

SAN JUAN WATER DISTRICT

Board of Director's Board Special Meeting Minutes
August 29, 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
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Roger Canfield
Terry Erlewine
Sandy Harris
Stacy Helliker

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 Zamorano called the meeting to order at 6:00 p.m. President Zamorano informed the Board that there would be no Closed Session.

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, July 17, 2024 (W & R)

Recommendation: Approve draft minutes

2. Treasurer's Report – Quarter Ending June 30, 2024 (W & R)

Recommendation: Receive and file

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

IV. NEW BUSINESS

1. Pump Stations Optimization Evaluation Project (R)

Mr. Pierson reviewed the written staff report from Mr. Tony Barela, which was included in the Board packet. He explained that staff are looking into cost savings which this project will analyze. In response to Vice President Costa's question, Mr. Pierson explained that even if there is a merger with SSWD, this analysis is for the retail service area pump stations and would still be warranted.

Director Tobin moved to authorize the Director of Operations to enter into a Professional Services Agreement with Water Systems Consulting, Inc. (WSC) to provide professional engineering services for the Pump Stations Optimization Evaluation Project (Project). Director Rich seconded the motion and it carried unanimously.

2. Low Income Rate Assistance Program (R)

Ms. Silva and Mr. Barrett provided a written staff report which was included in the Board packet. Ms. Silva reviewed the staff report and provided a thorough summary of how to set up such a program, how it might work, and what the financial implications would be. She explained that cities are more capable of providing a rate assistance program because they can utilize general funds which are not subject to Prop. 218 requirements. In addition, she reviewed the issues the District would have with implementing such a program for multi-family dwellings and rental properties.

Ms. Silva informed the Board that if the District utilized the cell tower lease or property tax revenues, which are not subject to Prop. 218 requirements, then additional rate revenue of a similar amount would be necessary to offset this funding shortfall, which would represent a one-time rate increase of up to 9% to retail service area customers. In addition, she reported that Mr. Mark Hildebrand voiced concern when she discussed this program with him. Mr. Hildebrand mentioned that there might be some legal vulnerability with using these revenues as they have historically been used to keep rates low and may not be in alignment with the intent of Prop. 218.

Sandy Harris addressed the Board and voiced concern that this program could raise customer rates and she would be upset if this were to occur.

Vice President Costa voiced concern that the 1978 ballot measure to collect property tax revenue did not include using the fund for a Low Income Rate Assistance Program. In addition, he would like to know the number of census tracts that are considered low income in the retail service area – Ms. Silva stated she would research and see if that can be determined.

Director Rich asked that staff bring back more information about the programs operated by water utilities in our region – level of subsidy, who is eligible, and how many accounts participate, along with looking into the CARE program that PG&E utilizes; therefore, staff will do further research and bring this topic back to the Board for review.

3. Comments on Brown Act (W & R)

Director Rich informed the Board that he requested that this item be on the agenda. He stated that the Board members and staff have been through Brown Act training and are required to comply with the Brown Act. He commented that Director Tobin has indicated that she believes that the Board is not in compliance sometimes and he asked GM Helliker to provide a summary to discuss, as he believes the District is in compliance and would like General Counsel Jones to confirm.

GM Helliker reviewed his written staff report which was included in the Board packet. He stated that he has never violated the Brown Act as alleged by Director Tobin and, as his staff report states, General Counsel Jones agreed that he had not violated the Brown Act. Director Tobin commented that she has proof from Steve LaMar that the Brown Act was violated. In addition, Director Tobin voiced dismay that the staff report was posted in the Board packet on the website and is designed to shift the focus and influence opinions politically against her.

Director Tobin stated that she has 174 pages of documentation from the District's former counsel that indicated when and how the Brown Act was violated, and she will provide the documentation to Legal Counsel. Director Rich voiced concern that Director Tobin keeps stating that there are serial meetings happening between Board members and the General Manager when they are not happening, and this may harm the public's perception of the Board. Director Miller would like General Counsel

to qualify the situation as to the Brown Act violations that Director Tobin is accusing people of.

GM Helliker stated that the allegation regarding Steve LaMar was reviewed by Legal Counsel Jones and it was deemed not a Brown Act violation, and that is the point of this item being on the agenda. Director Tobin stated that she was provided more information from Steve LaMar, which she will provide to Legal Counsel, and stated that GM Helliker only provided half-truths. President Zamorano called Director Tobin Out of Order for the language she was using against another person.

