

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

January 15, 2025 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
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
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Anonymous	
Anthony Wong	
Cheryl Berkema	
Gary Flanagan	
Guest	
Karen Humphrey	
Meera Deshmane	
Sandy Harris	
Stacy Helliker	
Steve Kenning	
Tom Andrews	
Vish Deshmane	
Jennifer Farr	DavisFarr, Certified Public Accountants
Mark Hildebrand	Hildebrand Consulting
Craig Locke	Sacramento Suburban Water District
Mike Spencer	SJWD Employee

AGENDA ITEMS

- I. Roll Call**
- II. Public Forum and Comments**
- III. Consent Calendar**

- IV. New Business
- V. Old Business
- VI. Information Items
- VII. Directors' Reports
- VIII. Committee Meetings
- IX. Upcoming Events
- X. Closed Session
- XI. Open Session
- XII. 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.

President Costa asked if there were any changes to the agenda.

Director Rich requested that Agenda Item V-1 Resolution 24-10 Censure of Director Tobin be moved to the June Board meeting and reassess the committee assignments at that time.

Director Rich moved to continue Agenda Item V-1 (Resolution 24-10 Censure of Director Tobin) to the June Board meeting. Director Zamorano seconded the motion.

Legal Counsel Jones stated that discussion should be allowed on the motion to continue the agenda item to the June Board meeting but not on the original agenda item. In response to Vice President McRae's question, Legal Counsel Jones explained that a majority vote to continue is required at this time, but to undo an action would require a motion for reconsideration; however, since that action was not completed at the meeting where the resolution was adopted would then it would require a 4/5th vote.

Director Tobin voiced concern regarding the six-month timeline as extreme since it was previously suggested that a 30-day timeline be established at the last meeting. Vice President McRae suggested that a solution be presented that does not cause more division on the Board. President Costa commented that he suggested that this topic be discussed at this meeting because there was too much heated discussion at the last meeting.

President Costa opened the floor for public comment.

Ms. Cheryl Berkema addressed the Board and stated that the Board should be looking for solutions and not dwell on grievances, and to look at outside help to solve the issues.

Mr. Steve Kenning addressed the Board and would like his Division 2 director to be able to operate fully to support their constituency. President Costa commented that Director Tobin is not affected in any way with communicating with her constituents or working for the District

internally. Director Tobin voiced concern that there has been no due process regarding the censure.

Ms. Berkema requested to read a comment letter from Larissa Berry that was addressed to GM Helliker and the Board of Directors. A copy of the letter was posted to the District's website prior to the Board meeting.

Mr. Gary Flanagan addressed the Board and voiced concern about moving this item to a future meeting and also questioned the fact that the censure was enacted prior to the current term.

Mr. Ken Miller addressed the Board and stated that he was directly affected by the actions of Director Tobin and the censure should be tabled for a year, not just six months. In addition, he challenged the premise that the use of the District logo was inadvertent and there was never a retraction from Director Tobin. He commented that Director Tobin has incurred expenses almost four times that of any other director and that needs to be addressed as the District should not be supplementing someone's income. He further commented that the censure does not curtail Director Tobin from performing her elected duties.

Ms. Karen Humphrey addressed the Board and mentioned that she is not a customer of the District but wanted to voice support for women in public office. She voiced concern regarding the censure and strongly recommended that the censure be rescinded or ended with the previous term.

Legal Counsel Jones informed the Board that there is broad discretion to the majority of the Board with regard to a censure as it is not specified in the government code so a censure can last through multiple terms or indefinitely. Director Rich commented that his focus is to revisit the committee assignments in June but not rescind the censure.

Director Tobin commented that she fails to see how the mailer and unintentional use of the logo had any affect on Mr. Miller's campaign, but felt that the comments from GM Helliker and Director Rich on the Next Door page is what possibly affected his campaign.

Director Zamorano commented that what happened was serious as it was a violation of state law, and he gave her a chance to apologize for the use of the logo and offered to support her, but Director Tobin never called him back.

Director Zamorano offered a substitute motion for the item to be tabled for one year. There was no second and the motion failed.

President Costa called for the vote.

The motion to continue Agenda Item V-1 (Resolution 24-10 Censure of Director Tobin) to the June Board meeting carried with 4 Aye votes and 1 No vote (Director Tobin)

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, December 18, 2024 (W & R)

Recommendation: Approve draft minutes

2. Fiscal Year 2023-2024 Annual Audit and Comprehensive Audited Financial Report – DavisFarr, Certified Public Accountants (W & R)

Recommendation: Receive and file

3. Bacon Pump Station Fence Project (R)

Recommendation: To authorize and approve the award of a construction contract to apparent lowest responsive and responsible bidder for the Bacon Pump Station Fence Project

4. Hydrant and Valve Maintenance FY 2024/25 (R)

Recommendation: Authorize and approve Amendment #2, 2nd year renewal to the contract with Wachs Water Services (WWS) for professional services related to the inspection and maintenance of the District's hydrants and valves for the fiscal year 2024/25

Director Tobin requested that Consent Item 1 be removed from the Consent Calendar for discussion.

Director Zamorano moved to approve the Consent Calendar items 2, 3 and 4. Director Rich seconded the motion.

Vice President McRae noted that Consent Calendar item 2 regarding the audit had data stated on the table on page 86 that seemed incorrect regarding the Pre-1914 Water Rights water deliveries in 2024 as the amount exceeded the available amount for the same year. GM Helliker commented that it may be stated in error and that staff will follow-up with the auditor to make sure that the data is correct.

The motion carried unanimously.

Director Tobin suggested an edit to the December 18, 2024, Board meeting minutes under Agenda Item VI-5 to reflect the word "merger". President Costa suggested adding "/merger" where the word "combination" is used.

Director Tobin moved to approved Consent Calendar item 1 with the amendment to the minutes to reflect "/merger" when the word "combination" is used. Director Rich seconded the motion and it carried unanimously.

IV. NEW BUSINESS

1. 2025 Board Committees (W & R)

President Costa opened the floor to discuss the preferences of the Board members regarding committee assignments. President Costa made the committee assignments, and the 2025 Committee Assignment list will be posted to the District's webpage.

V. OLD BUSINESS

1. Resolution 24-10 Censure of Director Tobin

This item was discussed at the beginning of the meeting and continued to the June Board meeting.

2. Presentation on Draft Retail Financial Plan Update and Proposed 4-Year Rate Schedule (R)

Ms. Silva reviewed the staff report which was included in the Board packet. She explained that staff needs direction from the Board regarding the proposed rate schedule and the Prop. 218 hearing notice and commented that there is no request for adoption of rate increases at the meeting tonight.

Ms. Silva reported that the Retail Master Plan was last updated in FY 2020-21 and as a result the 10-year Capital Improvement Plan was updated. She explained that at the last Board meeting, the Board directed staff to return with a prioritization of the Capital Improvement Projects. She informed the Board that staff met and prioritized the project list and was able to delay approximately \$2 million in projects; however, this will result in higher costs associated with those projects due to inflation. In addition, she explained that the current rate increase recommendation is 4% for the next 3 years then 3% thereafter, which is basically inflationary rate increases. She then reviewed the project prioritization which moved each project into one of the following categories: Regulatory Projects, Risk Mitigation Projects, or Other System Improvements.

Mr. Mark Hildebrand conducted a brief presentation which was included in the Board packet. He reviewed the staff recommended Capital Spending Scenario and then 2 alternatives. He then reviewed the Financial Forecasts for the different scenarios and the proposed rate schedule.

Director Rich voiced concern regarding construction cost inflation, which was about 11% last year, and inquired if staff took this into consideration in the financial plan. Mr. Hildebrand explained that there is concern regarding higher construction costs, but he cannot include a higher number until it happens, including the rising cost of insurance. Ms. Silva commented that, even though the higher construction costs were not factored into the budget in the last few years, the District has had operating results that were better than anticipated, as indicated by the proposed lower rate increases.

