

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

March 18, 2026 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

| | |
|------------------|-------------------------------------------------|
| Adam Larsen | General Manager |
| Donna Silva | Director of Finance & Human Resources |
| Tony Barela | Director of Operations |
| Andrew Pierson | Director of Engineering |
| Greg Zlotnick | Director of Water Resources & Strategic Affairs |
| Devon Barrett | Customer Service Manager |
| Mike Spencer | Water Treatment Plant Manager |
| Teri Grant | Clerk of the Board/Executive Assistant |
| Ryan Jones | General Counsel |
| Kristen Castanos | Water Counsel |

OTHER ATTENDEES

| | |
|------------------------|-------------------------------|
| Bill Stroppe | |
| Jay Boatwright | |
| Elizabeth | |
| Michael | |
| User 1 | |
| Amy Hoyt | Citrus Heights Water District |
| Todd Jordan | Citrus Heights Water District |
| Rod Wood | Citrus Heights Water District |
| Entela Fallstead | SJWD Employee |
| Elishia Sorensen-Pelle | SJWD Employee |
| Jed Thorne | SJWD Employee |
| Mark Hargrove | SJWD Employee |
| Jackie Foley | SJWD Employee |

AGENDA ITEMS

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

- XIII. Closed Session
- XIV. Open Session
- XV. Adjourn

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

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

IV. PUBLIC FORUM

There were no public comments.

V. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, February 18, 2026 (W & R)

Recommendation: Approve draft minutes

2. ADM-3.6 Records Management Policy Update – Records Retention Revisions (W & R)

Recommendation: Adopt Resolution 26-04 revising Board Policy ADM-3.6, Records Management Policy

3. 2026/2027 Water Transfer Agreement Between San Juan Water District and Sacramento Suburban Water District (SSWD) (W)

Recommendation: Approve (1) CEQA Notice of Exemption; (2) a formal finding concurring with staff's determination that the proposed transfer water would be surplus to the needs of the Wholesale Customer Agencies in accordance with their Wholesale Water Supply Agreements; and, (3) authorization of the General Manager to sign the Proposed 2026/2027 Agreement Between San Juan Water District and Sacramento Suburban Water District For the Provision of Surface Water Supplies to Enhance Groundwater Stabilization

4. Hinkle Reservoir Temporary Tanks Removal Project (W)

Recommendation: Authorize the Director of Engineering Services to sign a construction contract with Resource Environmental, Inc. for the removal of the Hinkle Reservoir Temporary Tanks

5. Hydrant and Valve Maintenance FY 2025/26 (R)

Recommendation: Authorize the Field Services Manager to sign Amendment No. 3, 3rd year renewal to the contract with Wachs Water Services for professional services related to the inspection and maintenance of the District's hydrants and valves for the Fiscal Year 2025-26

President Costa pulled Consent Calendar item 3 for discussion.

Vice President Tobin moved to approve Consent Calendar items 1, 2, 4, 5. Director Zamorano seconded the motion, and it carried unanimously.

President Costa opened the floor for discussion and comments on Consent Calendar item 3 - 2026/2027 Water Transfer Agreement Between San Juan Water District and Sacramento Suburban Water District (SSWD) (W).

Ms. Amy Hoyt, CHWD Legal Counsel, addressed the Board and stated that a CEQA comment letter was submitted today stating that San Juan's proposed water transfer with Sacramento Suburban Water District violated CEQA for various reasons. A copy of the comment letter will be attached to the meeting minutes.

Mr. Rod Wood, CHWD representative, addressed the Board and voiced concern regarding the effects of repeated water transfers with respect to water rights and putting those water rights in jeopardy. He stated that CHWD objects to the water transfer with SSWD.

Ms. Kristen Castanos, SJWD Legal Counsel with Stoel Rives, informed the Board that Stoel Rives reviewed the comment letter and Rincon technical memorandum, and stated that they disagree with CHWD's characterization of the project and claims of CEQA inadequacy. She recommends that the Board adopt the Notice of Exemption (NOE) and approve the agreement.

Ms. Castanos explained that prior CEQA litigation, referred to by a CHWD representative, related to a then proposed water transfer with SSWD, challenged the Board's delegation of approval authority to the General Manager. She clarified that staff has never asserted that the water transfers are not a CEQA project. She further stated that staff and legal counsel remain fully committed to protecting the District's water rights and that a single-year transfer does not pose a risk to the District's pre-1914 water rights.

GM Larsen reported that staff solicited comments from the wholesale water agencies on February 26 and received a response from Citrus Heights Water District on March 5, to which Mr. Greg Zlotnick provided a reply. Mr. Zlotnick stated that he concurs with District Legal Counsel and explained that the proposed water transfer would enhance protection of the District's water rights by demonstrating beneficial use. He further noted that the District has the ability to deliver pre-1914 water outside of its service area.

In response to Vice President Tobin's questions, Mr. Zlotnick explained that the proposed water transfer is a wholesale activity that generates revenue benefiting wholesale operations and, in turn, retail customers, including the wholesale customer

agencies, by reducing pressure on wholesale rate increases. He further stated that the District's pre-1914 and post-1914 water rights total 33,000 acre-feet annually and that the wholesale agreements permit the transfer of both water right water and entitlement water outside the service area, provided the District continues to meet the needs of the wholesale customer agencies. Mr. Zlotnick noted that the District has access to its full allocation of more than 24,000 acre-feet of CVP water and has a minimum total of 67,000 acre-feet of water available. Even with the proposed 6,000 acre-foot transfer to Sacramento Suburban Water District and accounting for an unlikely 5 percent increase in annual deliveries to wholesale customer agencies, the District projects total deliveries of approximately 44,000 acre-feet, leaving an estimated buffer of more than 20,000 acre-feet to accommodate additional demand should it arise.

In response to Director McRae's inquiry regarding the potential risk to the District's water rights, Mr. Wood stated that the concern lies in the cumulative effect of annual water transfers, particularly involving pre-1914 water. He explained that, over time, such repeated transfers could result in a change in place of use, potentially leading to others acquiring rights to that water, similar to possessory interest in real property. Ms. Castanos informed the Board that this one-time, single year water transfer agreement with SSWD clearly articulates that San Juan is not transferring any water rights or interest in those water rights. Director McRae commented that he would like to speak with Legal Counsel in the future regarding CHWD's concerns about the District's water rights. President Costa voiced concern regarding the government taking the District's water rights if the District does not show beneficial use so he is in support of the transfer.

Director Machado moved to approve (1) CEQA Notice of Exemption; (2) a formal finding concurring with staff's determination that the proposed transfer water would be surplus to the needs of the Wholesale Customer Agencies in accordance with their Wholesale Water Supply Agreements; and, (3) authorization of the General Manager to sign the Proposed 2026/2027 Agreement Between San Juan Water District and Sacramento Suburban Water District For the Provision of Surface Water Supplies to Enhance Groundwater Stabilization. Vice President Tobin seconded the motion, and it carried unanimously.

VI. PUBLIC HEARING

1. Ordinance No. 26-01 Amending Ordinance 1200 - Compensation of Board Members Ordinance Amendment (W & R)

President Costa opened the Public Hearing at 6:35 p.m.

The Public Hearing was duly posted and published. There were no formal written or verbal comments received.

President Costa opened the floor for public comment. There were no public comments.

President Costa closed the Public Hearing at 6:36 p.m.

Director Machado moved to waive the Second Reading of Ordinance No. 26-01 and adopt Ordinance 26-01 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance 1200. Vice President Tobin seconded the motion, and it carried with 4 Aye votes and 1 No vote (Costa).

2. Ordinance No. 26-02 Amending Ordinance 4000 - Purchasing and Payments Ordinance Amendment (W & R)

President Costa opened the Public Hearing at 6:38 p.m.

The Public Hearing was duly posted and published. There were no formal written or verbal comments received.

President Costa opened the floor for public comment. There were no public comments.

President Costa closed the Public Hearing at 6:39 p.m.

In response to Director McRae's question, Ms. Silva explained that removing petty cash from the ordinance will not prohibit customers from paying their account with cash, it will only remove the petty cash option for employees to use for District purchases.

Vice President Tobin moved to waive the Second Reading of Ordinance No. 26-02 and adopt Ordinance No. 26-02 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance 4000. Director Machado seconded the motion, and it carried unanimously.

VII. DISCUSSION AND ACTION ITEMS

1. Long-term Warren Act Contract Update (W)

Mr. Zlotnick reported that the Board authorized the General Manager to sign the Long-term Warrant Act Contract at the January Board meeting. He reported that the new 25-year Long-term Warren Act Contract was signed and executed on February 27, 2026.

2. Mid-Year Budget Review (W & R)

Ms. Silva reviewed the staff report which was included in the Board packet. She explained that the mid-year budget provides the Board with an overview of budget-to-actual performance across Wholesale Operations, Wholesale Capital, Retail Operations, and Retail Capital activities. At the halfway point of Fiscal Year 2025–26, the District is tracking favorably in all major financial areas, with stronger-than-expected revenues, lower-than-budgeted expenses, and projected reserve balances exceeding original budget expectations.

Ms. Silva reported that Wholesale Operations are performing significantly better than projected. Revenues are estimated to come in 19% above budget, primarily due to

the full purchase of 6,000 acre-feet of transferred water by Sacramento Suburban Water District, generating \$2.09 million in unbudgeted revenue, while Wholesale Operating expenses are projected to be 2% under budget. She reported that instead of requiring a transfer *in* from capital to sustain reserves, Wholesale Operations are projected to *transfer out* approximately \$1 million to the capital fund.

Ms. Silva reported that Wholesale Capital revenues are projected to exceed the budget by 18%, driven largely by stronger-than-expected interest income. Capital expenditures are anticipated to reach only 20% of budgeted levels, with several projects completed, others underway, and many planned projects needing rollover into the next fiscal year. She explained that end-of-year capital reserves are now estimated at \$31.8 million, significantly higher than the originally projected \$24.8 million, which will help fund the projects being pushed into the next fiscal year.

Ms. Silva reported that Retail operations also reflect a favorable mid-year position. Revenues are projected to be 2% above budget, supported by the July 2025 retail water rate increase and increased user fees. She reported that expenses are trending 6% below budget due primarily to reduced Salaries and Benefits expenses. Key drivers include staffing vacancies, position realignments, lower-than-estimated wage growth (per CalPERS assumptions), and reduced healthcare expenditures despite higher premiums. Because of these positive results, the transfer to Retail Capital may reach \$3.9 million, more than double the original budgeted amount.

Ms. Silva reported that Retail Capital revenues are significantly lower than budgeted due to the District's strategic delay in drawing debt proceeds for the Kokila Reservoir. Actual revenues are estimated at \$3.99 million versus the budgeted \$15.7 million. Capital spending is projected at 61% of budget, with multiple projects completed, several in progress, and many deferred to future years.

3. Customer Advisory Ad Hoc Committee (R)

GM Larsen presented a staff report included in the Board packet and discussed the potential formation of a customer advisory committee, noting the Board would need to provide direction on the committee's scope and composition, including wholesale and retail representation. Vice President Tobin stated she would be willing to draft a proposed scope. Following discussion, President Costa directed Vice President Tobin to work with GM Larsen to develop a scope for consideration at a future Board meeting.

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

No report.

VIII. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

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

GM Larsen reported that operations are going smoothly with no compliance issues. A written report for March was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Larsen reported that the District received communication from the EPA warning about an elevated risk in cyber security due to activities in Iran. He reported that the District's Information Technology Manager is aware of this issue and have taken appropriate steps to reduce the risk to the District.

GM Larsen informed the Board that RWA attended a tour of the District, which will be discussed later in the meeting. He noted that the relationships with other agencies have been going very well and communication with the District has increased and has opened up a lot of conversations. He pointed out that, as a result of the increased communications, the District has been included in the grant applications.

2. DIRECTOR OF WATER RESOURCES & STRATEGIC AFFAIRS' REPORT (W & R)

2.1 Hydrology Report (W & R)

GM Larsen referenced the graphs that Mr. Zlotnick provided for Folsom Reservoir levels and noted the snowpack is about 20% of average. The graphs are available in the online Board packet.

2.2 Miscellaneous District Issues and Correspondence

GM Larsen reported that the District signed two ACWA letters and received letters of support for earmarking federal funds, the letters are available in the online Board packet.

3. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

3.1 Miscellaneous District Issues and Correspondence

No report.

4. DIRECTOR OF OPERATIONS' REPORT

4.1 Miscellaneous District Issues and Correspondence

GM Larsen introduced Mr. Mike Spencer, Water Treatment Plant Manager, who presented the Director of Operations' report. Mr. Spencer reported that the WTP hosted a Division of Drinking Water Sanitary Survey Division Training tour on March 3, attended by 30 regulators from across the state. He also noted that the Regional Water Authority toured the WTP on March 11, during which seven RWA staff received a presentation from Mr. Pierson.

Mr. Spencer reported that he asked new WTP Operator Zach Mason to lead a tour to assess his understanding of plant operations, and Mr. Mason performed exceptionally well. Mr. Harry Johnson, Utilities Maintenance Worker, joined the tour to further expand his operational knowledge.

Mr. Spencer announced additional upcoming tours in April, including ACWA JPIA on April 2, American River Montessori on April 3, and the Division of Drinking Water on April 6 and April 8 for the Annual Sanitary Survey of the WTP and Distribution System, with a possible Kokila Reservoir site visit.

5. DIRECTOR OF ENGINEERING SERVICES' REPORT

5.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that he has not heard back from the GSI consultant regarding groundwater banking and will be following up with them.

6. LEGAL COUNSEL'S REPORT

6.1 Legal Matters

No report.

IX. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

No report.

2. REGIONAL WATER AUTHORITY (RWA)

President Costa reported that RWA met March 12th.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Vice President Tobin reviewed a written report which was added to the Board packet. In response to GM Larsen's question, Vice President Tobin informed the Board that ACWA is still in the process of selecting an Executive Director. President Costa encouraged all Board members to attend the ACWA Spring Conference in Sacramento this May.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

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

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

President Costa reported that he and Vice President Tobin attended the Citrus Heights Chamber of Commerce awards luncheon on March 10th. In addition, he and Director Machado attended the Chamber's monthly meeting on March 17th.

X. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items

President Costa requested that the agenda wording be revised to direct members of the public to ask a Board member or staff to request the Board President to remove an item from the Consent Calendar for discussion.

2. Meeting Date Changes and Board Attendance

There were no requests to consider.

XI. COMMITTEE MEETINGS

1. Engineering Committee – March 10, 2026

The committee meeting minutes were included in the Board packet.

2. Finance Committee – March 10, 2026

The committee meeting minutes were included in the Board packet.

XII. UPCOMING EVENTS

1. 2026 ACWA Spring Conference

May 5-7, 2026
Sacramento, CA

At 7:53 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

XIII. 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION involving General Manager Counsel; Government Code sections 54954.5(e) and 54957.

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION involving Legal Counsel; Government Code sections 54954.5(e) and 54957.

XIV. OPEN SESSION

There was no reportable action.

XV. ADJOURN

The meeting was adjourned at 8:50 p.m.

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

ATTEST: _____
TERI GRANT, Clerk of the Board



Amy E. Hoyt
Partner
(951) 826-8303
amy.hoyt@bbklaw.com

File No. 30894.00130

March 18, 2026

VIA E-MAIL: ADAM.LARSEN@SJWD.ORG

Adam Larsen
General Manager
San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746

Re: Agenda Item V.3 for March 18, 2026 Board meeting

Dear Mr. Larsen:

I am writing on behalf of Citrus Heights Water District (“CHWD”) regarding Agenda Item V.3, titled as 2026/2027 Water Transfer Agreement between San Juan Water District and Sacramento Suburban Water District (“SSWD”). The item proposes approval of an agreement to sell and transfer up to 6,000 AF of pre-1914 water rights water to Sacramento Suburban Water District between April 1, 2026 and February 28, 2027 (“Project”). The staff report asserts that the Project is exempt under the existing facilities exemption (CEQA Guidelines § 15301) and the common sense exemption (CEQA Guidelines § 15061, subd. (b)(3).)

Introduction

CHWD appreciates that as a result of its and Fair Oak Water District’s prior lawsuit, San Juan Water District (“SJWD”) now recognizes that the proposed transfer constitutes a “project” within the meaning of the California Environmental Quality Act (“CEQA”). But aside from that, SJWD has utterly failed to comply with CEQA’s procedural and substantive mandates with respect to the Project.

CHWD retained Rincon Consultants, Inc. to analyze CEQA issues related to the proposed Project. Rincon is a highly respected environmental consulting firm that routinely prepares CEQA documents for public agency clients. Rincon’s analysis, conclusions and recommendations are documented in its Technical Memorandum (“Tech. Memo.”), which is attached as Exhibit A to this letter.

As explained below, and as documented in Rincon’s memorandum, SJWD’s proposed exemption finding violates CEQA because: (1) SJWD continues to illegally segment the yearly transfers and refuses to review the whole of the action, which includes past, present and reasonably foreseeable future transfers; (2) there is no substantial evidence to support a finding that either the existing facilities exemption or common sense exemption applies; (3) the

cumulative impacts exception precludes use of the existing facilities exemption; and (4) SJWD must consider and analyze potentially significant impacts of the transfers, including cumulative impacts on groundwater quality, groundwater-dependent ecosystems, aquatic biological resources and their habitat.

Because SJWD failed to comply with CEQA's requirements with respect to the Project, CHWD objects to the Project and requests that the SJWD Board of Directors reject the Project. CHWD also requests that SJWD conduct legally-compliant CEQA review that considers the successive past, present and future transfers as a single project in an environmental impact report ("EIR") that fully addresses the direct, reasonably foreseeable indirect and cumulative impacts of SJWD's transfer program.

1. Request to preserve documents and include CHWD's comment letter in the CEQA record

CHWD requests that SJWD include this comment letter in the CEQA record. In addition, CHWD requests that SJWD preserve all records and documents, including emails, related to the Project, and SJWD's prior and future water transfers to SSWD.

2. Request to pull Agenda Item V.3 from the consent calendar

CHWD requests that Item V.3 be pulled from the consent calendar and heard as a Discussion and Action Item under section VII of the Agenda.

3. CEQA Framework

CEQA must be interpreted "to afford the fullest possible protection to the environment within the reasonable scope of the statutory language." (*Friends of Mammoth v. Bd. of Supervisors* (1972) 8 Cal.3d 247, 259; see also, *Union of Med. Marijuana Patients, Inc. v. City of San Diego* (2019) 7 Cal.5th 1171, 1184.) To that end, CEQA has two purposes: avoiding and reducing environmental damage and informing decision-makers and the public about the potential significant environmental effects of proposed projects. (Pub. Resources Code § 21002; CEQA Guidelines, § 15002.) An environmental impact report achieves both purposes, and CEQA sets a low threshold for requiring an EIR. Specifically, an agency must prepare an EIR when, as here, "it can fairly be argued on the basis of substantial evidence that the project may have a significant environmental impact." (*No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal.3d 68, 75.)

4. SJWD is illegally piecemealing environmental review of the successive transfers

CEQA defines "project" as "the whole of an action" that may result in either a direct or reasonably foreseeable indirect physical change in the environment. (CEQA Guidelines § 15378.) A complete project description is necessary to ensure that the environmental impacts of the entire project are considered. (*City of Santee v. County of San Diego* (1989) 214 Cal.App.3d

1438, 1454.) A lead agency may not “piecemeal” environmental review by splitting a large project into smaller ones, as that minimizes and understates impacts of the entire project. (*East Sacramento Partnership for a Livable City v. City of Sacramento* (2016) 5 Cal.5th 281, 293.)

