 3,000	\$ -	\$ -	\$ -
29	Backflow Device Test (SJWD Personnel)	Fee	\$ 197	\$ 238	83%	\$ -	\$ -	\$ -	100%	\$ 238	\$ -	\$ -	\$ -
30	Backflow Device Test (SJWD Personnel, After Hours)	Fee	\$ 436	\$ 771	57%	\$ -	\$ -	\$ -	100%	\$ 771	\$ -	\$ -	\$ -
31	Backflow Device Test (SJWD Contractor)	Fee	\$ 64	\$ 68	94%	\$ 82,592	\$ 77,248	\$ 5,344	100%	\$ 68	\$ 82,592	\$ 5,344	\$ -
32	New Services/Construction/Development Related Fees:												
33	Development Project Plan Review:												
34	Single Unit Plan Review Deposit	Deposit	\$ 767	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 1,100	\$ -	\$ -	\$ -
35	Engineering: Minor Subdivision (2-4, no meter) Deposit	Deposit	\$ 3,762	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 5,100	\$ -	\$ -	\$ -
36	Engineering: Major Subdivision (5+ no meters) Deposit	Deposit	\$ 7,092	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ 9,500	\$ -	\$ -	\$ -
37	Construction Inspection:												
38	Single Unit Construction Inspection Minimum Fee	Delete Fee	\$ 1,096	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
39	Development Project Construction Inspection Deposit	Varies	\$ -	\$ -	0%	\$ -	\$ -	\$ -	100%	See Note Below	\$ -	\$ -	\$ -
40	New Service Connection (Tapping) Deposit	Varies	\$ -	\$ -	0%	\$ -	\$ -	\$ -	100%	See Note Below	\$ -	\$ -	\$ -
41	New Service Inspection & Activation Fee (includes 1-inch M	Fee	\$ 1,277	\$ 1,510	85%	\$ 161,570	\$ 136,639	\$ 24,931	100%	\$ 1,510	\$ 161,570	\$ 24,931	\$ -
42	Inspection Fee, Larger than 1" (No Meter)	Fee	\$ 734	\$ 855	86%	\$ 1,711	\$ 1,468	\$ 243	100%	\$ 855	\$ 1,711	\$ 243	\$ -
43	New Service Resinspection Fee - 2nd and 3rd	Fee	\$ 249	\$ 312	80%	\$ -	\$ -	\$ -	100%	\$ 312	\$ -	\$ -	\$ -
44	Custom Flow/Pressure Analysis Fee and Letter Fee	Fee	\$ 289	\$ 594	49%	\$ 7,126	\$ 3,468	\$ 3,658	100%	\$ 594	\$ 7,126	\$ 3,658	\$ -
45	Standard Flow/Pressure Analysis Fee and Letter Fee	Fee	\$ 131	\$ 357	37%	\$ 4,637	\$ 1,703	\$ 2,934	100%	\$ 357	\$ 4,637	\$ 2,934	\$ -
46	Fire System Design Review Fee	Delete Fee	\$ 233	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
47	Hydrant Flow Test Fee	Delete Fee	\$ 683	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
48	Hydrostatic Testing Minimum Fee	Delete Fee	\$ 491	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
49	Bacteriological Testing Minimum Fee	Delete Fee	\$ 561	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
49.5	Administrative Fee - 20% Overhead Rate	Delete Fee	20%	\$ -	0%	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
50	Administrative Fee - Purchase of Supplies	Admin Fee - New	\$ -	\$ 115	0%	\$ 1,263	\$ -	\$ 1,263	100%	\$ 115	\$ 1,263	\$ 1,263	\$ -
51	Administrative Fee - Contract Management	Admin Fee - New	\$ -	\$ 181	0%	\$ 181	\$ -	\$ -	100%	\$ 181	\$ 181	\$ 181	\$ -
67	Late Payment Fee	Late Payment Fee	10% + 1% of Monthly Balance	\$ -	0%	\$ -	\$ -	\$ -	10% + 1% of Monthly Balance	\$ -	\$ -	\$ -	\$ -
Total User Fees						\$308,702	\$269,374	\$39,328		\$308,702	\$39,328	\$0	
% of Full Cost							87%	13%		100%	15%	0%	

Note: Deposits vary based on the type of project. Deposit amount is determined by Director of Engineering Services.

Appendix B – Indirect Cost Rate

Agency: San Juan Water District
 Department: Water
 Fiscal Year: 2025

DESCRIPTION OF COST	Total Costs	Excluded	Allowable Indirect	Allowable Direct
A) Personnel Costs				
1 Salary and Wages	\$ 4,277,700		\$ 2,311,181	\$ 1,966,519
<i>Distribution %:</i>	100%	0%	54%	46%
2 Temporary & Overtime		\$ -		
3 Benefits	44.37% \$ 1,898,200		\$ 1,025,571	\$ 872,629
Subtotal:	\$ 6,175,900	\$ -	\$ 3,336,752	\$ 2,839,148
B) Other Operating Expenses				
4 Treated Water	3,367,800		-	3,367,800
5 Permitting/Health Inspections	21,000		-	21,000
6 Materials & Supplies	370,900		56,300	314,600
7 Training	159,100		64,300	94,800
8 Memberships	70,400		52,100	18,300
9 Recruitment	2,000		2,000	
10 Telephone	50,100		24,400	25,700
11 Subscriptions	31,600		30,400	1,200
12 Fees - Bank Charges	209,000		209,000	
13 Water Efficiency	24,000		-	24,000
14 Public Outreach/Notices	88,300		87,300	1,000
15 HW & SW Support	84,400		84,400	
16 Professional Services	1,144,300		218,300	926,000
17 Insurance	251,300		251,300	
18 Utilities	767,000		12,000	755,000
19 Hazardous Waste Removal	12,500		-	12,500
20 Reg Compliance	72,100		-	72,100
21 Lease Expense	45,000		1,000	44,000
22 Maintenance	356,800		149,200	207,600
23 Fuel	57,700		700	57,000
24 Security Monitoring	8,400		2,900	5,500
25 Election Expense	49,000		49,000	
26 Debt/ Interest/ Financing Exp	613,800		-	613,800
27 Assessment - Non Operating	1,800		-	1,800
28 Miscellaneous	4,600		4,100	500
29 Transfers Out	2,284,100		-	2,284,100
30 Depreciation Expense	1,645,435		889,005	756,430
31 PERS Unfunded	256,000		-	256,000
32 Retiree Medical	357,300		-	357,300
33 OPEB	185,000	185,000	-	
Subtotal:	\$ 12,590,735	\$ 185,000	\$ 2,187,705	\$ 10,218,030
Total Dept Expenditures	\$ 18,766,635	\$ 185,000	\$ 5,524,458	\$ 13,057,177
D) Internal Admin/Indirect Rate:				
Dept Indirect Costs:	\$5,524,458			
Direct Sal & Benes:	\$2,839,148		Internal Indirect Cost Rate:	194.6%



SAN JUAN WATER DISTRICT

User Fee Study

SEPTEMBER 2025



AGENDA

Introductions

Scope of Services

Methodology & Approach

Summary of Findings

Late Payment Fee

External Overhead Rate



NATIONALLY-RECOGNIZED. LOCALLY-FOCUSED.

Accelerating Social Impact and Improving Performance



Technology, finance, human capital, performance & education **solutions in one provider**

1,200+ staff
across the US

Performance & social impact
leader for State,
Local
Government &
Education (SLED)

Past partnerships
on **more than 30,000**
engagements



Scope of Service

Primary Objectives:

- Determine the District's costs to provide specific fee-related services.
- Identify any opportunities to simplify the fee structure or implement new fees as appropriate.
- Identify areas for the District to reflect full cost of providing services.
- Develop revenue projections based on recommended cost recovery.

Secondary Objectives:

- Review the District's late payment fee
- Review the District's external overhead rate



Definitions

User Fee – A charge for a specific service paid by the individual(s) that benefit from it.

Full Cost Recovery – Covering 100% of the cost of providing the service, this includes staff costs, direct costs and materials, and indirect costs.

Disincentives – Penalties or fines that are instituted to discourage undesirable behavior.

Project Methodology & Approach



Evidence-based methodology aligned with California standards



Scope & Planning

Defined **objectives**, assembled **team**, gathered key **documents**.



Data Collection

Current fee schedules & volumes; **FY25** budgets; **FY 26** salaries/benefits & FTEs



Rate Development

Compute **fully burdened hourly rates** (direct labor + dept. indirect + external overhead).



Time Estimation

Staff time spent per **fee activity** × **volumes** to calculate **per-unit & annual costs**



User Fee Modeling

Compare full cost vs. current revenue, identify current **subsidies** & propose **full cost** recovery



Legal & Policy Lens

Prop 26 compliance; community vs. private benefit; demand elasticity; competition; incentives



Implementation

100% cost recovery on user fees, adjustments to deposits, admin overhead, and late payments

Executive Summary of Findings

Cost Recovery

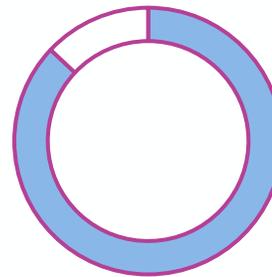


MGT analysis shows SJWD recovers **87%** of costs today vs. **100%** under recommended cost recovery for user fees.

At a Glance

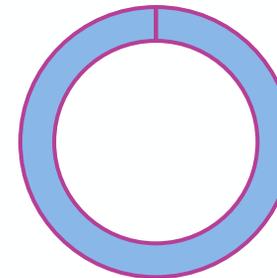
Current Revenue	87%
Policy Target	100%
Recovery Lift	+13 pts

Current



Recovered Subsidy

Policy Target



Recovered Subsidy

Estimated Added Revenue



Suggested Fee Structure Changes:

- Remove 5 fees
- Adjust lien process fees, late payment fee, and administrative overhead fees



Late Payment Fee

Legal Restrictions: California Government Code 61115 (a)(3)(c) – “... not more than 10%, plus an additional penalty of not more than 1% per month for the nonpayment of the charges and the basic penalty.”

MGT Recommendation – Set all customer late payments to 10% of past due balances + 1% per month of delinquent balance.

Agency	Late Fee	Lien Process In Place
San Juan Water District	10% of past due balance + 1% per month on delinquent balance	Yes
Carmichael Water District	\$10 per occurrence	No
Citrus Heights Water District	5% of past due balance	Yes
City of Folsom	1.5% per month on delinquent balance (not currently charging)	Yes
Fair Oaks Water District	10% of past due balance	In process
Orange Vale Water Company	10% of past due balance	No
Placer County Water Agency	6% of past due balance	No
Sacramento Suburban Water District	10% of past due balance	Yes



External Overhead Rate

Current external overhead rate is 20%. To provide customers a more transparent fee, it is recommended the District establish two administrative fees: Purchase of Supplies and Contract Management.

These fees have been calculated in a manner consistent with the District's user fees.

Recommended Fees:

- **Administrative Fee – Purchase of Supplies - \$115**
- **Administrative Fee – Contract Management - \$181**

MGT

Thank you

STAFF REPORT

To: Board of Directors

From: Devon Barrett, Customer Service Manager

Date: September 17, 2025

Subject: Introduce Ordinance No. 25-01 which amends Ordinance 18000.01 and 18000.03 to reflect changes in the Late Fee and Lien Processing Fees

RECOMMENDED ACTION

Staff requests that the Board of Directors introduce and waive the first reading of Ordinance No. 25-01, an Ordinance of the Board of Directors of the San Juan Water District, amending Ordinance No. 18000.01 and 18000.03 of the District Code of Ordinances, that would allow staff to charge the Late-Payment Charge and Lien Processing Fees in accordance with Resolution 25-14 and the 2025 User Fee Study prepared by MGT.

BACKGROUND

In 2023, the Board of Directors adopted Resolution 23-01 amending Ordinance No. 18000 to implement a Tax Roll Lien process as the primary method of collecting delinquent account balances. Since the District no longer performs water shutoffs for nonpayment, the number of delinquent accounts and the total balance of past due amounts have noticeably increased. While the property tax lien process has proven effective in recovering these balances without interrupting water service, it inherently requires the District to carry outstanding amounts for a longer period of time.

Over the two years since adoption of Resolution 23-01, Customer Service staff have successfully developed and implemented the Lien for Delinquent Charges process. As part of this effort, the direct costs involved have been evaluated and provided to MGT for inclusion in the 2025 User Fee Study.

CURRENT STATUS

Ordinance 18000.01.11 currently provides that Bills become delinquent and subject to discontinuation of service if unpaid 60 days from the issuance date. Staff recommends adding language to this section to authorize the assessment of late fees in accordance with the Board approved Schedule of Rates, Fees, Charges and Deposits.

Ordinance 18000.03.2 is presently written to impose a Notice of Intent to Disconnect Service fee; a fee charged when the primary means of collecting past due balances was service disconnection. Staff recommends amending this section to instead authorize the application of a Late-Payment Charge to delinquent accounts 35 days after the bill issuance date, consistent with the Board-approved Schedule of Rates, Fees, Charges, and Deposits.

Staff further recommends amending Ordinance 18000.03.5 by adding subsection (5) to allow recovery of the direct costs associated with issuing lien notices and filing liens. The District issues the first lien notice in February and the second in May each year. These fees would be charged in accordance with the Board-approved Schedule of Rates, Fees, Charges, and Deposits.

ATTACHMENTS

Attached to this report is Amending Ordinance 25-01 with an attached redline-strikeout as well as a clean version of Ordinance 18000 Issuance and Payment of Water Bills.

FINANCIAL CONSIDERATIONS

Based on the average of the five accounts closest to the mean submitted for lien in the 2025-26 tax year, staff estimates approximately \$17,000 in revenue from late fees. This additional revenue will offset lost interest income on the delinquent balances.

For lien processing fees, staff estimates cost recovery of approximately \$10,000 associated with administering the lien process.

ORDINANCE NO. 25-01

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE SAN JUAN WATER DISTRICT AMENDING
ORDINANCES NO. 18000**

The Board of Directors of the San Juan Water District ordains as follows:

Section 1. Purpose and Authority. The purpose of this Ordinance is to amend Sections 1.11, 3.2, and 3.5 of Ordinance No. 18000. This Ordinance is adopted pursuant to Government Code section 61060 and other applicable law.