Ms. Silva informed the Board that staff's recommendation is to complete all of the projects based on the Retail Master Plan and she recommends issuing the Prop. 218 notice based on that recommendation. She noted that, prior to approving the rates, the Board could look at Alternative 2 which would push out the Other System Improvement projects by 4 years. In response to Director Rich's question regarding projects needed for the continued reliability of the District, Ms. Silva explained that staff does not recommend delaying the Regulatory or Risk Mitigation projects.

Vice President McRae commented that he believes that the retail rates are too high and are the highest retail rates in the San Juan Wholesale Customer Agencies and are among the highest in the region. He commented that to help the Board understand how rate payer dollars are spent is to have a prioritized list of projects, and he does not feel that the list that staff provided is the correct prioritized list. He suggested that the list be a vertical list with the most important projects at the top and the funding source associated with each project listed to the right. He suggested that the highest priority projects be funded with rates and that the lower priority projects be funded with reserves.

Vice President McRae informed the Board that he consulted with an ADA consultant regarding the requirements to bring a building in compliance with ADA requirements. He explained that if there is not an employee with accessibility needs then there is no need to bring the building to code as long as any employee with a need is accommodated, such as having them work from a building that meets their needs. In addition, he was told that requirements are conditional regarding spending money to repair/update a building – that it is fine as long as you do not move walls or do anything structural, then there is a trigger amount (@ \$200,000) that would then require bringing the whole building up to code. Vice President McRae suggested that the project list be reviewed so that the Board can run the District cheaper and still provide a high-value service.

Director Tobin agreed that she feels that the rates are too high and informed the Board that she and Supervisor Suzanne Jones are putting together a community committee and this will be a topic.

Director Zamorano asked for staff's opinion on Vice President McRae's suggestions. Mr. Pierson commented that every system is different, so it is hard to compare district systems with others; however, staff did take time after the last Board meeting to look at each project and identify the risk to the District and place them in the category that they felt each project belonged in. In response to Vice President McRae's comment, GM Helliker informed the Board that no project was removed from the CIP and staff would be happy to review the list, item by item, with the Board. President Costa suggested a workshop and commented that it would not make sense to lower the rates since the District is working towards pay-as-you-go funding for projects.

Ms. Silva commented that she has been working towards pay-as-you-go funding and is proud that the financial plans and the master plans identify the on-going capital improvement projects that can be funded with cash. In addition, she stated that staff

recommends that the Board maintain the system following best management practices; however, it is the Board's decision to set the level of system maintenance. Mr. Greg Zlotnick commented that the Board needs to decide what are the ends that it wants to achieve with the dollars.

Vice President McRae commented that he only sees the projects under Regulatory Projects as being mandatory, and the rest as optional. GM Helliker commented that if the Risk Mitigation Projects are not completed then you run the risk of spending more money for emergency repairs. Director Zamorano, agreed with President Costa, that a workshop is needed to review the list of projects.

Vice President McRae commented that this agenda topic has two issues related – the retail rates and the rate structure. He commended Ms. Meera Deshmane for her comments at the last meeting regarding the District's rate structure, and her opinion that lower water use customers are supplementing higher use water users, and the rate structure is flawed and biased towards the high-volume users. Mr. Miller suggested that Vice President McRae spend time with District staff to familiarize himself with the rates and the reason for the rate structure in the retail area. GM Helliker informed the Board that he has met with Ms. Deshmane regarding her suggestion for changing the rate structure, and it would be good for the Board to hear her suggestion at some point, possibly the February 19th Board meeting.

Ms. Deshmane voiced concern regarding the effective cost of water, which is not the same for all customers. She noted that the lower use customers pay much more for the effective cost of water as compared to higher use customers. She thanked GM Helliker for providing her with the information that she needed to work on the rate structure. She explained that if the District had a tier structure for the fixed amount of water based on different consumption units then the District could create a fair rate structure.

Ms. Berkema voiced concern that the District is pushing this financial plan and rate increase through during the first 100 days and there are many executive orders that might affect the District.

Director Rich commented that he reviewed the CIP and concurred with the prioritization that staff provided and supports staff recommendations.

The Board discussed conducting a workshop and decided to set a workshop to discuss the Capital Improvement Projects on Tuesday, February 4, 2025, at 5:00 pm.

3. Wholesale Late Payment Fee

Ms. Silva provided a staff report which was included in the Board packet. In response to Vice President McRae's question of what triggered this request, Ms. Silva informed the Board that after the Board adopted the wholesale rates by motion, the action was called into question by Citrus Heights and Fair Oaks Water Districts since the action was not completed by a resolution. Therefore, the Board reaffirmed that

action by a resolution, similar to this request. She explained that the government code language is a little ambiguous as to whether the District is required to adopt such fees by resolution or may choose to do so. In addition, she informed the Board that recently a wholesale customer paid their last bill late and it did not seem prudent to assess the late fee without the late fee being previously approved by resolution.

The Board discussed the 10% late payment fee. GM Helliker pointed out that the action requested is to reaffirm the previous Board action and discussion of the level of the late fee could be brought back to the Board even if the Board adopts this resolution. Ms. Silva informed the Board that a user fee study is being conducted and this could be wrapped into that conversation.

President Costa moved to adopt Resolution 25-01 Reaffirming Wholesale Late Payment Fee. Director Zamorano seconded the motion, and it carried with 3 Aye votes and 2 No votes (Directors McRae and Tobin).

4. Evaluation of Potential Groundwater Well Sites (W & R)

Mr. Greg Zlotnick reviewed the staff report which was included in the Board packet. He stated that staff's recommendation is to continue to pursue partnerships with neighboring agencies (including Wholesale Customer Agencies) to expand groundwater banking/transfer activities rather than pursuing the District's own facility. He noted that the cost to construct a new well is increasing as evidenced by Sacramento Suburban Water District's recent cost of \$9 million and City of Pleasanton at \$23 million for two wells. He mentioned that the staff report included information regarding funding opportunities.

Director Tobin commented that the Governor is a proponent of identifying new water storage and she listed off various earmark funding for water projects. She added that wells provide an extra asset of assurance and insurance for the District.

Mr. Zlotnick pointed out that a groundwater well is listed as a potential retail project; however, the retail service area is unlikely to have a location for a groundwater well, which would then require looking at the wholesale service area and may be an issue aside from the issue of pumping the water back to the retail area. In addition, he reported that San Juan wholesale has highly secure water supplies, but the concern is losing water supply from Folsom Reservoir during extended drought periods. Therefore, he suggested that the Board consider making this a wholesale project if it is determined to move forward with a groundwater well.

Vice President McRae stated that he highly recommends keeping the District's money within the wholesale customer agencies and not going outside of the District. He pointed out that Citrus Heights and Fair Oaks Water Districts are eager to work with the District regarding this. He mentioned that FOWD's Skyway well is capable of pumping water to Hinkle Reservoir.

Director Zamorano agreed with Director Tobin that the District needs a groundwater well for insurance and believes that funding is available for a well. Mr. Zlotnick

pointed out that there is funding available but there are conditions that need to be met such as having some planning work and preliminary studies completed regarding a location for the well. He explained that jointly pursuing funds with a partner that has already performed the work would save the District funds. In response to Director Rich's question, Mr. Zlotnick stated that staff recommends that the Board direct staff to continue pursuing partnerships then in March bring back a list of potential projects that could potentially receive federal funding.

President Costa voiced concern with groundwater banking with CHWD or FOWD since the water flows down the basin into Sacramento Suburban Water District and may be an issue during a drought when the water is needed.

In response to Mr. Zlotnick's request for Board direction, Director Zamorano and Director Tobin stated that staff should do both (partnership and District well). President Costa prefers setting up a fund to save the money and not debt-finance anything. GM Helliker requested that direction to staff be in the form of a motion and informed the Board that staff has been pursuing partnerships as directed by the Board for 2-3 years and are close to having an agreement with SSWD. President Costa stated that staff should reach out to CHWD and FOWD as well and that we should all work with SSWD since it is one basin. In response to Director Rich's question, GM Helliker explained that staff cannot start looking into a groundwater well until the Board gives formal approval to fund that endeavor, but staff can continue to pursue partnerships with SSWD and even with FOWD and CHWD.