Legal Counsel Jones stated that he represents the District and not individuals on the Board or staff. He voiced concern that anything that puts the District at peril, such as a Brown Act violation, he thoroughly investigates and would appreciate Director Tobin providing the information to him and he is willing to consult with Director Tobin's attorney as well. However, based on the information that he has received thus far, he has not seen violations of the Brown Act. Director Tobin stated that she will provide him with her attorney information and the documentation.

President Zamorano stated that the proper procedure for filing a Brown Act complaint would be with the courts, since it cannot be litigated via the Board. He stated that these complaints need to stop at Board meetings. Director Tobin inquired then if something happens that it should just go directly to litigation, which President Zamorano stated that General Counsel Jones already gave his opinion on this matter and found that no Brown Act violation occurred, so this needs to stop or Director Tobin should take her complaint to the courts for a final decision. General Counsel Jones stated that his role is to provide legal opinions, and if that opinion is not accepted then the complaint can be taken through the judicial system.

Vice President Costa moved to table the matter. The motion failed with no second.

GM Helliker noted that the point of the discussion was to review some examples and reiterate the Brown Act requirements and noted that the allegations from Director Tobin were refuted by General Counsel Jones and did not violate the Brown Act. GM Helliker stated that it would be helpful to him for the Board to stop these allegations. Director Tobin stated that it would be helpful to her to supply the documentation for General Counsel Jones to review and provide his opinion. Director Miller requested that the documentation that Director Tobin supplies be notarized or signed by an individual claiming that all of the facts presented are true and correct.

President Zamorano requested that if anyone have a complaint about an alleged Brown Act violation that they supply the information to General Counsel Jones for review and opinion. If the complainant does not agree with the opinion, then they could take the complaint through the judicial system. Vice President Costa stated the complaint would be filed with the District Attorney.

President Zamorano moved that if someone has a Brown Act complaint about a violation that they provide all the written documentation to General Counsel Jones for review and opinion.

General Counsel Jones stated, however, that the Board cannot limit anyone from filing a complaint with the District Attorney. Director Miller voiced concern that even if General Counsel Jones provides an opinion, it may not be accepted by the complainant and then the Board would be in the same place as they are right now.

The motion failed with no second.

Vice President Costa moved to table the matter. Director Tobin seconded the motion and it carried with 4 Aye votes and 1 No vote (Director Rich).

4. Proposed Biological Opinions on CVP Operations (W)

GM Helliker conducted a presentation on the Biological Opinions for CVP/SWP Long-Term Operations that is available on the District's website Board meeting page. He provided a short overview of the work that Reclamation has been doing since the spring of 2022 on a reconsultation on long-term operations of the CVP and SWP. He explained that Reclamation recently released the EIS for public comment, and NMFS and USFWS will be releasing their draft biological opinions shortly, with a goal of completing the process by the end of the year. He explained that the EIS evaluates four alternatives to the no action alternative and reviewed each alternative. In addition, he noted that none of them are projected to impact the District's water supplies in any significant way – Reclamation plans to continue to meet the 300,000 AF planning minimum at the end of December every year (with exceptions during extreme drought), and to meet the modified flow management standard for flows in the Lower American River.

5. Introduction of Ordinance No. 24-03 Amending Ordinances 2000 and 5000 (W & R)

Ms. Silva provided a written staff report which was included in the Board packet. She explained that staff are in the process of reviewing the District ordinances for updates and the revisions to Ordinances 2000 and 5000 are basically for housekeeping purposes. She informed the Board that these ordinances make reference to the Policies and Procedures Manual dated May 15, 2002, which has been superseded multiple times, most recently in 2006, then in 2020 by the revamped Personnel Manual. In addition, she reminded the Board that they delegated authority to the General Manager for future amendments of all but two chapters of the Personnel Manual. She explained that Ordinance 5000 needs to be amended to reflect this delegation and retention of authority as well as the topics covered by the two chapters still subject to Board approval.

Vice President Costa moved to waive the first reading of Ordinance No. 24-03 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinances 2000 and 5000. Director Tobin seconded the motion and it carried unanimously.