Here, the “whole of the action” includes the past, present and reasonably foreseeable transfers of pre-1914 water under SJWD’s self-described “conjunctive use program.” The staff report attempts to defend its decision to define the project as a single transfer. But its conclusory assertion that no future transfer is reasonably foreseeable is undercut by the past transfer history and by the discussion of the significant economic benefits that flow to SJWD from these transfers, which provides ample motivation for SJWD to continue the transfers in future surplus conditions. There is no substantial evidence supporting SJWD’s definition of the Project as a single transfer.

In defining the project as a single transfer for fiscal year 2026/2027, SJWD has impermissibly limited the scope of environmental review by artificially narrowing the project description and ignoring that the proposed transfer is part of a “conjunctive use program” under which SJWD has and will continue to transfer pre-1914 water. SJWD’s failure to properly define the whole of the action minimizes the impacts of these successive transfers, precludes analysis of cumulative impacts, and prevents informed public participation and decision-making.

As Rincon’s technical memorandum explains, “evaluation of each transfer independently instead of as a single ‘project’ under CEQA—particularly when documented as a CEQA exemption—would limit the ability to assess the broader environmental implications of the overall transfer program.” (Tech. Memo., p. 3.) Because recurring transfers are reasonably foreseeable, SJWD’s practice of “evaluating each transfer as an isolated project limits the ability to assess and disclose the environmental implications of the overall transfer program.” (*Id.*, p. 5.) This violates CEQA’s foundational disclosure requirements.

5. There is no substantial evidence to support an exemption determination

SJWD’s staff report claims that the Project is exempt under the existing facilities categorical exemption and the common sense exemption. This claim fails at the outset because SJWD has failed to properly describe the whole of the action, and thus necessarily cannot determine that the properly defined project is exempt. The claim also fails because SJWD has not met its burden to prove either exemption applies.

With respect to the existing facilities exemption, SJWD must provide substantial evidence showing that the Project fits within the scope of the exemption. (*Muzzy Ranch Co. v. Solano County Airport Land Use Com.* (2007) 41 Cal.4th 372, 386.) SJWD’s staff report offers only conclusory assertions regarding the existing facilities exemption and does not provide any facts showing that there will be no expansion of the treatment plant or CTP. (See, Tech. Memo., p. 4.)

As for the common sense exemption, it applies only where it “can be seen with certainty” that the activity has “no possibility” for causing a significant effect on the environment. (CEQA

Guidelines, § 15061(b)(3).) SJWD must prove there is no possibility that the Project could harm the environment (*Muzzy Ranch, supra*, 41 Cal.4th at p. 386), based on actually “consider[ing] possible environmental impacts.” (*Davidon Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 117.) The staff report contains no such analysis and instead refers to SJWD’s 2024 Negative Declaration that analyzed a different transfer. As Rincon explains though, the 2024 Negative Declaration “lacks sufficient information to conclude that the proposed transfer would not have a potential significant environmental impact.” (Tech. Memo., p. 1.) Further, to the extent San Juan is relying on that Negative Declaration, it has failed to comply with the requirements of Public Resources Code section 21166 and CEQA Guidelines sections 15162 et seq.

Rincon identifies a multitude of environmental topics that the Negative Declaration fails to consider or analyze, including:

- Operational actions that “may influence hydrologic conditions or groundwater management practices” (Tech. Memo., p. 4);
- Cumulative effects to “groundwater quality and groundwater-dependent ecosystems, aquatic biological resources, wildlife, or habitat connectivity” (*Id.*);
- Potential environmental impacts “associated with conveyance through the CTP, including the energy required for pumping and potential indirect effects associated with the end use of the transferred water,” such as “changes in growth patterns, agricultural water use, land use, or water quality” (*Id.*, p. 5);
- Cumulative effects from “repeated reliance on surface water exports, combined with reverse-direction pumping and groundwater substitution, [which] may incrementally influence groundwater gradients, flow paths, and water quality conditions within the regional aquifer system if those recurring transfers result in measurable changes in how groundwater supplies are extracted, conveyed, or recharged over multiple years” (*Id.*, p. 6);
- Cumulative indirect effects on biological resources that depend on groundwater (*Id.*, p. 7);
- Cumulative impacts from “incremental changes in groundwater elevation or quality associated with repeated transfers and associated pumping patterns [which] could stress groundwater-dependent vegetation by reducing water availability or altering soil moisture conditions, where such vegetation is hydraulically connected to the affected aquifer system” (*Id.*);
- Whether “recurring water transfers may require changes in the timing, magnitude, or duration of releases from Folsom Reservoir to meet downstream delivery obligations” (*Id.*);

- Whether “repeated actions could cumulatively contribute to temperature stress or habitat degradation for sensitive fish species” (*Id.*); and
- Whether “recurring transfers could incrementally contribute to changes in riparian, wetland, or aquatic habitat conditions that wildlife species use for shelter, nesting, dispersal, or movement” (*Id.*, p. 8.).

Given the dearth of information in the Staff Report and 2024 Negative Declaration, SJWD has not met its evidentiary burden with respect to either the existing facilities or common sense exemptions.

6. The cumulative impact exception precludes use of the existing facilities exemption

The existing facilities exemption is also inapplicable when, as here, there are successive projects of the same type in the same place, over time, and a fair argument exists that the cumulative impact of these projects may be significant. (CEQA Guidelines § 15300.2, subd. (b).) As discussed in section 5 above, Rincon’s technical memorandum identified myriad potentially significant cumulative impacts that would result from SJWD’s past, present and future water transfers. (See also, Tech. Memo, pp. 5-8.)

7. SJWD must prepare a cumulative impacts analysis of the water transfer program

CEQA requires consideration of cumulative impacts when a project’s incremental effects, when combined with past, present, and reasonably foreseeable future actions, may be cumulatively considerable. (CEQA Guidelines § 15355.) Cumulative impacts are particularly relevant where an agency undertakes recurring or ongoing operational actions that, individually, may appear minor but collectively may result in measurable changes to environmental conditions over time. (Tech Memo., pp. 5-6.) In light of the past, present and reasonably foreseeable future transfers, CEQA requires SJWD to “explain why those transfers, viewed collectively, would not alter reservoir release patterns, downstream flow, water quality, or temperature conditions, groundwater pumping patterns, or groundwater-dependent biological resources beyond” existing conditions. (*Id.*, p. 6.)

Rincon concluded that SJWD’s “project-by-project environmental review approach does not capture the cumulative operational effects” of the recurring transfers. (*Id.* at p. 9.) Rincon thus recommended a programmatic cumulative impacts analysis that would allow SJWD to:

- “Evaluate long-term trends in groundwater quality and groundwater levels, and availability relative to the applicable baseline”;
- “Assess repeated changes in surface water release patterns associated with recurring water transfers”;
- “Consider indirect effects on groundwater-dependent vegetation and aquatic habitat”; and
- “Determine whether incremental impacts, when viewed collectively, could result in significant effects on sensitive biological resources.” (*Id.*)

(Tech. Memo., p. 8.) Such an analysis is necessary to satisfy CEQA's mandates to protect the environment and to ensure informed public participation and decision-making.

8. SJWD must prepare an EIR to analyze its repeated water transfers as a single project

CHWD has shown that there is substantial evidence supporting a fair argument that the repeated water transfers may have a significant environmental impact, including potentially significant cumulative impacts from repeated yearly transfers. CEQA thus requires SJWD to prepare an EIR to analyze the potentially significant impacts of these transfers when considered as a single project.

Conclusion

SJWD has conducted no CEQA analysis whatsoever for either the Project, or for the repeated water transfers, which CEQA requires to be defined as a single project. Instead, SJWD relies on bare assertions in its Staff Report and a conclusory 2024 Negative Declaration that lacks any substantive analysis or facts to support its conclusions. This is both insufficient to meet CEQA's requirements and inadequate to support a determination that the Project is exempt.

CHWD urges SJWD to fulfill its obligations under CEQA and prepare an EIR that adequately and fully discloses the direct, indirect, reasonably foreseeable indirect and cumulative impacts of its repeated yearly water transfers.

Sincerely,



Amy E. Hoyt
of BEST BEST & KRIEGER LLP

AEH:mmc

Exhibit A - Technical Memorandum from Rincon Consultants, Inc. dated March 16, 2026

cc: Teri Grant, Clerk of the Board/Executive Assistant, San Juan Water District
San Juan Water District Board of Directors
Ryan Jones, General Counsel
Greg Zlotnik, Director of Water Resources & Strategic Affairs

Exhibit A

Technical Memorandum from Rincon Consultants, Inc., dated March 16, 2026

March 16, 2026

Project No: 26-18942

Hilary Straus, General Manager
Citrus Heights Water District
6230 Sylvan Rd.
Citrus Heights, CA 95610
Via email: hstraus@chwd.org

Subject: CEQA and Other Considerations for San Juan Water District Pre-1914 Water Transfers, Sacramento, California

Dear Mr. Straus:

The purpose of this technical memorandum is to summarize the background, regional water supply portfolio, operational structure, and environmental considerations associated with San Juan Water District (SJWD) water transfers involving senior pre-1914 water rights. This memorandum evaluates potential considerations under the California Environmental Quality Act (CEQA) related to the current practice of recurring annual water transfers. Review of available information suggests that (1) the current environmental review approach presents potential segmentation given the prior and likely future recurrent water transfers; (2) the CEQA record should evaluate all resource topics necessary to show the proposed Categorical Exemption applies; (3) the 2024 Negative Declaration lacks sufficient information to conclude that the proposed transfer would not have a potential significant environmental impact; (4) the impact of past, present and reasonably foreseeable future transfers may be cumulatively significant; and (5) program-level review would provide a more comprehensive evaluation and disclosure of cumulative and operational considerations.

Background

Citrus Heights Water District (CHWD) was formed in 1920 as an irrigation district to convey surface water from the North Fork of the American River to local farmers. In 1954, CHWD coordinated with neighboring agencies to help establish SJWD, which acquired the North Fork water rights and contracted with U.S. Bureau of Reclamation (USBR) for water from Folsom Reservoir. CHWD has historically relied on these surface water supplies delivered through SJWD. SJWD functions primarily as a wholesale supplier of treated surface water to several retail water providers within eastern Sacramento and southern Placer counties, including CHWD, Fair Oaks Water District, Orange Vale Water Company, and the City of Folsom's Ashland area. SJWD also provides water service to retail customers in Granite Bay, in the southwest portion of Placer County.

CHWD's relationship with SJWD has evolved through several agreements over time. CHWD did not operate under a formal Water Supply Agreement (WSA) with SJWD between 1954 and 1974. From 1974 to 2004, the agencies operated under a WSA governing water deliveries and allocation of supply. The current WSA covers the period from 2004 through 2045 and was amended in 2008. Under this agreement, CHWD maintains its historic priority access to SJWD's senior water rights supplies.

SJWD Water Portfolio

SJWD's water portfolio consists of several sources that collectively provide water for its wholesale and retail service areas. These supplies include senior pre-1914 water rights acquired with the North Fork Ditch Company, water rights established in 1928, Central Valley Project (CVP) supplies obtained beginning in the 1960s, and take-or-pay water supplies from the Placer County Water Agency.



Place of Use Restrictions

Some water deliveries through the SJWD system, including CVP water, are subject to place-of-use limitations. Under these restrictions, water supplies are typically limited to delivery within the SJWD wholesale service area. An exception to such restrictions may exist for pre-1914 water rights supplies. These place-of-use limitations have become increasingly relevant as SJWD has sought to utilize surplus water supplies through transfers of pre-1914 water to agencies outside the SJWD service area, including its historical wholesale customer service agency's areas.

Current Water Transfer Program

SJWD has developed a water transfer initiative, commonly referred to as the Conjunctive Supply Program, that transfers surface water supplies under short-term or temporary agreements with agencies outside of its wholesale service area. Under the current agreement, SJWD would transfer approximately 6,000 AFY of pre-1914 water during Water Years 2026 and 2027 to the Sacramento Suburban Water District (SSWD). The Negative Declaration prepared for the 2024 Conserved Water Transfer of Pre-1914 Water Rights to SSWD states that the transferred surface water would be used by SSWD to help meet urban water demands within its service area.¹

Under the proposed operational framework, water diverted from the American River system and conveyed through Folsom Reservoir is treated at the SJWD Peterson Water Treatment Plant for treatment before being delivered through the Cooperative Transmission Pipeline (CTP), which runs through portions of the CHWD service area. The CTP system includes reverse-direction pumping capability, allowing groundwater supplies from the North Area Groundwater Basin to move back toward the SJWD system if necessary.

CEQA Considerations

Under CEQA Guidelines §15378, a "project" is defined as an activity undertaken, supported, or approved by a public agency that may cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

Although water transfers are often structured as contractual agreements between agencies, implementation of SJWD's proposed transfer requires operational actions that may result in physical environmental changes. These actions may include diversions from the American River that are conveyed through the Folsom Reservoir, treatment at the SJWD Water Treatment Plant, and conveyance through the CTP system to SSWD's customers. SSWD will reduce its pumping of an equivalent amount of groundwater from the North American Subbasin as the amount of surface water it receives through the conserved water transfer. These activities could influence hydrologic conditions, groundwater pumping patterns, or aquatic habitat conditions, induce regional population growth and alter agricultural and land uses.

CEQA requires agencies to consider both direct and reasonably foreseeable indirect environmental effects when determining whether an activity constitutes a project (CEQA Guidelines §15064(d)). SJWD should document and evaluate the potential direct or indirect physical environmental effects associated with implementing the water transfers.

¹ [Final+Neg+Dec+SJWD+2024+Transfer+to+SSWD+6.4.24.pdf](#)



I. Segmentation and Piecemealing

Another key consideration relates to whether the current water transfer is appropriately evaluated as an individual action or whether it represents a part of a broader operational program involving regular and recurring water transfers.

CEQA prohibits agencies from segmenting or “piecemealing” projects to avoid comprehensive environmental review. CEQA Guidelines §15378(c) specifies that a project includes the “whole of an action” that may cause a physical environmental change. When a series of related actions are reasonably foreseeable and form part of a larger program, the environmental effects of those actions should be evaluated collectively. Impermissible piecemeal review occurs when a large project is chopped into many little ones—each with a minimal potential impact on the environment or requiring only a ministerial permit—which cumulatively may have significant consequences (*Planning & Conservation League v. Castaic Lake Water Agency* [2009] 180 Cal.App.4th 210, 235).

SJWD has implemented multiple water transfers of senior pre-1914 water in recent years and has indicated that additional transfers may occur when surplus supplies are available. However, SJWD should evaluate how these recurring transfers, as components of a broader operational program, would affect the environment.

If annual transfers to SSWD are reasonably anticipated to continue in future years as part of SJWD’s Conjunctive Supply Program, evaluation of each transfer independently instead of as a single “project” under CEQA—particularly when documented as a CEQA exemption—would limit the ability to assess the broader environmental implications of the overall transfer program.

II. Program-Level Environmental Review

CEQA provides a mechanism for evaluating a series of related actions through program-level environmental review. CEQA Guidelines §15168 describes the use of Program Environmental Impact Reports (Program EIRs) for evaluating the environmental impacts of a series of actions that may be implemented over time as part of a larger program or policy.

Program-level environmental review is commonly used where agencies anticipate implementing recurring activities with similar operational characteristics. A programmatic analysis allows agencies to evaluate broader operational impacts and cumulative environmental effects associated with an ongoing program.

SJWD should evaluate whether recurring transfers of senior water rights may warrant program-level environmental review under CEQA Guidelines §15168. Program-level evaluation of the recurring water transfers allows for transparency in evaluation and mitigation of potential environmental impacts.

III. Reasonably Foreseeable Future Actions

CEQA requires agencies to consider cumulative impacts (see **Cumulative Impacts** below) associated with reasonably foreseeable future actions. CEQA Guidelines §15130 requires analysis of cumulative impacts when the incremental effects of a project are cumulatively considerable when viewed together with past projects, current projects, and reasonably foreseeable probable future projects.

CEQA Guidelines §15145 recognizes that some uncertainty may exist when evaluating future conditions. However, when future actions are reasonably foreseeable, those actions should be considered in the environmental analysis to the extent sufficient information exists to support meaningful evaluation.

In this case, SJWD has indicated that additional water transfers may occur when surplus supplies are available. Given the region’s current surplus water supply conditions and SJWD’s ability to convey water through its treatment and transmission infrastructure, additional transfers are reasonably foreseeable. SJWD should evaluate the recurring transfers as reasonably foreseeable future actions when evaluating



the environmental implications of the transfer program. Additional documentation is warranted to evaluate potential cumulative operational effects associated with recurring transfers.

IV. Potential Environmental Effects

Although the environmental effects associated with an individual transfer may appear limited, recurring transfers could influence environmental conditions through several operational pathways. For example, if transfers require releases from Folsom Reservoir that influence reservoir operations managed by USBR. Changes in release timing or volume could affect downstream river conditions, including flow regimes, water temperature, and aquatic habitat conditions.

Similarly, transfers conveyed through the CTP system may interact with regional groundwater management practices. The system includes reverse-direction pumping capabilities that allow groundwater supplies from SSWD to move toward the SJWD system. This operational configuration may influence groundwater volume and quality conditions within the regional aquifer system.

SJWD should evaluate these potential environmental pathways in support of its CEQA determination. Additional analysis is warranted to evaluate and disclose how the proposed transfer could result in reasonably foreseeable indirect environmental effects.

V. Categorical Exemptions and Potential Exceptions

SJWD has indicated that the proposed transfer may rely on the Class 1 Existing Facilities exemption (CEQA Guidelines §15301) and the Common Sense exemption (CEQA Guidelines §15061(b)(3)).

For an agency to rely on a categorical exemption under CEQA, the agency must make a finding that there is substantial evidence that the activity is within the exempt category of projects. That evidence can be found in any documents or information submitted in connection with the project, including any hearings which the agency chooses to hold (*North Coast Rivers Alliance v. Westlands Water Dist.* (2014) 227 Cal.App.4th 832, 850–851).

The Class 1 exemption applies to the operation or minor alteration of existing facilities involving negligible or no expansion of existing use. Although the proposed transfer relies on existing infrastructure, including the SJWD Water Treatment Plant and the CTP, SJWD has not adequately evaluated whether recurring water transfers could represent an expansion of historical operational use of these facilities.

The Common Sense exemption applies where it can be seen with certainty that there is no possibility that an activity may have a significant environmental effect. Implementation of the transfer involves operational actions such as potential reservoir releases and conveyance through existing infrastructure that may influence hydrologic conditions or groundwater management practices. Therefore, SJWD has not clearly demonstrated that there is no possibility the transfer would have no potential environmental effects

CEQA Guidelines §15300.2(b) identifies exceptions that limit the applicability of categorical exemptions. The cumulative impact exception provides that a categorical exemption cannot be used when successive projects of the same type in the same location may result in a significant cumulative environmental effect. If recurring water transfers occur regularly and result in incremental changes to reservoir operations, river systems, or groundwater management practices, the cumulative effects of those transfers may warrant further evaluation. As discussed further below, while a negative declaration includes an analysis of cumulative impacts, the 2024 Negative Declaration fails to provide substantial evidence that there is no possibility of a significant cumulative effect to groundwater quality and groundwater-dependent ecosystems, aquatic biological resources, wildlife, or habitat connectivity.



VI. Limitations of Previous Negative Declaration

In 2022 and 2024, SJWD previously relied on Negative Declarations to evaluate proposed transfers during those years of senior pre-1914 water. Under CEQA Guidelines §15070, a Negative Declaration may only be adopted when the lead agency determines that there is no substantial evidence that a project may have a significant effect on the environment. If substantial evidence supports a fair argument that a project may result in a potentially significant environmental impact, preparation of an EIR is required. Because the fair-argument standard establishes a relatively low threshold for requiring environmental review, Negative Declarations are generally appropriate only for projects where environmental effects are clearly minimal and not subject to reasonable disagreement.

Several considerations may warrant further evaluation when determining whether a Negative Declaration provides an appropriate level of environmental review for SJWD's water transfers. One key consideration is that the recurring transfers of senior pre-1914 water represent components of a broader operational program. CEQA requires agencies to evaluate the "whole of the action" when determining the scope of environmental review (CEQA Guidelines §15378(c)). SJWD has conducted multiple transfers in prior years and is likely to continue to implement transfers when surplus supplies are available. Given that recurring transfers are reasonably foreseeable, evaluating each transfer as an isolated project limits the ability to assess and disclose the environmental implications of the overall transfer program.

Potential environmental pathways associated with implementing the transfers also warrant consideration. Although transfers are structured as contractual arrangements, implementation may require operational actions such as potential releases from Folsom Reservoir, treatment at the SJWD Water Treatment Plant, and conveyance through the CTP system. These actions may influence reservoir operations, downstream hydrologic conditions, and regional groundwater management practices. CEQA requires agencies to consider both direct and reasonably foreseeable indirect environmental effects when evaluating project impacts (CEQA Guidelines §15064(d)). If implementation of the transfer could influence surface water releases or groundwater pumping patterns, these operational interactions may warrant further evaluation in support of CEQA determination. Additionally, SJWD has not provided sufficient information regarding the potential environmental impacts associated with conveyance through the CTP, including the energy required for pumping and potential indirect effects associated with the end use of the transferred water. These effects could include changes in growth patterns, agricultural water use, land use, or water quality.

Cumulative impacts are relevant when evaluating recurring water transfers. CEQA Guidelines §15130 requires agencies to consider whether a project's incremental effects are cumulatively considerable when viewed together with past, present, and reasonably foreseeable future projects. Because SJWD has implemented transfers in prior years and may continue to do so in the future, repeated transfers could result in incremental operational changes over time, including changes in regional water management practices. SJWD must evaluate whether such changes would result in significant environmental impacts.

Finally, the appropriateness of relying on a Negative Declaration may depend on whether circumstances associated with the transfers have changed since earlier environmental reviews were prepared. CEQA Guidelines §15162 requires additional environmental review when changes in project conditions or new information reveal the potential for environmental effects not previously analyzed. Changes in regional water supply conditions, groundwater management strategies, or reservoir operations could therefore warrant additional analysis to support CEQA determination.

Cumulative Impacts

CEQA requires consideration of cumulative impacts when a project's incremental effects, when combined with past, present, and reasonably foreseeable future actions, may be cumulatively considerable (CEQA Guidelines §15355). Cumulative impacts are particularly relevant where an agency undertakes recurring or ongoing operational actions that, individually, may appear minor but collectively may result in measurable



changes to environmental conditions over time. This requirement can limit reliance on categorical exemptions for recurring actions such as annual water transfers because exemptions cannot apply when successive projects of the same type in the same place may result in significant cumulative impacts (CEQA Guidelines § 15300.2(b)).

Courts have enforced this principle where agencies attempt to approve projects individually despite broader cumulative impacts. For example, in *Kings Cnty. Farm Bureau v. City of Hanford*, 221 Cal. App. 3d 692, 721 (Ct. App. 1990), the court held that a negative declaration was improper where evidence showed that the project, when considered alongside the other foreseeable projects, could contribute to significant cumulative air quality impacts. In *Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359, 1381, a city failed to consider cumulative impacts to certain wildlife species when it adopted a mitigated negative declaration concluding a project would not result in cumulative impacts. The initial study provided no evidence for this conclusion with respect to wildlife populations. Evidence elsewhere in the record supported an argument that the project would have significant adverse effects on the Stephen's kangaroo rat. *Id.* At 1411-1413. The Court noted that "cumulative impacts of a project will not usually be apparent without study" and held that "the lack of evidence in the record to support a conclusion that the Project would have no cumulative effects thus tends to support a fair argument that, at least as to wildlife, the Project will have such effects." *Id.* at 1382.

In the case of SJWD's recurring transfers of pre-1914 senior water, the proposed action does not occur in isolation. If annual or otherwise recurring transfers are expected to continue when surplus supplies are available, the CEQA record should explain why those transfers, viewed collectively, would not alter reservoir release patterns, downstream flow, water quality, or temperature conditions, groundwater pumping patterns, or groundwater-dependent biological resources beyond the conditions already analyzed. As such, evaluation of cumulative impacts to biological resources is warranted to ensure that incremental operational changes do not collectively result in adverse environmental effects.

To the extent SJWD determines that water transfers are exempt from CEQA review under either a Class 1 Exemption or the Common Sense Exemption, it must provide substantial evidence demonstrating that it meets a Categorical Exemption and has considered whether any exceptions to the use of a categorical exemption apply, including whether the transfer(s) could contribute to cumulative environmental impacts that are significant. Reliance on the Common Sense Exemption requires a reasoned analysis demonstrating that it can be seen with certainty that there is no possibility the proposed transfer would have a significant effect on the environment. The analysis must be supported by evidence in the record and may not rely on conclusory assertions. Neither the 2024 Negative Declaration nor the proposed 2026 Notice of Exemption provides substantial evidence or discussion of cumulative effects.

I. Groundwater Quality and Groundwater-Dependent Biological Resources

Potential Cumulative Effects on Groundwater Quality

Recurring surface water transfers implemented through a conjunctive use framework may alter regional groundwater pumping and recharge patterns over time, to the extent they change the timing, location, or amount of groundwater substitution, recharge, or reverse-flow operations relative to baseline conditions. Although a single transfer event may not measurably affect groundwater quality or groundwater levels, repeated reliance on surface water exports, combined with reverse-direction pumping and groundwater substitution, may incrementally influence groundwater gradients, flow paths, and water quality conditions within the regional aquifer system if those recurring transfers result in measurable changes in how groundwater supplies are extracted, conveyed, or recharged over multiple years.

Changes in groundwater quality, such as increased/decreased salinity, mobilization of naturally occurring constituents, or changes in nutrient concentrations, may have indirect effects on biological resources that



depend on groundwater. These effects may be difficult to detect through project-by-project review, but may become apparent when evaluated cumulatively over multiple years of recurring transfers.

Accordingly, the CEQA record should explain whether recurring transfers would change net groundwater extraction, recharge, groundwater levels, or groundwater quality relative to the applicable operational baseline, and, if not, why not.

Implications for Groundwater-Dependent Ecosystems

Groundwater-dependent vegetation, including riparian woodlands, wetlands, and other groundwater-dependent plant communities, relies on the availability and quality of shallow groundwater. Incremental changes in groundwater elevation or quality associated with repeated transfers and associated pumping patterns could stress groundwater-dependent vegetation by reducing water availability or altering soil moisture conditions, where such vegetation is hydraulically connected to the affected aquifer system.

Such stressors may not result in immediate vegetation loss but could manifest over time as reduced vigor, altered species composition, or increased susceptibility to invasive species. These gradual changes are inherently cumulative in nature and underscore the need to consider long-term groundwater management effects when evaluating biological impacts under CEQA, including whether available hydrologic and biological information is sufficient to rule out such effects or instead warrants additional cumulative analysis.

II. Surface Water Releases and Aquatic Biological Resources

Cumulative Effects on Flow Regimes and Aquatic Habitat

Implementation of recurring water transfers may require changes in the timing, magnitude, or duration of releases from Folsom Reservoir to meet downstream delivery obligations, depending on how the transfers are operationalized and whether they require additional releases beyond those assumed under existing reservoir operations and applicable baseline conditions. While individual release events may remain within operational constraints, the cumulative effect of repeated transfers could incrementally adversely influence downstream flow regimes (e.g., release schedules, flow volumes, or seasonal operational patterns) in the American River and associated tributaries.

Alterations in flow timing and variability can affect aquatic habitat conditions, including channel morphology, spawning habitat availability, and rearing conditions for sensitive fish species. Over time, repeated operational adjustments may reduce the resilience of aquatic ecosystems, particularly during dry or critically dry years when baseline flows are already constrained. Accordingly, the CEQA record should explain whether recurring transfers would materially modify reservoir releases or downstream flow conditions from the existing operational baseline and, if not, why not.

Water Temperature and Fish Species Considerations

Reservoir release patterns can also influence downstream water temperatures, which are a critical factor for anadromous and resident fish species, including salmonids. Incremental changes in release depth, timing, or volume associated with recurring transfers may collectively affect temperature profiles during sensitive life stages such as spawning, incubation, and juvenile rearing.

Although each transfer may be operationally compliant with regulatory requirements, CEQA requires consideration of whether repeated actions could cumulatively contribute to temperature stress or habitat degradation for sensitive fish species, or whether the record demonstrates that transfer-related operations would remain within previously analyzed temperature-control and flow-management assumptions.



III. Wildlife Species and Habitat Connectivity

Indirect Effects on Wildlife Using Aquatic and Riparian Systems

Many wildlife species rely on riparian corridors, wetlands, and aquatic systems for foraging, breeding, and movement. Cumulative changes in groundwater levels, surface water availability, or vegetation structure could indirectly affect habitat quality and connectivity for sensitive wildlife species, including special-status birds, amphibians, and mammals, to the extent recurring transfers alter those conditions relative to the applicable hydrologic and habitat baseline.

These effects may not be directly attributable to any single transfer, but may emerge over time as habitat conditions gradually change. CEQA recognizes such indirect and delayed effects as part of the cumulative impact analysis, and the environmental record should therefore explain whether recurring transfers could incrementally contribute to changes in riparian, wetland, or aquatic habitat conditions that wildlife species use for shelter, nesting, dispersal, or movement.

IV. Interaction with Other Past, Present, and Foreseeable Actions

The water transfer program occurs within a broader context of regional water management activities, including conservation programs, groundwater management actions under the Sustainable Groundwater Management Act, reservoir operations by USBR, and other interagency water transfers. In addition, SSWD is implementing projects intended to increase the use of surface water supplies within its service area, including the SSWD Harvest Water Project, which is intended to expand recycled water use for agricultural irrigation and reduce reliance on groundwater pumping in portions of the region.

When combined with these actions, recurring transfers of senior pre-1914 water may contribute incrementally to changes in hydrologic and ecological conditions, particularly if the transfers affect reservoir release patterns, groundwater pumping or substitution practices, or habitat conditions in a manner that overlaps with those other actions. CEQA requires that these combined effects be evaluated to determine whether the project's contribution to cumulative impacts is cumulatively considerable, rather than assessed in isolation from the broader operational setting in which the transfers would occur.

V. Need for Programmatic or Cumulative Analysis

Given the recurring nature of the proposed transfers and the potential for long-term operational changes, cumulative impacts to biological resources may not be adequately captured through isolated, year-by-year review, particularly if similar transfer approvals are expected to continue when surplus supplies are available. A programmatic or cumulative analysis would allow SJWD to:

- Evaluate long-term trends in groundwater quality and groundwater levels, and availability relative to the applicable baseline;
- Assess repeated changes in surface water release patterns associated with recurring water transfers;
- Consider indirect effects on groundwater-dependent vegetation and aquatic habitat; and
- Determine whether incremental impacts, when viewed collectively, could result in significant effects on sensitive biological resources.

Such an analysis would support informed decision-making and ensure compliance with CEQA's requirement to consider cumulative and reasonably foreseeable environmental impacts. At a minimum, the CEQA record should explain why project-level review of single-year transfers is sufficient if SJWD expects similar transfers to recur as part of an ongoing operational practice.



Appropriate CEQA Review Framework

Based on the information currently available, preparation of a Program EIR or a robust legally compliant Negative Declaration/Mitigated Negative Declaration that sufficiently addresses cumulative impacts pursuant to CEQA Guidelines §15168 may be warranted if SJWD expects to continue approving similar transfers as part of an ongoing operational practice. The current project-by-project environmental review approach does not capture the cumulative operational effects of those recurring activities. A Program EIR is intended for situations where a series of related actions are reasonably expected to occur over time as part of an ongoing program. SJWD has conducted multiple transfers of senior pre-1914 water in prior years and may continue to implement similar transfers when surplus supplies are available. Given the recurring nature of these transfers and their reliance on existing operational infrastructure, evaluation of the transfers collectively would allow SJWD to assess the full scope of potential environmental effects associated with the transfer program as CEQA requires. Program-level review would also provide a more comprehensive evaluation and disclosure of cumulative and operational considerations, including potential interactions with reservoir operations, downstream hydrologic conditions, and regional groundwater management practices.

Sincerely,
Rincon Consultants, Inc.

A handwritten signature in blue ink, appearing to read "R Prickett".

Rosalyn Prickett
Principal

A handwritten signature in blue ink, appearing to read "Brandt Bates".

Brandt Bates
Senior Environmental Planner