President Costa commented that there are several things that staff can do including looking into ponds and leach lines, which he brought to the attention of the engineering staff. GM Helliker commented that the District needs an arrangement with SSWD to pull the water out of the basin regardless of the method used to inject the water. In response to Mr. Zlotnick's comment on Board direction, Director Zamorano stated that the partnership approach and a plan to build a District well are not mutually exclusive issues, the District can do both. Vice President McRae suggested that staff continue their talks with SSWD and also contact CHWD and FOWD and then if the partnerships do not work out, then look into a District well.

Vice President McRae moved to continue to pursue partnerships with neighboring agencies (including Wholesale Customer Agencies) to expand groundwater banking/transfer activities and to improve dry year reliability. Only if such partnerships do not bear fruit should San Juan consider development of its own groundwater facilities. Director Rich seconded the motion, and it carried unanimously.

5. District's 457 Deferred Compensation Plan (W & R)

Ms. Silva reviewed the staff report which was included in the Board packet, which included a quick review of the Deferred Compensation plans that are available under various sections of the Internal Revenue Code. She reviewed the 3 existing tiers of CalPERS member types and explained that the existing 457(b) Plan could work for

District matching. In addition, she provided the financial implication to the District for different matching contributions.

Director Zamorano advocated for a 2% matching contribution for all employees. In response to President Costa's question, Legal Counsel Jones informed the Board that there is a low risk for an age discrimination lawsuit, and many agencies provide a similar benefit with no issues. Ms. Silva commented that the law provides an exception for a benefit that's based on something besides age, and this is not age-based.

Vice President McRae commented that he prefers to make decisions, such as this, based on total compensation and suggested that the Board wait until the next compensation study is performed. Ms. Silva reported that the next compensation study will be conducted in FY 2025-26. Director Rich commented that the policy is to base the study on total cash, mainly because of the employees who fall under the PEPRA tier. Ms. Silva commented that one of the main reasons to move from a total compensation-based study to a cash-based study was because of the disparity for the cost of healthcare between individual, married, and family plans.

Ms. Silva informed the Board that the last compensation study included the cash value of the District's contributions to deferred compensation plans. Therefore, if the same methodology is used for the next study and an employer matching contribution is approved, then this could result in the reduction of some employees' take-home salaries if they do not contribute to the plan. She explained that if the Board's desire is to provide additional compensation through a deferred compensation plan, then the District's contributions would need to be excluded from the total cash calculations.

The Board discussed and requested that staff bring a resolution to the next Board meeting.

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

GM Helliker provided the 2nd quarter progress on the FY 2024-25 Operations Plan Report Card.

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

No report as it was discussed earlier in the meeting.

8. 2025 Hydrology and Operations Update (W & R)

GM Helliker reported that the region is above normal on rainfall and the snow levels are also above normal in Northern California. He will have the Hydrology slides posted to the website. He reported that if this pattern continues then he expects a market for a groundwater substitution transfer.

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 December which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

No report.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Rates/Fees/Charges updated by 3.13% CPI or 2.55% CCI effective Jan. 1, 2025, where applicable

Ms. Silva reported that the non-water rate and fee schedule was updated in accordance with the November CPI and CCI with an effective date of January 1, 2025.

2.2 Miscellaneous District Issues and Correspondence

No report.

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

General Counsel Jones reported that there will only be two items in Closed Session.

VII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

No report.

2. REGIONAL WATER AUTHORITY (RWA)

President Costa reported that RWA met January 9th and re-elected the same chair.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reviewed a written report which will be attached to the meeting minutes. She mentioned that she will be attending the ACWA DC2025 conference in Washington, DC. Director Rich commented that it is the Board policy for any Board member to obtain Board approval for any out-of-state conferences, and that is not directed at her specifically. Director Tobin stated that she would like to put in a request for approval and suggested that Vice President McRae attend as well. Vice President McRae thanked Director Tobin for the offer but declined the offer at this time. In response to Director Rich's comment about seeking Board approval at the meeting, GM Helliker confirmed that the Board policy states that expenses for out-of-state travel need to be approved by the Board in advance, but the resolution of censure which was adopted in November states that only San Juan Board and Committee expenses can be reimbursed. In response to President Costa's question, GM Helliker confirmed that if he wanted expenses to be paid for travel to the CVP Water Users Association meeting in Reno, then he would need prior approval.

Ms. Berkema addressed the Board and voiced concern regarding Director Tobin's representation at the state and federal levels, as she is experienced and attends these meetings which correlates to the expenses that she incurs. Director Tobin commented that by serving as an ACWA officer for four years, she has saved the District about \$80,000 in related expenses.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin reviewed a written report which will be attached to the meeting minutes.

4. CVP WATER USERS ASSOCIATION

President Costa reported that he will be attending the CVP Water Users Association meeting on January 28, 2025.

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

President Costa reported that on February 29, 2025, the local FBI regional headquarters will be conducting a forum on water and sewer sabotage and encouraged staff to attend.

VIII. COMMITTEE MEETINGS

1. Finance Committee – January 7, 2025

The committee meeting minutes were included in the Board packet.

2. Engineering Committee – January 9, 2025

The committee meeting minutes were included in the Board packet.

IX. UPCOMING EVENTS

- 1. ACWA DC2025 Conference**
February 25-27, 2025
Washington, DC
- 2. 2025 ACWA Legislative Symposium**
March 26, 2025
Sacramento
- 3. 2025 ACWA Spring Conference**
May 13-15, 2025
Monterey, CA

At 9:54 p.m., President Costa announced that the Board was adjourning to Closed Session. GM Helliker announced that only items 2 and 3 of the Closed Session will be discussed.

X. 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. 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
- 3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to Government Code § 54957
Title: General Manager

XI. OPEN SESSION

There was no reportable action.

XII. ADJOURN

The meeting was adjourned at 10:15 p.m.

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

ATTEST: _____
TERI GRANT, Board Secretary

Director Tobin's Report

ACWA

1/15/2025

ACWA (Association of California Water Agencies) is actively responding to the severe climate-driven wildfires in Southern California. Their response includes:

- working with key state legislative committees and legislators in affected districts. This advocacy is focused on providing information and offering themselves as points of contact for any inquiries related to wildfires.
- prioritizing support for its member agencies that are directly impacted by the wildfires. One of their key strategies includes connecting affected agencies with each other, enabling them to share resources and experiences.
- continue collaborating with both its member agencies and external partner organizations to address the ongoing challenges posed by the wildfires, working together to help mitigate the immediate impacts and plan for long-term resilience.

Governor Gavin Newsom's proposed budget for the 2025-2026 fiscal year, unveiled on January 10, includes significant allocations from the voter-approved climate bond (Proposition 4), which will be directed toward addressing water-related challenges, climate resilience, and environmental concerns. Some of the key components of the proposal include:

Key Allocations from the \$3.8 Billion Climate Bond:

1. **Dam Safety and Climate Resilience** – \$231.5 million
 - This funding will support efforts to improve dam safety and strengthen the state's infrastructure against climate-related threats.
2. **Water Quality, Safe Drinking Water, and Tribal Water Infrastructure** – \$183.2 million
 - Aiming to ensure safe drinking water, this allocation also focuses on improving water infrastructure for tribal communities.
3. **Flood Management Projects** – \$173.1 million
 - Funding for flood management is essential to reduce flood risks and protect communities.
4. **Water Reuse and Recycling** – \$153.4 million
 - This will support initiatives aimed at enhancing water recycling and reuse, which are vital in drought-prone regions.
5. **Salton Sea Management Program** – \$148.2 million
 - Addressing the ecological and public health impacts of the Salton Sea is a priority with this funding.

In addition to these allocations, the Governor's budget also includes adjustments that shift some General Fund allocations to bond funding, including those for **dam safety** and **recycled water** programs, as part of efforts to maintain a balanced budget.

ACWA (Association of California Water Agencies) has expressed its intent to advocate for the continued prioritization of funding for water and climate resilience, including supporting initiatives outlined in the Governor's proposed budget.

Visit the ACWA Advisory on the website for details on funding for wildfire, forest resilience, and other related topics.

This proposed budget is an important step in addressing California's climate and water challenges.

On January 10, ACWA submitted comments to the State Water Resources Control Board regarding the draft updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento–San Joaquin Delta Watershed (Bay-Delta Plan). These proposed updates include two potential pathways for managing water flow in the region:

1. **Unimpaired Flow Pathway:** A pathway that would focus on maintaining natural, unimpaired flow conditions.
2. **Healthy Rivers and Landscapes (HRL) Program Pathway:** Previously referred to as the **Voluntary Agreements**, this pathway emphasizes collaborative, locally driven strategies to support both environmental and water management needs.

ACWA's Position:

ACWA has expressed **strong support** for the **HRL Program** as the preferred pathway for updating the Bay-Delta Plan. The coalition letter from ACWA urges the State Water Board to make specific changes to the revised draft of the Sacramento/Delta updates and Staff Report to reflect this preference. ACWA's support for the HRL Program is rooted in the belief that it offers a more balanced, flexible approach that incorporates the input of diverse stakeholders.

Next Steps:

Based on public input, including the comments submitted by ACWA, the State Water Board staff will develop a revised draft of the proposed updates. The State Water Board is expected to consider approval of the final draft updates as early as the **second quarter of 2025**.

On January 10, ACWA submitted comments to the State Water Resources Control Board regarding draft updates to the Sacramento/Delta sections of the Bay-Delta Plan. The draft proposes options for either an unimpaired flow pathway or the Healthy Rivers and Landscapes (HRL) Program, formerly known as the Voluntary Agreements. ACWA's coalition letter strongly supports the HRL Program and recommends specific changes to the draft updates and Staff Report.

Following public input, State Water Board staff will revise the draft updates, with final approval anticipated as early as Q2 2025. For details, visit acwa.com/resources.

Continuing Resolution

Last month, Congress passed a continuing resolution that prevented a government shutdown and included key provisions for ACWA member agencies. Highlights include:

- Extension of the Farm Bill through September 30, 2025.
- \$110 billion in disaster-related funding to address droughts, wildfires, floods, and other disasters.
- \$1.5 billion for U.S. Army Corps of Engineers projects, including disaster risk reduction and water infrastructure improvements.
- \$920 million for the Emergency Watershed Protection Program under the Natural Resources Conservation Service.

Scholarship Toolkit

- ACWA offers annual scholarships to graduate and undergraduate students majoring in water resources-related fields. To help promote these opportunities, member agencies are encouraged to use the updated 2025–26 Scholarship Toolkit. The toolkit includes new graphics in various sizes, sample social media posts, a sample newsletter, and a website widget.

Upcoming Events

- **ACWA DC2025:** February 25–27
- **ACWA 2025 Legislative Symposium:** March 26

ACWA-JPIA

2025 Executive Committee Election

The 2025 Executive Committee election will occur during ACWA JPIA's Board of Directors meeting at the Membership Summit in May 2025.

- **Positions:** Four Executive Committee seats, each with a four-year term.
- **Deadline:** Friday, April 11, 2025, at 4:30 PM.
- **Nomination Info:** Procedures and sample resolutions are available on the JPIA website.

ACWA Foundation

- Rolled out the **Bette Boatman Emerging Leader Award** at the ACWA Spring conference
- Raised \$2,500 of the \$25,000 scholarship.
- retreat on January 27 at 980 9th St., Sacramento 10:00am-12 noon
- Lisa Mealoy, Foundation executive director
- Dept of the Treasury IRS Tax Exempt and Gov. Entities got their 501C3 designation retro dated 01/30/2024. All donations to this organization is tax deductible. #92-0785873