

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

April 16, 2025 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Mike McRae	Vice President
Dan Rich	Director
Pam Tobin	Director
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

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

OTHER ATTENDEES

Brian	
Meera Deshmane	
Craig Locke	Sacramento Suburban Water District
Kevin Thomas	Sacramento Suburban Water District
Mike Spencer	SJWD Employee

AGENDA ITEMS

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

President Costa 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, Mike McRae, Dan Rich, Pam Tobin, and Manuel Zamorano.

II. PUBLIC FORUM

There were no public comments.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Special Meeting, March 19, 2025 (W & R)

Recommendation: Approve draft minutes

Director Tobin moved to approve the Consent Calendar. Director Zamorano seconded the motion and it carried unanimously.

IV. OLD BUSINESS

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

Ms. Silva reviewed the staff report which was included in the Board packet. She reported that Wholesale Operations revenue is tracking greater than the budget while expenses are tracking slightly below budget. This should result in an unexpected transfer out to Wholesale Capital reserves of approximately \$1 million. She reported that the Wholesale Capital revenue is tracking 24.6% above the budget while expenses are tracking about 25% less than budgeted with the anticipation of 9 projects being delayed until next fiscal year.

Ms. Silva reported that Retail Operations revenue is tracking 2.4% above the budget while expenses are tracking about 3.9% below the budget. Ms. Silva explained that this should result in an anticipated transfer to Retail Capital reserves as high as \$3.7 million.

Ms. Silva reported that Retail Capital revenues are anticipated to be significantly below the budget due to the timing of the Kokila Reservoir project and the funds to be received for that project which will now be reflected in the next fiscal year budget. She explained that the Retail Capital expenditure budget anticipated expenses of \$24.5 million to fund 41 projects: 10 are already complete, 8 more are in progress, 4 are expected to start but not finish and 14 more are expected to start and be completed by the end of the year. 3 projects will need to be rolled over to next year and one project was put on hold pending further need assessment (roof replacement at Bacon Pump Station). Based on this, staff estimates expenses will be \$4,868,300.

Ms. Silva concluded her presentation stating that the District's mid-year budget estimate is tracking favorably with the budget.

Ms. Meera Deshmane addressed the Board and inquired if hydrant pressure is guaranteed back to the customers with the connection fee. Mr. Pierson stated that hydrant pressure is not guaranteed as it depends on where the hydrants are located throughout the District. In addition, he explained that the District is responsible to serve new developments; however, if pressure is not optimal then the developer would be responsible for the costs to increase the pressure.

2. FY 2024-25 Operations Plan Report Card (W & R)

GM Helliker reviewed the 3rd quarter progress on the FY 2024-25 Operations Plan Report Card. He reviewed a few items that have been delayed and informed the Board that Sacramento Suburban Water District (SSWD) is considering buying water from the District since they might not have any PCWA water.

In response to Vice President McRae's question, Ms. Silva and Mr. Barrett reported that the transition to tax roll liens as the primary means of collecting delinquencies has been very successful and has provided significant efficiencies for staff. In addition, Mr. Barrett informed the Board that they are looking at options to add interest or fees to the delinquent customer accounts.

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

GM Helliker provided the Board with a written staff report which was included in the Board packet. He reported that they met with SSWD, who are having Mr. Mark Hildebrand conduct an analysis regarding the cost for capacity in their system in order to prepare an agreement. However, Mr. Hildebrand is in the middle of working on the financials for the merger between SSWD and Del Paso Manor Water District, and once that is completed, he will work on the analysis for an agreement with SJWD.

GM Helliker reported that CHWD and FOWD are meeting with Legal Counsel Jones and him on April 23, 2025, regarding the wholesale rate litigation, and they may discuss banking partnerships at that time. In addition, GM Helliker reported that Orange Vale Water Company (OVWC) is in the process of installing the treatment system on their new well and indicated previously that they would be interested in working with the District on their next well.

In response to President Costa's question, GM Helliker explained that the calculation of unimpaired inflow to Folsom Reservoir this year of 1.55 million acre-feet (MAF) represents a subset of the 2.4 MAF, which is an October through September figure versus a March through November run-off figure (the former).

In response to Director Zamorano's questions, GM Helliker explained that the District has sufficient capacity to deliver water to the west; however, what the District doesn't have is the ability to use the water when it is banked with SSWD since there is no guaranteed supply of the water (an agreement), even with having the Antelope Pump

Station. In addition, GM Helliker explained that OVWC might be interested in partnering with the District on their new well once they have completed renovation of their existing well. The Board requested that GM Helliker contact OVWC to get a status report of their well projects and a written commitment that they are interested in partnering with the District on their new well.

4. 2025 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.

In response to Vice President McRae's question, GM Helliker informed the Board that the Bureau is in the middle of the Dam Raise Project, which will raise Folsom Dam by 3 feet for flood control. GM Helliker will have Mr. Barela provide more information regarding the project and the flood gates.

V. NEW BUSINESS

1. Payment to Reduce Unfunded Actuarial Pension Liability (W & R)

President Costa stated that the District previously paid approximately \$6 million to pay down the unfunded pension liability and then made some smaller payments to keep the unfunded pension liability low. Ms. Silva provided the Board with a staff report which was included in the Board packet. She explained that this payment is not a required payment and is part of the Board's direction to pay down the unfunded pension liability each year, provided that the mid-year budget projects that the funds would be available.

President Costa moved to authorize staff to remit \$200,000 to CalPERS to further reduce the unfunded pension liability. Director Tobin seconded the motion and it carried unanimously.

2. FY 2025-26 Budget Assumptions (W & R)

Ms. Silva reviewed her written staff report which was included in the Board packet. She shared the proposed assumptions for the FY 2025-26 budget. She informed the Board that the budget workshop will be conducted at the May Board meeting and then a public hearing will be held in June with possible adoption of the budget at the second meeting in June. She reviewed the assumptions that were provided in the staff report. The Board did not request any changes to the assumptions for the budget.

VI. 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 March which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that the Water Bank Program Committee met today and it may be a year before they finish the environmental documentation. In the meantime, they are working on the Water Accounting System. At the SGA meeting last week, they reviewed the numbers from the Water Accounting Framework. He pointed out that the new system will not be very much different from the old system and will be a good foundation for keeping track of banked water.

GM Helliker reported that the next draft of the Water Forum Agreement should be released April 18th. He expects that the final draft, for Board authorization for him to sign, will be ready in a few months.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that the auditors started their work for the FY 2024-25 independent audit and will return in the fall to complete the audit. Mr. Barrett reported that retail customers will see a credit on their bills in May and June due to the implementation of the new meter read schedule. He explained that the WaterGram billing insert will have a complete explanation of the credit adjustment.

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

Mr. Pierson reported that a dive inspection of the Hinkle Reservoir is scheduled for April 17th to look at two specific areas. He explained that if everything looks good then the Hinkle Reservoir Replacement Project will be complete and the temporary water tanks will be removed from the site.

Ms. Silva reported that she met with the Water Treatment Plant staff this morning and they started the maintenance on the Hinkle Reservoir cover which includes 2 employees cleaning the entire top of the cover to remove the debris that settles on the top. Mr. Pierson commented that they will be utilizing the new perimeter water system that was installed.

In response to President Costa's question, Mr. Pierson informed the Board that rehabilitation of the backwash hoods are in construction with one being worked on currently and the second one will be completed next year.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

Legal Counsel Jones reported that there is a meeting on April 23rd with CHWD and FOWD regarding the litigation. In addition, he reported that he is working with Ms. Silva regarding the budget for legal costs.

VII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

President Costa reported that he attended the SGA meeting last Thursday and they discussed their budget for the coming year. He commented that they have a pension liability and they asked to talk to Ms. Silva regarding their pension liability. Ms. Silva stated that she has not heard from them.

2. REGIONAL WATER AUTHORITY (RWA)

GM Helliker reported that the RWA met and provided status reports on most items. President Costa commented that there is a new director (Maria) from Rio Linda and they may be interested in banking water and suggested that Mr. Zlotnick contact her.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

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

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin provided a list of classes that ACWA JPIA offers which was included in her written report.

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

There were no other matters discussed.

VIII. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items

President Costa asked for any agenda items for the next meeting. Vice President McRae inquired about the late fee policy for Wholesale Customer Agencies. Ms. Silva informed the Board that the late fees will be reviewed under the User Fee Study that is in progress. She anticipates that the study will be completed in time for Board review in June.

2. Meeting Date Changes and Board Attendance

There were no meeting date change requests or Board member attendance issues to address.

IX. COMMITTEE MEETINGS

1. Finance Committee – March 17, 2025

The committee meeting minutes were included in the Board packet.

2. Finance Committee – April 8, 2025

The committee meeting minutes were included in the Board packet.

X. UPCOMING EVENTS

1. 2025 ACWA Spring Conference

May 13-15, 2025

Monterey, CA

At 7:46 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

XI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957

Title: General Manager

XII. OPEN SESSION

Legal Counsel Jones reported that the following motion was made.

Director Zamorano moved to give authorization to commence litigation against the state related to conservation regulations that were effective January 1, 2025. President Costa seconded the motion and it carried with 4 Aye votes and 1 No vote (Director Tobin).

XIII. ADJOURN

The meeting was adjourned at 8:36 p.m.

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

ATTEST: _____
TERI GRANT, Board Secretary