Section 2. Amendments. Ordinance No. 18000 (Issuance and Payment of Water Bills) is hereby amended as set forth in the redline version attached hereto as Exhibit 1, which is incorporated herein by reference.

Section 3. Effective Date. This Ordinance shall take effect 30 days after its adoption.

Section 4. Publication. Within 15 days after the date of adoption, the Board Secretary shall cause this Ordinance to be published once in a newspaper of general circulation within the District.

INTRODUCED by the Board of Directors on the 17th day of September 2025.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting on the 15th day of October 2025 by the following vote:

AYES:

NOES:

ABSENT:

EDWARD J. "TED" COSTA
President, Board of Directors

Attest:

TERI GRANT
Board Secretary



Ordinance Type	District Operations	Date Adopted	June 28, 2006
Ordinance Number & Title	18000 - Bills for Water Service	Date Amended	July 17, 2024

18000.01 Bills For Water Service

18000.01.1 Issuance of Bills

Bills for water service or other charges will be mailed or presented in the month following the water meter reading and/or the applicable charges have been determined. Issuance shall be every other month. Final bills for sale of property are exempt from this billing cycle.

18000.01.2 Fixed Base Charge

Billing for water service includes a fixed base charge that primarily funds fixed costs. This typically includes facilities, infrastructure maintenance, debt service, customer service, and other similar needs that have to be paid for regardless of how much water is delivered to Customers. The fixed base charge is due regardless of whether any water is actually used. Customers whose service has been discontinued in accordance with section 18000.03 or has requested that their service be discontinued in accordance with District ordinance section 17000.05 will not be assessed the fixed base charge for months subsequent to discontinuance.

18000.01.3 Consumption Charge

Billing for water service includes a consumption charge that primarily funds the expenses to the District necessary for the purchase and distribution of water to Customers. The consumption charge, as set forth in the District’s most current rate study, is assessed for each one-hundred cubic feet (CCF) of water actually consumed.

18000.01.4 Billing Periods

Bills for general water service generally will be rendered bi-monthly by the District. Bills for special water services (temporary water service, construction water, fire hydrant use) may be rendered more frequently. Special meter readings will be made for opening or closing billing purposes.

18000.01.5 Billing on Non-Owner-Occupied Residences

California Government Code section 54347 authorizes public agencies to collect charges from property owners for services to tenants on those properties. Therefore, with the property owner's authorization, evidenced by a signed Landlord/Tenant Agreement from the legal owner of the property, and a deposit that meets the requirements of District ordinance section 15000.01, the District shall provide a bill copy to the service address for water service. However, the property owner shall be responsible to pay any charges not paid by the tenant. The District shall not share any account information with the tenant, other than the outstanding balance, in the absence of a completed Landlord/Tenant Agreement application which imposes primary responsibility to pay the water bill on the tenant.

18000.01.6 Back Billing

If a Customer uses water for which no bills have been issued for more than one billing cycle, and a beginning meter reading is not available, the Customer will be billed the fixed base charge for the period plus a consumption charge calculated from the average water usage over the most recent six billing cycles. This amount, which shall not be less than the base charge if no billing history is available, will be billed to the Customer based on the number of billing cycles the Customer has been occupying or in possession of the premises without paying bills.

18000.01.7 Refunds

If a Customer is erroneously overcharged for service, the District may refund any overage paid by the Customer up to two years.

18000.01.8 Disputed Charges

When a Customer disputes the amount of a bill for any reason, the Customer should contact the District office. If the bill is disputed, to avoid discontinuance of water service, the Customer must deposit at the District office, before the disconnect date, the full amount of the disputed bill or proof of previous payment of the disputed bill with a letter setting forth the basis for the dispute and requesting a review by the Finance Director or General Manager. The Finance Director or General Manager's findings and decisions will be final and binding. If the Customer's complaint concerns the meter, he or she may request that his or her meter be tested pursuant to Section 17000.07.2 Meter Testing of the District's most current water ordinance. Nothing in this section is intended to affect a Customer's rights under Health & Safety Code section 116900 and following and the District's Policy on Discontinuance of Residential Water Service for Nonpayment ("Policy") implementing those rights.

18000.01.9 Bill Adjustment for Leaks

Upon a Customer's submission of a consumption credit form, the District will consider a one-time credit for water consumption resulting from a leak in a Customer's internal water system or when there is significant unexplained usage. Credits are determined by comparing the Customer's water use during the period in which the leak occurred to their historical water use for that same period and splitting the difference (resulting in a credit of 50% of the above average usage at the current volumetric rate). The Customer has the right to accept the credit or save the one-time credit allowance for future use. All Customer requests for a credit will be considered on a case by case basis and the District reserves the right to approve or deny any request.

18000.01.10 Due Date

Each statement issued by the District for such charges shall be due and payable on the date of issuance or other presentation to the Customer.

18000.01.11 Final Payment Date

If payment is not received within 35 days from the bill issuance date, a late fee shall be applied in accordance with the Board-approved Schedule of Rates, Fees, Charges and Deposits. Bills become delinquent and subject to discontinuation of service if not paid within 60 days from the bill issuance date.

18000.02 Payment of Charges

- A. **Payment Responsibility:** The District is required to continue providing water service to each premises or parcel connected to the District water system as long as each such premises or Parcel pays its fair share of the costs of receiving the service and such fair share of costs are chargeable to and run with each premises or parcel receiving District water service. Therefore, payment of all water service rates, fees and charges shall be the responsibility of the owner of record of the subject premises or parcel and payment of all charges is an obligation of ownership of a premises or parcel. As such, any subsequent owner of a remises or parcel is responsible for paying any unpaid or delinquent fees, rates and charges due on a premises or parcel that are in any way connected to District water service as a condition of service being continued to the premises or parcel. A change in ownership does not terminate any outstanding rates, fees and charges due for previous water service to said parcel, whether or not those rates, fees and charges were incurred by the present premises or parcel owner or a previous owner or tenant.
- B. **Crediting of Payment:** Payments shall be credited to a Customer's account when cash, an electronic funds transfer, a check drawn on an account with sufficient funds a money order or a Visa or MasterCard payment has been received by the District at the District business office during regular office hours. Deposit of payment in the mail shall be credited to a Customer's account when received at the District's business office.

- C. Dishonored Payment Charge: A returned item charge as set forth in the District’s current Schedule of Rates, Fees, Charges, and Deposits shall be added to a Customer’s account in each instance where payment has been made to the District that has been returned to the District by the bank upon which it is drawn.
- D. The District offers an average monthly or equalized payment plan to balance water bills that can fluctuate seasonally. The equalized amount is based on the Customer’s average consumption during the current 12-month period. Average monthly or equalized payment plans are reconciled annually and adjusted as needed.
- E. The District offers online bill presentment and payment to Customers who wish to view their bill and/or pay by check or Visa or MasterCard via the internet.
- F. Customers may make payment arrangements with the District. Defaulting on a payment arrangement may lead to disconnection of service.

18000.03 Delinquent Accounts

18000.03.1 For Non-Payment of Charges

Except as otherwise prohibited by law, a delinquent account from a premises within the District will be applied to a new account opened by the same Customer for a different premises, and the District may require payment of the delinquent amount (plus penalties and interest) as a condition of opening the new account, or the District may pursue any other remedy for collection of delinquent accounts provided for in this Code or other District rule, regulation or policy, or applicable state and federal law.

18000.03.2 Late-Payment Charge

A late-payment charge shall be added to each delinquent account ~~upon preparation of an Intent to Disconnect Notice~~ when a bill is not paid in full within 35 days of the issuance date. When a late-payment charge is imposed, such charge shall be added to the account as of the ~~date the notice is prepared~~ 35th day post billing, and such charge shall become part of the amount due at that time. The current late-payment fee amount is set forth in the District’s Schedule of Rates, Fees, Charges, and Deposits. ~~The District may, at its discretion, apply a late payment charge upon other reasonable notification to Customer for connections where a door hanger cannot be delivered (i.e. connections for irrigation service or for residences or commercial buildings under construction.)~~

18000.03.3 Partial Payment on Delinquent Accounts

A partial payment on a delinquent account may be accepted and credited to a Customer’s account. The partial payment shall not cause removal of the account from an existing delinquent status or preclude assessment of fees and charges for delinquent payment, nor shall the partial payment

preclude the meter/service from being turned off for delinquency or cause duly disconnected service to be restored.

18000.03.4 Discontinuation of Service to Delinquent Accounts

- A. Discontinuation of Service: Continuation of service to a delinquent account will be permitted only as set forth in the Policy, adopted and amended from time to time by the Board of Directors, if financial arrangements have been established in accordance with the Policy.
- B. Requirement of Deposit: If a Customer permits his or her account to become delinquent, the General Manager or his/her designee may require the Customer to make a deposit in accordance with the provisions of Section 15000 of this Code.

18000.03.5 Lien for Delinquent Charges

- 1. To the extent permitted by law, the District may file with the Placer or Sacramento County Recorder a Notice of Lien (whichever is the County in which the property is located), setting forth the legal description of the property, the amount of the obligation owed, specifying that the same is owed to the District, and that all delinquent service charges, together with late fees, penalties and interest, are a lien against the Premises to which the service was provided in accordance with Government Code Section 54354 and Government Code Section 61115. Such liens specifically include collection by the local County Tax Collector on the Property Tax Roll in the same manner as property taxes.
- 2. All outstanding account balances, interest and lien release charges (if applicable) must be paid in full prior to re-establishing service in the owner's name at the same, or different property within the boundaries of the District.
- 3. Current accounts that have incurred a large amount of fines, or the owner that maintains the account has refused to pay any balance owed and the District may be placed in a position of incurring bad debt may have a lien placed against the property being served by the District until the balance associated with those charges is paid in full.
- 4. Prior to the collection of lien for delinquent accounts, the District will adhere to the procedures set forth in Government Code Section 61115.
 - a. Report Filed: The General Manager, or his or her designee, shall prepare and file with the Board of Directors a report that describes each affected parcel of real property and the amount of charges and delinquencies for each affected parcel for the year.

- b. Notice of Intent to Record a Lien: The General Manager, or his or her designee, shall give notice of the filing of the report and of the time and place for a public hearing by publishing the notice pursuant to Government Code Section 6066 in a newspaper of general circulation, and by mailing the notice to the owner of each affected parcel.
- c. Public Hearing: At the public hearing, the Board of Directors shall hear and consider any objections or protests to the report. At the conclusion of the public hearing, the Board may adopt or revise the charges and penalties.
- d. Determination: The Board of directors shall make its determination on each affected parcel and its determinations shall be final.

~~4.5.~~ Lien Processing Fees: To recover the direct costs associated with lien proceedings, the District shall assess fees for the issuance of the first lien notice, the issuance of the second lien notice, and the filing of the lien. The amounts of these fees shall be established in the Board-approved Schedule of Rates, Fees, Charges and Deposits.

~~5.6.~~ Implementation of the Lien: On or before August 10 of each year following these determinations, the General Manager, or his or her designee, shall file with the county auditor a copy of the final report adopted by the Board of Directors. The County Auditor shall enter the amount of the charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The County Tax Collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

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18000.03.6 Reinstatement of Water Service Under Delinquent Accounts

Water service accounts terminated for non-payment shall be reinstated as provided in the Policy.

18000.04 Termination of Master Meter Accounts

This Section applies to termination of water service through a master meter, or through individually-metered service in a multi-unit residential structure or mobile home park, where the owner or manager, is listed by the District as the Customer of record of the service. Termination and reinstatement of such accounts will be in accordance with the Policy. A Person subject to a master metered account that was not directly billed by the District, who opens an individual service accounts after the termination of a master metered account, shall be subject to all applicable provisions of this Code and all other applicable District rules, regulations, and policies.

Revision History:

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	
12/11/19	Ord. 19-01 revisions to comply with SB 998	Lisa Brown, Customer Service Manager
10/25/23	Ord. 23-01 Revision to Lien Processing	Devon Barrett, Customer Service Manager
7/17/24	Adding District's leak adjustment policy	Legal Affairs Committee

Ordinance Type	District Operations	Date Adopted	June 28, 2006
Ordinance Number & Title	18000 - Bills for Water Service	Date Amended	July 17, 2024

18000.01 Bills For Water Service

18000.01.1 Issuance of Bills

Bills for water service or other charges will be mailed or presented in the month following the water meter reading and/or the applicable charges have been determined. Issuance shall be every other month. Final bills for sale of property are exempt from this billing cycle.

18000.01.2 Fixed Base Charge

Billing for water service includes a fixed base charge that primarily funds fixed costs. This typically includes facilities, infrastructure maintenance, debt service, customer service, and other similar needs that have to be paid for regardless of how much water is delivered to Customers. The fixed base charge is due regardless of whether any water is actually used. Customers whose service has been discontinued in accordance with section 18000.03 or has requested that their service be discontinued in accordance with District ordinance section 17000.05 will not be assessed the fixed base charge for months subsequent to discontinuance.

18000.01.3 Consumption Charge

Billing for water service includes a consumption charge that primarily funds the expenses to the District necessary for the purchase and distribution of water to Customers. The consumption charge, as set forth in the District's most current rate study, is assessed for each one-hundred cubic feet (CCF) of water actually consumed.

18000.01.4 Billing Periods

Bills for general water service generally will be rendered bi-monthly by the District. Bills for special water services (temporary water service, construction water, fire hydrant use) may be rendered more frequently. Special meter readings will be made for opening or closing billing purposes.

18000.01.5 Billing on Non-Owner-Occupied Residences

California Government Code section 54347 authorizes public agencies to collect charges from property owners for services to tenants on those properties. Therefore, with the property owner's authorization, evidenced by a signed Landlord/Tenant Agreement from the legal owner of the property, and a deposit that meets the requirements of District ordinance section 15000.01, the District shall provide a bill copy to the service address for water service. However, the property owner shall be responsible to pay any charges not paid by the tenant. The District shall not share any account information with the tenant, other than the outstanding balance, in the absence of a completed Landlord/Tenant Agreement application which imposes primary responsibility to pay the water bill on the tenant.

18000.01.6 Back Billing

If a Customer uses water for which no bills have been issued for more than one billing cycle, and a beginning meter reading is not available, the Customer will be billed the fixed base charge for the period plus a consumption charge calculated from the average water usage over the most recent six billing cycles. This amount, which shall not be less than the base charge if no billing history is available, will be billed to the Customer based on the number of billing cycles the Customer has been occupying or in possession of the premises without paying bills.

18000.01.7 Refunds

If a Customer is erroneously overcharged for service, the District may refund any overage paid by the Customer up to two years.

18000.01.8 Disputed Charges

When a Customer disputes the amount of a bill for any reason, the Customer should contact the District office. If the bill is disputed, to avoid discontinuance of water service, the Customer must deposit at the District office, before the disconnect date, the full amount of the disputed bill or proof of previous payment of the disputed bill with a letter setting forth the basis for the dispute and requesting a review by the Finance Director or General Manager. The Finance Director or General Manager's findings and decisions will be final and binding. If the Customer's complaint concerns the meter, he or she may request that his or her meter be tested pursuant to Section 17000.07.2 Meter Testing of the District's most current water ordinance. Nothing in this section is intended to affect a Customer's rights under Health & Safety Code section 116900 and following and the District's Policy on Discontinuation of Residential Water Service for Nonpayment ("Policy") implementing those rights.

18000.01.9 Bill Adjustment for Leaks

Upon a Customer's submission of a consumption credit form, the District will consider a one-time credit for water consumption resulting from a leak in a Customer's internal water system or when there is significant unexplained usage. Credits are determined by comparing the Customer's water use during the period in which the leak occurred to their historical water use for that same period and splitting the difference (resulting in a credit of 50% of the above average usage at the current volumetric rate). The Customer has the right to accept the credit or save the one-time credit allowance for future use. All Customer requests for a credit will be considered on a case by case basis and the District reserves the right to approve or deny any request.

18000.01.10 Due Date

Each statement issued by the District for such charges shall be due and payable on the date of issuance or other presentation to the Customer.

18000.01.11 Final Payment Date

If payment is not received within 35 days from the bill issuance date, a late fee shall be applied in accordance with the Board-approved Schedule of Rates, Fees, Charges and Deposits. Bills become delinquent and subject to discontinuation of service if not paid within 60 days from the bill issuance date.

18000.02 Payment of Charges

- A. **Payment Responsibility:** The District is required to continue providing water service to each premises or parcel connected to the District water system as long as each such premises or Parcel pays its fair share of the costs of receiving the service and such fair share of costs are chargeable to and run with each premises or parcel receiving District water service. Therefore, payment of all water service rates, fees and charges shall be the responsibility of the owner of record of the subject premises or parcel and payment of all charges is an obligation of ownership of a premises or parcel. As such, any subsequent owner of a remises or parcel is responsible for paying any unpaid or delinquent fees, rates and charges due on a premises or parcel that are in any way connected to District water service as a condition of service being continued to the premises or parcel. A change in ownership does not terminate any outstanding rates, fees and charges due for previous water service to said parcel, whether or not those rates, fees and charges were incurred by the present premises or parcel owner or a previous owner or tenant.
- B. **Crediting of Payment:** Payments shall be credited to a Customer's account when cash, an electronic funds transfer, a check drawn on an account with sufficient funds a money order or a Visa or MasterCard payment has been received by the District at the District business office during regular office hours. Deposit of payment in the mail shall be credited to a Customer's account when received at the District's business office.

- C. Dishonored Payment Charge: A returned item charge as set forth in the District's current Schedule of Rates, Fees, Charges, and Deposits shall be added to a Customer's account in each instance where payment has been made to the District that has been returned to the District by the bank upon which it is drawn.
- D. The District offers an average monthly or equalized payment plan to balance water bills that can fluctuate seasonally. The equalized amount is based on the Customer's average consumption during the current 12-month period. Average monthly or equalized payment plans are reconciled annually and adjusted as needed.
- E. The District offers online bill presentment and payment to Customers who wish to view their bill and/or pay by check or Visa or MasterCard via the internet.
- F. Customers may make payment arrangements with the District. Defaulting on a payment arrangement may lead to disconnection of service.

18000.03 Delinquent Accounts

18000.03.1 For Non-Payment of Charges

Except as otherwise prohibited by law, a delinquent account from a premises within the District will be applied to a new account opened by the same Customer for a different premises, and the District may require payment of the delinquent amount (plus penalties and interest) as a condition of opening the new account, or the District may pursue any other remedy for collection of delinquent accounts provided for in this Code or other District rule, regulation or policy, or applicable state and federal law.

18000.03.2 Late-Payment Charge

A late-payment charge shall be added to each delinquent account when a bill is not paid in full within 35 days of the issuance date. When a late-payment charge is imposed, such charge shall be added to the account as of the 35th day post billing, and such charge shall become part of the amount due at that time. The current late-payment fee amount is set forth in the District's Schedule of Rates, Fees, Charges, and Deposits.

18000.03.3 Partial Payment on Delinquent Accounts

A partial payment on a delinquent account may be accepted and credited to a Customer's account. The partial payment shall not cause removal of the account from an existing delinquent status or preclude assessment of fees and charges for delinquent payment, nor shall the partial payment preclude the meter/service from being turned off for delinquency or cause duly disconnected service to be restored.

18000.03.4 Discontinuation of Service to Delinquent Accounts

- A. Discontinuation of Service: Continuation of service to a delinquent account will be permitted only as set forth in the Policy, adopted and amended from time to time by the Board of Directors, if financial arrangements have been established in accordance with the Policy.
- B. Requirement of Deposit: If a Customer permits his or her account to become delinquent, the General Manager or his/her designee may require the Customer to make a deposit in accordance with the provisions of Section 15000 of this Code.

18000.03.5 Lien for Delinquent Charges

- 1. To the extent permitted by law, the District may file with the Placer or Sacramento County Recorder a Notice of Lien (whichever is the County in which the property is located), setting forth the legal description of the property, the amount of the obligation owed, specifying that the same is owed to the District, and that all delinquent service charges, together with late fees, penalties and interest, are a lien against the Premises to which the service was provided in accordance with Government Code Section 54354 and Government Code Section 61115. Such liens specifically include collection by the local County Tax Collector on the Property Tax Roll in the same manner as property taxes.
- 2. All outstanding account balances, interest and lien release charges (if applicable) must be paid in full prior to re-establishing service in the owner's name at the same, or different property within the boundaries of the District.
- 3. Current accounts that have incurred a large amount of fines, or the owner that maintains the account has refused to pay any balance owed and the District may be placed in a position of incurring bad debt may have a lien placed against the property being served by the District until the balance associated with those charges is paid in full.
- 4. Prior to the collection of lien for delinquent accounts, the District will adhere to the procedures set forth in Government Code Section 61115.
 - a. Report Filed: The General Manager, or his or her designee, shall prepare and file with the Board of Directors a report that describes each affected parcel of real property and the amount of charges and delinquencies for each affected parcel for the year.
 - b. Notice of Intent to Record a Lien: The General Manager, or his or her designee, shall give notice of the filing of the report

and of the time and place for a public hearing by publishing the notice pursuant to Government Code Section 6066 in a newspaper of general circulation, and by mailing the notice to the owner of each affected parcel.

- c. Public Hearing: At the public hearing, the Board of Directors shall hear and consider any objections or protests to the report. At the conclusion of the public hearing, the Board may adopt or revise the charges and penalties.
 - d. Determination: The Board of directors shall make its determination on each affected parcel and its determinations shall be final.
5. Lien Processing Fees: To recover the direct costs associated with lien proceedings, the District shall assess fees for the issuance of the first lien notice, the issuance of the second lien notice, and the filing of the lien. The amounts of these fees shall be established in the Board-approved Schedule of Rates, Fees, Charges and Deposits.
6. Implementation of the Lien: On or before August 10 of each year following these determinations, the General Manager, or his or her designee, shall file with the county auditor a copy of the final report adopted by the Board of Directors. The County Auditor shall enter the amount of the charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The County Tax Collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

18000.03.6 Reinstatement of Water Service Under Delinquent Accounts

Water service accounts terminated for non-payment shall be reinstated as provided in the Policy.

18000.04 Termination of Master Meter Accounts

This Section applies to termination of water service through a master meter, or through individually-metered service in a multi-unit residential structure or mobile home park, where the owner or manager, is listed by the District as the Customer of record of the service. Termination and reinstatement of such accounts will be in accordance with the Policy. A Person subject to a master metered account that was not directly billed by the District, who opens an individual service accounts after the termination of a master metered account, shall be subject to all applicable provisions of this Code and all other applicable District rules, regulations, and policies.

Revision History:

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	
12/11/19	Ord. 19-01 revisions to comply with SB 998	Lisa Brown, Customer Service Manager
10/25/23	Ord. 23-01 Revision to Lien Processing	Devon Barrett, Customer Service Manager
7/17/24	Adding District's leak adjustment policy	Legal Affairs Committee

[Back to Agenda](#)

AGENDA ITEM IV-6

ACWA Region 3
**Big Impact on a Small Budget: Grant Strategies for
Resource-Strapped Agencies**

August 20, 2025 • 10:00 a.m. – 11:30 a.m.

PROGRAM AGENDA

- 10:00 a.m. Welcome Remarks
Larry McKenney, Chair, ACWA Region 3
- 10:05 a.m. Big Impact on a Small Budget: Grant Strategies for Resource-Strapped Agencies
- Moderator*
Nicholas Schneider, General Manager, Georgetown Divide Public Utility District
- Panelists*
Kim Boyd, Director of Strategic Affairs, Tahoe City Public Utility District
Robert A. Heather, E.I.T., Water Resources Engineer, Zanjero
Ian Lyle, Director of Federal Relations, ACWA
- 11:25 a.m. Concluding Remarks
Michael Saunders, Vice Chair, ACWA Region 3

ACWA REGION 3 BOARD 2022 – 2023

Chair: Joshua Alpine, Placer County Water Agency • **Vice Chair:** Michael Minkler, Calaveras County Water District
Board Members: Jim Abercrombie, El Dorado Irrigation District; Sean Barclay, Tahoe City Public Utility District; Jennifer Hanson, Nevada Irrigation District; Larry McKenney, Amador Water Agency; Michael Saunders, Georgetown Divide Public Utility District

Association of California Water Agencies

Discussion and Solutions Panel

Big Impact on a Small Budget: Grant Strategies for Resource-Strapped Agencies



Presented By: Kim Boyd,
Director of Strategic Affairs

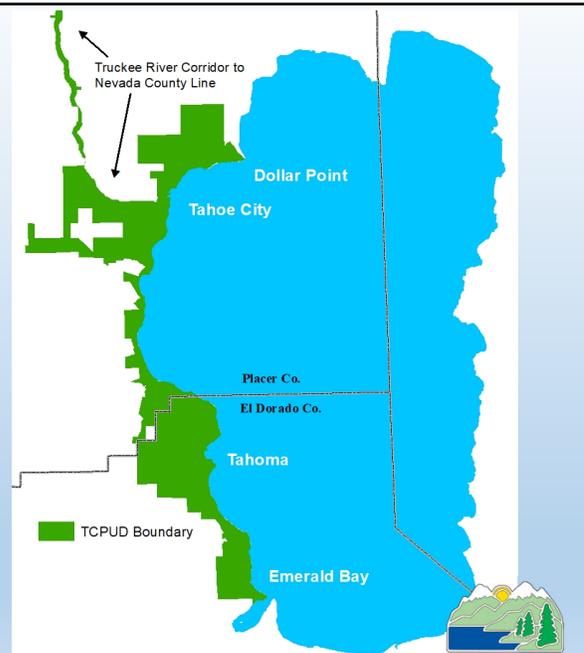
Tahoe City Public Utility District

August 20, 2025

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Tahoe City Public Utility District

- 31 square mile service area
- Multi County Agency
- 7,800 Sewer Connections
- 6,140 Water Connections
- Parks & Recreation Services
- Diverse economic population
- 63 Full Time Employees
- 2025 District Operating Budget - \$22.4M
- 2025 District Capital Budget - \$31.6M



August 20, 2025

2

2

Identify Challenges

- Large water capital improvement plan – 10-year total \$129.6M
- Small rate base compared to the cost of the water capital improvement plan
- Acquired old, isolated water systems, previously owned by private companies with little to no investment in infrastructure – significant fire suppression deficiencies
- Wildland Urban Interface (WUI) community – high fire severity zone
- Good water quality and supply
- Limited water infrastructure funding sources for our unique requests
- Very diverse economic population



August 20, 2025

3

3

Develop a Funding Strategy

- **Research/Clarify**
 - Clearly identify your District's needs and challenges (establish a multi-year capital improvement plan)
 - Develop your story – what makes your District/community unique
 - Identify funding programs that fit your District's unique needs/challenges/projects
 - Stay informed on evolving funding priorities (drought, water quality, emerging contaminants)
 - Review examples of successful grant applications (ask partners or funders for copies)
- **Implementation**
 - Tell your story - adapt it to the specific funding grant program/priority (requires creativity)
 - Align with your organization's philosophy on funding
 - Match funding opportunities with your capital improvement plan (forecasting and timing)
 - Grant Administration

August 20, 2025

4

4

Leverage Partnerships

- Multiply your impact through partnerships and coalitions
- Find others with similar stories and priorities – speak with a louder voice
- Resource sharing - partnership and advocacy
- Examples:
 - California Proposition 4 - Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks
 - AB 372 (Bennett) – Office of Emergency Services, State Matching Funds, Water System Infrastructure Improvement
 - Congressionally Directed Spending

August 20, 2025

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Thank You!

Kim Boyd

Director of Strategic Affairs
Tahoe City Public Utility District
kboyd@tcpud.org



August 20, 2025

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Relationships Federal Grants and Earmarks

"No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law" – Constitution of the United States, Article I, Section 9, Clause 7:

- A Congressionally Directed Spending / Earmarks
- Eligibility
- Timeframe
- Contacts
- Best Practices and the Power of Relationships

Congressionally Directed Spending

- Congressionally Directed Spending / Community Project Funding / Earmarks
- Funding directed to a specific project at the request of a member of congress.
- Common place until 2011 when House Republicans voted to ban them
- Returned in 2021
- Majority of members of congress like them but they remain controversial.

Earmark Eligibility

- Limited to nonprofits and local, state, and tribal government.
- House limited members to no more than 15 request per member.
- Senate limited to no more than 1 percent of total discretionary spending.
- Limited to one year of funding.
- Must be publicly posted.
- Can trigger federal requirements.
- Some offices may require letters of support.

3

Time Frame

- Federal Fiscal Year Oct. 1 – Sept. 30
- Deadlines for FY 2026:
 - Senate Subcommittees May 9 – June 4
 - House Subcommittees May 2 – June 13
 - Your Member deadlines most important
 - Senator Padilla March 31st
 - Senator Schiff March 28th
 - Congressman Kiley March 21st
 - These will change each year but will be in the late Feb-March generally
 - Continuing Resolution considerations

4

Contacts Policy and Appropriations

- Senator Padilla: appropriations_padilla.senate.gov
 - John Watts
- Senator Schiff: appropriations@schiff.senate.gov
 - Michael Harris
 - Caitlin Balagula
- Congressman LaMalfa: Kyle Lombardi
- Congressman Kiley: AppropriationsKiley@mail.house.gov
 - James Zandstra

Best Practices and the Power of Relationships

- Start building the relationship now
- Maintain and foster the relationship
- District and DC
- Site tours
- Town Halls
- Power of Thank You
- Build support locally
- Develop coalitions
- Do you need a lobbyist?
- Be Practical, Patient, & Persistent

STAFF REPORT

To: Board of Directors
From: Adam Larsen, General Manager
Date: September 17, 2025
Subject: Employee Compensation (W & R)

RECOMMENDED ACTION

Staff is presenting this item for Board discussion regarding potential adjustments to employee compensation. While no formal recommendation is being made by staff at this time, the Board may, at its discretion, choose to make a motion and take action regarding salary adjustments for the positions under review.

BACKGROUND

At the Board meeting held on August 14, 2025, Director Zamorano requested that employee compensation be placed on a future agenda for discussion. The purpose of this item is to review the current compensation levels for select District employees and determine whether salary adjustments are warranted to align with current market benchmarks.

Staff is providing this information to support an open discussion and to receive input from the Board on potential next steps. If the Board wishes to proceed with salary adjustments, a motion may be introduced and voted on during this meeting.



**SAN JUAN WATER DISTRICT
DIRECTOR COMMITTEE ASSIGNMENTS
2025**

INTERNAL COMMITTEE ASSIGNMENTS

<u>Committee</u>	<u>Chair</u>	<u>Member</u>	<u>Alternate</u>
Engineering	TBD	Manuel Zamorano	Mike McRae
Finance	Mike McRae	Manuel Zamorano	Pam Tobin
Legal Affairs	Pam Tobin	Manuel Zamorano	Ted Costa
Personnel	Mike McRae	Pam Tobin	Ted Costa
Public Information	Ted Costa	Mike McRae	TBD
Urban Water Management/ Water Transfer	TBD	Ted Costa	Manuel Zamorano

EXTERNAL ASSIGNMENTS

<u>Agency</u>	<u>Assignment</u>	<u>Alternate</u>
ACWA	Pam Tobin	
ACWA Foundation	Pam Tobin	
ACWA JPIA	Pam Tobin	
CVP Water Users Assn.	Ted Costa	
FOWD 2x2	Ted Costa, Mike McRae	
RWA	TBD/Greg Z.	Ted Costa/Adam Larsen
SGA	Ted Costa	TBD

STAFF REPORT

To: Board of Directors
From: Adam Larsen, General Manager
Date: September 17, 2025
Subject: General Manager's Monthly Report (August)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production

Item	August 2025	August 2024	Difference
Monthly Production AF	6,297.88	7,209.41	-14.47%
Daily Average MG	66.18	75.69	-14.37%
Annual Production AF	29,982.44	34,540.13	-15.20%

Water Turbidity

Item	August 2025	July 2025	Difference
Raw Water Turbidity NTU	2.33	1.34	42.49%
Treated Water Turbidity NTU	0.017	.017	0%
Monthly Turbidity Percentage Reduction	99.28%	98.72%	

*Folsom Lake Reservoir Storage Level AF**

Item	2025	2024	Difference
Lake Volume AF	475,565	506,072	-6.41%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

* Total Reservoir Capacity: 977,000 AF

Other Items of Interest:

- None

SYSTEM OPERATIONS

Distribution Operations:

Item	August 2025	July 2025	Difference
Leaks and Repairs	7	15	-8
Mains Flushed	44	28	+16
Valves Exercised	0	0	0
Hydrants Maintenance	0	0	0
Back Flows Tested	49	102	-53
Customer Service Calls	37	38	-1

Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
40 Lab 24 In-House	0	

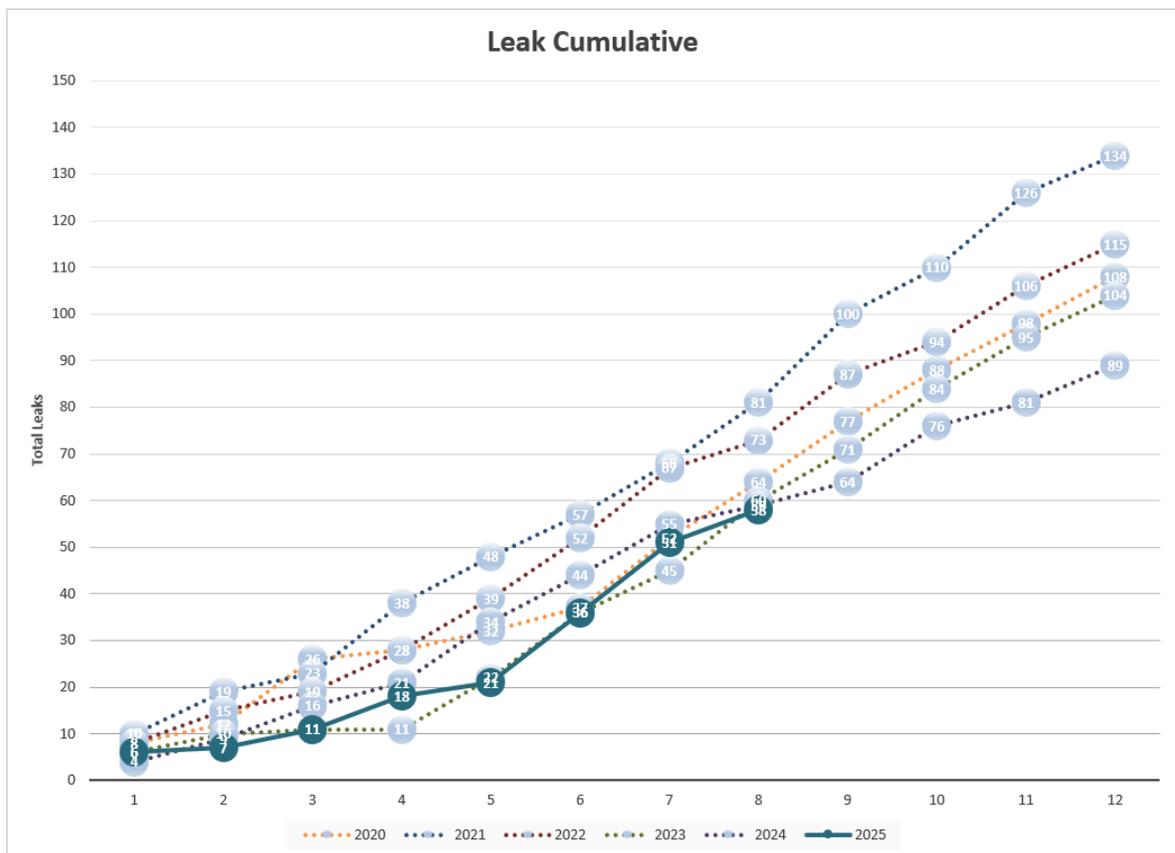


Figure 1: Annual Distribution System Leaks

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of August

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
3792	619	0	0

Water Efficiency Activities for August

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
3	138	1	37

Other Activities

- None

ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	In Construction	Water main installed. Construction on hold.
Greenside Parcel Split (5640 Macargo)	Minor parcel split of 2.0-Ac parcel into 3 lots	In Construction	Contractor to submit deposit for construction.
The Ivy at Granite Bay (formerly Pond View)	Senior Living Community (5620, 5630, 5640, 5650 Douglas Blvd; APNs 048-142-089, -092)	In Planning	Developer to submit improvement plans in 2025.
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	Project on hold
Hawk Estates	6-Lot Minor Subdivision (Dearwester Ln)	In Planning	Anticipate 1 st plan review submittal in 2025
Whitehawk I	24 Lot Subdivision (Douglas, east of Sierra College)	In Design	2nd plan review submitted 11/2024
WellQuest Granite Bay Cottages	16 Senior Housing Units (just east of 9747 Sierra College Blvd)	In Construction	Pre-construction meeting in Sept 2025
Excelsior Oaks	12-Lot Subdivision (Excelsior Ave, west of Peerless Ave)	In Design Review	Initial plan review submitted April 2025

ENGINEERING - CAPITAL PROJECTS

Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank	In Construction	Notice to Proceed issued August 27, 2025
Canyon Falls Village and "Subway" PRS Replacements	Rehabilitation of existing Pressure Reducing Stations (near the intersections of Canyon Falls Dr and Santa Juanita Ave, and AFR and Park PI)	In Design	Construction in FY 25/26
Service Line Replacement Projects (85/year)	Yearly program to replace 85 services per year as identified in the 2020 Retail Master Plan	In Bid	FY23/24 replacements (ACE Shopping Center) & FY24/25 (Hidden Oaks)
Air Release Valve Replacements (45/year for next 20 years)	Replacement of 45 Air Release Valves per year for the 20 years as identified in the 2020 Retail Master Plan	In Design	Construction of FY23/24 complete. Design complete for FY24/25, to be bid after construction of service replacements
Lakeland Dr Pipeline Replacement	Replacement of approx. 650-lf of 8-in pipe with new 12-in (from Douglas Blvd to W Granite Dr)	In Design	Design in FY24/25, Construction in FY26/27
W Hidden Lakes Dr Pipeline Replacement	Replacement of approx. 950-lf of existing 8-in pipe with new 12-in (from 7960 W Hidden Lakes Dr to Haley Dr)	In Design	Design in FY24/25, Construction in FY26/27
Fuller Dr Pipeline Extension	Installation of approx. 575-lf of new 10-in pipe (Fuller Dr, just east of AFR)	In Design	Design in FY24/25, Construction in FY26/27
Santa Juanita Ave Pipeline Replacement	Replacement of approx. 1,500-lf of existing 3-in pipe with new 8-in (from 8045 Santa Junita Ave to Barton Rd)	In Design	Design in FY24/25, Construction in FY25/26
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY25/26

Status Update for Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues/ Notes
Backwash Hood Rehabilitation and Rail Track Improvements	Rehabilitate or replace the two oldest Filter Backwash Hoods in the North and South basins, and replacement of the Rail Track.	In Construction	Construction for first Hood complete, second Hood in FY25/26
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY25/26

SAFETY & REGULATORY TRAINING – August 2025

Training Course	Staff
Silica Exposure	Field Services

FINANCE/BUDGET

See attached



San Juan Water District, CA

Wholesale Operating Income Statement Group Summary

For Fiscal: 2025-2026 Period Ending: 08/31/2025

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	10,602,100.00	10,602,100.00	0.00	2,097,217.50	8,504,882.50
43000 - Rebate	2,000.00	2,000.00	0.00	0.00	2,000.00
45000 - Other Operating Revenue	40,000.00	40,000.00	2.58	2.58	39,997.42
49000 - Other Non-Operating Revenue	231,000.00	231,000.00	7.49	-6,944.70	237,944.70
49990 - Transfer In	1,628,400.00	1,628,400.00	0.00	0.00	1,628,400.00
Revenue Total:	12,503,500.00	12,503,500.00	10.07	2,090,275.38	10,413,224.62
Expense					
51000 - Salaries and Benefits	5,173,300.00	5,173,300.00	591,358.48	915,061.54	4,258,238.46
52000 - Debt Service Expense	823,800.00	823,800.00	0.00	41,329.37	782,470.63
53000 - Source of Supply	820,400.00	820,400.00	9,297.36	93,003.35	727,396.65
54000 - Professional Services	919,200.00	919,200.00	7,056.26	20,784.24	898,415.76
55000 - Maintenance	719,200.00	719,200.00	18,743.57	63,468.62	655,731.38
56000 - Utilities	339,000.00	339,000.00	0.00	3,907.09	335,092.91
57000 - Materials and Supplies	1,080,000.00	1,080,000.00	68,651.87	239,012.60	840,987.40
58000 - Public Outreach	41,800.00	41,800.00	0.00	3,665.00	38,135.00
59000 - Other Operating Expenses	907,000.00	907,000.00	2,735.84	252,800.54	654,199.46
69000 - Other Non-Operating Expenses	2,500.00	2,500.00	0.00	0.00	2,500.00
Expense Total:	10,826,200.00	10,826,200.00	697,843.38	1,633,032.35	9,193,167.65
Fund: 010 - WHOLESALE Surplus (Deficit):	1,677,300.00	1,677,300.00	-697,833.31	457,243.03	1,220,056.97
Total Surplus (Deficit):	1,677,300.00	1,677,300.00	-697,833.31	457,243.03	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESAL	1,677,300.00	1,677,300.00	-697,833.31	457,243.03	1,220,056.97
Total Surplus (Deficit):	1,677,300.00	1,677,300.00	-697,833.31	457,243.03	



San Juan Water District, CA

Wholesale Capital Income Statement Group Summary

For Fiscal: 2025-2026 Period Ending: 08/31/2025

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,535,900.00	1,535,900.00	62,586.16	62,586.16	1,473,313.84
44000 - Connection Fees	75,000.00	75,000.00	96.00	46,048.00	28,952.00
49000 - Other Non-Operating Revenue	910,300.00	910,300.00	0.00	-31,552.83	941,852.83
Revenue Total:	2,521,200.00	2,521,200.00	62,682.16	77,081.33	2,444,118.67
Expense					
55000 - Maintenance	730,000.00	730,000.00	0.00	54,195.81	675,804.19
61000 - Capital Outlay	4,113,300.00	4,113,300.00	0.00	4,359.68	4,108,940.32
69900 - Transfers Out	1,628,400.00	1,628,400.00	0.00	0.00	1,628,400.00
Expense Total:	6,471,700.00	6,471,700.00	0.00	58,555.49	6,413,144.51
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	-3,950,500.00	-3,950,500.00	62,682.16	18,525.84	-3,969,025.84
Total Surplus (Deficit):	-3,950,500.00	-3,950,500.00	62,682.16	18,525.84	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outl...	-3,950,500.00	-3,950,500.00	62,682.16	18,525.84	-3,969,025.84
Total Surplus (Deficit):	-3,950,500.00	-3,950,500.00	62,682.16	18,525.84	



San Juan Water District, CA

Retail Operating Income Statement Group Summary

For Fiscal: 2025-2026 Period Ending: 08/31/2025

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	17,811,200.00	17,811,200.00	1,494,525.47	3,194,186.06	14,617,013.94
45000 - Other Operating Revenue	443,000.00	443,000.00	32,728.76	46,313.53	396,686.47
49000 - Other Non-Operating Revenue	258,400.00	258,400.00	0.00	14,089.16	244,310.84
Revenue Total:	18,512,600.00	18,512,600.00	1,527,254.23	3,254,588.75	15,258,011.25
Expense					
41000 - Water Sales	4,000.00	4,000.00	238.61	986.54	3,013.46
51000 - Salaries and Benefits	7,571,300.00	7,571,300.00	705,647.69	1,244,784.47	6,326,515.53
52000 - Debt Service Expense	485,400.00	485,400.00	0.00	27,552.92	457,847.08
53000 - Source of Supply	3,542,700.00	3,542,700.00	0.00	702,345.00	2,840,355.00
54000 - Professional Services	1,064,800.00	1,064,800.00	14,171.73	89,360.12	975,439.88
55000 - Maintenance	431,600.00	431,600.00	6,464.71	46,262.10	385,337.90
56000 - Utilities	700,000.00	700,000.00	0.00	46,463.64	653,536.36
57000 - Materials and Supplies	393,500.00	393,500.00	14,543.47	36,904.88	356,595.12
58000 - Public Outreach	75,000.00	75,000.00	0.00	5,125.00	69,875.00
59000 - Other Operating Expenses	1,118,900.00	1,118,900.00	3,926.52	155,984.18	962,915.82
69000 - Other Non-Operating Expenses	59,000.00	59,000.00	0.00	0.00	59,000.00
69900 - Transfers Out	1,898,500.00	1,898,500.00	0.00	0.00	1,898,500.00
Expense Total:	17,344,700.00	17,344,700.00	744,992.73	2,355,768.85	14,988,931.15
Fund: 050 - RETAIL Surplus (Deficit):	1,167,900.00	1,167,900.00	782,261.50	898,819.90	269,080.10
Total Surplus (Deficit):	1,167,900.00	1,167,900.00	782,261.50	898,819.90	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	1,167,900.00	1,167,900.00	782,261.50	898,819.90	269,080.10
Total Surplus (Deficit):	1,167,900.00	1,167,900.00	782,261.50	898,819.90	



San Juan Water District, CA

Retail Capital Income Statement Group Summary

For Fiscal: 2025-2026 Period Ending: 08/31/2025

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,535,900.00	1,535,900.00	62,586.16	62,586.16	1,473,313.84
44000 - Connection Fees	100,000.00	100,000.00	1,180.00	1,180.00	98,820.00
49000 - Other Non-Operating Revenue	1,981,200.00	1,981,200.00	0.00	-25,793.16	2,006,993.16
49792 - Proceeds from Issuance of Debt	12,110,000.00	12,110,000.00	0.00	0.00	12,110,000.00
49990 - Transfer In	1,898,500.00	1,898,500.00	0.00	0.00	1,898,500.00
Revenue Total:	17,625,600.00	17,625,600.00	63,766.16	37,973.00	17,587,627.00
Expense					
54000 - Professional Services	104,000.00	104,000.00	0.00	8,379.25	95,620.75
61000 - Capital Outlay	21,894,300.00	21,894,300.00	15,769.45	171,421.70	21,722,878.30
Expense Total:	21,998,300.00	21,998,300.00	15,769.45	179,800.95	21,818,499.05
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-4,372,700.00	-4,372,700.00	47,996.71	-141,827.95	-4,230,872.05
Total Surplus (Deficit):	-4,372,700.00	-4,372,700.00	47,996.71	-141,827.95	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-4,372,700.00	-4,372,700.00	47,996.71	-141,827.95	-4,230,872.05
Total Surplus (Deficit):	-4,372,700.00	-4,372,700.00	47,996.71	-141,827.95	

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
185170	Bacon Pump Station Perimeter Fenci	-7,452.08	0.00	-7,452.08
215120	Kokila Reservoir (Replace Hypalon w	0.00	673.00	-673.00
245108	FY23-24 Air/Vacuum Relief Valve Rej	-34,717.55	0.00	-34,717.55
265163	FY 25-26 Failed Svc Lat Repl (incl pav	0.00	10,166.00	-10,166.00
265171	FY25-26 Meter Replacement Prograr	0.00	4,930.45	-4,930.45
Project Totals:		-42,169.63	15,769.45	-57,939.08

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	-42,169.63	15,769.45	-57,939.08
Group Totals:	-42,169.63	15,769.45	-57,939.08

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	-34,717.55	15,769.45	-50,487.00
Field Services	-7,452.08	0.00	-7,452.08
Type Totals:	-42,169.63	15,769.45	-57,939.08

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
055-20030	Retentions Payable	42,169.63	0.00	42,169.63
055-700-61150	Capital Outlay - Mains/Pipeli...	0.00	10,166.00	10,166.00
055-700-61153	Capital Outlay - Meters and E...	0.00	4,930.45	4,930.45
055-700-61155	Capital Outlay - Reservoirs & ...	0.00	673.00	673.00
GL Account Totals:		42,169.63	15,769.45	57,939.08



Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	5,911,475.15	27,161,958.38	4,997,754.05	22,045,976.80	60,117,164.38
10510 - Accounts Receivable	0.01	0.01	544,618.74	-0.01	544,618.75
11000 - Inventory	7,664.58	0.00	559,010.57	242,407.23	809,082.38
12000 - Prepaid Expense	177,394.29	0.00	2,846.06	0.00	180,240.35
12850 - Lease Receivable	1,359,940.15	0.00	1,359,940.16	0.00	2,719,880.31
14010 - Deferred Outflows	3,354,588.46	0.00	3,341,046.66	0.00	6,695,635.12
17010 - Capital Assets - Work in Progress	779,207.35	0.00	2,178,784.38	0.00	2,957,991.73
17150 - Capital Assets - Land Non-depreciable	120,712.00	0.00	166,272.00	0.00	286,984.00
17160 - Capital Assets - Improvements Other Than Buildings	1,292,811.55	0.00	108,342.32	0.00	1,401,153.87
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	9,438,813.81	0.00	16,485,991.81
17300 - Capital Assets - Buildings & Improvements	1,336,421.99	0.00	304,844.05	0.00	1,641,266.04
17350 - Capital Assets - Water Treatment Plant & Imp	42,079,818.94	0.00	16,000.00	0.00	42,095,818.94
17400 - Capital Assets - Mains/Pipelines & Improvements	28,130,034.95	0.00	60,143,204.00	0.00	88,273,238.95
17410 - Capital Assets - Meters	17,097.25	0.00	1,100,805.78	0.00	1,117,903.03
17500 - Capital Assets - Reservoirs & Improvements	27,012,211.53	0.00	2,492,421.90	0.00	29,504,633.43
17700 - Capital Assets - Equipment & Furniture	13,759,391.25	0.00	1,127,517.77	0.00	14,886,909.02
17750 - Capital Assets - Vehicles	434,187.29	0.00	1,115,711.84	0.00	1,549,899.13
17800 - Capital Assets - Software	298,291.52	0.00	690,805.80	0.00	989,097.32
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-46,864,620.37	0.00	-34,010,684.81	0.00	-80,875,305.18
Total Type 1000 - Assets:	86,920,001.89	27,161,958.39	55,678,055.08	22,288,384.02	192,048,399.38
Total Asset:	86,920,001.89	27,161,958.39	55,678,055.08	22,288,384.02	192,048,399.38
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	118,910.51	0.00	118,910.51
Total Type 1000 - Assets:	0.00	0.00	118,910.51	0.00	118,910.51
Type: 2000 - Liabilities					
20010 - Accounts Payable	36,366.02	9,976.15	92,855.55	60,949.94	200,147.66
20100 - Retentions Payable	0.00	98,499.14	0.00	0.01	98,499.15
21200 - Salaries & Benefits Payable	42,159.00	0.00	76,446.55	0.00	118,605.55
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	596,164.61	0.00	680,419.42	0.00	1,276,584.03
21373 - Deferred Inflows of Resources - Leases	1,265,215.65	0.00	1,265,214.85	0.00	2,530,430.50

Balance Sheet

As Of 08/31/2025

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21500 - Premium on Issuance of Bonds Series 2017	851,355.99	0.00	574,569.34	0.00	1,425,925.33
21600 - OPEB Liability	2,020,765.03	0.00	2,700,858.77	0.00	4,721,623.80
21700 - Pension Liability	2,461,549.91	0.00	3,204,251.46	0.00	5,665,801.37
22010 - Deferred Income	0.00	0.00	90,002.20	0.00	90,002.20
22050 - Deferred Inflows	875,497.13	0.00	884,502.17	0.00	1,759,999.30
23000 - Loans Payable	23,733,504.93	0.00	3,646,197.04	0.00	27,379,701.97
24000 - Current Bonds Payables	447,000.00	0.00	298,000.00	0.00	745,000.00
24250 - Bonds Payable 2017 Refunding	12,003,000.00	0.00	8,002,000.00	0.00	20,005,000.00
24300 - Loan - Refunding	3,291,025.42	0.00	1,786,933.88	0.00	5,077,959.30
29010 - Other Payables	14,039.00	0.00	42,116.00	0.00	56,155.00
Total Type 2000 - Liabilities:	47,637,642.70	108,475.29	23,344,367.22	60,949.95	71,151,435.16
Total Liability:	47,637,642.70	108,475.29	23,463,277.73	60,949.95	71,270,345.67
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	33,863,776.22	0.00	29,652,709.37	0.00	63,516,485.59
30500 - Designated Reserves	4,049,234.75	27,034,957.26	1,531,726.60	18,988,953.67	51,604,872.28
30600 - Restricted Fund Balance	0.00	0.00	0.00	3,380,308.35	3,380,308.35
30700 - Restricted Debt Service Reserve	912,105.19	0.00	131,521.48	0.00	1,043,626.67
Total Type 3000 - Equity:	38,825,116.16	27,034,957.26	31,315,957.45	22,369,262.02	119,545,292.89
Total Total Beginning Equity:	38,825,116.16	27,034,957.26	31,315,957.45	22,369,262.02	119,545,292.89
Total Revenue	2,090,275.38	77,081.33	3,254,588.75	37,973.00	5,459,918.46
Total Expense	1,633,032.35	58,555.49	2,355,768.85	179,800.95	4,227,157.64
Revenues Over/Under Expenses	457,243.03	18,525.84	898,819.90	-141,827.95	1,232,760.82
Total Equity and Current Surplus (Deficit):	39,282,359.19	27,053,483.10	32,214,777.35	22,227,434.07	120,778,053.71
Total Liabilities, Equity and Current Surplus (Deficit):	86,920,001.89	27,161,958.39	55,678,055.08	22,288,384.02	192,048,399.38



San Juan Water District, CA

Check Report

By Vendor Name

Date Range: 08/06/2025 - 09/01/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
	Void	08/12/2025	Regular	0.00	0.00	61098
	Void	08/27/2025	Regular	0.00	0.00	61132
	Void	08/27/2025	Regular	0.00	0.00	61133
	Void	08/12/2025	EFT	0.00	0.00	410183
03109	Alfa Laval Inc.	08/12/2025	EFT	0.00	1,155.76	410177
03406	Alpha Analytical Laboratories Inc.	08/19/2025	Regular	0.00	1,617.00	61106
01039	American Family Life Assurance Company of Co	08/25/2025	Bank Draft	0.00	301.50	Q386908-25-2C
01039	American Family Life Assurance Company of Co	08/25/2025	Bank Draft	0.00	301.50	Q386908-25-2C
01328	Association of California Water Agencies / Joint	08/19/2025	EFT	0.00	7,720.92	410193
01898	Association of California Water Agencies / JPIA	08/12/2025	EFT	0.00	153,918.16	410178
03899	Bennett Engineering Services Inc	08/12/2025	EFT	0.00	1,400.00	410179
03853	Brower Mechanical CA LLC	08/27/2025	Regular	0.00	1,216.98	61124
01242	Bureau of Reclamation-MPR	08/19/2025	EFT	0.00	31,495.00	410194
03562	California Secretary of State	08/12/2025	Regular	0.00	40.00	61088
03080	California State Disbursement Unit	08/15/2025	Bank Draft	0.00	1,358.76	PAY000000000
03130	CalPERS Retirement	08/15/2025	Bank Draft	0.00	49,114.11	1002980679
03226	Capitol Sand & Gravel Co.	08/27/2025	Regular	0.00	845.46	61125
03913	Castanar, Sophanra J	08/12/2025	Regular	0.00	560.00	61089
01330	CDW Government LLC	08/19/2025	EFT	0.00	7,718.00	410195
03221	Chemtrade Chemicals Corporation	08/12/2025	EFT	0.00	20,084.63	410180
03221	Chemtrade Chemicals Corporation	08/27/2025	EFT	0.00	20,180.15	410202
01366	Citistreet/CalPERS 457	08/15/2025	Bank Draft	0.00	9,893.93	1002980682
01378	Clark Pest Control of Stockton	08/12/2025	Regular	0.00	624.00	61090
04059	Colantuono, Highsmith & Whatley PC	08/19/2025	Regular	0.00	3,569.00	61107
04054	Cooperative Personnel Services	08/12/2025	EFT	0.00	630.00	410181
03698	Core & Main LP	08/12/2025	EFT	0.00	67,672.40	410182
02214	County of Placer Engineering & Surveying	08/27/2025	Regular	0.00	2,457.37	61126
02448	Crane & Hoist Services, Ltd	08/27/2025	EFT	0.00	960.00	410203
03890	Datalink Networks, Inc.	08/12/2025	EFT	0.00	2,305.00	410184
01521	DataProse, LLC	08/27/2025	EFT	0.00	5,039.96	410204
03994	Diamond Crane Company Inc.	08/27/2025	Regular	0.00	968.00	61127
03163	Economic Development Department	08/20/2025	Bank Draft	0.00	101.53	1-273-282-640
03163	Economic Development Department	08/20/2025	Bank Draft	0.00	8,461.99	1-273-282-640
03163	Economic Development Department	08/20/2025	Bank Draft	0.00	17,069.68	1-273-282-640
03163	Economic Development Department	08/15/2025	Bank Draft	0.00	12,610.25	1-454-997-584
03163	Economic Development Department	08/15/2025	Bank Draft	0.00	5.45	1-454-997-584
01574	Endress + Hauser, Inc.	08/12/2025	EFT	0.00	53,884.10	410185
01574	Endress + Hauser, Inc.	08/27/2025	EFT	0.00	2,378.03	410205
04042	Entek Consulting Group, Inc.	08/19/2025	Regular	0.00	4,111.15	61108
03702	Flowline Contractors, Inc.	08/12/2025	EFT	0.00	28,761.00	410186
03702	Flowline Contractors, Inc.	08/27/2025	EFT	0.00	210,395.54	410206
01634	Folsom Lake Ford, Inc.	08/27/2025	Regular	0.00	857.71	61128
01644	Franchise Tax Board	08/19/2025	Regular	0.00	75.00	61109
03091	Granite Bay Ace Hardware	08/12/2025	Regular	0.00	17.36	61091
03091	Granite Bay Ace Hardware	08/19/2025	Regular	0.00	64.39	61110
03091	Granite Bay Ace Hardware	08/27/2025	Regular	0.00	17.36	61129
01706	Graymont Western US Inc.	08/27/2025	EFT	0.00	8,665.70	410207
01721	Hach Company	08/19/2025	EFT	0.00	188.87	410196
01721	Hach Company	08/27/2025	EFT	0.00	398.96	410208
01741	HDR Engineering, Inc.	08/19/2025	EFT	0.00	325.00	410197
01763	Holt of California	08/12/2025	Regular	0.00	8,402.24	61092
03164	Internal Revenue Service	08/15/2025	Bank Draft	0.00	68,554.56	270562702188
03164	Internal Revenue Service	08/15/2025	Bank Draft	0.00	146.02	270562702188
03164	Internal Revenue Service	08/19/2025	Bank Draft	0.00	48,885.46	270563171544

Check Report

Date Range: 08/06/2025 - 09/01/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03164	Internal Revenue Service	08/19/2025	Bank Draft	0.00	24,758.88	270563171544
03164	Internal Revenue Service	08/19/2025	Bank Draft	0.00	255.77	270563171544
03754	Liebert Cassidy Whitmore	08/12/2025	Regular	0.00	177.50	61093
03553	Mallory Safety and Supply LLC	08/12/2025	EFT	0.00	1,288.34	410187
02027	Mcmaster-Carr Supply Company	08/27/2025	EFT	0.00	229.29	410209
02093	NDS Solutions, Inc	08/12/2025	Regular	0.00	756.98	61094
03550	Netwrix Corporation	08/19/2025	Regular	0.00	3,501.47	61111
04013	NMI Industrial Holdings, Inc.	08/27/2025	EFT	0.00	109,235.70	410210
02131	ODP Business Solutions, LLC	08/12/2025	Regular	0.00	319.09	61095
02131	ODP Business Solutions, LLC	08/19/2025	Regular	0.00	548.84	61112
02131	ODP Business Solutions, LLC	08/27/2025	Regular	0.00	263.90	61130
02150	Pace Supply Corp	08/12/2025	Regular	0.00	4,714.30	61096
02150	Pace Supply Corp	08/27/2025	Regular	0.00	66,103.20	61131
04037	Pavion Corp.	08/19/2025	EFT	0.00	56.10	410198
02146	PG&E	08/12/2025	Regular	0.00	11,551.06	61097
02210	Placer County Water Agency	08/12/2025	Regular	0.00	68,675.00	61099
02225	Polydyne, Inc	08/19/2025	EFT	0.00	3,516.60	410199
03961	Prozio Communications	08/12/2025	Regular	0.00	10,932.50	61100
02283	Recology Auburn Placer	08/27/2025	Regular	0.00	840.50	61134
03681	RS Americas, Inc.	08/12/2025	EFT	0.00	1,390.35	410188
03385	S J Electro Systems Inc	08/27/2025	EFT	0.00	5,940.00	410211
02357	Sacramento Municipal Utility District (SMUD)	08/19/2025	Regular	0.00	37,979.17	61113
02452	Sierra National Construction, Inc.	08/12/2025	Regular	0.00	16,766.58	61101
02514	State Water Resources Control Board - SWRCB	08/12/2025	Regular	0.00	673.00	61102
03359	Superior Equipment Repair Inc	08/27/2025	EFT	0.00	287.72	410212
01411	SureWest Telephone	08/12/2025	Regular	0.00	4,151.10	61103
04007	TAK Broadband CA, LLC	08/19/2025	Regular	0.00	34,717.55	61114
04064	Teknita LLC	08/12/2025	Regular	0.00	19,999.50	61104
02572	Thatcher Company of California, Inc.	08/12/2025	EFT	0.00	16,050.00	410189
02572	Thatcher Company of California, Inc.	08/27/2025	EFT	0.00	33,849.50	410213
03799	Thirkettle Corporation	08/27/2025	EFT	0.00	25,478.34	410214
03846	U.S. Bancorp Asset Management, Inc.	08/12/2025	EFT	0.00	1,034.19	410190
02643	Underground Service Alert of Northern Californ	08/12/2025	EFT	0.00	7,000.13	410191
02667	US Bank Corporate Payments Sys (CalCard)	08/18/2025	Bank Draft	0.00	24,213.44	474-457841-25
02667	US Bank Corporate Payments Sys (CalCard)	08/18/2025	Bank Draft	0.00	8,173.27	474-457841-25
03077	VALIC	08/15/2025	Bank Draft	0.00	3,632.51	430408
03986	Vaneli's Inc.	08/19/2025	EFT	0.00	170.75	410200
02690	Verizon Wireless	08/27/2025	Regular	0.00	4,562.60	61135
01687	W. W. Grainger, Inc.	08/12/2025	Regular	0.00	338.80	61105
03387	WageWorks, Inc	08/19/2025	EFT	0.00	541.53	410201
01486	WAPA - Department of Energy	08/12/2025	EFT	0.00	1,795.99	410192

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	59	36	0.00	313,015.66
Manual Checks	0	0	0.00	0.00
Voided Checks	0	3	0.00	0.00
Bank Drafts	18	18	0.00	277,838.61
EFT's	82	38	0.00	833,141.71
	159	95	0.00	1,423,995.98

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	59	36	0.00	313,015.66
Manual Checks	0	0	0.00	0.00
Voided Checks	0	3	0.00	0.00
Bank Drafts	18	18	0.00	277,838.61
EFT's	82	38	0.00	833,141.71
	159	95	0.00	1,423,995.98

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2025	1,423,995.98
			1,423,995.98



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2025 - 08/31/2025

Payment Date Range -



Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
0690	Costa, Ted	Reg - Regular Hours	2	11.00	2,200.00
			0690 - Costa Total:	11.00	2,200.00
1056	McRae, Michael	Reg - Regular Hours	2	11.00	2,200.00
			1056 - McRae Total:	11.00	2,200.00
1003	Rich, Daniel	Reg - Regular Hours	2	9.00	1,800.00
			1003 - Rich Total:	9.00	1,800.00
0650	Tobin, Pamela	Reg - Regular Hours	2	16.00	3,200.00
			0650 - Tobin Total:	16.00	3,200.00
1039	Zamorano, Manuel	Reg - Regular Hours	2	12.00	2,400.00
			1039 - Zamorano Total:	12.00	2,400.00
			Report Total:	59.00	11,800.00



Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
010-010-58110	Director - Stipend	29.50	5,900.00
	010 - WHOLESALE Total:	29.50	5,900.00
050-010-58110	Director - Stipend	29.50	5,900.00
	050 - RETAIL Total:	29.50	5,900.00
	Report Total:	59.00	11,800.00



Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	10	59.00	11,800.00
		Report Total:	59.00	11,800.00

2025/26 Actual Deliveries and Revenue - By Wholesale Customer Agency

July - August 2025								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	3,599	\$ 668,393	3,586	\$ 667,666	(13)	-0.4%	\$ (726)	-0.1%
Citrus Heights Water District	2,940	\$ 584,665	2,853	\$ 579,849	(87)	-2.9%	\$ (4,816)	-0.8%
Fair Oaks Water District	2,175	\$ 427,552	2,280	\$ 433,399	105	4.8%	\$ 5,847	1.4%
Orange Vale Water Co.	1,142	\$ 219,394	1,168	\$ 220,833	26	2.3%	\$ 1,440	0.7%
City of Folsom	313	\$ 63,651	316	\$ 63,809	3	0.9%	\$ 159	0.2%
Granite Bay Golf Course	144	\$ 5,089	151	\$ 5,347	7	5.1%	\$ 258	5.1%
Sac Suburban Water District	-	\$ -	2,402	\$ 834,769	2,402	0.0%	\$ 834,769	0.0%
TOTAL	10,313	\$ 1,968,742	12,756	\$ 2,805,673	2,443	23.7%	\$ 836,931	42.5%

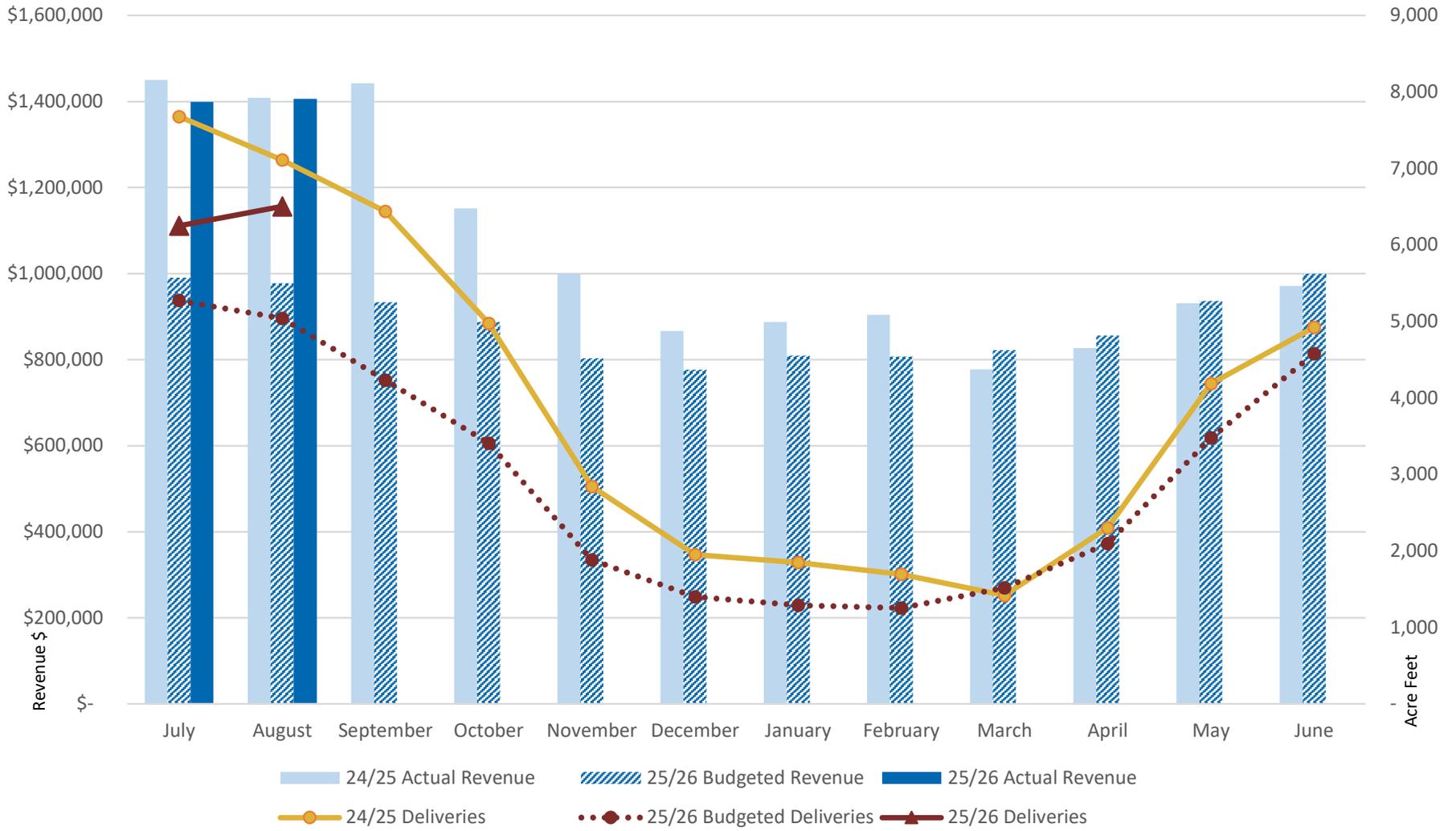
Budgeted Deliveries	10,313
Actual Deliveries	12,756
Difference	2,443.3
	23.7%

Budgeted Water Sale Revenue	\$ 1,968,742
Actual Water Sale Revenue	\$ 2,805,673
Difference	\$ 836,931
	42.5%