V. OLD BUSINESS

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

GM Helliker reported that the discussion at the Water Bank Program Committee meeting was about previously-banked water. Sacramento Suburban Water District (SSWD) was adamant that they spent a lot of money on banked water that should be counted towards their base of banked water, while Placer County and PCWA have stated agencies should not be allowed to count previously-banked water in the expanded Water Bank. The Committee agreed to work with SGA to quantify an appropriate amount of water that has been previously-banked, for use in the expanded Water Bank.

GM Helliker reported that there have not been further discussions with SSWD regarding groundwater banking since the two agencies are collaborating on the Business Case Analysis, and SSWD and Del Paso Manor Water District (DPMWD) have been discussing a merger as well. In response to Director Tobin's question regarding DPMWD/SSWD merger, GM Helliker explained that if DPMWD merges with SSWD then DPMWD financial obligations, including any infrastructure investments, would be covered by a special assessment to DPMWD customers. In addition, GM Helliker pointed out that this topic would be covered in the Business Case Analysis.

In response to Vice President Costa's comment, GM Helliker explained that the District does not have rights to water in SSWD's basin and SSWD bought all of their surface supplies for which they have gotten in-lieu recharge credit from either PCWA or us. He noted that the Antelope Pump Station Agreement allows for schemes to pay back or pay for groundwater they deliver, but it includes no commitment for a specific amount of water supply from SSWD, which is why staff is working on a deal to buy capacity or water. In addition, Ms. Silva confirmed that the budget still includes the \$5 million the Board authorized, and she reminded the Board that that amount would be funded by debt.

2. 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. He conducted a presentation that is available on the District's website Board meeting page. In addition, he reported that a power bypass may be required this fall since temperatures at Watt Avenue have been exceeding the 65-degree requirement.

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 July which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that SB 366 passed both houses (unanimously) and is headed to the Governor for signature. He informed the Board that the bill sets the target of 9 million acre feet of additional water supply reliability, additional storage, groundwater recharge, desalination, and recycling by 2040, and DWR is required by 2028 in the California Water Plan to identify strategies to meet that target.

GM Helliker reported that the District owns a portion of the capacity in the California Oregon Transmission Project and the contract with SMUD ends at the end of this year. He reported that Mr. Zlotnick has been working on this and it will be brought back to the Board at the next meeting for discussion.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 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

Mr. Pierson reported that the project at Douglas Blvd. and Auburn Folsom Road is almost complete and there was little disruption to traffic during the project. In addition, he commended the District's Construction Inspector, Justen Cater, for changing his working hours to accommodate the project.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

No report.

VII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

No report.

2. REGIONAL WATER AUTHORITY (RWA)

No report.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reported that Westlands Water District had a formal ribbon-cutting ceremony for one of their recharge projects, which received nearly \$4 million in grant funding. She would like to know why the District doesn't do this as well. In addition, she reported that ACWA sponsored AB 2257, which should help member agencies avoid Prop. 218 lawsuits, is headed to the Governor's desk.

Director Tobin reported that she attended the Region 8 meeting where she moderated the discuss panel for Women in Water. In addition, she provided an update from the ACWA Priorities list.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin reported that recruiting efforts have begun to fill the vacancy from Kevin Phillips leaving ACWA-JPIA.

4. CVP WATER USERS ASSOCIATION

Vice President Costa reported that the CVP Water Users Association meets quarterly.

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

Director Rich inquired about the printout that Director Tobin provided to them prior to the meeting. General Counsel Jones will discuss the document with Director Tobin to determine what needs to be redacted and requested that the document be returned to Director Tobin. The directors returned the document to Director Tobin.

Director Costa inquired if the revenue that is received from water transfers could be used for a Low Income Rate Assistance Program. Ms. Silva explained that the water transfers generate wholesale revenue and the program would be a retail program. GM Helliker stated that the District could not use those funds towards the program since it would violate the wholesale water supply agreements.

VIII. COMMITTEE MEETINGS

1. Finance Committee – July 9, 2024

The committee meeting minutes were included in the Board packet.

IX. UPCOMING EVENTS

1. 2024 ACWA Fall Conference

December 3-5, 2024
Palm Desert, CA

President Zamorano had announced that there would be no Closed Session.

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)

XI. OPEN SESSION

No report.

XII. ADJOURN

The meeting was adjourned at 7:45 p.m.

MANUEL ZAMORANO, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary