

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

June 26, 2024 – 6:00 p.m.

BOARD OF DIRECTORS

Manuel Zamorano	President
Ted Costa	Vice President
Ken Miller	Director
Dan Rich	Director
Pam Tobin	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Turner	Water Treatment Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel

OTHER ATTENDEES

Attendee	
Elizabeth	
JF	
SA	
Roger Canfield	
Terry Erlewine	
Stacy Helliker	
Mike Spencer	SJWD Employee
Mark Hargrove	SJWD Employee

AGENDA ITEMS

- I. Roll Call**
- II. Public Forum and Comments**
- III. Consent Calendar**
- IV. Public Hearing**
- V. Old Business**
- VI. New Business**
- VII. Information Items**
- VIII. Directors' Reports**
- IX. Committee Meetings**
- X. Upcoming Events**
- XI. Closed Session**

- XII. Open Session**
- XIII. Adjourn**

President Zamorano called the meeting to order at 6:00 p.m.

I. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, Ken Miller, Dan Rich, Pam Tobin and Manuel Zamorano.

II. PUBLIC FORUM

There were no public comments.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, May 22, 2024 (W & R)

Recommendation: Approve draft minutes

2. Federal Advocacy Contract and MOA Amendments (W & R)

Recommendation: (1) Authorize the General Manager to sign proposed Amendment No. 8 to the District's General Services Agreement (Agreement) with The Ferguson Group (TFG) effective July 1, 2024

(2) Authorize the General Manager to sign the proposed 7th Amendment to the MOA with the City of Folsom (City) whereby the City will reimburse the District for the City's share of the costs of the proposed amended Agreement, effective July 1, 2024

(3) Authorize the General Manager to sign the proposed 3rd Amendment to the MOA with Carmichael Water District (CWD) whereby CWD will reimburse the District for CWD's share of the costs of the proposed amended Agreement, effective July 1, 2024

3. Public Outreach Contract (W & R)

Recommendation: Approve entering into a Professional Services Agreement with Proso Communications for Communications and Marketing Support and Graphic Design Services for FY 2024-25

4. Water Forum Agreement (W & R)

Recommendation: Authorize General Manager to sign an Interagency Cost-Sharing Agreement for Water Forum FY 2024-25 Expenses for Update of the Water Forum Agreement

5. Proposed Update to District Procurement Policy and Approval of Invoices/Purchase Orders in excess of \$50,000 (W & R)

Recommendation: Approve a proposed amendment to the Procurement Policy to increase the General Manager's purchasing limit, exclude certain expenses from the procurement policy, add language allowing the use of other governmental procurement contracts and approve specific invoices/purchase orders paid/issued in Fiscal Year 2023-24 in excess of the purchasing authority in the current Procurement Policy

6. Annual Paving Services Agreement Amendment with Sierra National Asphalt (R)

Recommendation: To authorize and approve Amendment #1 to the Annual Paving Services agreement with Sierra National Asphalt for FY 2024-25

7. Residential Meter Replacement Plan – Meter Purchase FY 2024-25 (R)

Recommendation: Authorize the purchase of residential meters from Badger Meter, Inc.

8. Residential Meter Replacement Plan – Endpoint Purchase FY 2024-25 (R)

Recommendation: Authorize the purchase of residential meter endpoints from Aqua Metric Sales Company

9. Air Release Valve Replacement Program (R)

Recommendation: For authorization and approval of Amendment No. 2 for professional engineering services to Bennett Engineering Services, Inc.

10. WTP Filter Backwash Hood Facilities Rehabilitation Project – Electrical Equipment Pre-purchase (W)

Recommendation: For authorization and approval for purchase of electrical equipment from Primex Controls Inc.

11. Lime Silo Recoating Project (W)

Recommendation: For authorization and approval of award of construction contract to River City Painting, Inc.

12. "On-Call" Installation Services, FY 2024-2025 (W & R)

Recommendation: For authorization and approval of award of contract to lowest responsible and responsive bidder

13. Solar Field Monitoring and Maintenance Contract (W & R)

Recommendation: Authorize Director of Operations to enter into a contract with Northstar Energy Management, LLC (Novasource Power Service) for solar field maintenance and monitoring services (5-year Contract)

In response to President Zamorano's question, GM Helliker explained what the Water Forum is, what the agreement is for and the District's history with the group.

Vice President Costa moved to approve the Consent Calendar. President Zamorano seconded the motion and it carried unanimously.

IV. PUBLIC HEARING

1. FY 2024-25 Wholesale and Retail Budget (W & R)

President Zamorano opened the Public Hearing at 6:09 p.m.

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

Ms. Silva reviewed the staff report which was provided in the Board packet. She provided a recap of the budget process, indicating that the assumptions that were discussed at the April Board meeting were used to develop the draft FY 2024-25 Wholesale and Retail budget, which was reviewed in detail at the May Board meeting.

Ms. Silva informed the Board that there were two changes to the budget since the last Board meeting. She reviewed the changes to two project descriptions in the Wholesale Capital budget, which are detailed in her written staff report. She informed the Board that these changes resulted in no monetary changes to the budget.

President Zamorano opened the floor for public comment and there were no public comments made.

President Zamorano closed the Public Hearing at 6:08 p.m.

Director Tobin moved to adopt Resolution No. 24-05 adopting the FY 2024-2025 Budget. Vice President Costa seconded the motion and it carried unanimously.

2. FY 2024-25 Liens for Delinquent Charges (R)

President Zamorano opened the Public Hearing at 6:09 p.m.

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

Mr. Barrett reviewed the staff report which was included in the Board packet. He explained that staff will continue to work to resolve as many delinquencies as possible but is seeking the approval of Resolutions 24-06 and 24-07 to ensure the collection of outstanding revenue.

President Zamorano opened the floor for public comment and there were no public comments made.

President Zamorano closed the Public Hearing at 6:12 p.m.

In response to President Zamorano's question, Mr. Barrett informed the Board that there is a 1% fee charged by Placer County and the District assesses a \$27 late fee to the accounts. Both Vice President Costa and President Zamorano voiced concern about turning a customer's water service off. Ms. Silva explained that this action is to collect payment via the county tax rolls in order to implement the policy that was previously approved by the Board, and she noted that the District no longer shuts off customer water service since this policy was put in place.

Director Tobin moved to adopt Resolution No. 24-06 and Resolution No. 24-07 approving and confirming the Report of Delinquent Water Charges and requesting Sacramento County and Placer County place such charges on the respective tax roll. Vice President Costa seconded the motion and it carried unanimously.

V. OLD BUSINESS

1. Reduction in Take or Pay with Placer County Water Agency (W & R)

GM Helliker provided a staff report which was included in the Board packet. He explained that the District's Urban Water Management Plan projects that the District's future demand is approximately 32,000 acre-feet of water, which is below the 43,000 acre-feet of water supply that the District has as a minimum. In addition, there would be a savings of \$62,500 – \$75,000 annually with the reduction in the take or pay contract.

Director Rich moved to notify PCWA of San Juan's reduction in its take-or-pay obligation by 2,500 AF to 10,000 AF, effective January 1, 2025, consistent with the terms of the entitlement contract. Director Miller seconded the motion and it carried with 4 Aye votes and 1 No vote (Director Tobin).

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

GM Helliker reported that he is waiting to hear back from Sacramento Suburban Water District (SSWD) regarding the financial arrangements on the three alternatives. He explained that once the financial information is received, Mr. Zlotnick and he will have further discussions with SSWD. In addition, he reported that Orange Vale Water Company is still in the process of getting their project completed of adding the treatment system to their well.

GM Helliker reported that the water bank program committee meeting earlier this month was centered on previously banked water. He stated that the Sacramento Groundwater Authority's water accounting showed that there has been over 400,000 acre-feet of water banked since 2010 and most of that by SSWD. However, there was a proposal at the last meeting to start with a zero balance for banked water, which SSWD and San Juan disagree with and SSWD estimates that there should be

at least 200,000 acre-feet of banked water accounted for. This topic will be discussed at the July meeting.

In response to Vice President Costa's question, GM Helliker informed the Board that the 2x2 Ad Hoc Committee meetings with Fair Oaks Water District have been put on hold, as Chris Petersen (FOWD Board Member) mentioned at a previous San Juan Board meeting.

3. 2024 Hydrology and Operations Update (W & R)

GM Helliker reviewed data which included the current reservoir storage levels across the state, data on releases, temperature and precipitation outlooks, and storage levels and projections at Folsom Reservoir.

GM Helliker reviewed DWR/Reclamation's 90% and 50% exceedance forecasts regarding storage and releases. He informed the Board that there seems to be a discrepancy in the numbers which will be discussed with Reclamation. In addition, he reported that, even though this is a normal year for water, it is projected that Reclamation will not be able to meet the temperature requirements for the Biological Opinion standard of 65° at Watt Avenue. He stated that this is being discussed with Reclamation during the American River Group meetings.

VI. NEW BUSINESS

1. Introduction of Ordinance No. 24-02 Amending Ordinances 9000, 10000, 11000, 13000, 14000, 17000 and 18000 (W & R)

GM Helliker informed the Board that Ordinance No. 24-02 is to amend ordinances 9000, 10000, 11000, 13000, 14000, 17000 and 18000. He reviewed the ordinance changes that were included in the staff report which was in the Board packet. He explained that staff reviewed the ordinances and provided recommendations for some changes which were then reviewed by the Legal Affairs Committee. In response to Director Tobin's question, Legal Counsel Jones confirmed that he reviewed and agreed with the recommended changes.

In response to President Zamorano's question, GM Helliker explained that if a customer has a leak, then they can request a one-time per owner leak adjustment credit. Mr. Barrett explained that the District receives approximately 10 requests for leak adjustments per month; however, since it is a one-time adjustment, some customers decline the adjustment after receiving the calculation that determines the credit, so there are probably only 1-2 leak adjustments applied to customer accounts per month. The Board requested that staff analyze leak adjustments and potential revenue loss should the policy be changed to allow more leak adjustments.

Director Tobin moved to introduce and waive the first reading of Ordinance No. 24-02 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinances 9000, 10000, 11000, 13000, 14000, 17000 and 18000. Vice President Costa seconded the motion and it carried unanimously.

VII. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

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

GM Helliker provided the Board with a written report for May which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that the Water Forum agreement is being updated and it is expected that a draft agreement will be available in the next two to three months. In addition, the District will commit to a purveyor specific agreement which includes the District's projected demands for water.

GM Helliker reported that SB 366, regarding standards, passed in the Assembly Water, Parks & Wildlife Committee and is heading to the Assembly Appropriations Committee. The bill is expected to pass and be signed by the Governor.

GM Helliker reported that the third revision to the conservations standards was released on June 14th and comments are due on July 1st, which the consortium of agencies will submit a comment letter reiterating their previous comments.

GM Helliker reported that the Customer Satisfaction Survey results were received today and will be discussed at the next Board meeting. He reported that the District is almost done fulfilling the Public Records Act requests from CHWD. In addition, he informed the Board that the wholesale mailer was sent to all customers, and some positive comments have been received. President Zamorano commented that it is one of the best wholesale mailers that he has read. Director Tobin expressed her dismay that "nuisance litigation" was used in the article title and another term could have been used. Legal Counsel Jones explained that the word "nuisance" is a type of action and a term of art, however, the word "frivolous" could have also been used.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that the auditors provided a letter to the Board which explains what they will be doing in the audit. She informed the Board that the auditors would like to ascertain whether or not anyone on the Board has knowledge of matters that might have a bearing on the auditor's risk assessment for the District's annual audit, and if they have any concerns then they need to reach out to the auditors.

Ms. Silva informed the Board that due to the amount of the federal grant expenditures via the SRF loan, the District will be subject to a federal Single Audit for the fiscal year ended June 30, 2024. She reported that the SRF loan for the Hinkle Project did not use federal funding; however, the SRF loan for the Eureka Road Project did use federal funding and that is the reason for the Single Audit.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

No report.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

4.1 Miscellaneous District Issues and Correspondence

No report.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

Legal Counsel Jones reported that the review of records for the PRA request does take time and money, and should be concluded shortly. He informed the Board that he reviewed the ordinances which were discussed earlier and found them to be in order. In addition, he will provide an update in Closed Session on the litigation with CHWD/FOWD regarding wholesale rates.

VIII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Vice President Costa reported that the June meeting was cancelled and the next meeting is scheduled for August.

2. REGIONAL WATER AUTHORITY (RWA)

Director Rich reported that the next meeting is in July.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reviewed a written report which was included in the Board packet.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

No report.

4. CVP WATER USERS ASSOCIATION

Vice President Costa reported that the CVP Water Users Association met on June 6. He provided a couple documents from the meeting which were included

in the Board packet – the membership roster and the statement of financial condition.

- 5. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS**
Director Miller requested that a future Board agenda item be discussion on Low Income Rate Assistance Program. The Board discussed and would like staff to research alternative funding for this type of program, including the low income threshold, and bring back to the August Board meeting.

IX. COMMITTEE MEETINGS

- 1. Public Information Committee – June 11, 2024**
The committee meeting minutes were included in the Board packet.
- 2. Legal Affairs Committee – June 13, 2024**
The committee meeting minutes were included in the Board packet.
- 3. Finance Committee – June 18, 2024**
The committee meeting minutes were included in the Board packet.
- 4. Engineering Committee – June 24, 2024**
The committee meeting minutes were included in the Board packet.

x. UPCOMING EVENTS

- 1. 2024 ACWA Fall Conference**
December 3-5, 2024
Palm Desert, CA

At 7:16 p.m., President Zamorano announced that the Board was adjourning to Closed Session and called for public comment. There was no public comment.

XI. 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: 24WM000064, Sacramento County Superior Court
- 2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2) (one case)

XII. OPEN SESSION

There was no reportable action.

XIII. ADJOURN

The meeting was adjourned at 7:40 p.m.

MANUEL ZAMORANO, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary