



SAN JUAN WATER DISTRICT SPECIAL BOARD MEETING AGENDA

**9935 Auburn Folsom Road
Granite Bay, CA 95746**

**October 7, 2026
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. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC HEARING

1. Prohibited Practices and Enforcement Measures Ordinance Amendment (W & R)

Action: *Consider a motion to waive the Second Reading and Adopt Ordinance No. 26-03 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance 11000*

V. DISCUSSION AND ACTION ITEMS

1. Hinkle Reservoir Embankment Restoration and Repair Project (W)

Action: *Authorize the Engineering Manager to execute a construction contract with Steve P. Rados, Inc. for the restoration of the Hinkle embankment*

2. Elimination of January 1, 2027, Retail Water Rate Increase (R)

Action: *Consider a motion to adopt Resolution 26-18 eliminating the January 1, 2027, retail rate increases*

President Costa to call for Closed Session

VI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 23WM000064, Sacramento County Superior Court
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 26WM000117, Sacramento County Superior Court
3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Section 54956.9) Bellflower-Somerset Mutual Water Company, et al. vs. State Water Resources Control Board, Case Number: 26WM000238, Sacramento County Superior Court
4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code § 54957
Title: General Manager

VII. OPEN SESSION

1. Report from Closed Session

VIII. ADJOURN

UPCOMING MEETING DATES

November 18, 2026

December 16, 2026

I declare under penalty of perjury that the foregoing agenda for the October 7, 2026, special meeting of the Board of Directors of San Juan Water District was posted by October 2, 2026, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and on the District's website at sjwd.org, and was freely accessible to the public.

Teri Grant, Clerk of the Board



The Pledge Of Allegiance



I pledge allegiance to the flag
of the United States of America
and to the republic for which it stands,
one nation under God, indivisible,
with liberty and justice for all.

STAFF REPORT

To: Board of Directors

From: Devon Barrett, Customer Service Manager

Date: October 7, 2026

Subject: Public Hearing and Adoption of Ordinance No. 26-03

RECOMMENDED ACTION

Staff recommends that the Board of Directors conduct the noticed public hearing, receive public comments, waive the second reading and adopt Ordinance No. 26-03 amending Ordinance 11000, Prohibited Practices and Enforcement Measures, to incorporate the requirements of California Water Code section 10608.14 concerning the use of potable water to irrigate nonfunctional turf.

BACKGROUND

Assembly Bill 1572 (AB 1572), codified in California Water Code section 10608.14, prohibits the use of potable water to irrigate nonfunctional turf on specified commercial, industrial, institutional, public agency, and common-interest properties. The prohibition does not apply to private residential properties, and cemeteries are excluded.

By January 1, 2027, public water systems must revise their regulations, ordinances, or policies governing water service to include the requirements of Water Code section 10608.14(a) and (b) and communicate those requirements to customers. The law establishes phased implementation dates and allows potable water use to the extent necessary to maintain trees and other perennial nonturf plantings or address an immediate health and safety need.

SEPTEMBER 23 BOARD DIRECTION

At the September 23, 2026, meeting, staff presented Ordinance No. 26-03 together with proposed Board Policy ADM-3.7. The Board expressed concern that the policy would place the District in a broader role than required by AB 1572, particularly in classifying individual turf areas and administering compliance procedures. The Board reached consensus that the District should adopt only the provisions necessary to comply with state law and voted 5-0 to waive the first reading of Ordinance No. 26-03. Staff subsequently withdrew ADM-3.7 and moved the required statutory provisions directly into Ordinance 11000.

REVISED ORDINANCE NO. 26-03

The revised ordinance inserts a new Section 11000.02, Nonfunctional Turf, containing the requirements previously proposed for ADM-3.7. It identifies the affected properties and the phased implementation dates of January 1, 2027, 2028, 2029, and 2031; includes the statutory allowances for trees, perennial nonturf plantings, and immediate

health and safety needs; incorporates the applicable state definitions; and recognizes any postponement granted by the State Water Resources Control Board.

Consistent with the Board's direction, the revised ordinance does not create District procedures for landscape classification, customer appeals, technical assistance, local penalties, or active enforcement. State law authorizes, but does not require, the District to enforce the prohibition. The existing Enforcement Measures section remains substantively unchanged and is renumbered as Section 11000.03, with the remaining sections renumbered accordingly.

PUBLIC HEARING AND ADOPTION

Notice of the October 7, 2026, public hearing was published on September 29, 2026. Following public comment, the Board may adopt Ordinance No. 26-03. If adopted, it will take effect 30 days later, and the Clerk of the Board will publish the required post-adoption notice within 15 days.

FINANCIAL CONSIDERATIONS

No new fee or appropriation is required. Routine staff and customer communication costs can be absorbed within existing departmental budgets.

ATTACHMENTS

Attached are Ordinance No. 26-03 and redline-strikeout and clean versions of amended Ordinance 11000.

ORDINANCE NO. 26-03

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE SAN JUAN WATER DISTRICT AMENDING
ORDINANCES NO. 11000**

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 Ordinance No. 11000 of the District Code of Ordinances to implement California Water Code section 10608.14, which prohibits the use of potable water to irrigate nonfunctional turf on specified properties. This ordinance is adopted pursuant to California Water Code sections 10608.14 and 1846, Government Code section 61060, and other applicable law.

Section 2. Amendments. Ordinance No. 11000 (Prohibited Practices and Enforcement Measures) is hereby amended as follows and as depicted in the redline version that is attached to this ordinance as Exhibit 1:

- A. A new Section 11000.02, Nonfunction Turf is added.
- B. Existing Section 11000.02, Enforcement Measures, is renumbered as Section 11000.03, and the introductory paragraph is amended.
- C. Existing Sections 11000.02.1, 11000.02.2, 11000.02.3, and 11000.02.4 are renumbered as Sections 11000.03.1, 11000.03.2, 11000.03.3, and 11000.03.4, respectively.
- D. Existing Section 11000.03, Non-Service Areas, and its subsections 11000.03.1 and 11000.03.2 are renumbered as Section 11000.04 and subsections 11000.04.1 and 11000.04.2, respectively.
- E. Existing Sections 11000.04, 11000.05, 11000.06, 11000.07, and 11000.08 are renumbered as Sections 11000.05, 11000.06, 11000.07, 11000.08, and 11000.09, respectively.

Section 3. Effective Date. These ordinances shall take effect 30 days after its adoption.

Section 4. Publication. Within 15 days from the date of adoption of this ordinance, the Clerk of the Board shall publish it once in a newspaper of general circulation published and circulated within the District.

INTRODUCED by the Board of Directors on the 23rd day of September 2026.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting on the 7th day of October 2026 by the following vote:

AYES:

NOES:

ABSENT:

Attest:

Ted Costa
President, Board of Directors

TERI GRANT
Clerk of the Board

Ordinance Type	District Operations	Date Adopted	June 28, 2006
Ordinance Number & Title	11000 - Prohibited Practices and Enforcement Measures	Date Amended	July 17, 2024

The District may refuse to furnish water and may discontinue water service to any premises where apparatus, appliances or equipment using water is found by the District to be dangerous, unmaintained, inaccessible, or unsafe, where the use of water on such premises is found to be detrimental or injurious to the facilities or water service furnished by the District to other Customers, where negligent or wasteful use of water exists that affects the District's water service, where a Customer violates any District ordinance, rule or regulation or breaches any agreement made with the District, or to protect the District from fraud or abuse.

No one except a District-authorized employee, agent, contractor or permittee shall at any time operate, interfere with or tamper with the District water service mains, pipes, meters, valves, connections, or any other parts or facilities of the water system.

No ground wire or electric circuit shall be attached or grounded to any District pipe, plumbing or other facilities. Any Person who makes, or permits to be made, such a connection will be liable to the District for any damage, loss or injury resulting from the connection.

11000.01 Leaks or Wasteful Use of Water

Water shall be used only for beneficial uses. All unnecessary and wasteful uses of water are prohibited. No Customer shall knowingly permit leaks or other wasteful use of water.

11000.01.1 Wasteful Use of Water Defined

Wasteful use of water shall be defined as including but not limited to, permitting water to escape onto roads or flow above or below ground to neighboring property, onto land previously irrigated and over-saturated or by flooding property to an unreasonable depth or in an unreasonable amount for any reason.

11000.01.2 Water Service Discontinued

Water service may be discontinued to Customers found to be wasting water until the conditions causing such waste have been remedied to the satisfaction of the District.

11000.02 **Nonfunctional Turf**

The use of potable water to irrigate nonfunctional turf on commercial, industrial, and institutional properties, other than cemeteries, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited beginning on the applicable date under California Water Code section 10608.14(a), as follows:

- A. January 1, 2027, for properties owned by the Department of General Services and for properties owned by local governments, local or regional public agencies, and public water systems, except properties subject to the compliance date in paragraph D below;
- B. January 1, 2028, for all other institutional properties and all commercial and industrial properties;
- C. January 1, 2029, for common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities; and
- D. January 1, 2031, or the date on which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later, for properties owned by local governments, local public agencies, and public water systems in a disadvantaged community.

The applicable dates are subject to any postponement granted by the State Water Resources Control Board under Water Code section 10608.14(c). Notwithstanding the prohibition above, potable water may be used to the extent necessary to ensure the health of trees and other perennial nonturf plantings or to address an immediate health and safety need, as provided in Water Code section 10608.14(b). Terms used in this section shall have the meanings provided in California Water Code section 10608.12, as amended from time to time, and other applicable state law.

11000.03 **Enforcement Measures**

In the event of violation of any terms of this Code of Ordinances, other than failure of a Customer to pay their bill, the General Manager may discontinue water service and disconnect the premises from the District water service system by the following procedures.

~~11000.0203.1~~ Written Notice to Customers

At least ten days before the proposed discontinuance, the District shall provide written notice to the Customer and the property owner, if other than the Customer, of the District's intent to discontinue service and the grounds upon which the action is taken. Notice shall be mailed to the address of record and hand delivered to the service address.

~~11000.0203.2~~ Customer Right of Review

Before discontinuance of service, the Customer or property owner shall have the opportunity to discuss the reason for the proposed discontinuance with the General Manager, or his or her designee, who shall be empowered to review all letters and statements, rectify any

errors, and settle controversies pertaining to the discontinuance of service (including a decision to rescind or suspend the proposed discontinuance of service).

11000.~~0203~~.3 Dates for Discontinuance of Service

No service shall be discontinued on any Saturday, Sunday, legal holiday, or any time during which the District's business offices are not open to the public, except for an emergency condition that requires the service to be terminated to avoid property damage or health or safety concerns.

11000.~~0203~~.4 Penalty for Unauthorized Service Connection

A penalty plus costs incurred may be assessed for each unauthorized service found to be connected to a private or District pipeline. See District's Schedule of Rates, Fees, Charges, and Deposits for the current unauthorized connection fee.

11000.~~0304~~ Non-Service Areas

11000.~~0304~~.1 Except as provided in Section 12000 of this Code, no Customer may use or permit use of water for any premises other than that described in the application for service or for any premises outside the boundaries of the District.

11000.~~0304~~.2 Water service shall not be supplied to more than one parcel of land through one meter or service connection. A "parcel" shall be deemed to mean land or property identified as a parcel by the County Tax Assessor.

11000.~~0405~~ Resale of Water

Customer may not resell, transfer or assign any portion of the water furnished by the District except upon prior written approval from the District in accordance with Section 13000.05.

11000.~~0506~~ Fire Hydrants or Other District Facilities

No Person may withdraw water from any fire hydrant, blow-off valve, or other connection to the facilities of the District without a permit. Such permit shall provide that all withdrawals shall be made through a meter. Additional permit requirements are set forth in Section 12000.03.2, Class E. The provisions of this paragraph shall not apply to withdrawals of water made from fire hydrants or other facilities for fire department purposes or to withdrawals made by other governmental agencies with prior District approval.

11000.~~0607~~ Unauthorized Connection

Any property found to be connected to District water mains contrary to or in violation of any of the provisions of this Code of Ordinances shall be subject to immediate disconnection without notice. If a service is so disconnected, before service is restored, an unauthorized connection fee (as set forth in the District's current Schedule of Rates, Fees, Charges, and Deposits), plus the actual cost of the appropriate

service installation and repair of any damage to District property, mains or other facilities and all other applicable capital facilities fees or other required fees, shall be paid to the District by the property owner of record.

11000.~~07~~08 Remote Meters

Remote meters shall not be permitted unless the District determines that a remote meter is necessary due to extraordinary circumstances.

11000.~~08~~09 Encroachments

Encroachments into District or public easements shall not be allowed without an executed encroachment agreement as defined in Ordinance 20000.

Revision History:

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	
7/17/24	To address situations that were not previously covered by ordinances.	Legal Affairs Committee

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errors, and settle controversies pertaining to the discontinuance of service (including a decision to rescind or suspend the proposed discontinuance of service).

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service installation and repair of any damage to District property, mains or other facilities and all other applicable capital facilities fees or other required fees, shall be paid to the District by the property owner of record.

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STAFF REPORT

To: Board of Directors
From: Mark Hargrove, Engineering Manager
Date: October 7, 2026
Subject: Hinkle Reservoir Embankment Restoration and Repair Project – Construction Contract

RECOMMENDED ACTION

Staff requests a Board motion to authorize the Engineering Manager to sign a construction contract with Steve P. Rados, Inc. (Rados) for the construction of the Hinkle Reservoir Embankment Restoration and Repair Project (Project) in the amount of **\$396,500** with a total authorized budget of **\$436,150** which includes a 10% contingency.

BACKGROUND

Over the past several years, the north and west embankments of the Hinkle Reservoir dam have experienced significant erosion resulting from heavy rainfall. The erosion has created deep rivulets along the embankment slopes. Soil eroded from these areas has been deposited in the existing rock-lined drainage swale at the toe of the west embankment, reducing the swale's drainage capacity. District staff worked with its geotechnical consultant and the California Department of Water Resources Division of Safety of Dams to develop requirements to repair the eroded areas and prevent future erosion of the embankments. In accordance with the agreed-upon requirements, District staff prepared bidding plans and specifications for the proposed work. The project includes removing existing vegetation from the north and west embankments, repairing the eroded rivulets, and installing rock armoring consisting of a layer of crushed rock to protect the embankments from future erosion. The project also includes replacing the existing rock-lined drainage swale with a concrete-lined swale to improve drainage capacity and long-term durability. The engineer's estimate for the work is \$465,000.

CURRENT STATUS

Nineteen (19) contractors attended the mandatory pre-bid conference on September 10, 2026, and six (6) bids were received on September 24, 2026. The Bid outcomes are summarized as follows:

Contractor	Bid Total Amount
Steve. P. Rados, Inc.	\$396,500.00
BWD Construction, Inc.	\$408,600.00
Doug Veerkamp General Engineering, Inc.	\$410,000.00
B and M Civil LLC	\$444,000.00
Pridex Construction Group. Inc.	\$495,000.00
Western Engineering Contractors, Inc.	\$534,168.00

Rados was determined to be the lowest responsive, responsible bidder. Rados'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 the FY 2026/27 Wholesale Budget. The total budget amount is \$600,000. The Bid Total Amount, including contingency, is within the budget for the Project.

RESOLUTION NO. 26-18

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT
REDUCING THE PREVIOUSLY APPROVED JANUARY 2027 RETAIL WATER RATE
INCREASES**

WHEREAS, on July 16, 2025, the Board adopted Resolution No. 25-10 approving the following 4-year retail water rate schedule, based on a rate study prepared by Hildebrand Consulting, Inc., dated March 27, 2025 (the "Rate Study"),

<u>Overall</u> Rate Revenue Increase:		1%	2%	2%	2%
		Proposed Implementation Dates			
	Current	July 1, 2025	Jan. 1, 2026	Jan. 1, 2027	Jan. 1, 2028
Overall Rate Revenue Increase -->		1%	2%	2%	2%
<i>Daily Base Charges</i>					
Up to 1" meter	\$2.92	\$2.94	\$3.00	\$3.06	\$3.12
1 1/2" meter	\$7.34	\$7.51	\$7.66	\$7.81	\$7.97
2" meter	\$11.61	\$11.89	\$12.13	\$12.37	\$12.62
3" meter	\$21.54	\$22.12	\$22.56	\$23.01	\$23.47
4" meter	\$35.72	\$36.73	\$37.46	\$38.21	\$38.97
6" meter	\$71.18	\$73.25	\$74.72	\$76.21	\$77.73
8" meter	\$113.73	\$117.09	\$119.43	\$121.82	\$124.26
<i>Water Usage Charge (\$/CCF)</i>					
All water usage	\$1.07	\$1.08	\$1.10	\$1.12	\$1.14
<i>Daily Private Fire Line Rates*</i>					
4" line	\$1.09	\$1.91	\$1.97	\$2.03	\$2.09
6" line	\$1.28	\$2.19	\$2.26	\$2.33	\$2.40
8" line	\$1.42	\$2.48	\$2.55	\$2.63	\$2.71
10" line	\$1.55	\$2.73	\$2.81	\$2.89	\$2.98
12" line	\$1.70	\$2.93	\$3.02	\$3.11	\$3.20

and;

WHEREAS, the Rate Study was based on a financial projection that generally relied upon the adopted Fiscal Year 2024-2025 budget, which was the most recent financial information available at the time, and;

WHEREAS, at the September 23, 2026, Board meeting staff presented an updated Rate Study based on the recommendations from Hildebrand Consulting, Inc., and;

WHEREAS, the Board directed staff to determine if the previously approved January 1, 2027, rate increases could be reduced or eliminated, resulting in staff working with Hildebrand Consulting, Inc., to update the financial projection, and;

WHEREAS, the update to the financial plan demonstrates that the January 2027 rate increases are not needed to provide water services to the affected classes, and;

WHEREAS, recital 7(2) of Resolution 25-10 states that the Board can review each subsequent year's proposed increases at least 60 days before its January 1 effective date and consider whether it is necessary to enact the increases as adopted or to adjust the increases consistent with applicable law and District financial covenants and revenue requirements. In no event shall any increase result in rates that exceed the cost of providing retail water service, including ensuring compliance with all applicable debt coverage covenants and accrual of prudent reserves, and;

WHEREAS, the Board is not legally limited to performing such review within 60 days prior to the effective date of the rate increases.

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

1. The above recitals are hereby made findings of the District Board of Directors and are incorporated herein.
2. The January 1, 2027, approved rate increases are hereby eliminated.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 7th day of October 2026, by the following vote:

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

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

ATTEST

TERI GRANT
Clerk of the Board

Updated Financial Analysis

Key Findings

Engineering completed an additional review of the Capital Improvement Program and identified savings within the CIP.

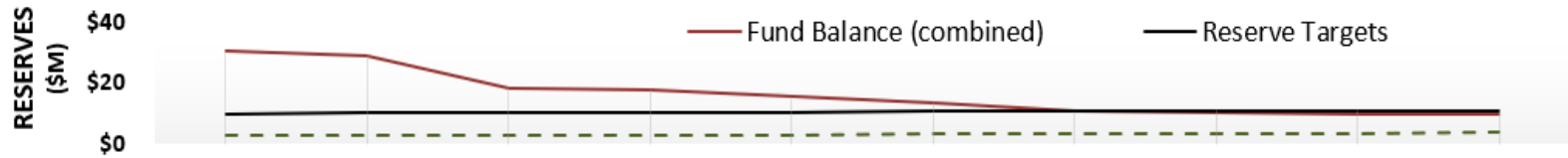
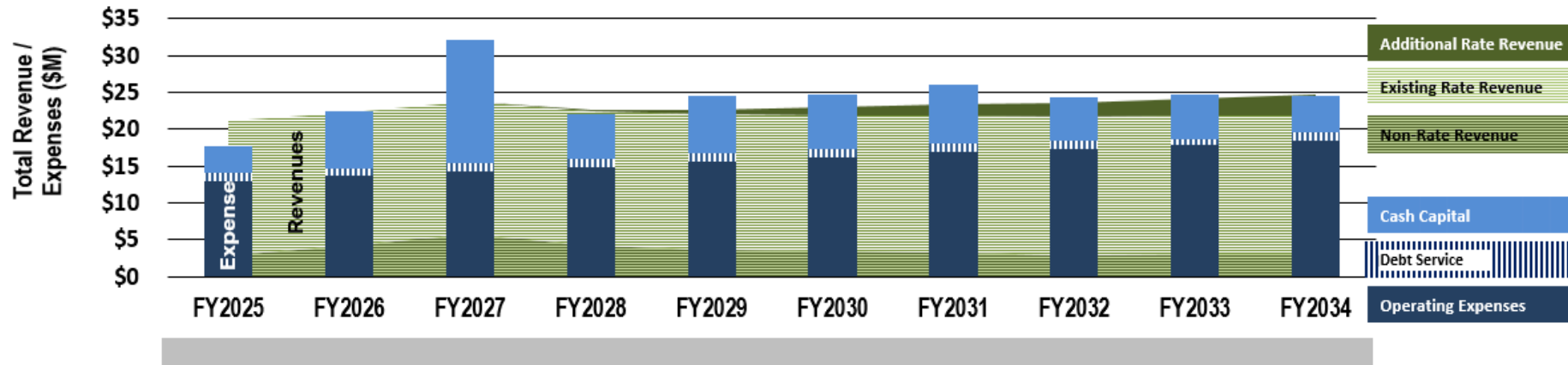
Updated consultant analysis indicates the District remains in a strong financial position.

Reserve balances remain above Board policy targets throughout the planning horizon.

January 2027 rate increase is not required to maintain reserve policy compliance.



Proposed Rate Path



	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
	<u>Applied</u>	<u>Applied</u>	<u>Recommended</u>				<u>Estimates</u>			
Rate Revenue Increase	1.0%	0.0%	0.0%	2.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Debt Coverage Ratio	5.66	10.86	10.32	9.50	8.88	7.62	6.71	6.18	6.11	6.10

District remains financially stable under this scenario.

Additional financial analysis is continuing.

Staff is comfortable recommending elimination of the January 2027 increase.

Ongoing Financial Evaluations:

- Kokila SRF financing alternatives
- Potential opportunities related to the 2017 Refunding Bonds