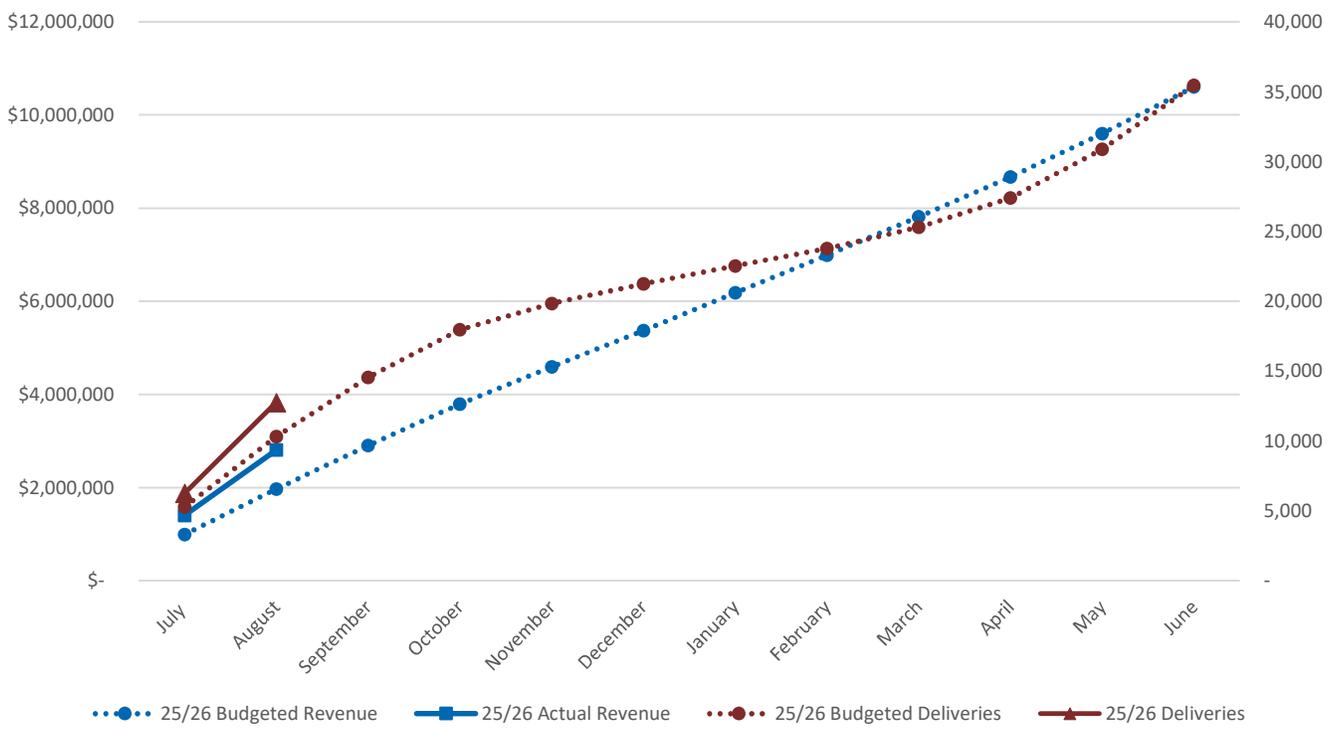
Conclusion:

Total deliveries for July–August 2025 exceeded projections by 23.7%, while revenue surged 42.5% above budget, driven primarily by the unbudgeted transfer sales to Sacramento Suburban Water District (SSWD) and steady deliveries and revenue from Fair Oaks and Orange Vale. In June 2025, the District entered into a temporary transfer agreement with SSWD, allowing the purchase of up to 6,000 acre-feet of conserved surface water supplies from SJWD between July 1, 2025 and February 28, 2026, contingent on surplus availability beyond wholesale customer needs. Although San Juan and Citrus Heights experienced slight declines in deliveries, overall results reflect stable demand. Without SSWD’s participation, total deliveries would have been just 0.4% above budget, and revenue would have been on track with a negligible increase of 0.1%.

Comparison of Fiscal Year 2024/2025 Actuals to 2025/2026 Projections and Actuals of Deliveries and Revenue



Cumulative Water Deliveries and Revenues FY 2025-26





August 20, 2025

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Honorable Benjamin Allen
 California State Senate
 1021 O Street, Suite 6610
 Sacramento, CA 95814

Speaker Robert Rivas
 California State Assembly
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Honorable Jesse Gabriel
 California State Assembly
 1021 O Street, Suite 8230
 Sacramento, CA 95814

Honorable Steve Bennett
 California State Assembly
 1021 O Street, Suite 4710
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RE: Proposition 4 Implementation – Take Action Now

Dear President pro Tempore McGuire, Speaker Rivas, Budget Chairs Wiener and Gabriel, and Subcommittee Chairs Allen and Bennett:

[Back to Agenda](#)

AGENDA ITEM V-1.3

On behalf of the undersigned organizations, we are writing to highlight the **urgent need to implement a spending plan for Proposition 4 this year. Expediently allocating this funding will honor the will of the voters and save California from significant future costs due to the impacts of climate change.**

We recognize and thank the Legislature for its leadership in putting forward a climate bond to voters. California's changing climate creates increased risks of drought, floods, intense rain events, and sea level rise that will present unique challenges to public water agencies and their ability to reliably provide critical services to California's farms and cities. The State is currently underprepared to manage a water system with a decreasing snowpack, less frequent precipitation, and increasing weather extremes. Adapting to climate change will require California to urgently and significantly rehabilitate and modify existing water facilities, improve operational flexibility, and make generational investments in new water infrastructure.

The voters overwhelmingly supported the Legislature's proposed \$10 Billion bond as Proposition 4 last year, with nearly 60 percent of the vote in favor. The public has approved the spending, and the Legislature should act to support the will of the voters.

In nearly every category related to water, there are shovel-ready projects ready to move forward when funding is available. By delaying implementation of this funding, these vital climate adaptation projects will also be further delayed. Further, as part of the June budget, key funding for dam safety (\$47 million) and recycled water (\$51 million) that was previously committed from the General Fund was reverted with proposed "backfill" of these categories from Proposition 4 dollars. Below are just a few examples of the kinds of projects that will be delayed if the Legislature fails to implement a spending plan this year.

Dam Safety

The true need for funding related to dam safety is unknown, but the Department of Water Resources (DWR) has conducted an analysis for just a small subset of the 1,240 jurisdictional-sized dams that fall under the Division of the Safety of Dams. For 76 of the 88 less-than-satisfactory dams with high or extremely high downstream hazard classification, repair costs are estimated to exceed \$2 billion.

The Department of Water Resources (DWR) released its first-ever solicitation for proposals for grant funding for the Dam Safety and Climate Resilience Local Assistance Program in September 2024. In response to this initial solicitation for only \$47 million in general fund dollars, DWR received responses for \$369 million in grants to help support 72 dam safety projects. The total cost of completing these grant-seeking projects is \$1.04 billion. Due to the reversion of this funding in June, however, that solicitation went unfulfilled.

More broadly, we note that just a few examples from the dam safety coalition agencies (including Valley Water, Yuba Water Agency, Sacramento Area Flood Control Agency, United Water, and several others) have project costs totaling more than \$3.4 billion. Clearly, the statewide need is both pressing and in the multiple billions of dollars.

Recycled Water

Between FY 2021-22 and FY 2024-25 the State Water Resources Control Board has been allocated \$380.5 million for competitive grants for recycled water projects. Despite having projects lined up and ready to go, close to 80 percent of that funding has been reverted.

The State Water Resources Control Board approved a spending plan for the Recycled Water Funding Program as part of the Clean Water State Revolving Fund Intended Use Plan on August 6, 2025. This plan, using an existing, tested, and respected funding program, funds the following projects:

- Coachella Valley Water District: Phase 1 NPW Improvements Project and Nonpotable Water Pipeline Project
- City of Pismo Beach: Central Coast Blue: Phase 1
- City of Los Angeles: Advanced Water Purification Facility
- Las Virgenes-Triunfo Joint Powers Authority: Pure Water Las Virgenes-Triunfo
- Eastern Municipal Water District: Advanced Water Purification Facility and Conveyance Pipeline
- City of San Buenaventura: Groundwater Recharge
- City of Riverbank: Riverbank Regional Recycled Water Project
- McKinleyville Community Services District: Wastewater Recycling Expansion Project
- Sacramento Regional County Sanitation District: Harvest Water
- City of San Clemente: Recycled Water Quality Improvement Project
- Irvine Ranch Water District: Syphon Reservoir Project
- Carpinteria Valley Water District: Carpinteria Advanced Purification Project
- West Bay Sanitary District: Advanced Water Purification System
- San Francisco Public Utilities Commission: New Treasure Island Wastewater Treatment Plant

These projects will not receive funding if a Proposition 4 spending plan is not passed by the Legislature.

Groundwater

The funding for groundwater storage, banking, recharge, and instream flow is highly valued by the water community. In response to the Sustainable Groundwater Management Act (SGMA), local agencies have proposed more than 340 new recharge projects that, if built, could result in as much as 2.2 million acre-feet of additional stored water in a single wet year by 2030. Without Proposition 4 dollars, many of these projects will be delayed.

Flood Risk Reduction

The funding for flood risk reduction projects is critical to public health and safety and the economic stability of California. Flood protection is necessary to protect important water infrastructure as well as the communities they support. The Central Valley Flood Protection Plan (Plan) 2022 Update Funding Essentials projected a \$3.2 billion need over the next five years to achieve the goals of the Plan. Without Proposition 4 funding, the lack of the State's contribution towards that need will result in projects not being constructed.

Conveyance

New regional water conveyance systems and repairs to existing facilities will be essential to create a more resilient water infrastructure system. For example, Friant Water Authority, San Luis Delta-Mendota Water Authority, and the State Water Contractors have a list of arterial conveyance projects that could begin the request for proposal for construction by July 2026 whose project costs total over \$1.4 billion. These proposed projects are only a small fraction of what is needed as many local and regional conveyance upgrades and repairs are needed throughout the State to create access to new water sources, repair canals impacted by subsidence, or provide emergency backup conveyance.

To reiterate, these are only a few examples as there are significant and critical projects ready to be implemented once the funding is available in all the water-related categories.

Finally, given the urgent need for action, the undersigned organizations strongly urge the Legislature to adopt the Administration's proposed exemption from the Administrative Procedures Act for funding guidelines for programs related to Proposition 4. Public agencies have historically participated in the public processes State agencies use to establish funding guidelines for programs, and we believe that this exemption is appropriate and necessary to ensure faster disbursement of the funds. State agencies provide opportunities for robust public participation and input as they develop these guidelines.

The need is urgent, and this bond funding is a critical tool for local public agencies to implement these crucial climate projects. The undersigned organizations urge the Legislature to prioritize implementation of a spending plan for the Climate Bond this year in support of the will of the voters. If you have any questions, please contact Julia Hall at JuliaH@acwa.com.

Sincerely,

Julia Bishop Hall
State Legislative Director
Association of California Water Agencies

Spencer Saks
Legislative & Regulatory Advocate
California Association of Sanitation Agencies

Brenley McKenna
Managing Director
WaterReuse CA

Aaron Avery
Director of State Legislative Affairs
California Special Districts Association

Kam Bezdek
Legislative Affairs Director
Northern California Water Association

Melissa Sparks-Kranz
Legislative Advocate
League of California Cities

Austin Ewell
Executive Director
Water Blueprint for the San Joaquin Valley
Advocacy Fund

Adam Borchard
Executive Director
California Central Valley Flood Control Association

Andrea Abergel
Director of Water
California Municipal Utilities Association

Jan R. Lee
General Manager
Dublin San Ramon Services District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Adam Larsen
General Manager
San Juan Water District

Betsy Miller
General Manager
San Bernardino Valley Water Conservation
District

Valerie Pryor
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Zone 7 Water Agency

Justin Hopkins
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Stockton East Water District

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Panoche Water District

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Inland Empire Utilities Agency

Matthew Hurley
General Manager
McMullin Area Groundwater Sustainability
Agency

Vince Lucchesi
General Manager
Patterson Irrigation District

Tom Love
General Manager
Upper San Gabriel Valley Municipal Water District

Dennis D. LaMoreaux
General Manager
Palmdale Water District

Manny Amorelli
General Manager
Reclamation District No. 1606

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General Manager
Santa Clarita Valley Water Agency

Dan York
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Sacramento Suburban Water District

Keith Van Der Maaten
General Manager
Laguna Beach County Water District

Manny Amorelli
General Manager
James Irrigation District

Anja Raudabaugh
Chief Executive Officer
Western United Dairies

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General Manager
Mesa Water District

Patrick Meagher
General Manager
Reclamation District No. 784

John Kennedy
General Manager
Orange County Water District

James Lee
General Manager
Crescenta Valley Water District

Mary Rogren
General Manager
Coastside County Water District

John Thiel
General Manager
West Valley Water District

Esther M. Saenz
General Manager
Desert Water Agency

Deanna Jackson
Executive Director
Tri-County Water Authority

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Anthony Williams
General Manager
North Marin Water District

Paul A. Cook
General Manager
Irvine Ranch Water District

Pat Kaspari
General Manager
McKinleyville Community Services District

Ted Trimble
General Manager
Western Canal Water District

Sean Barclay
General Manager
Tahoe City Public Utility District

Joshua Golka
Head of State Government Relations
Valley Water

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

Kyle Swanson
CEO/General Manager
Padre Dam Municipal Water District

Jennifer A. Spindler
General Manager
Crestline-Lake Arrowhead Water Agency

William R. Stretch
General Manager
Fresno Irrigation District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Kassy D. Chauhan
Executive Officer
North Kings Groundwater Sustainability Agency

James Derbin
General Manager
Castroville Community Services District

Jamie Asbury
General Manager
Imperial Irrigation District

Kristine McCaffrey, P.E.
General Manager
Calleguas Municipal Water District

Jeremy Wolf
Legislative Program Manger
Las Virgenes Municipal Water District

Melanie Mow Schumacher
General Manager
Soquel Creek Water District

Elizabeth Salomone
General Manager
Mendocino County Russian River Flood Control &
Water Conservation Improvement

J. M. Barrett
General Manager
Coachella Valley Water District

Joe Matthews
General Manager
La Habra Heights County Water District

J. Scott Petersen, P.E.
Water Policy Director
San Luis & Delta-Mendota Water Authority

CC: Members of the Senate Budget and Fiscal Review Subcommittee No. 2
Members of the Assembly Budget Subcommittee No. 4
Brady Borcharding, Deputy Legislative Secretary, Office of the Governor
Bianca Sievers, Deputy Cabinet Secretary/Senior Advisor for Water



[Back to Agenda](#)

AGENDA ITEM V-1.3

September 4, 2025

President pro Tempore Mike McGuire
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Honorable Benjamin Allen
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Honorable Steve Bennett
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RE: 2025-26 State Budget: Water Quality Control Plan – CEQA Exemption

Dear President pro Tempore McGuire, Speaker Rivas, Budget Chairs Wiener and Gabriel, and Subcommittee Chairs Allen and Bennett:

We write to express our support for advancing the Governor’s proposed [Water Quality Control Plans – CEQA Exemption](#) trailer bill during the remainder of this legislative session, **with the inclusion of a narrowing amendment that adds a two-year sunset.**

The Governor’s trailer bill proposes exempting water quality control plans from CEQA provisions. This would apply to the Bay-Delta Water Quality Control Plan, as well as updates to regional water quality control plans, on a permanent basis. We appreciate the administration’s ongoing efforts over the past several years to streamline and expedite regulatory processes to advance water infrastructure, cut green tape, and modernize water management across California.

While we appreciate the above-mentioned efforts, we strongly urge that the proposed language be amended to include a two-year sunset provision. A near-term exemption will allow a backlog of current processes that have already been well-studied and subject to significant public input to proceed without further delay; however the potential consequences of this bill on future processes are difficult to discern. This sunset provision will provide the Legislature with an opportunity to revisit this mechanism for advancing environmentally focused water quality control plan revisions once the broader impacts of a CEQA exemption to regional water quality control plans are better understood. With a two-year sunset provision included, **we can fully support advancing the Administration’s proposed trailer bill as a pilot program.**

If you have any questions, please do not hesitate to contact ACWA’s State Regulatory Director, Chelsea Haines at ChelseaH@acwa.com or at (916) 206-4078.

Sincerely,

Chelsea Haines
State Regulatory Director
Association of California Water Agencies

Tricia Geringer
Vice President of Government Affairs
Agricultural Council of California

Kam Bezdek
Legislative Affairs Director
Northern California Water Association

Gregory Cramer
Director of Government Affairs
California Alliance for Jobs

Kristopher Anderson
Policy Advocate
California Chamber of Commerce

Esther M. Saenz
General Manager
Desert Water Agency

Jennifer Capitolo
Executive Director
California Water Association

Sean Barclay
General Manager
Tahoe City Public Utility District

Andrea Abergel
Director of Water
California Municipal Utilities Association

Brad Koehn
General Manager
Turlock Irrigation District

Grant Davis
General Manager
Sonoma Water

Ted Trimble
General Manager
Western Canal Water District

David Coxey
General Manager
Bella Vista Water District

Mary Rogren
General Manager
Coastside County Water District

Tom Coleman
General Manager
Rowland Water District

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Edwin Pattison
General Manager
Byron-Bethany Irrigation District

Adam Larsen
General Manager
San Juan Water District

Dennis D. LaMoreaux
General Manager
Palmdale Water District

Sheryl Shaw
General Manager
Walnut Valley Water District

Jason Martin
General Manager
Rancho California Water District

Cary Keaten
General Manager
Solano Irrigation District

Hilary Straus
General Manager
Citrus Heights Water District

James Derbin
General Manager
Castroville Community Services District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

Matthew Hurley
General Manager
McMullin Area Groundwater Sustainability
Agency

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Gary Arant
General Manager
Valley Center Municipal Water District

Daniel Slawson
Board President
Beaumont-Cherry Valley Water District

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Dennis Herrera
General Manager
San Francisco Public Utilities Commission

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Joshua Golka
Head of State Government Relations
Santa Clara Valley Water District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

SENATE FLOOR ALERT

AB 1319 (Schultz) – **OPPOSE UNLESS AMENDED**



African American Farmers of California
 Agricultural Council of California
 American Pistachio Growers
 Association of California Water Agencies
 California Apple Commission
 California Association of Pest Control Advisers
 California Association of Winegrape Growers
 California Blueberry Association
 California Blueberry Commission
 California Building Industry Association
 California Chamber of Commerce
 California Citrus Mutual
 California Cotton Ginners and Growers Association
 California Farm Bureau
 California Fresh Fruit Association
 California Municipal Utilities Association

California Strawberry Commission
 California Walnut Commission
 California Wild Rice Advisory Board
 Coachella Valley Water District
 Eastern Municipal Water District
 Elsinore Valley Municipal Water District
 Imperial Irrigation District
 Kings River Conservation District
 Metropolitan Water District of Southern California
 Milk Producers Council
 Modesto Irrigation District
 Nisei Farmers League
 Northern California Water Association
 Olive Growers Council of California
 Olive Oil Commission of California
 Rancho Water

San Juan Water District
 San Luis & Delta-Mendota Water Authority
 Solano County Water Agency
 South San Joaquin Irrigation District
 Southern California Water Coalition
 United Water Conservation District
 Valley Ag Water Coalition
 Valley Water
 Valley Center Municipal Water District
 Water Blueprint for the San Joaquin Valley
 Western Canal Water District
 Western Growers
 Western Plant Health Association
 Western Tree Nut Association

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AGENDA ITEM V-1.3

SENATE FLOOR ALERT

AB 1319 (Schultz) – **OPPOSE UNLESS AMENDED**

September 9, 2025

AB 1319 WOULD CIRCUMVENT PUBLIC PROCESS by allowing the California Department of Fish and Wildlife (CDFW) to deem any federally listed or candidate endangered species as a “provisional candidate” under California law to remain in effect until December 31, 2031 with **no public justification and no public appeal or comment process**. This black-box decision making would have significant negative impacts for water agencies, businesses, agriculture, and others.

NEW EMERGENCY AUTHORITY IS UNPRECEDENTED AND UNNECESSARY

The Fish and Game Commission (Commission) and CDFW have existing tools that balance the need to act swiftly while still affording public engagement:

1. **Commission can ALREADY use the emergency regulatory process** if needed. (F&G §399)
2. CDFW staff can bring a petition, expediting review and adoption by the Commission.

REQUIRED REVIEW OF “DECREASES IN PROTECTION” INCREASES UNCERTAINTY

AB 1319 creates a broad, open-ended mandate for CDFW to adopt protections for any federally listed or candidate species as a “provisional candidate” without public justification or public process.

This creates **significant uncertainty for permittees** with the potential to lead to **extensive delays** in the implementation of projects and maintenance activities. Water agencies could be forced to reduce water deliveries and would bear significant costs to mitigate against impacts to newly listed species. These costs would be passed on to customers, increasing costs for Californians.

SIGNIFICANT FISCAL IMPACT TO CDFW

Senate Appropriations estimates an **ongoing annual cost of \$7-9 million**. CDFW is already understaffed with only 40% of the staffing levels needed to meet EXISTING permitting and environmental protection goals.

Needed Amendments REJECTED
We urge your “NO” vote on AB 1319



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AGENDA ITEM V-1.3

September 10, 2025

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 Sacramento, CA 95814

Honorable Jesse Gabriel
 California State Assembly
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 Sacramento, CA 95814

Honorable Benjamin Allen
 California State Senate
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 Sacramento, CA 95814

Honorable Steve Bennett
 California State Assembly
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 Sacramento, CA 95814

RE: AB/SB 105 and AB/SB 149 – Support for Proposition 4 Implementation

Dear President pro Tempore McGuire, Speaker Rivas, Budget Chairs Wiener and Gabriel, and Subcommittee Chairs Allen and Bennett:

On behalf of the undersigned organizations, we are writing to express our **strong support for AB/SB 105** which will implement a spending plan for Proposition 4 this year.

We recognize and thank the Legislature for its leadership in putting forward a climate bond to voters. By supporting AB/SB 105, the Legislature will be expeditiously allocating some of this funding and honoring the will of the voters. In nearly every category related to water, there are shovel-ready projects ready to move forward, and these bills will help move these vital climate adaptation projects forward. We especially appreciate the large initial allocations for priorities like dam safety and recycled water.

While this initial step to begin allocating Proposition 4 dollars is greatly appreciated, we would note that many of these funding categories have funding needs that are substantially greater than the total amounts in the bond categories, demonstrating the need for expedited allocation of a greater amount of approved Proposition 4 funds as soon as possible. We look forward to working with the Legislature on future allocations in these areas.

Finally, we support AB/SB 149's emergency regulatory authority for state agencies to implement Proposition 4. However, we strongly supported a full exemption from the Administrative Procedures Act; we hope to have further conversations on this issue next year as the regulatory process can be a barrier to expedited funding, even when done through the emergency process.

Funding needs to respond to climate change are urgent, and this bond funding is a critical tool for local public agencies to implement these crucial climate projects. The undersigned organizations urge your "aye" vote on AB/SB 105. If you have any questions, please contact Julia Hall at JuliaH@acwa.com.

Sincerely,

Julia Bishop Hall
State Legislative Director
Association of California Water Agencies

Aaron Avery
Director of State Legislative Affairs
California Special Districts Association

Brenley McKenna
Managing Director
WateReuse CA

Melissa Sparks-Kranz
Legislative Advocate
League of California Cities

Spencer Saks
Legislative & Regulatory Advocate
California Association of Sanitation Agencies

Adam Borchard
Executive Director
California Central Valley Flood Control Association

Austin Ewell
Executive Director
Water Blueprint for the San Joaquin Valley
Advocacy Fund

Andrea Abergel
Director of Water
California Municipal Utilities Association

Justin Caporusso
Executive Director
Mountain Counties Water Resources Association

Jan R. Lee
General Manager
Dublin San Ramon Services District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Adam Larsen
General Manager
San Juan Water District

Betsy Miller
General Manager
San Bernardino Valley Water Conservation
District

Justin Hopkins
General Manager
Stockton East Water District

Heidi R. Luckenbach, P.E.
Water Director
City of Santa Cruz Water Department

Patrick McGowan
General Manager
Panoche Water District

Shivaji Deshmukh, P.E.
General Manager
Inland Empire Utilities Agency

Matthew Hurley
General Manager
McMullin Area Groundwater Sustainability
Agency

Vince Lucchesi
General Manager
Patterson Irrigation District

Tom Love
General Manager
Upper San Gabriel Valley Municipal Water District

Dennis D. LaMoreaux
General Manager
Palmdale Water District

Manny Amorelli
General Manager
Reclamation District No. 1606

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Dan York
General Manager
Sacramento Suburban Water District

Keith Van Der Maaten
General Manager
Laguna Beach County Water District

Manny Amorelli
General Manager
James Irrigation District

Anja Raudabaugh
Chief Executive Officer
Western United Dairies

William R. Stretch
General Manager
Fresno Irrigation District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Patrick Meagher
General Manager
Reclamation District No. 784

John Kennedy
General Manager
Orange County Water District

James Lee
General Manager
Crescenta Valley Water District

Mary Rogren
General Manager
Coastside County Water District

John Thiel
General Manager
West Valley Water District

Esther M. Saenz
General Manager
Desert Water Agency

Deanna Jackson
Executive Director
Tri-County Water Authority

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Anthony Williams
General Manager
North Marin Water District

Paul A. Cook
General Manager
Irvine Ranch Water District

Pat Kaspari
General Manager
McKinleyville Community Services District

Ted Trimble
General Manager
Western Canal Water District

Sean Barclay
General Manager
Tahoe City Public Utility District

Joshua Golka
Head of State Government Relations
Valley Water

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

Kyle Swanson
CEO/General Manager
Padre Dam Municipal Water District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Kassy D. Chauhan
Executive Officer
North Kings Groundwater Sustainability Agency

Jamie Asbury
General Manager
Imperial Irrigation District

Jeremy Wolf
Legislative Program Manger
Las Virgenes Municipal Water District

Elizabeth Salomone
General Manager
Mendocino County Russian River Flood Control &
Water Conservation Improvement

Joe Matthews
General Manager
La Habra Heights County Water District

Don Perkins
General Manager
Tuolumne Utilities District

Gary Arant
General Manager
Valley Center Municipal Water District

James Derbin
General Manager
Castroville Community Services District

Kristine McCaffrey, P.E
General Manager
Calleguas Municipal Water District

Melanie Mow Schumacher
General Manager
Soquel Creek Water District

J. M. Barrett
General Manager
Coachella Valley Water District

J. Scott Petersen, P.E.
Water Policy Director
San Luis & Delta-Mendota Water Authority

Albert C Lau, P.E.
General Manager
Santa Fe Irrigation District

Willie Whittlesey
General Manager
Yuba Water Agency

**Finance Committee Meeting Minutes
San Juan Water District
September 9, 2025
1:00 p.m.**

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

District Staff: Adam Larsen, General Manager
Donna Silva, Director of Finance & Human Resources
Tony Barela, Director of Operations
Andrew Pierson, Director of Engineering
Devon Barrett, Customer Service Manager
Michael Spencer, Water Treatment Plant Manager
Entela Fallstead, Senior Accountant
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Adam Vasquez
Patrick Dyer, MGT
Alan Parks, MGT

1. Review General Manager Reimbursements (W & R)

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

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

The Committee reviewed the August 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 for FY 2024-25. Legal bills for July and August will be reviewed at the next committee meeting.

4. Fees, Charges and Deposits – Results of the User Fee Study Update and Proposed Changes to the Schedule of Fees, Charges and Deposits (W & R)

Ms. Silva provided the committee with a written staff report which will be included in the Board packet. She explained that there are four studies that the District utilizes to set fees: the Wholesale Financial Plan, the Retail Financial Plan, the Capital Facility Fees Study, and the User Fee Study. She introduced Mr. Patrick Dyer, the consultant from MGT who performed the District's User Fee Study.

Mr. Dyer introduced his associate, Mr. Alan Parks, and provided a brief background of MGT. They conducted a presentation which will be included in the Board packet. They reviewed the Scope of Service, Definitions, Project Methodology & Approach, Executive Summary of Findings, Late Payment Fee, and External Overhead Rate. Mr. Dyer commended the District for implementing an annual CPI adjustment to the fee schedule which helps reduce the need for larger increases.

Mr. Dyer explained that the study was conducted utilizing a full cost recovery method; however, he pointed out that the Board could decide on a fee schedule that is different than what was presented as long as they do not exceed the full cost recovery amount. Ms. Silva explained that if the Board were to reduce any of the fees, then the cost recovery for those fees would need to be allocated from non-retail rates, such as interest income, property tax, or cell tower revenue.

The committee reviewed the changes to the fee schedule, which included revising existing fees, introducing new ones, and eliminating outdated charges to better align the fees with the District's operating processes and costs.

Director McRae requested that MGT provide the presentation to the Board on the September 17th Board meeting.

The Finance Committee recommends a motion by the Board to adopt Resolution 25-14 to update the Schedule of Fees, Charges and Deposits based on the 2025 User Fee Study

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 2:15 p.m.